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March 15, 2007

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Notice of Oral Ex Parte Communication, 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

Dear Ms Dortch:

On March 15, 2007, the undersigned, together with James N. Moskowitz, on behalf of WorldNet Telecommunications, Inc., met with Barry J. Ohlson, Senior Legal Advisor to Commissioner Adelstein, in connection with the above referenced proceeding. During the course of our meeting, Mr. Ohlson requested that we provide document support from the record for the proposition that America Movil has little real experience with the provision of wireline services. Mr. Adelstein also asked that we provide him with a copy of the attached letter, dated August 11, 2006, from Luis G. Fortuno, Member of Congress, to Chairman Martin, in which Mr. Fortuno urged that the Commission not approve America Movil's proposed acquisition of PRTC absent the imposition of conditions.

With respect to the question of America Movil's experience, we referred Mr. Ohlson to the Petition to Deny, or, in the Alternative, Condition Commission Consent filed by Telefonica on July 14, 2006 (*Telefonica Petition*). Specifically, at p. iii Telefonica states that America Movil serves "less than 2% of its subscribers through wireline in three Central American countries. . . America Movil's three wireline operations have telephone penetration rates of ranging from 3.8% to 13.8%. It has no experience and offers no ideas for increasing Puerto Rico's 70% penetration Rate." *Telefonica Petition* at iii. Additionally, at p. 18, citing the Latin Business Chronicle, Telefonica

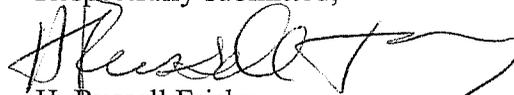
Marlene H. Dortch, Secretary

March 15, 2007

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notes that “[t]he telephone penetration rates in Nicaragua, Guatemala and El Salvador, however, are only 3.8%, 8.9% and 13.4%, respectively.” (footnote omitted) *Id. at 18*. Copies of the relevant pages are attached.

Respectfully submitted,



H. Russell Frisby

Attachments

cc: All Commissioners
Barry J. Ohlson

Letter to Chairman Kevin Martin
from
Louis G. Fortuno, Member of Congress

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COMMITTEES:
TRANSPORTATION AND
INFRASTRUCTURE

RESOURCES
EDUCATION AND THE WORKFORCE

Congress of the United States
House of Representatives
Washington, DC

August 11, 2006

Chairman Kevin J. Martin
Federal Communications Commission
445 12 Street, SW
Washington, D.C. 20554

Dear Chairman Martin:

As the sole representative in Congress of the four million U.S. citizens residing in Puerto Rico, I have strongly focused on the need to stimulate economic development on the Island, and to correct those situations where Puerto Rico has been excluded from the coverage of federal laws and policies which have served to benefit the rest of the United States. I have been particularly concerned about the need to promote investment in the Island's telephone infrastructure. This is why I write to urge the Federal Communications Commission ("FCC") to deny authorization for the proposed acquisition by America Movil, S.A. de C.V. ("America Movil") of Telecomunicaciones de Puerto Rico, the corporate parent of the Island's only local exchange carrier, the Puerto Rico Telephone Company ("PRTC"), unless the FCC simultaneously imposes conditions designed to promote infrastructure investment, promote broadband deployment, and improve service quality and the availability of competitive options on the Island.

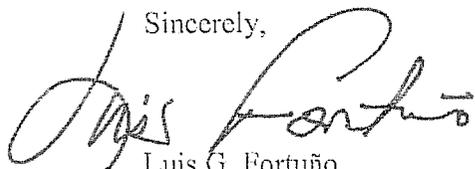
Such action by the FCC is necessary if the residents of Puerto Rico are to receive the benefits to be derived from the widespread deployment of advanced services. It is well-established that Section 706 of the Communications Act requires the FCC to take into account the need to promote such deployment in its decision-making. It is likewise beyond question that broadband deployment can serve to greatly stimulate a region's economy, and is vital to the development of a modern educational system.

In the past, when considering telecommunication mergers and other issues which directly affected Puerto Rican companies, the FCC has approved these mergers and issues without imposing conditions designed to promote broadband deployment and improve service quality on the Island. The FCC has repeatedly done so, even though at the same time, the FCC imposed requirements on the stateside operations of the subject companies specifically designed to safeguard against potential deterioration in service quality and to promote affirmative service quality improvements.

Mr. Chairman, you have publicly recognized the fragile nature of the telecommunications market in Puerto Rico. Wireline penetration on the Island has dropped to 60%, shamefully below the 96% rate enjoyed, and expected, in the rest of the nation. Investment in the Island's telecommunications infrastructure has likewise declined. It is not uncommon for customers to have to wait one year for the installation of telephone service. PRTC's prices for the few broadband services that it does provide are far higher than similarly priced services which are more readily available in the suburbs of Washington, D.C. Further, the Island's few competitive local exchange carriers face a difficult situation because Puerto Rico is a decade behind the rest of the nation when it comes to issues such as interconnecting with PRTC's network, in order to fully serve customers. There is a real danger that, as a result of the proposed acquisition, a bad situation will simply get worse. This is not a healthy situation and the Island's residents deserve better.

Accordingly, I urge the FCC not to approve America Movil's proposed acquisition of PRTC, unless the Commission also imposes conditions specifically designed to: (1) promote investment in the Island's telephone infrastructure, (2) stimulate the deployment of advanced telecommunications, (3) improve both retail and wholesale service on the Island, (4) improve the ability of competitors to compete, and (5) improve service quality on the Island to a level enjoyed by other U.S. consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "Luis Fortuño". The signature is fluid and cursive, with a large initial "L" and "F".

Luis G. Fortuño
Member of Congress

Cc: Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell

Telefónica Larga Distancia de Puerto Rico, Inc.'s
Petition to Deny, or, in the Alternative, Condition Commission Consent

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Verizon Communications, Inc., Transferor)
)
and) WT Docket No. 06-113
) DA 06-1245
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)

PETITION TO DENY, OR, IN THE ALTERNATIVE, CONDITION
COMMISSION CONSENT

TELEFÓNICA LARGA
DISTANCIA DE
PUERTO RICO, INC.

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July 14, 2006

commitments to promote competition or to help consumers. It makes statements about general benefits that are to flow from its size and scale, ignoring the fact that it is replacing Verizon Communications, Inc. (“Verizon”) whose size and scale bests América Móvil. In short, it fails to carry its burden to demonstrate how taking control of TELPRI provides any public benefits to Puerto Rico, its consumers or to competition. Beyond this failure, América Móvil also ignores the fact that it has extremely limited experience with wireline networks, serving less than 2% of its subscribers through wireline in three Central American countries. Moreover, Puerto Rico suffers from a telephone penetration rate below 70% and actively seeks ways to increase it. América Móvil's three wireline operations have telephone penetration rates of ranging from 3.8% to 13.8%. It has no experience and offers no ideas for increasing Puerto Rico's 70% penetration rate.

As if this were not enough, Mexico's antitrust commission recently found that América Móvil had engaged in anticompetitive practices by refusing to interconnect with Nextel for the exchange of short messages (“SMS”) after having blatantly ignored a ruling from Mexico's regulatory commission requiring it to do so. Mexico's antitrust commission specifically found that América Móvil acted with the objective of impeding access to the market. Its sister company Telmex has had a checkered history before this Commission, the United States Trade Representative and the World Trade Organization for anticompetitive practices and noncompliance with requirements and commitments.

Petitioner's affiliates, including Telefonica Moviles, have experienced first-hand the competition-limiting practices of Telmex and América Móvil in Mexico and Central America. América Móvil subsidiaries have a history of campaigns and covert actions, engaging in innovative anticompetitive practices. In Mexico, the Federal Competition

add approximately 1.1 million access lines, including 841,000 residential and 269,000 business lines – an increase in fixed lines of roughly another 50% for América Móvil.⁴⁶ América Móvil is predominantly a wireless carrier and its very limited experience with wireline networks, operations and business does not rise to the level demanded by the seventh largest wireline network in the United States.

Verizon-controlled PRTC has been very vocal at the Commission concerning the low telephone penetration rate in Puerto Rico. For example, in November 2004, PRTC told the Commission that “Puerto Rico is an area seriously deserving of high cost universal service funding” because “[t]he penetration rate . . . within the [C]ommonwealth currently stands below 70 percent – far below both the national average (94 percent) and even the lowest state penetration rate (88 percent in Arkansas). The penetration rate in many of Puerto Rico’s rural counties is substantially lower – in some places below 50 percent.”⁴⁷

The telephone penetration rates in Nicaragua, Guatemala and El Salvador, however, are only 3.8%, 8.9%, and 13.4%, respectively.⁴⁸ It is unclear how América Móvil, with its limited wireline experience and even then at such clearly low and unacceptable penetration levels, will enhance the telephone penetration rate in Puerto

⁴⁶ TELPRI Form 10-K at 3.

⁴⁷ Letter from Nancy J. Victory, Wiley, Rein & Fielding LLP, counsel for Puerto Rico Telephone Company, Inc., to Jeffrey Carlisle, Chief, Wireline Competition Bureau, Federal Communications Commission, CC Docket No. 96-45 (Nov. 4, 2004), at 1. *See also* In re Federal-State Joint Board on Universal Service, CC Docket No. 96-45, WC Docket No. 05-337, Comments of Puerto Rico Telephone Company, Inc. (Mar. 27, 2006), at 25-26.

⁴⁸ Latin Business Chronicle, *Brazil the leader in lines and Costa Rica in penetration*, available at <http://www.latinbusinesschronicle.com/technology/telecom.htm> (last visited July 14, 2006).