

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of

Verizon Communications, Inc., Transferor

and

América Móvil, S.A. de C.V., Transferee

Applications for Consent to Transfer
of Control of Licenses and
Authorizations Pursuant to Sections
214 and 310(d) of the Communications Act

WT Docket No. 06-113

File Nos.
0002597508
DA 06-1245

DEPARTMENT OF DEFENSE PETITION TO DEFER

The United States Department of Defense (“DoD”) has determined national security matters warrant submission of a petition to defer in the above captioned actions, and respectfully requests that the Federal Communications Commission (“FCC” or “Commission”) defer grant of the above-captioned Applications until the Department notifies the Commission that potential national security issues have been satisfactorily resolved.

In the above-captioned proceeding, Verizon Communications, Inc. and its indirect subsidiary Telecomunicaciones de Puerto Rico, Inc. (“TELPRI”), transferor, and América Móvil S.A. de C.V. (“América Móvil”), transferee, have submitted applications and petitions seeking the Commission’s consent to Verizon Communications Inc.’s transfer to América Móvil licenses for the Part 22 Cellular Radiotelephone Service, the Part 24 Personal Communications Service, the Part 90 Industrial/Business Pool Service, and the Part 101 Common Carrier Fixed Point-to-Point Microwave Service and Digital Electronic Message Service, as well as domestic and

international Section 214 authorizations, and other assets. Because América Móvil is organized under the laws of Mexico, the companies also requested a declaratory ruling that the transaction is consistent with the public interest standard of Section 310(b)(4) of the Act.

The DoD is currently evaluating whether the proposed transfer of control of TELPRI's licenses and authorizations to América Móvil could impair its ability to preserve national security communications options. The Department therefore requests that, until national security issues are adequately addressed, the Commission defer the formal issuance of an Order concerning Verizon's and América Móvil's Application for Consent to Transfer and Petition for a Declaratory Ruling.

Because the integrity of U.S. telecommunications services is critical to the ability of our government to preserve the national security, enforce the laws, and maintain the safety of the public, DoD has previously commented under Section 310 of the Act, and implementing regulations, regarding national security concerns raised by particular transactions. Thus there is established precedent for delaying approval of an application to assign FCC licenses until DoD has reviewed a specific transaction for national security concerns. In the *Foreign Participation Order*, the Commission said that, in reviewing license applications from foreign carriers under Section 310(b)(4) of the Communications Act, it would: (1) continue to apply the public interest test, and (2) "continue to find national security, law enforcement, foreign policy and trade policy concerns relevant to our decision to grant or deny Section 214 and 310(b)(4) applications from applicants from WTO member[s]."¹

[W]e realize that foreign participation in the U.S. telecommunications market may implicate significant national security or law enforcement issues uniquely within the expertise of the Executive Branch...

¹ *In the Matter of Rules and Policies of Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23,891, ¶ 61 (Nov. 1997).

We thus will continue to accord deference to the expertise of the Executive Branch agencies in identifying and interpreting issues of concern related to national security, law enforcement, and foreign policy that are relevant to an application pending before us.²

Therefore, granting this Petition would be consistent with the Commission's previous deference to Executive Agencies where national security concerns are present.

The Department of Defense has been working with representatives of both firms to resolve its national security concerns. However, it is the opinion of the Department of Defense that granting approval of the proposed assignments requested by the parties in this proceeding without imposition of appropriate conditions, could affect the ability of our government to meet its obligations to U.S. citizens to preserve the national security. DoD wishes to ensure that foreign investment in U.S. licenses and authorizations proposed here will not impair the Department's ability to realign military installations as mandated by the 2005 Defense Base Closure and Realignment Commission,³ to ensure appropriate security controls are in place to protect sensitive military communications, to meet existing TELPRI subsidiaries' contractual obligations, and to support appropriate contingency responses necessary to defend America.

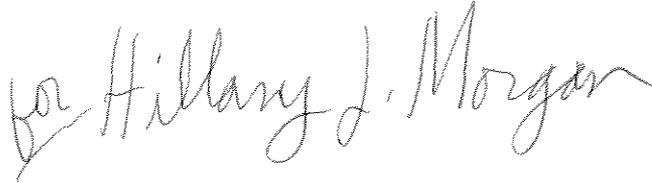
DoD is requesting this deferral on its own behalf, notwithstanding the earlier letter asking the Commission to defer this matter filed earlier by the Department of Justice ("DOJ"), the Federal Bureau of Investigation ("FBI"), with the concurrence of the United States Department of Homeland Security ("DHS.") Accordingly, the Department of Defense hereby requests that the Commission defer the formal issuance of an Order on the Verizon and América Móvil Application for Consent to Assignments and Petition for Declaratory Ruling until such time as

² *Id.* at ¶¶ 62-63

³ Consistent with the Defense Base Closure and Realignment Act of 1990, as amended (Public Law 101-510) November 5, 1990.

the Department notifies the Commission that agreement has been reached on those aspects of the proposed assignments that potentially affect its national security interests.

Respectfully submitted,

A handwritten signature in black ink that reads "for Hillary J. Morgan". The signature is written in a cursive style and is positioned above the typed name of the sender.

CARL WAYNE SMITH
General Counsel
Defense Information Systems Agency
Post Office Box Number 4502
Arlington, VA 22204-4502
(703) 607-6759

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