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Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S. W., Room TW-A325
Washington, D. C. 20554

Re: In re Applications of Verizon Communications Inc. and América Móvil, S.A. de C.V. for Transfer of Control of FCC Licenses and Authorization Held by Telecommunications de Puerto Rico, Inc., WT Docket No. 06-113

Dear Ms. Dortch:

This letter is written on behalf of WorldNet Telecommunications, Inc. (“WorldNet”) in connection with the above-referenced Docket No. 06-113. In this proceeding, America Movil, S.A. de C.V. (“America Movil”), an affiliate of the dominant foreign carrier Telefonos de Mexico, S.A. de C.V. (“Telmex”), seeks Commission permission to acquire Puerto Rico Telephone Company (“PRTC”) in a complicated transaction.

On August 24, 2006, Centennial Communications Corp. (“Centennial”) submitted a letter in which it brought to the Commission’s attention a development which illustrates the ongoing refusal of PRTC to fulfill both its contractual and legal obligations towards competitive local exchange carriers (“CLECs”). In particular, Centennial described a horrendous situation in which PRTC refused, in an emergency situation, to re-route Centennial’s traffic as it was contractually bound to do. Instead, according to Centennial, PRTC attempted to force the CLEC to concede on a number of unrelated billing matters as a precondition to PRTC’s fulfillment of its obligations. PRTC backed down only after Centennial filed a complaint with the Telecommunications Regulatory Board of Puerto Rico (“Board”).

In response, in a letter dated September 1, 2006, Verizon seeks to minimize the consequences of PRTC’s actions. Instead, it urges the Commission to ignore Centennial’s letter arguing the “incident...has nothing to do with the proposed transaction, which does not affect local wireline markets...” [emphasis added]. Verizon Letter at p. 1. Additionally, Verizon suggests that the “incident” does not indicate “likely future behavior” and is therefore not relevant. *Id.* p. 2.

Both PRTC's actions and Verizon's response are troubling for various reasons. First and foremost, PRTC's actions would appear to be in clear violation of its obligations as a common carrier and Verizon's letter completely ignores this fact. Second, PRTC's actions are relevant because they reflect a continuous course of questionable conduct which raises serious anticompetitive questions. Third, Verizon—and implicitly its affiliate PRTC and its co-petitioner America Movil—are continuing their tactic of urging this Commission to ignore both PRTC's existing CLEC interconnection problems and the impact of the proposed transaction on the local wireline network and competition in Puerto Rico.

As set forth by Centennial, PRTC's actions represent an intolerable breach of its obligations. Taken to their logical consequence, PRTC's actions were not only dangerous and reckless, but could also threaten both public safety and homeland security. Luckily, in this instance, it appears that no one suffered harm as a result of being unable to contact a first responder.

PRTC's purported actions reflect a clear course of anticompetitive conduct and should not be seen as the isolated acts of mid-level managers. WorldNet is constantly beset by PRTC actions which have the consequence of delaying the company's facilities deployment and preventing it from servicing customers. In a similar situation, PRTC recently refused to allow WorldNet to interconnect to interexchange carriers through PRTC's tandems until, when served with a WorldNet complaint to the Board, PRTC reversed its position.

Presently, PRTC is holding-up the deployment of a state-of-the-art WorldNet softswitch by denying hot cuts until PRTC has finished the programming and preparation of its own internal systems. PRTC was informed almost two years ago that WorldNet would be deploying its own switch and hot cutting UNE loops, yet PRTC waited until just a few weeks ago to start its preparation and still refuses to commit to a date by which it will finally be ready.

Similarly, PRTC is still refusing to provide non-discriminatory and timely access to loop make-up information even though it is required by contract and law to do so. *See WorldNet Petition to Deny, WT Docket 06-113 p. 17 (July 14, 2006)*. In fact, a WorldNet request for loop make-up information has been pending unanswered by with PRTC since May. Additionally, PRTC has refused to provide hunt group sequence information for WorldNet customers – information that is needed by WorldNet to program its switch properly as part of the (indefinitely postponed) hot cut process. In the interim, WorldNet's customers suffer because the company has no recourse to effective remedies, including liquidated damages, that were put in place in WorldNet's last interconnection agreement arbitration with PRTC, but which PRTC has tied-up in appeals for the past two years. Unable to reach a resolution, WorldNet has once again been forced to seek relief from the Board.

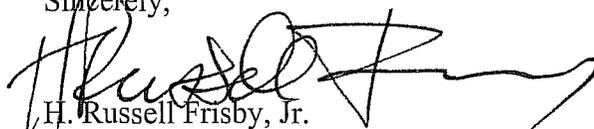
As previously noted, Verizon argues that the proposed transaction does not affect local wireline markets. This statement is inaccurate because since PRTC is the dominant wireline carrier in Puerto Rico, the transaction will most definitely affect the local wireline market. This is more than a deal between wireless companies, and Verizon's statement reflects the petitioners' ongoing attempt to ignore PRTC's important wireline assets. Also, Verizon's refusal to even

acknowledge that the transaction might have an impact on the local wireline network is predictive of the fact that if the transaction is approved without conditions, then the local wireline network will be ignored.

Under the circumstances it is quite appropriate and the public interest dictates that the Commission address in this proceeding PRTC's ongoing and anticompetitive practice of ignoring its legal and contractual obligations regarding CLEC interconnection. The Commission's has broad public interest review authority which allows it to take into account and act based on the "special considerations" of the industry. *See e.g. Merger of MCI Communications Corporation and British Telecommunications plc* 12 F.C.C. Rcd. 15,351, 15,365-15,366 ¶ 30 (September 24, 1997). Contrary to Verizon's contentions, where as here there are "sufficient particularized facts," or sufficient "evidence in the record to conclude that the merged firm will engage in...discrimination or degradation against rivals" or anticompetitive effects are likely as a result of the merger, the Commission can reject or condition a merger. *See e.g. Verizon Communications Inc. and MCI, Inc. Applications for approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18433, ¶ 109 (2005); *Lockheed Martin Corp. Regulus, LLC and Comsat Corp.*, Memorandum, Order and Authorization, 14 FCC Rcd 15816, 15835 ¶ 37 (1999).

It is for this reason that WorldNet and the other opposing parties, including the Board, have urged this Commission to either reject the proposed transaction or require PRTC to adhere to meaningful performance standards as a condition of approval. WorldNet agrees with Centennial when it concludes in its letter that performance conditions are both "prudent and necessary."

Sincerely,



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