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November 1, 2006

VIA ECFS

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Application for Consent to Transfer Control of Telecomunicaciones de Puerto Rico, Inc. from Verizon to América Móvil (WT Docket No. 06-113)

Dear Ms. Dortch:

By this letter, América Móvil, S.A. de C.V. ("América Móvil") supplements the ownership information provided in the Application for Transfer of Control, Petition for Declaratory Ruling, and other related documents (the "Application documents") that have been submitted in this proceeding. In the Application documents, América Móvil and Verizon (collectively "Applicants") explained that this transaction would involve the purchase, directly or indirectly, by América Móvil, of at least 52 percent of the outstanding common stock of Telecomunicaciones de Puerto Rico, Inc. ("TELPRI") from Verizon.[1] The Applicants also stated that the holders of the remaining 48 percent of TELPRI common stock have been offered the opportunity to sell their shares on the same terms as Verizon, and that some holders have already done so.[2]

The Applicants also reported that the transaction would be effectuated through Verizon and América Móvil subsidiaries: GTE Holdings, Inc., a Verizon subsidiary, would be selling the stock to Sercotel, S.A. de C.V. ("Sercotel"), an América Móvil subsidiary.[3] Sercotel

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1 Application for Consent to Transfer Control of Telecomunicaciones de Puerto Rico, Inc. from Verizon to América Móvil, Overview of Transaction/Petition for Declaratory Ruling/Request for Procedural Considerations, WT Docket No. 06-113, at 2 (filed May 9, 2006) ("Overview of Transaction").

2 As of the date of the Application, Popular, Inc. had elected to sell its 13 percent share. Since then, the Puerto Rico Telephone Authority has also elected to sell its 28 percent share of TELPRI. As such, América Móvil is currently slated to purchase at least a 93 percent share of TELPRI. The remaining 7 percent share is owned by the TELPRI Employee Stock Ownership Plan, which has not decided whether to participate in the transaction.

3 Overview of Transaction at. 2. As per the stock purchase agreement, América Móvil retains the right to use a different subsidiary to complete the transaction. Currently, the primary alternative under consideration is a company incorporated in the Dominican Republic, a member of the WTO. América Móvil believes that,

is a holding company organized under the laws of Mexico, and is wholly-owned, directly and indirectly, by América Móvil, itself a Mexican corporation. Like América Móvil, more of Sercotel's revenues derive from its businesses in Mexico than from its businesses in any other country. As such, under the Commission's "principal place of business" analysis, Sercotel's "home market" is Mexico, a member of the World Trade Organization ("WTO"), and Sercotel is entitled to a presumption in favor of entry.[4]

In the Application documents, América Móvil explained that it is a corporation organized under the laws of Mexico with its principal place of business in Mexico. América Móvil's capital stock is traded primarily on the Mexican Stock Exchange, and, as further explained below, also on stock exchanges in the United States and Europe. América Móvil has three classes of stock:

1. *AA Shares.* AA shares are "full voting shares." There are 10.910 billion outstanding AA shares.[5] This represents approximately 30.18 percent of América Móvil's capital stock, and approximately 93.55 percent of América Móvil's voting shares. América Telecom, S.A. de C.V., ("América Telecom") and SBC International, Inc. ("SBCI")[6] own 69.55 and 26.30 percent, respectively, of the outstanding AA shares.[7] The remaining 4.15 percent of the AA shares are owned by other Mexican investors. AA shares are listed on the Mexican Stock Exchange in Mexico City, but holders of these shares typically do not offer them on the public market.

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regardless of the place of incorporation of the particular company América Móvil uses to complete this transaction, the result of this transaction for the purposes of Section 310(b)(4) and applicable Commission rules will be entry in the U.S. telecommunication market by a Mexican entity. However, even if the Commission were to conclude that the entrant is actually a Dominican entity, the presumption in favor of entry that the Commission has granted to entrants from WTO-member countries still applies.

4 As Applicants noted in the Petition for Declaratory Ruling and accompanying Application documents, the Commission has established that potential entrants from WTO-member countries are entitled to a rebuttable presumption in favor of entry. Overview of Transaction at 6-7.

5 Except as otherwise indicated, information regarding América Móvil's capital stock are as of April 30, 2006, as reported in América Móvil's June 30, 2006 Form 20-F filed with the Securities and Exchange Commission.

6 SBCI is a subsidiary of the U.S. company AT&T, Inc.

7 As América Móvil explained in the Application documents, non-Mexican entities or individuals cannot hold AA shares except through trusts that effectively neutralize their votes. See Overview of Transaction at 7-8 n. 7. AA shares can be held or acquired by trusts expressly permitted to acquire AA shares in accordance with Mexican law and in which (i) the majority of the trustee's rights are held by Mexican citizens, corporations whose capital stock is completely held by Mexican citizens, and Mexican credit, insurance and investment companies or (ii) the AA shares controlled by the trust represent a minority of the outstanding AA shares and are voted in the same manner as the majority of the outstanding AA shares. SBCI holds its AA shares through a trust as described in (ii), and the trust has been approved by the relevant authorities in Mexico for this purpose. See *id.*

2. *A Shares.* A shares are also "full voting shares." There are 752 million outstanding A shares. This represents approximately 2.08 percent of América Móvil's total capital stock, and 6.45 percent of América Móvil's voting shares. América Telecom owns 19.21 percent of the outstanding A shares. In addition, 24.1 percent of the A shares are held in the form of A share American Depositary Shares ("ADSs"), each representing the right to receive 20 A shares; 21.31 percent of A share ADSs are held by 5,575 holders with registered addresses in the United States. A shares are traded on the Mexican Stock Exchange, and A share ADSs are traded on the NASDAQ.

3. *L Shares.* L shares are not "full voting shares" -- they can vote only on certain matters.[8] There are 24.491 billion outstanding L shares, which represents 67.74 of América Móvil's total capital stock. América Telecom owns 28.16 percent of the outstanding L shares. In addition, 79.3 percent of the L shares are held in the form of L share ADSs, each representing the right to receive 20 L shares; 1.37 percent of L share ADSs are held by 12,993 holders with registered addresses in the United States. L shares are traded on the Mexican Stock Exchange and the LATIBEX Exchange in Madrid, Spain, and L share ADSs are traded on the New York Stock Exchange and the Frankfurt Stock Exchange.

The largest single shareholder of América Móvil capital stock is América Telecom, which owns 40.36 percent of América Móvil's capital stock.[9] This capital stake translates into 66.29 percent share of the total voting shares of América Móvil. In addition, América Móvil reported that SBCI holds approximately 7.91 percent of América Móvil's capital stock, a stake that translates into a 24.61 percent share of the total voting shares of América Móvil. Thus, *at least* 90.9 percent of América Móvil's voting shares are known to be held by specifically identified Mexican or U.S. entities,[10] and *at least* 49.52 percent of América Móvil's total capital stock is held by Mexican or U.S. entities.[11] This degree of identified ownership is quite large for

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8 Holders of L Shares are entitled to vote only to elect two members of the Board of Directors and the corresponding alternate directors, and on the following matters: the transformation of América Móvil from one type of company to another; any merger of América Móvil; the extension of América Móvil's corporate life; América Móvil's voluntary dissolution; a change in América Móvil's corporate purpose; a change in América Móvil's state of incorporation; removal of América Móvil's shares from listing on the Mexican Stock Exchange or any foreign stock exchange; and any action that would prejudice the rights of holders of L Shares. A resolution on any of the specified matters requires the affirmative vote of both a majority of all outstanding shares and a majority of the AA Shares and the A Shares voting together.

9 To the best of América Móvil's knowledge, América Telecom is the *only* party which owns more than 10 percent of the capital stock of América Móvil.

10 Applicants arrive at this number by aggregating the 66.29 percent total voting shares held by América Telecom and the 24.61 percent total voting shares held by SBCI.

11 Applicants arrive at this number by aggregating the 40.36 percent total capital interest held by América Telecom, the 7.91 percent total capital interest held by SBCI, and the 1.25 percent held by other Mexican investors (the 4.15 percent of the AA shares owned by other Mexican investors translates into roughly 1.25 percent of the total capital stock of the company). América Móvil does not have information on the beneficial owners of its stock except as provided in this letter.

a publicly traded company; it is reasonable to suppose that the FCC knows more about the actual ownership of América Móvil than it does about most of its large publicly traded U.S. licensees.[12]

América Móvil has a definitive principal place of business: Mexico. As demonstrated in the Application documents, América Móvil's place of incorporation is Mexico, its headquarters are in Mexico, and its businesses in Mexico account for more revenue than its businesses in any other country. Thus, the foreign entry that the FCC is asked to approve here under Section 310(b)(4) and the *Foreign Participation Order* is entry by a Mexican entity. The fact that a portion of América Móvil's capital stock is widely distributed and possibly held by nationals of numerous countries does not constitute entry by an entity domiciled in those countries -- América Móvil's entry by purchasing TELPRI is entry by a definitively Mexican entity.

Further, América Móvil's bylaws ensure that the company is run primarily by Mexican citizens and Mexican investors. América Móvil's bylaws call for the Board of Directors to be composed of between five and 20 directors, a majority of whom must be Mexican citizens and elected by Mexican shareholders. Currently, the América Móvil Board of Directors is composed of 11 directors. As described above, two of the directors are elected by L share shareholders.[13] In addition, as América Móvil reported in the Application documents, América Telecom and SBCI are parties to an agreement which, among other things, gives SBCI the right to name two directors. There is nothing in América Móvil's bylaws or other governing documents that limits the matters on which the directors named by SBCI can participate.[14]

The remaining seven directors currently on the board are elected by a majority vote of all the full voting shares (the A and AA shares). As the owner of 40.36 percent of América Móvil's capital stock and 66.29 percent of América Móvil's voting stock, América Telecom is able to elect the remaining seven directors, comprising a majority of the members of América Móvil's board of directors, and to determine the outcome of other actions requiring a vote of América Móvil's shareholders, except in the very limited cases that require a vote of the holders of L shares. América Telecom is a corporation organized under the laws of Mexico. It is primarily a holding company for other companies' stock, principally that of América Móvil. América Telecom's capital structure is straightforward -- there is one series of stock, called A-1

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12 To view América Móvil's ownership information in graphic form, please see the chart attached as Appendix A.

13 *Supra*, n. 8

14 However, América Móvil has provided the Department of Justice with written assurances that it "will not seat as a member of its board of directors, nor will it employ as an officer, any person who simultaneously serves as an officer or director of Cingular, nor will any person responsible for the day to day management of Cingular's operations in Puerto Rico be permitted to serve as an officer or director of [América Móvil]." Further, América Móvil has provided the DOJ with written assurance that "[n]o competitively sensitive information relating to [América Móvil]'s business in Puerto Rico will be made available to Cingular or to any AT&T employee, officer, or director who serves on the board of directors of Cingular or who otherwise has direct involvement in Cingular's day-to-day competitive activities in Puerto Rico." A copy of the letter is attached as Appendix B.

shares. There are just over 3.458 billion A-1 shares outstanding, as of December 31, 2005. América Telecom currently has 12 members on its Board of Directors, and its stock is listed on the Mexican Stock Exchange. As of April 30, 2006, Carlos Slim Helú and certain members of his immediate family own 82 percent of the capital stock of América Telecom. Through this control of América Telecom, Mr. Slim exerts significant influence over the election of América Móvil's Board of Directors, and the outcome of any actions requiring the vote of América Móvil shareholders. To the best of América Móvil's knowledge and after reviewing América Telecom's public filings, no other single investor owns more than 10 percent of América Telecom.

In these circumstances, there is no need for further inquiry into the nationality of the holders of América Móvil's capital stock, such as a survey of América Móvil's shareholders. Even under the best of circumstances, such surveys are very costly to the party undertaking the survey, and their results tend to be unreliable for a variety of reasons. In this case, where it is clear that the company is primarily owned and undoubtedly controlled by Mexican investors, such an exercise is particularly unnecessary and would cause unjustified delay.

Kindly direct questions or concerns to the undersigned.

Respectfully submitted,

/s/ Philip L. Verveer

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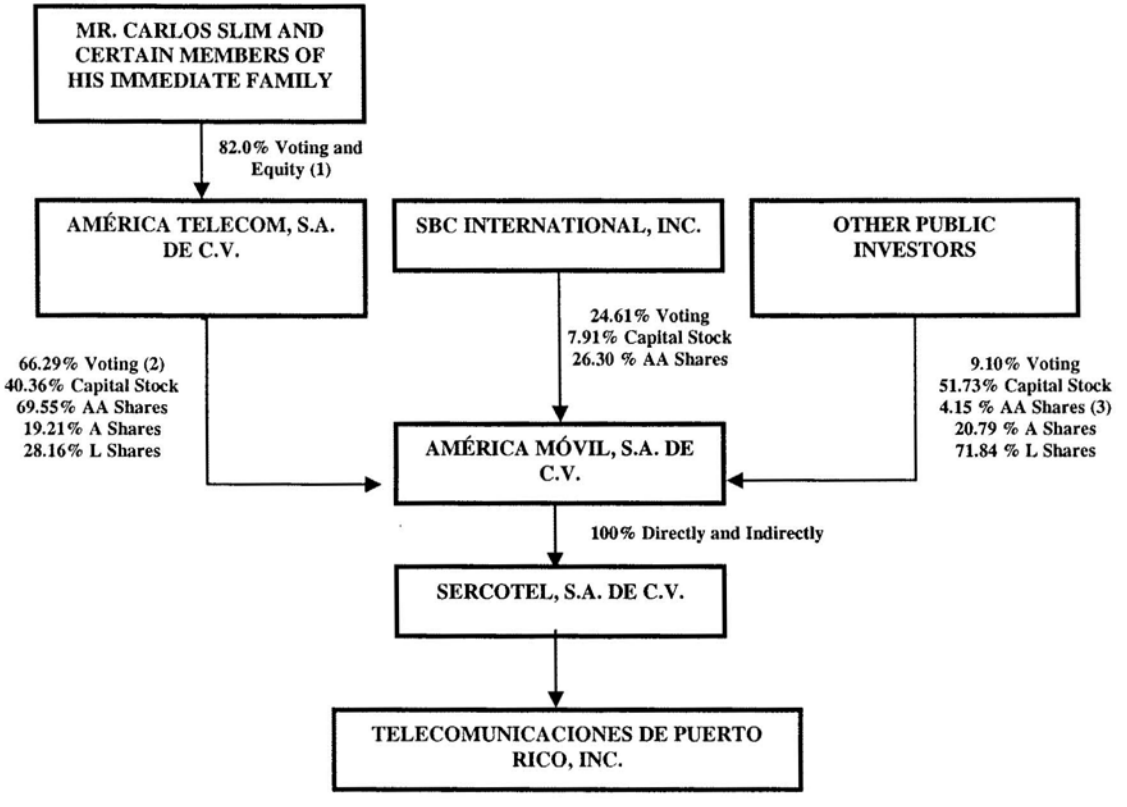
Appendix A

América Móvil, S.A. de C.V.
Ownership Chart



(1) As of April 2006. Based on the information provided by America Telecom, S.A. de C.V., on its annual report filed with the Mexican National Banking and Securities Commission (CNBV) on June 30, 2006

(2) América Móvil's stock ownership information is as of April, 30, 2006. Based on the information provided by America Móvil, S.A. de C.V., on its Form 20-F filed with the Securities and Exchange Commission (SEC) on June 30, 2006

(3) These shares are all held by other Mexican investors.

(4) Upon consummation of the transaction, AMX will end up owning between 93%-100% of Telecomunicaciones de Puerto Rico, Inc. (TELPRI) directly or through one or more of its wholly-owned and controlled subsidiaries.

Appendix B

América Móvil

June 6, 2006

Michael J. Hirrel, Esquire
Telecommunications & Media Section
Antitrust Division
U.S. Department of Justice
City Center Building
1401 H Street, N.W.
Washington, D.C. 20530

Re: *América Móvil / Verizon Wireless - Puerto Rico*

Dear Mr. Hirrel:

This letter is in response to your question on how América Móvil ("AMX") plans to assure that competitively sensitive information will not flow between Cingular Wireless ("Cingular") and AMX in light of AMX's pending acquisition of Verizon Wireless's business in Puerto Rico, which competes with Cingular. AMX is aware of the need to assure that no impermissible exchanges of competitively sensitive information will occur between AMX and Cingular in order to protect the flow of competitively sensitive information, and in light of similar commitments made by AT&T Inc. ("AT&T") in a contemporaneously submitted letter. AMX will implement the procedures outlined below after the AMX/Verizon Puerto Rico acquisition is consummated.

1. AMX will not seat as a member of its board of directors, nor will it employ as an officer, any person who simultaneously serves as an officer or director of Cingular, nor will any person responsible for the day to day management of Cingular's operations in Puerto Rico be permitted to serve as an officer or director of AMX.

2. No competitively sensitive information relating to AMX's business in Puerto Rico will be made available to Cingular or to any AT&T employee, officer or director who serves on the Board of Directors of Cingular or who otherwise has direct involvement in Cingular's day-to-day competitive activities in Puerto Rico.

These procedures will be implemented as part of AMX's standard legal compliance policies. Feel free to contact me if you have any further questions.

Sincerely,

Alejandro Cantu Jimenez
General Counsel