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Submitted: 05/09/2006 at 18:11:18

File Number: 0002597508

WT 06-113

DOCKET FILE COPY ORIGINAL

FCC 603
Main Form

FCC Wireless Telecommunications Bureau
Application for Assignments of Authorization
and Transfers of Control

Approved by OMB
3060 - 0800

See instructions for
public burden estimate

General Information

1) Application Purpose (Select only one) (TC)	
AA - Assignment of Authorization TC - Transfer of Control	AM - Amendment WD - Withdrawal
NT - Required Notification (For Consummation of an Assignment or Transfer) EX - Request for Extension of Time (To Consummate an Assignment or Transfer)	
2) If this application is for an Amendment (AM) or Withdrawal (WD), enter the File Number of the pending or consented to application currently on file with the FCC.	File Number:
3a) Is this application for Assignment of Authorization or Transfer of Control part of a series of applications involving other wireless license(s) held by the licensee, affiliates of the licensee (e.g., parents, subsidiaries, or commonly-controlled entities), or third parties that are not included on this application and for which Commission approval or notification is required?	(N) Yes No
3b) If the answer to 3a is 'Y', provide the File Number of the lead application.	File Number:
3c) Does this application for Assignment of Authorization or Transfer of Control involve the assignment or transfer of non-wireless licenses/authorizations for which Commission approval or notification is required?	(Y) Yes No
4) Are attachments being filed with this application?	(Y) Yes No

Fees and Waivers

5a) Is the applicant exempt from FCC application fees? If 'Y', attach an exhibit justifying how the applicant is exempt from FCC application fees.	(N) Yes No
5b) Is a waiver/deferral of the FCC application fees being requested and the application fees are not being submitted in conjunction with this application? If 'Y', attach a date-stamped copy of the request for waiver/deferral of the FCC application fees.	(N) Yes No
6a) Does this application include a request for waiver of the Commission's rules (other than a request for application fee waivers)? If 'Y', attach an exhibit specifying the rule section(s) for which a waiver is being requested and including a justification for the waiver request.	(Y) Yes No
6b) If 6a is 'Y', enter the number of rule sections involved.	Number of Rule Sections: 1

Additional Transaction Information

7) Has this application for Assignment of Authorization or Transfer of Control already occurred?	(N) Yes No
8a) The Assignment of Authorization or Transfer of Control is:	<input checked="" type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary
8b) If 8a is 'involuntary', provide the date that the event occurred:	(MM/DD/YYYY) / /
9a) Is this application a <i>pro forma</i> Assignment of Authorization or Transfer of Control?	(N) Yes No
9b) If 9a is 'Y', is this a post notification that is being filed under the Commission's forbearance procedures pursuant to Section 1.948(c)(1) of the Commission's Rules?	() Yes No
9c) If 9b is 'Y', provide the consummation date of the Assignment of Authorization or Transfer of Control.	(MM/DD/YYYY) / /
10a) Does this application involve the partitioning and/or disaggregation of geographic-area licenses? If 'Y', complete Schedule B and, if applicable, Schedule C.	() Yes No
10b) If 10a is 'N', does this application involve the partial assignment of site-based licenses?	() Yes No

11) How will/has the Assignment of Authorization or Transfer of Control be/been accomplished? Select One: (T)

Sale or other assignment of assets

Court order

Reorganization or liquidation

Transfer of stock or other ownership interests

Other (voting trust agreement, management contract, etc.): _____

Designated Entity Information (If 12a, 12b or 12c is 'Y', Schedule A is required to be completed.)

12a) Does this application for Assignment of Authorization or Transfer of Control involve any licenses that were originally awarded with bidding credits within the last five years?	(N) <u>Yes</u> No
12b) Does this application for Assignment of Authorization or Transfer of Control involve any licenses that were originally subject to the Commission's installment payment plan?	(N) <u>Yes</u> No
12c) Does this application for Assignment of Authorization or Transfer of Control involve any licenses that were originally granted pursuant to closed bidding within the last five years?	(N) <u>Yes</u> No

Competition-Related Information

13) Does this application for Assignment of Authorization or Transfer of Control involve a license(s) that may be used for interconnected mobile voice and/or data services that would, if assigned or transferred, create a geographic overlap with another license(s) in which the Assignee/Transferee already holds direct or indirect interests (of 10 percent or more), either as a licensee or spectrum lessee/sublessee, and that also could be used to provide interconnected mobile voice and/or data services?	(N) <u>Yes</u> No
14a) Does the Assignee/Transferee hold direct or indirect interests (of 10 percent or more) in any entity that already has access to 10 MHz or more spectrum in the Cellular Radiotelephone, broadband PCS, or Specialized Mobile Radio (SMR) services through license(s), lease(s), or sublease(s) in the same geographic area?	(N) <u>Yes</u> No
14b) Would/does this application for Assignment of Authorization or Transfer of Control reduce the number of entities providing service (using spectrum in any of the three services listed in item 14a) in the affected market(s)?	(N) <u>Yes</u> No

Broadband Radio Service and Educational Broadband Service Information

15a) Will the requested facilities be used to provide multichannel video programming?	() <u>Yes</u> No
15b) If 15a is 'Y', does the Assignee/Transferee operate, control or have attributable interest (as defined in Section 27.1202 of the Commission's Rules) in a cable television system whose franchise area is located within the geographic area of the requested facilities? If 'Y', provide an exhibit explaining how the Assignee/Transferee complies with Section 27.1202 of the Commission's Rules or justifying a waiver of that rule. If a waiver of the Commission's Rule(s) is being requested, 6a must be answered 'Y'.	() <u>Yes</u> No
16) Does the Assignee/Transferee comply with the programming requirements contained in Section 27.1203 of the Commission's Rules? If 'N', provide an exhibit explaining how the Assignee/Transferee complies with Section 27.1203 of the Commission's Rules or justifying a waiver of that rule. If a waiver of the Commission's Rule(s) is being requested, 6a must be answered 'Y'.	() <u>Yes</u> No

Assignor/Licensee Information

17) Assignor/Licensee is a(n): (Select One)

- Individual
 Unincorporated Association
 Trust
 Government Entity
 Corporation
 Limited Liability Company
 General Partnership
 Limited Partnership
 Limited Liability Partnership
 Consortium
 Other: _____

18) FCC Registration Number (FRN): 0001731470

19) First Name (if individual): _____ MI: _____ Last Name: _____ Suffix: _____

20) Legal Entity Name (if not an individual): Puerto Rico Telephone Company, Inc.

21) Attention To: Mr. Walter Arroyo

22) P.O. Box: 360998 **And /Or** 23) Street Address:

24) City: San Juan 25) State: PR 26) Zip Code: 00936-0998

27) Telephone Number: (787)782-9046 28) Fax Number: (787)783-1060

29) E-Mail Address: warroyo@prtcmail.prtc.net

30) Demographics of Assignor/Licensee (Optional):

Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African-American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female
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Assignor/Licensee Contact Representative

31) First Name:	MI:	Last Name:	Suffix:
32) Company Name:			
33) Attention To:			
34) P.O. Box:	And /Or	35) Street Address:	
36) City:	37) State:	38) Zip Code:	
39) Telephone Number:	40) Fax Number:		
41) E-Mail Address:			

Transferor Information (for Transfers of Control only)

42) Transferor is a(n): (Select One)

Individual
 Unincorporated Association
 Trust
 Government Entity
 Corporation
 Limited Liability Company

General Partnership
 Limited Partnership
 Limited Liability Partnership
 Consortium

Other: _____

43) FCC Registration Number (FRN): 0003257094

44) First Name (if individual):	MI:	Last Name:	Suffix:
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45) Legal Entity Name (if not an individual): Verizon Communications Inc.

46) Attention To: Suzanne Carmel

47) P.O. Box:	And /Or	48) Street Address: 1300 I Street, N.W. - Suite 400
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49) City: Washington	50) State: DC	51) Zip Code: 20005
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52) Telephone Number: (202)515-2537	53) Fax Number: (202)336-7922
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54) E-Mail Address: scarmel@verizon.com

55) Demographics of Transferor (Optional):

<p>Race:</p> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African-American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	<p>Ethnicity:</p> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	<p>Gender:</p> <input type="checkbox"/> Male <input type="checkbox"/> Female
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Transferor Contact Representative

56) First Name: Nancy	MI: J	Last Name: Victory	Suffix: Esq
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57) Company Name: Wiley Rein & Fielding LLP

58) Attention To:

59) P.O. Box:	And /Or	60) Street Address: 1776 K Street, N.W.
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61) City: Washington	62) State: DC	63) Zip Code: 20006
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64) Telephone Number: (202)719-7344	65) Fax Number: (202)719-7207
-------------------------------------	-------------------------------

66) E-Mail Address: nvictory@wrf.com

Ownership Disclosure Information

94a) Is the Assignee/Transferee required to file FCC Form 602, Ownership Disclosure Information for the Wireless Telecommunications Services?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>
94b) If 94a is 'Y', provide the File Number of the FCC Form 602 that is required to be submitted in conjunction with this application or already on file with the FCC.	File Number: 0002604261 _____

Alien Ownership Information

95) Is the Assignee/Transferee a foreign government or the representative of any foreign government?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>
96) Is the Assignee/Transferee an alien or the representative of an alien?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>
97) Is the Assignee/Transferee a corporation organized under the laws of any foreign government?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>
98) Is the Assignee/Transferee a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>
99a) Is the Assignee/Transferee directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>
99b) If 99a is 'Y', has the Assignee/Transferee received a ruling(s) under Section 310(b)(4) of the Communications Act with respect to the same radio service(s) and geographic coverage area(s) involved in this application? If 99b is 'N', attach a date-stamped copy of a request for a foreign ownership ruling pursuant to Section 310(b)(4) of the Communications Act.	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>

Basic Qualification Information

100) Has the Assignee/Transferee or any party to this application had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, or construction permit denied by the Commission?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>
101) Has the Assignee/Transferee or any party to this application, or any party directly or indirectly controlling the Assignee/Transferee ever been convicted of a felony by any state or federal court?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>
102) Has any court finally adjudged the Assignee/Transferee, or any party directly or indirectly controlling the Assignee/Transferee guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or any other means or unfair methods of competition?	(<input type="radio"/>) <u>Yes</u> <input type="radio"/> <u>No</u>

Assignor/Transferor Certification Statements

- 1) The Assignor/Transferor certifies either that (1) the authorization will not be assigned or that control of the license(s) will not be transferred until the consent of the Federal Communications Commission has been given, or (2) prior Commission consent is not required because the transaction is subject to streamlined notification procedures for *pro forma* assignments and transfers by telecommunications carriers. See Section 1.948(c)(1) of the Commission's Rules.
- 2) The Assignor/Transferor certifies that all statements made in this application and in the exhibits, attachments, or documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.
- 3) The Assignor/Transferor certifies that it is not in default on any payment for Commission licenses and that it is not delinquent on any non-tax debt owed to any federal agency.

Typed or Printed Name of Party Authorized to Sign

103) First Name: Michael	MI: E	Last Name: Glover	Suffix:
104) Title: Senior VP and Deputy General Counsel			
Signature: Michael E Glover			105) Date: 05/09/2006

**FAILURE TO SIGN THIS APPLICATION MAY RESULT IN DISMISSAL OF THE APPLICATION AND FORFEITURE OF ANY FEES PAID.
WILLFUL FALSE STATEMENTS MADE ON THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).**

Assignee/Transferee Certification Statements

- 1) The Assignee/Transferee certifies either that (1) the authorization(s) will not be assigned or that control of the license(s) will not be transferred until the consent of the Federal Communications Commission has been given, or (2) prior Commission consent is not required because the transaction is subject to streamlined notification procedures for *pro forma* assignments and transfers by telecommunications carriers. See Section 1.948(c)(1) of the Commission's Rules.
- 2) The Assignee/Transferee waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application.
- 3) The Assignee/Transferee certifies that grant of this application would not cause the Assignee or Transferee to be in violation of any pertinent cross-ownership or attribution rules.*
*If the Assignee/Transferee has sought a waiver of any such rule in connection with this application, it may make this certification subject to the outcome of the waiver request.
- 4) The Assignee/Transferee agrees to assume all obligations and abide by all conditions imposed on the Assignor/Transferor under the subject authorization(s), unless the Federal Communications Commission pursuant to a request made herein otherwise allows, except for liability for any act done by, or any right accrued by, or any suit or proceeding had or commenced against the Assignor/Transferor prior to this assignment/transfer.
- 5) The Assignee/Transferee certifies that all statements made in this application and in the exhibits, attachments, or documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.
- 6) The Assignee/Transferee certifies that neither it nor any other party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance. See Section 1.2002(b) of the Commission's Rules for the definition of "party to the application" as used in this certification.
- 7) The Assignee/Transferee certifies that it is not in default on any payment for Commission licenses and that it is not delinquent on any non-tax debt owed to any federal agency.

Typed or Printed Name of Party Authorized to Sign

106) First Name: Alejandro	MI:	Last Name: Cantu Jimenez	Suffix:
107) Title: General Counsel			
Signature: Alejandro Cantu Jimenez			108) Date: 05/09/2006
FAILURE TO SIGN THIS APPLICATION MAY RESULT IN DISMISSAL OF THE APPLICATION AND FORFEITURE OF ANY FEES PAID.			
WILLFUL FALSE STATEMENTS MADE ON THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).			

Authorizations To Be Assigned or Transferred

108) Call Sign	109) Radio Service Code	110) Location Number	111) Path Number (Microwave only)	112) Frequency Number	113) Lower or Center Frequency (MHz)	114) Upper Frequency (MHz)	115) Constructed Yes / No
KNKA384	CL - Cellular						Y
KNKA399	CL - Cellular						Y
KNKA460	CL - Cellular						Y
KNKA464	CL - Cellular						Y
KNKA471	CL - Cellular						Y
KNKN371	CL - Cellular						Y
KNKN397	CL - Cellular						Y
KNKN414	CL - Cellular						Y
KNKN486	CL - Cellular						Y
KNKN505	CL - Cellular						Y
KNKN532	CL - Cellular						Y
KNKN957	CL - Cellular						Y
KNLG211	CW - PCS Broadband						Y
KNLH621	CW - PCS Broadband						Y
WBB286	CF - Common Carrier Fixed Point to Point Microwave						Y
WDU568	CF - Common Carrier Fixed Point to Point Microwave						Y
WDU618	CF - Common Carrier Fixed Point to Point Microwave						Y
WDV222	CF - Common Carrier Fixed Point to Point Microwave						Y

108) Call Sign	109) Radio Service Code	110) Location Number	111) Path Number (Microwave only)	112) Frequency Number	113) Lower or Center Frequency (MHz)	114) Upper Frequency (MHz)	115) Constructed Yes / No
WFY556	CF - Common Carrier Fixed Point to Point Microwave						Y
WFY637	CF - Common Carrier Fixed Point to Point Microwave						Y
WFY848	CF - Common Carrier Fixed Point to Point Microwave						Y
WGX409	CF - Common Carrier Fixed Point to Point Microwave						Y
WHA586	CF - Common Carrier Fixed Point to Point Microwave						Y
WHB418	CE - Digital Electronic Message Service - Common Carrier						Y
WHK833	CE - Digital Electronic Message Service - Common Carrier						Y
WHO882	CF - Common Carrier Fixed Point to Point Microwave						Y
WHU22	CF - Common Carrier Fixed Point to Point Microwave						Y
WLA784	CF - Common Carrier Fixed Point to Point Microwave						Y
WLA977	CF - Common Carrier Fixed Point to Point Microwave						Y
WLA979	CF - Common Carrier Fixed Point to Point Microwave						Y
WLB965	CF - Common Carrier Fixed Point to Point Microwave						Y
WLC430	CF - Common Carrier Fixed Point to Point Microwave						Y
WLM213	CF - Common Carrier Fixed Point to Point Microwave						Y
WLM508	CF - Common Carrier Fixed Point to Point Microwave						Y
WLT765	CF - Common Carrier Fixed Point to Point Microwave						Y
WQP78	CF - Common Carrier Fixed Point to Point Microwave						Y
WQP79	CF - Common Carrier Fixed Point to Point Microwave						Y

108) Call Sign	109) Radio Service Code	110) Location Number	111) Path Number (Microwave only)	112) Frequency Number	113) Lower or Center Frequency (MHz)	114) Upper Frequency (MHz)	115) Constructed Yes / No
WQP80	CF - Common Carrier Fixed Point to Point Microwave						Y
WQP82	CF - Common Carrier Fixed Point to Point Microwave						Y
WWM22	CF - Common Carrier Fixed Point to Point Microwave						Y
WWM23	CF - Common Carrier Fixed Point to Point Microwave						Y
WWR75	CF - Common Carrier Fixed Point to Point Microwave						Y
WWR76	CF - Common Carrier Fixed Point to Point Microwave						Y
WWT48	CF - Common Carrier Fixed Point to Point Microwave						Y
WWT49	CF - Common Carrier Fixed Point to Point Microwave						Y
WWT51	CF - Common Carrier Fixed Point to Point Microwave						Y
WWT52	CF - Common Carrier Fixed Point to Point Microwave						Y
WWT53	CF - Common Carrier Fixed Point to Point Microwave						Y
WWT63	CF - Common Carrier Fixed Point to Point Microwave						Y
WWT64	CF - Common Carrier Fixed Point to Point Microwave						Y
WWY31	CF - Common Carrier Fixed Point to Point Microwave						Y
WWY32	CF - Common Carrier Fixed Point to Point Microwave						Y
WWY33	CF - Common Carrier Fixed Point to Point Microwave						Y
WWY34	CF - Common Carrier Fixed Point to Point Microwave						Y
WWY36	CF - Common Carrier Fixed Point to Point Microwave						Y
WWY73	CF - Common Carrier Fixed Point to Point Microwave						Y

108) Call Sign	109) Radio Service Code	110) Location Number	111) Path Number (Microwave only)	112) Frequency Number	113) Lower or Center Frequency (MHz)	114) Upper Frequency (MHz)	115) Constructed Yes / No
WWY89	CF - Common Carrier Fixed Point to Point Microwave						Y
WWZ20	CF - Common Carrier Fixed Point to Point Microwave						Y
WWZ28	CF - Common Carrier Fixed Point to Point Microwave						Y
WWZ32	CF - Common Carrier Fixed Point to Point Microwave						Y
WWZ45	CF - Common Carrier Fixed Point to Point Microwave						Y
WWZ49	CF - Common Carrier Fixed Point to Point Microwave						Y
WYW890	IG - Industrial/Business Pool, Conventional						Y

Attachment(s):

Type	Description	Date Entered
O	<u>Public Interest Statement</u>	05/09/2006
W	<u>Petition for Declaratory Ruling & Transaction Overview</u>	05/09/2006

BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

In re Applications of)
)
VERIZON COMMUNICATIONS INC.,)
Transferor,)
)
and)
)
AMÉRICA MÓVIL, S.A. DE C.V.,) WT Docket No. _____
Transferee,)
)
)
for Consent to the Transfer of Control of)
Entities Holding Commission Licenses and)
Authorizations Pursuant to Sections 214 and)
310(d) of the Communications Act)

**OVERVIEW OF TRANSACTION/
PETITION FOR DECLARATORY RULING/
REQUEST FOR PROCEDURAL CONSIDERATIONS**

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May 9, 2006

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BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

In re Applications of)
)
VERIZON COMMUNICATIONS INC.,)
Transferor,)
)
and)
)
AMÉRICA MÓVIL, S.A. DE C.V.,) WT Docket No. _____
Transferee,)
)
)
for Consent to the Transfer of Control of)
Entities Holding Commission Licenses and)
Authorizations Pursuant to Sections 214 and)
310(d) of the Communications Act)

**OVERVIEW OF TRANSACTION/
PETITION FOR DECLARATORY RULING/
REQUEST PROCEDURAL CONSIDERATIONS**

I. INTRODUCTION

América Móvil, S.A. de C.V. (“América Móvil”) and Verizon Communications Inc. (“Verizon”) (all parties collectively, the “Applicants”), hereby request Commission consent pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended (the “Act”),¹ to consummate a transaction that will result in the sale of the issued and outstanding shares of common stock of Telecomunicaciones de Puerto Rico, Inc. (“TELPRI”) controlled by Verizon and certain other stockholders of TELPRI to América Móvil. For the reasons stated in the attached Public Interest Statement and in the respective applications to transfer control of

¹ 47 U.S.C. §§ 214, 310(d).

certain Commission licenses and authorizations (the "Applications"), the transaction is in the public interest and the Applications therefore should be granted unconditionally.

II. OVERVIEW OF THE TRANSACTION.

A. Description Of The Transaction.

On April 2, 2006, Sercotel, S.A. de C.V. ("Sercotel"), a corporation organized under the laws of Mexico and a subsidiary of América Móvil, and GTE Holdings (Puerto Rico) LLC ("GTE Holdings"), a wholly owned subsidiary of Verizon, entered into a Stock Purchase Agreement, pursuant to which Sercotel agreed to purchase from GTE Holdings all of the issued and outstanding shares of common stock of TELPRI owned by it, representing approximately 52 percent of the issued and outstanding shares of common stock of TELPRI. In exchange for each share of common stock purchased by Sercotel, Sercotel has agreed to pay to GTE Holdings \$72.13567 in cash, representing an aggregate purchase price for all of the shares of TELPRI common stock owned by GTE Holdings of approximately \$938 million, which purchase price is subject to adjustment on the terms set forth in the Stock Purchase Agreement.

In addition, under the terms of certain existing agreements to which GTE Holdings is a party, the other TELPRI stockholders have a right (or, in the case of one TELPRI stockholder, will be offered the opportunity) to participate in the proposed transaction with respect to all of the shares of TELPRI common stock owned by them. The Stock Purchase Agreement requires that Sercotel purchase any and all shares of TELPRI common stock that the other TELPRI stockholders elect to include in the transaction, without any reduction in the number of shares purchased by Sercotel from GTE Holdings.²

² América Móvil may elect to have Sercotel purchase the shares directly or through a wholly-owned subsidiary of Sercotel. As this change would not result in a substantive

On May 4, 2006, Popular, Inc., a TELPRI stockholder, agreed to sell to Sercotel all of the issued and outstanding shares of common stock of TELPRI owned by it, representing approximately 13 percent of the issued and outstanding shares of common stock of TELPRI. If the other stockholders of TELPRI elect to sell all of their shares of TELPRI common stock to Sercotel, Sercotel will acquire 100 percent of the issued and outstanding shares of common stock of TELPRI. In all cases, however, Sercotel will acquire at least 65 percent of the issued and outstanding shares of common stock of TELPRI, representing the percentage ownership of TELPRI that GTE Holdings and Popular, Inc. have agreed to sell to Sercotel.

Following the consummation of the transaction, TELPRI will continue to own the stock of its subsidiaries and TELPRI's subsidiaries will continue to hold all of the FCC authorizations that they hold prior to the transaction. As such, the transaction does not involve any assignment of licenses and authorizations held by TELPRI's subsidiaries, or any change in the licensees that hold such licenses and authorizations, and those companies will continue to provide service to the public. Similarly, the transaction will not result in any assignment of other existing licenses and authorizations held by América Móvil, Verizon, or any of their other subsidiaries not involved in this transaction, or any change in the licensees that hold such licenses and authorizations. Those companies also will continue to provide service to the public.

In addition to FCC approval, the transaction is subject to notification to and/or review by other governmental agencies, including review by the Department of Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18(a), and the rules

change of ownership or ultimate control of PRT, América Móvil will advise the Commission of the ownership structure it elects to use at the time it files its notice of consummation.

promulgated thereunder. The parties intend to notify the Committee on Foreign Investment in the United States pursuant to the Exon-Florio Amendment to the Defense Production Act of 1950, as amended, 50 U.S.C. § 2170, and the rules promulgated thereunder. The parties intend to consummate the transaction as promptly as possible after the necessary FCC and other regulatory approvals have been received and certain other pre-conditions set forth in the Stock Purchase Agreement have been satisfied. In addition, the transaction is subject to notification to the Telecommunications Regulatory Board of Puerto Rico.

B. Description Of The Parties.

1. América Móvil.

América Móvil is one of the leading providers of telecommunications services in the Americas. América Móvil was formed in 2000 as a spin-off from Teléfonos de México, S.A. de C.V. ("Telmex"), and has since grown into one of the largest telecommunications service providers in the world. Through subsidiaries in fourteen countries, América Móvil provides telecommunications services to over 102 million subscribers. Most of its operations -- some 100 million subscribers -- are in the wireless business. In addition, América Móvil operates wireline service providers in Guatemala, El Salvador, and Nicaragua, serving more than 2 million consumers in those three countries. América Móvil has substantial business operations throughout North, Central, and South America. Its largest business remains its wireless operation in Mexico, where it offers wireless services under the Telcel brand and has approximately 37.6 million wireless subscribers. In addition, América Móvil has an indirect controlling interest in TracFone Wireless, Inc. ("TracFone"), a prepaid wireless provider in the United States (including Puerto Rico). As of March 2006, TracFone had 6.9 million prepaid wireless subscribers throughout the United States.

2. Verizon.

Verizon is a holding company that owns operating subsidiaries that provide a range of communications services in the United States and throughout the world. The company's operating subsidiaries offer local telephone service, as well as broadband, nationwide long distance, high-capacity connections, and other services. Verizon owns, operates, monitors, and maintains extensive communications networks, with facilities in countries and cities throughout North America, Latin America, Europe, Africa, and the Asia-Pacific region. Further, Verizon is a majority owner of Verizon Wireless, which serves 53 million voice and data subscribers across the United States.

3. Telecomunicaciones de Puerto Rico, Inc.

TELPRI, through its subsidiaries, is the largest telecommunications service provider in Puerto Rico, with approximately 1.1 million wireline subscribers and approximately 500,000 wireless subscribers. Puerto Rico Telephone Company, Inc. ("PRT") and PRT Larga Distancia, Inc. ("PRT LD") are the wholly-owned operating subsidiaries of TELPRI. Historically, PRT's primary line of business has been providing wireline telecommunications services to consumers in Puerto Rico. In addition, PRT provides postpaid and prepaid wireless services in Puerto Rico under the "Verizon Wireless" brand name. PRT holds various FCC authorizations and licenses in support of both its wireline and wireless businesses. PRT LD carries off-island long distance traffic. PRT LD holds domestic and international 214 authorizations, as listed below.

C. Applications Being Filed.

The Applicants are filing with the Commission a total of three applications requesting consent to the transfer of control to América Móvil of licenses and authorizations controlled by

TELPRI's subsidiaries. These include existing domestic and international Section 214 authorizations and Title III radio station authorizations as follows:

- Part 101 – Digital Electronic Message Service Licenses
 - Puerto Rico Telephone Company, Inc. (WHB418, *et al.*)
- Part 101 – Common Carrier Fixed Point-to-Point Microwave Licenses
 - Puerto Rico Telephone Company, Inc. (WBB286, *et al.*)
- Part 22 – Cellular Licenses
 - Puerto Rico Telephone Company, Inc. (KNKN414, *et al.*)
- Part 24 – PCS Broadband Licenses
 - Puerto Rico Telephone Company, Inc. (KNLG211, *et al.*)
- Part 90 – Industrial/Business Pool
 - Puerto Rico Telephone Company, Inc. (WYW890)

III. PETITION FOR DECLARATORY RULING UNDER SECTION 310(B)(4).

América Móvil hereby requests that the Commission grant a petition for declaratory ruling that the proposed foreign ownership structure of TELPRI in excess of the 25 percent benchmark set forth in Section 310(b)(4) of the Communications Act is in the public interest.³ In its *Foreign Participation Order*, the Commission found that “additional foreign investment can promote competition in the U.S. market,” and that “the public interest will be served by permitting more open investments by entities from World Trade Organization (“WTO”) member

³ 47 U.S.C. § 310(b)(4); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891, 23939 ¶ 111 (1997) (“*Foreign Participation Order*”).

countries in U.S. common carrier wireless licenses.”⁴ In light of these findings, the Commission replaced its equivalent competitive opportunities analysis with a rebuttable presumption in favor of entry for applicants from WTO-member countries.⁵ The Commission has subsequently affirmed that policy on several occasions.⁶

As described above, upon consummation of the instant transaction TELPRI and its subsidiaries will become subsidiaries of Sercotel. Sercotel will own at least 65 percent, and as much as 100 percent, of TELPRI, depending on which of the other TELPRI stockholders elect to participate in the transaction. Sercotel is a subsidiary of América Móvil; América Móvil owns 99.99 percent of Sercotel. América Móvil is a Mexican corporation whose American Depositary Shares are publicly traded on the New York Stock Exchange. As of December 31, 2005, América Telecom owned an equity interest of 40.36 percent of América Móvil, and 64.72 percent of the voting shares of América Móvil.⁷ Mr. Carlos Slim Helú and various members of his family own an 81 percent interest in América Telecom.

⁴ *Foreign Participation Order*, 12 FCC Rcd at 23939 ¶ 111.

⁵ *Id.* at 23913 ¶ 50.

⁶ *See, e.g., Aerial Communications, Inc.*, DA 00-730 (IB/WTB rel. Mar. 31 2000) at ¶ 9. (when analyzing proposed foreign investment in common carrier licensees, the Wireless and International Bureaus are “guided . . . by the U.S. Government’s commitment under the World Trade Organization (“WTO”) Basic Telecommunications Agreement, which seeks to promote global markets for telecommunications so that consumers may enjoy the benefits of competition”); *VoiceStream Wireless Corp.*, FCC 99-53 (rel. Feb 15, 2000) at ¶ 16 (the FCC has adopted a “strong presumption that no competitive concerns are raised by . . . indirect foreign investment[s] from WTO member countries”).

⁷ SBC International, Inc. (“SBCI”), a wholly-owned subsidiary of the U.S. telecommunications company AT&T Inc., holds approximately 7.91 percent of América Móvil’s total capital stock as of December 31, 2005. This interest is held in the form of AA shares, and would normally represent approximately 24.47 percent of the voting shares of América Móvil. América Móvil’s bylaws prohibit non-Mexican entities from

These entities and individuals are all entitled to the presumption in favor of entry because they are nationals of Mexico, and Mexico is a member of the WTO. América Móvil is a corporation organized under the laws of Mexico and headquartered in Mexico; a majority of its directors and officers are Mexican nationals;⁸ and its businesses in Mexico account for more revenue than its businesses from any other country.⁹ Under the “principal place of business” analysis adopted by the Commission in the *Foreign Carrier Entry Order*¹⁰ and affirmed in the *Foreign Participation Order*,¹¹ it is clear that América Móvil’s “home market” is Mexico,

holding or acquiring AA shares, except through a trust that effectively neutralizes their votes. SBCI holds its AA shares through a trust that has been approved by relevant authorities in Mexico for this purpose. SBCI also has the right to two seats on the 12-seat board of directors of América Móvil. As of December 31, 2005, 79 percent of the outstanding L shares of América Móvil (approximately 19.4 million) was represented by L Share ADSs, each representing the right to receive 20 L Shares, and 99.9 percent of the L Share ADSs was held by 13,234 holders (including The Bank of New York as Depository) with registered addresses in the United States. 24.79 percent of the A shares were held in the form of A shares ADSs, each representing the right to receive 20 A Shares, and 99.83 percent of the A shares ADSs were held by 5,234 holders with registered addresses in the United States.

⁸ Pursuant to América Móvil’s by-laws, a majority of the directors and a majority of the alternate directors must be Mexican citizens and elected by Mexican stockholders.

⁹ See SEC Form 6-K (filed February, 2006).

¹⁰ 11 FCC Rcd 3873, 3948-52 ¶¶ 199-208 (1995) (“Therefore, in determining an alien entity’s home market for purposes of our public interest determination under Section 310(b)(4), we will identify: (1) the country of its incorporation, organization, or charter; (2) the nationality of all investment principals, officers, and directors; (3) the country in which its world headquarters is located; (4) the country in which the majority of its tangible property, including production, transmission, billing, information, and control facilities, is located; and (5) the country from which it derives the greatest sales and revenues from its operations. If all five of these factors indicate that the same country should be considered to be the entity’s home market, it will be presumed to be so, subject only to rebuttal based on clear and convincing evidence to the contrary.”).

¹¹ *Foreign Participation Order*, 12 FCC Rcd at 23941-92 ¶ 116.

despite its substantial business holdings and operations throughout North, Central, and South America. The same analysis holds true for América Telecom, which holds a direct equity interest in and controls América Móvil. Finally, Mr. Slim and the various members of his family are all citizens of Mexico and, as such, are entitled to the presumption in favor of entry.

América Móvil accordingly requests that the Commission issue a ruling that the foreign ownership interest in TELPRI is in the public interest, and that it make clear that this is true even assuming that the foreign equity and voting interest reaches 100 percent. This request is particularly pertinent because of the structure of the instant transaction -- América Móvil, through its subsidiary Sercotel, is acquiring an approximately 52 percent interest in TELPRI currently held by Verizon through its subsidiary GTE Holdings and an approximately 13 percent interest in TELPRI held by Popular, Inc. In addition, as noted above, the holders of the remaining 35 percent interest in TELPRI have the right (or have been offered the right) to participate in the proposed transaction with respect to all of the shares of common stock of TELPRI held by them. Thus, it is possible that TELPRI will be 100 percent foreign-owned after the consummation of this transaction.¹²

¹² The Commission has previously endorsed ownership of up to 100 percent by entities from WTO member countries. See *Applications of VoiceStream Wireless Corporation, PowerTel, Inc. and Deutsche Telekom AG*, Memorandum Opinion and Order, 16 FCC Rcd 9779 (2001). Shortly before the release of the *Foreign Participation Order*, the Commission approved 100 percent indirect foreign ownership of common carrier radio licenses by Telecom Finland Ltd., a wholly owned subsidiary of PT Finland, Ltd., a private holding company of the Government of Finland. See *Telecom Finland, Ltd., Petition for Determination of the Public Interest under 47 U.S.C. Sec. 310(b)(4) to permit LMDS and PCS Licensing*, Order, 12 FCC Rcd 17648 (1997). More recently, the Commission approved 100% indirect foreign ownership of Telenor Satellite by Telenor ASA, a Norwegian company, which is 79 percent owned by the Kingdom of Norway and 100% indirect foreign ownership of GE Americom by SES Global, a Luxembourg company, which is 75.11 percent foreign owned. See *Lockheed Martin, etc.*, 16 FCC Rcd

Notwithstanding the possibility that not all holders of TELPRI stock will decide to sell, and that TELPRI could become less than 100 percent foreign-owned, specifying that the declaratory ruling of 310(b)(4) covers this possibility would serve an important purpose. Considering that América Móvil is already proposing to acquire a controlling interest in TELPRI, it would be an unnecessary strain on Commission resources to conduct subsequent investigations to the extent that América Móvil's equity interest in TELPRI were to increase upon the consummation of the proposed transaction due to a decision by the other TELPRI stockholders to participate.¹³ Similarly, the public interest will not be served by requiring that any increase in América Telecom's interest in América Móvil, or Mr. Slim's or his family members' interests in América Telecom, be accompanied by more requests for declaratory rulings. All of these entities and individuals are nationals of Mexico, a member of WTO, and already hold controlling interests in the various subsidiaries.¹⁴

Finally, América Móvil has no direct or indirect foreign government ownership. Thus, Section 310(a) is not implicated because América Móvil is not the representative of a foreign government.¹⁵

22897 (2001); *Application of General Electric Corp. and SES Global*, 16 FCC Rcd 18878 (2001) (supplemental order); 16 FCC Rcd 17575 (2001).

¹³ América Móvil will notify the Commission of the total equity interest that América Móvil and its subsidiaries will acquire in its notice of consummation.

¹⁴ To be clear, Applicants are not asking the Commission to waive any future requirement that a transfer of control be accompanied by the appropriate filings and public interest showings. Applicants are merely asking that the Commission allow the various entities that already exercise control to engage in various transactions that might result in an increase or decrease in the total amount of their equity stake, such as might result from a decision by one of the entities to repurchase outstanding shares.

¹⁵ 47 U.S.C. § 310(a).