

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C.

**In re Applications of Verizon  
Communications Inc.,**  
Transferor,

**and**

**América Móvil, S.A. de C.V.,**  
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

WT Docket No. 06-113

DA 06-1245

**MOTION TO ADDRESS PUBLIC INTEREST CONCERNS**

COME NOW the Honorables Kenneth D. McClintock and Orlando Parga, and very respectfully state and pray:

1. The Honorable Commission granted interested parties until July 14<sup>th</sup>, 2006 to file petitions to deny Applicants' requests in the instant case.
2. The appearing parties, Hon. Kenneth D. McClintock and Hon. Orlando Parga, who serve as President and President Pro Temp of the Senate of Puerto Rico, respectively, are not opposed to the requests of the Applicants in the instant case. However, being top elected officials, who in 1996 co-authored Puerto Rico's Telecommunications Reform Law, and the Hon. Orlando Parga, Chairman of the

Senate's Committee on Federal and Consumer Affairs, with the responsibility to watch for the best interests of the people of Puerto Rico, the appearing parties feel compelled to address several public interest concerns tied to the Applicants requests.

3. This Honorable Commission's consent to the Applicants requests in the instant case will permit GTE Holdings, a wholly-owned subsidiary of Verizon (a Delaware corporation), to transfer 52% of TELPRI to América Móvil (a Mexican corporation). América Móvil is also interested in obtaining the approximately 13% interest that Popular, Inc. actually holds in TELPRI, and would be required to purchase most remaining shares, should the government of Puerto Rico exercise such an option.
4. The completion of the proposed transactions would give approximately 65 – 90% of TELPRI -that is, the control of TELPRI- to a foreign corporation. As far as we know, this event would mark the first time that a foreign corporation acquires control of a wire-line telecommunications service provider on United States soil.
5. By completing the transaction, América Móvil would acquire control, not only of a service provider, but of the virtual monopoly TELPRI actually holds over wire-line telecommunications in Puerto Rico as well as its complex infrastructure.

6. It should be noted that “América Móvil was formed in 2000 as a spin-off from Teléfonos de México, S.A. de C.V. (“Telmex”).”<sup>1</sup> That fact further fueled our concerns, since The New York Times recently reported that “[a]fter investing millions to modernize it [Mexico’s antiquated telephone company], he [Mr. Carlos Slim, Telmex’s owner] used his influence over the government [of Mexico] to fight off attempts by competitors -including MCI and AT&T- to get a piece of the pie in the Mexican market.”<sup>2</sup>
7. This situation would require an extra watchful eye from this Honorable Commission -and any other agencies with jurisdiction on the matter- in order to ensure that América Móvil complies with the requirements of federal antitrust laws and regulations.
8. To its credit, América Móvil proposes to expand the coverage of telecommunication services and the service options available to consumers, building upon Verizon’s achievements in Puerto Rico.<sup>3</sup> However, we do not believe that Verizon had outstanding achievements in dealing “with facilities

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<sup>1</sup> Applicants’ *Overview of Transaction / Petition for Declaratory Ruling / Request for Procedural Considerations*.

<sup>2</sup> Ginger Thompson, *Prodded by the Left, Mexico’s Richest Man Talks Equity*, The New York Times, June 3<sup>rd</sup>, 2006.

<sup>3</sup> See Applicants’ *Public Interest Statement*, pp. 2-6.

challenges posed by difficult terrain”<sup>4</sup> in this jurisdiction. Wherefore, we are not confident of América Móvil’s promises.

9. Our lack of confidence in such promises is also supported by a recent editorial published in the Wall Street Journal, which points at the “sketchy” access to service that Telmex provides in rural areas, as well as to the high prices offered by Telmex.<sup>5</sup> According to The New York Times, under the Telmex monopoly, “Mexicans pay some of the highest phone rates in the world.”<sup>6</sup>
10. Considering the above described situation, we believe that the Honorable Commission should also be watchful that América Móvil provides competitive prices and high quality services, favorably comparable to domestic corporations providing wire-line telecommunications to fellow American citizens in the Fifty States and other territories of our nation. It would be unfair -if not discriminatory- for this Honorable Commission to permit that American citizens residing in Puerto Rico receive lower quality services and, worse yet, pay a higher price for wire-line communications, without having the realistic option to make business with another company.

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<sup>4</sup> *Id.* p. 6.

<sup>5</sup> See Editorial: *Slim Pickings*, The Wall Street Journal, June 21, 2006, p. A12.

<sup>6</sup> *Supra*, note 2..

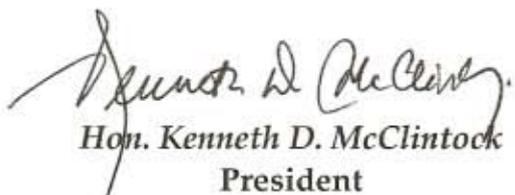
11. There must be no space for experimentation in Puerto Rico. Strong regulation and federal agency controls should be tailored for foreign wire-line communications companies, especially in situations -such as the instant case- where a foreign company gets hold of a monopoly in United States soil.
12. Wherefore, this Honorable Commission should make sure that América Móvil keeps its promise to expand and improve the infrastructure and, as a consequence, improve the services they intend to provide to their future clients in Puerto Rico. América Móvil must also assure that the personnel in charge of TELPRI's management have the knowledge and experience to comply with both federal and local regulations, as well as an understanding of Puerto Rico's telecommunications market.
13. Another matter of special concern is the fact that national security could be in jeopardy if the FCC does not take the necessary precautions before granting Applicants requests. First, duly authorized interception of wire-line and other telecommunications by the federal government will require the use of infrastructure that would be in the hands of a foreign corporation. Second, the day-to-day wire-line communications of federal and local government agencies, including those concerned with national and local security, would be accessible to a foreign corporation. Perhaps, transferee should be required to place

American citizens in all top management positions of TELPRI in order to allay such fears.

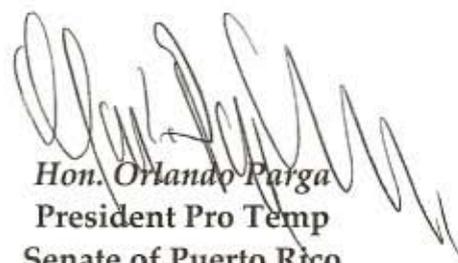
14. We surely hope that, if the requested transfers are consented by this Honorable Commission, América Móvil fulfills its promises of excellence in service and of notable expansion and improvement of TELPRI's infrastructure, for the benefit of the people of Puerto Rico.
15. Should this Honorable Commission decides to grant Applicants their request, we will be watchful of América Móvil's compliance with federal and local regulations on telecommunications, antitrust and wrongful competition.

WHEREFORE, it is respectfully requested that this Honorable Commission takes notice of the above described public interest concerns.

In San Juan, Puerto Rico, the 13<sup>th</sup> day of July, 2006.

  
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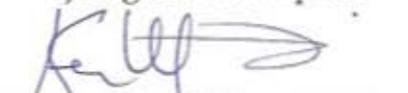
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