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November 17, 2010

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VIA ELECTRONIC FILING

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

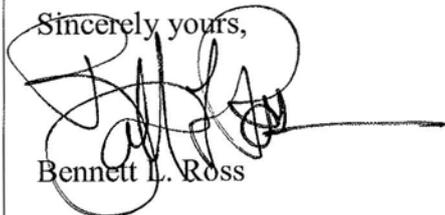
Re: *Petition of Puerto Rico Telephone Company, Inc. and Puerto Rico Telephone Larga Distancia, Inc. For Waiver of Section 64.1903 of the Commission's Rules, WC Docket No. 10-52*

Dear Ms. Dortch:

At a November 9, 2010 meeting with staff of the Wireline Competition Bureau, Puerto Rico Telephone Company, Inc. ("PRT") and its long distance affiliate, Puerto Rico Telephone Larga Distancia, Inc. ("PRTLTD"), were asked to provide additional factual information regarding the proposed waiver of the structural separation requirements in Section 64.1903 of the Commission's rules, 47 C.F.R. § 64.1903. In response to this request, PRT and PRTLTD are filing the Supplemental Declaration of Adail Ortiz Santiago, which is attached hereto.

Pursuant to 47 C.F.R. § 1.1206, please include this ex parte filing in the above-referenced dockets.

Sincerely yours,



Bennett L. Ross

BLR/rw

cc: Cathy Seidel
William Dever
William A. Kehoe III
Jennifer Prime
Claudia Pabo
Pam Megna

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

In the Matter of)	
)	
Petition of Puerto Rico Telephone Company, Inc. and Puerto Rico Telephone Larga Distancia, Inc. For Waiver of Section 64.1903 of the Commission's Rules)	WC Docket No. 10-52
)	
)	

**SUPPLEMENTAL DECLARATION
OF ADAIL ORTIZ SANTIAGO**

I, Adail Ortiz Santiago, hereby declare the following:

1. I am Chief Financial Officer of Puerto Rico Telephone Company, Inc. ("PRT").

In my current position, I am responsible for the preparation of accounting and financial reports for PRT and oversee all of the Company's accounting practices, including preparing budgets and filing tax returns. I also assist the President of PRT in the development of corporate strategy, providing advice on the financial impact of operational issues, strategies, and corporate objectives. I have worked for PRT for over 30 years. I am submitting this supplemental declaration in support of the petition filed by PRT and its affiliate, Puerto Rico Telephone Larga Distancia, Inc. ("PRTL D") seeking a waiver of the Commission's structural separation requirements.

2. As set forth in my declaration that accompanied the waiver petition filed on January 26, 2010, PRT faces numerous challenges in providing telecommunications service in Puerto Rico, including vigorous competition in the residential and business markets as well as difficult economic conditions marked by high unemployment and considerable poverty.

3. In addition to these challenges, PRT faces significantly higher operational costs as compared to carriers on the mainland because of the unique nature of insular areas such as Puerto Rico. First, all of the supplies necessary to create and maintain a telecommunications network – such as copper, fiber, and electronics – must be shipped to Puerto Rico. More than 1000 miles of ocean separate Puerto Rico from the mainland of the United States, which has the effect of dramatically increasing the costs of all products delivered to Puerto Rico, including telecommunications equipment. These higher shipping costs translate into a higher cost of deploying telecommunications infrastructure in Puerto Rico.

4. Second, PRT faces higher operational costs associated with the topography and climate of Puerto Rico. Puerto Rico measures 100 miles long and 35 miles wide, and is characterized by a mountainous interior, with elevations reaching approximately 4,400 feet in height. The mountainous interior is formed by the central mountain chain, the Cordillera Central, which includes many communities with low population densities that are very difficult and costly to serve. With hilly terrain and heavy tropical vegetation in sparsely populated inland areas, PRT must deploy and secure telecommunications transmission facilities with increased distances between points and additional guying and anchoring. Additionally, the salt water air and the temperatures and humidity of a tropical island have a highly corrosive effect on telecommunications equipment, which leads to accelerated depreciation. And, equipment must frequently be replaced due to severe tropical storms and hurricanes that all too often hit Puerto Rico.

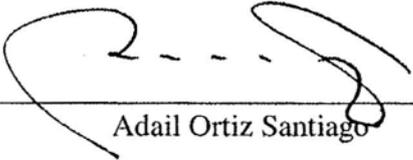
5. The higher operational costs that PRT incurs are difficult to recover because of PRT's declining subscriber base. Since 1998, PRT has lost approximately 500,000 access lines, which represents a decrease in total access of lines of more than 40%. In addition, with the

unemployment rate in Puerto Rico hovering around 16% and with a substantial percentage of residents living in poverty, the ability of PRT to recoup its higher operational costs from a decreased subscriber base is limited.

6. Under the circumstances, PRT must continuously look for ways to reduce costs. One way for PRT to do so is by integrating its local and long distance operations, which, as explained in my original declaration, would result in millions of dollars in savings to the Company. For example, PRT would save approximately \$14 million in local taxes if it were permitted to consolidate operations with PRTLTD. By virtue of the Commission's structural separation requirements, PRT must operate its local and long distance operations as separate legal entities. Thus, unlike their competitors in Puerto Rico and unlike nearly every other telecommunications carrier in the United States -- including the largest carriers such as AT&T, Verizon, and Qwest -- PRT and PRTLTD are forced to overpay taxes because one company's operating loss carry-forwards cannot be discounted from the other company's gains for tax purposes. If permitted to operate their local and long distance operations on an integrated basis, PRT and PRTLTD would be able to take advantage of tax savings that their competitors and counterparts currently enjoy.

7. The foregoing is the truth and nothing but the truth, to the best of my knowledge, information and belief.

IN WITNESS WHEREOF, I sign these presents in Guaynabo, Puerto Rico, on November 17, 2010.



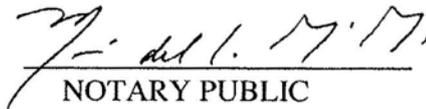
Adail Ortiz Santiago

Affidavit No. 1330

SWORN AND SUBSCRIBED to before me by Adail Ortiz Santiago, of legal age, married, Chief Financial Officer of Puerto Rico Telephone Company, Inc., and resident of Bayamón, Puerto Rico, whom I personally know.

Guaynabo, Puerto Rico, this 17th day of November, 2010.





NOTARY PUBLIC