

December 31, 2008

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

RE: América Móvil Annual Progress Report for the Deployment of the Infrastructure Used to Provide Basic Telephone and Broadband Services in Puerto Rico

WT Docket No. 06-113

REDACTED - FOR PUBLIC INSPECTION

Dear Ms. Dortch:

On March 26, 2007, the Federal Communications Commission adopted and released a Memorandum Opinion and Order and Declaratory Ruling approving the transfer of control of Telecomunicaciones de Puerto Rico, Inc. (“TELPRI”) to América Móvil S.A.B. de C.V. (“América Móvil”). The Commission’s approval is conditioned upon América Móvil’s commitment to invest, directly or through TELPRI, \$1 billion over five years in communications and/or information services in Puerto Rico, which investments will promote improvements in these services. In addition, on an annual basis, América Móvil must provide a written report describing the progress it has made in deploying the infrastructure used to provide basic telephone and broadband services in Puerto Rico.

As described in the attached “Annual Infrastructure Deployment Progress Report” for the year ended December 31, 2008, América Móvil has invested through TELPRI \$199,785,533 in several projects to provide wireline and wireless communications, as well as the deployment of broadband services across the Island.

This redacted version of the report is filed for inclusion in the public record. A confidential version of the report is being filed today pursuant to the *Protective Order* in WT Docket No. 06-113.¹

¹ *Verizon Communications, Inc., Transferor, and América Móvil, S.A. de C.V., Transferee, Application for Authority to Transfer Control of Telecomunicaciones de Puerto Rico, Inc. (TELPRI), Protective Order, 23 FCC Rcd 6433 (2008) (“Protective Order”).*

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Please direct any questions to the undersigned.

Respectfully submitted,



Michael G. Jones
Mia Guizzetti Hayes

*Counsel for América Móvil S.A.B. de C.V.
and Telecomunicaciones de Puerto Rico, Inc.*

Enclosures

cc w/enc: William Dever
Alex Johns

**América Móvil, S.A.B. de C.V.
Annual Progress Report to the FCC
For the Year Ended December 31, 2008
WT Docket No. 06-113**

I. Introduction

On March 26, 2007, the Federal Communications Commission (“FCC” or “Commission”) adopted a Memorandum Opinion and Order and Declaratory Ruling, (WT Docket No. 06-113) authorizing the transfer of control of Telecomunicaciones de Puerto Rico, Inc. (“TELPRI”) from Verizon Communications, Inc. to América Móvil, S.A.B. de C.V. (“América Móvil”). This authorization is conditioned upon América Móvil’s commitment to invest, directly or through TELPRI, \$1 billion over five years in communications and/or information services in Puerto Rico, which investments will promote improvements in these services.¹

The Commission also required América Móvil to provide an annual written report, due December 31 of each calendar year, describing the progress it has made in deploying infrastructure used to provide basic telephone and broadband services in Puerto Rico. The following report is submitted in fulfillment of that requirement. The investments reflected in this report have been reported as capital investments consistent with the FCC requirements presented in the Code of Federal Regulations (CFR) Title 47, Part 32 - Section 32.2000, Instructions for Telecommunications Plant Accounts, which provides detailed guidelines for the determination of which costs are to be expensed and which should be capitalized.

From January 1, 2008 through December 1, 2008² (the “Reporting Period”), América Móvil has invested, through TELPRI or TELPRI subsidiaries, **\$199,785,533** in telecommunications and information services in Puerto Rico. This report describes this investment in three broad categories: basic wireline service (POTS), broadband/data, and wireless. Note that the broadband/data investment was entirely in the wireline backbone, which also is used for the transport of wireless services and special facilities, as well as for high speed data networks designed for large retail and wholesale customers. Therefore, the amounts reported in the basic wireline service and broadband/data categories should be combined (for a total of approximately **\$152.48 million**) to understand the full scope of TELPRI’s investments in its wireline infrastructure.

¹ See *Application for Authority to Transfer Control of Telecomunicaciones de Puerto Rico, Inc. (TELPRI)*, Memorandum Opinion and Order and Declaratory Ruling, 22 FCC Rcd 6195, ¶ 72 (2007).

² Due to the fact that TELPRI’s accounting records do not close until close-of-business on December 31 of each year, and that the accounts must be reconciled before they can be reported as actual figures, the investment totals reported herein will be revised in another filing to include investments as of December 31, 2008.

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II. Basic Wireline Service (POTS)

TELPRI³ invested **\$51,314,386** in its POTS infrastructure during the Reporting Period. This investment has focused on (1) network expansion (including adding capacity to existing facilities as well as constructing new facilities); and (2) maintenance of and improvements to the existing network (including both central offices and external plant). Attachment No. 1 describes each component of this investment that exceeded \$1,000,000 during the Reporting Period.

The largest capital expenditure in network expansion and improvement focused on customer access facilities in new residential developments, including distribution and feeder cables, cross-connect terminals, and all other outside plant from the common distribution frame to the residential unit interface. TELPRI also invested in customer access facilities for new commercial units, including in large part the installation of copper and fiber optic entrance cables to new commercial units such as bank branches, shopping areas, and office buildings, among others.

TELPRI expanded the capacity of existing distribution facilities by adding distribution pairs and reconfiguring line distribution. This was most common in congested areas with old external plant where orders can be delayed due to lack of facilities. Network capacity also was expanded by adding Signaling Transfer Point links to the signaling network and software upgrades to switching equipment in a number of central offices. Finally, TELPRI invested a significant amount in external plant relocation and construction of new underground facilities required by local government agencies as part of road expansion, new road construction, and urban renewal projects.

TELPRI's investment in maintenance, repair and replacement of outside plant during the Reporting Period also was substantial. A major portion of this investment resulted from emergencies, ranging from tropical weather conditions and floods, to accidents, copper theft and vandalism. A service outage of 15 or more customers is considered an emergency and restoration of their service is given high priority. Among other major investments in this area, TELPRI replaced and added network DC power, generators, A/C equipment and other electrical systems to protect its digital loop carriers, switches and other central office equipment against unexpected power fluctuations and outages.

III. Broadband & Data Services

TELPRI invested **\$101,167,168** during the Reporting Period to expand coverage, increase capacity and improve quality of its broadband and data infrastructure. This investment covered two major areas: DSL and high speed data networks. Attachment No. 2 describes each component of this investment that exceeded \$1,000,000 during the Reporting Period.

³ Investments attributed herein to TELPRI were made through its operating subsidiaries.

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Specifically, TELPRI added over 65 thousand DSL ports throughout Puerto Rico and, without increasing its prices, doubled the bandwidth of all its customers. It improved its IP backbone network through a tenfold increase in the capacity of its links and converted a number of DSLAM-ATM interconnections to IP. It also added a substantial number of SIP trunks to meet increasing demand for VOIP services.

To increase the transport capacity of its backbone and address the needs of large customers (both retail and wholesale), TELPRI also invested significantly in its high speed IP data networks. New nodes and control points were installed during the year, which will provide more capacity and network surveillance for traffic protection. It added cross connect ports, channel banks and SONET systems in several central offices and expanded the fiber backbone capacity by installing DWDM rings, which increased its ability to manage different types of traffic and bandwidth, services and protocols across the entire network. Furthermore, TELPRI added transmission and synchronization equipment, as well as fiber optic links, in the existing network.

Moreover, TELPRI has invested \$48,604,187 on its next interactive video offering. This service will use the power of Internet Protocol ("IP") transmission technology to provide a flexible and high quality user experience to subscribers. It will be offered over a combination of TELPRI's fiber and copper network facilities, in conjunction with a new, sophisticated video headend. The service will be delivered to the newly constructed headend, and then delivered over state-of-the-art fiber facilities to video distribution DSLAMs. From there, the service will be delivered to consumers over existing copper loops.

IV. Wireless Services

TELPRI invested **\$47,303,979** during the Reporting Period to build out a new GSM network and increase the capacity of its CDMA network. Attachment No. 3 describes each component of this investment that exceeded \$1,000,000 during the Reporting Period.

The improvements of the GSM/UMTS networks required the purchase and installation of GSM/GPRS/UMTS voice and data equipment at new and existing radio base stations to ensure that wireless broadband access by our GSM/UMTS customers matches or exceeds that of our CDMA customers. The UMTS expansion provided coverage within areas where EVDO service is not currently provided. Also, this investment focused on expanding the capacity of existing switches for voice and data management, including upgrades to SVA platforms to provide enhanced services to customers.

Despite its decision to continue the improvements to the GSM/UMTS networks, TELPRI remains committed to its existing CDMA customer base and maintaining its current service

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levels (which include less than 2% in both dropped calls and ineffective attempts). Finally, backup power supply was also upgraded at a significant number of existing sites.

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Investments Over \$ 1.0 Million in Basic Wireline Services in Reporting Period (cont'd.)

6. Essential Facilities Replacement – Company Force

7. Network DC Power and Generators

8. New Development Distribution & Feeder

9. Direct Labor for DAC, DSL and TAC Groups

10. Prevention and Emergencies

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Investments Over \$ 1.0 Million in Basic Wireline Services During Reporting Period

Total	\$40,158,776
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Investments Below \$ 1.0 Million in Basic Wireline Services During Reporting Period⁴

Total	\$11,155,610
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All Basic Wireline Services Investments During Reporting Period

Total	\$51,314,386
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⁴ Basic Wireline Services investments below \$1.0 million include upgrades to PRT's systems, upgrade to fraud detection applications, replacement of obsolete DLCs, installation of GPS equipment to our fleet, acquisition of network security equipment, and urban projects, among others.

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Attachment No. 2

Investments Over \$ 1.0 Million in Broadband & Data Services During Reporting Period

1. Fiber Optics for Large Customer/Ring Diversity/Cell Sites

2. Plug-in Cards for Special Facilities/Frame Relay/ATM

3. Point-to-Point Special/Frame Relay/ATM

4. ADSL

5. Network Mod. VoIP/Mod. Replacement/DMS-250/Licenses

6. Fiber Backbone DWDM Ring Evolution Metro

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Investments Over \$ 1.0 Million in Broadband & Data Services in Reporting Period (cont'd.)

7. Transmission, Synchronism & ECC/GSM

8. Billing System Enhancements for Broadband

9. Video

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Investments Over \$ 1.0 Million in Broadband & Data Services During Reporting Period

Total	\$98,365,672
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Investments Below \$ 1.0 Million in Broadband & Data Services During Reporting Period⁵

Total	\$2,801,496
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All Broadband & Data Services Investments During Reporting Period

Total	\$101,167,168
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⁵ Broadband & Data Services investments below \$1.0 million during the reporting period include software upgrades, trunk additions, ADSL testing system, enhancements to provisioning application, and construction of Hot Spots, among others.

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Attachment No. 3

Investments Over \$ 1.0 Million in Wireless Services During Reporting Period

1. Carrier Addition, Swaps and RF Optimization

2. GSM Wireless Network

3. Store Remodeling

4. AMDOCS and other Billing Related – GSM

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Investments Over \$ 1.0 Million in Wireless Services During Reporting Period

Total	\$44,272,422
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Investments Below \$ 1.0 Million in Wireless Services During Reporting Period⁶

Total	\$3,031,557
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All Wireless Services Investments During Reporting Period

Total	\$47,303,979
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⁶ Wireless Services investments below \$1.0 million during the reporting period include trunk additions, upgrades to MMS platform, power equipment, small antennas, enhancements to AMDOCS, and fiber construction for GSM, among others.