

January 3, 2012

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, 2011, América Móvil has invested through TELPRI \$227,432,379 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 the public record. A confidential version of the report is being filed today pursuant to the *Protective Order* in WT Docket No. 06-113.<sup>1</sup>

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<sup>1</sup> *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, 2011  
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.<sup>1</sup>

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’s requirements in 47 C.F.R. § 32.2000, Instructions for Telecommunications Plant Accounts, which provides detailed guidelines for determining which costs should be expensed and which should be capitalized.

From January 1, 2011 through November 30, 2011<sup>2</sup> (the “Reporting Period”), América Móvil has invested, through TELPRI or TELPRI subsidiaries, **\$227,432,379** 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 **\$134 million**) to understand the full scope of TELPRI’s investments in its wireline infrastructure.

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<sup>1</sup> 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, ¶ 77 (2007).

<sup>2</sup> 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, 2011.

## II. Basic Wireline Service (POTS)

TELPRI<sup>3</sup> invested \$71,895,755 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 repairs 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 \$62,216,239 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.

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<sup>3</sup> Investments attributed herein to TELPRI were made through its operating subsidiaries.

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América Móvil, S.A.B. de C.V.  
Annual Progress Report to the FCC  
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Specifically, TELPRI added over 70,000 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.

#### IV. Wireless Services

TELPRI invested **\$93,320,385** during the Reporting Period to expand and increase the capacity of its UMTS and GSM networks. **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. The UMTS expansion provided coverage to 97 percent of the population. 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 levels (which include less than two percent 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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For the Year Ended December 31, 2011  
Basic Wireline Services Investment Category  
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**Attachment No. 1**

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

1. Outside Plant Relocation
  
2. Storage Area Network
  
3. Essential Facilities Replacement - Contractors
  
4. Routine – Company Force
  
5. Network DC Power and Generators
  
6. Fleet Replacement
7. Building Remodeling
8. Payment Machines

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

Total	\$63,854,876
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C. Investments Below \$1.0 Million in Basic Wireline Services During Reporting Period<sup>1</sup>

Total	\$8,040,879
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D. All Basic Wireline Services Investments During Reporting Period

Total	\$71,895,755
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<sup>1</sup> Basic Wireline Services investments below \$1.0 million include upgrades to PRT's systems, purchase of additional equipment to handle high volume of calls, upgrade of electrical equipment which have reached their operational electrical capacity, digitalization system, fleet replacement program, express payment machines, equipment network security, poles inventory system, and urban projects, among others.

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**Attachment No. 2**

A. 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. ADSL

4. Transmission, Synchronism & ECC/GSM

5. Billing System Enhancements

6. High Speed Broadband

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

Total \$58,097,711

C. Investments Below \$1.0 Million in Broadband & Data Services During Reporting Period<sup>1</sup>

Total \$4,118,528

D. All Broadband & Data Services Investments During Reporting Period

Total \$62,216,239

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<sup>1</sup> Broadband & Data Services investments below \$1.0 million during the reporting period include software upgrades, new RBS coverage, ring back tones, electrical system for portable generators, MMS expansion, lease hold improvement for new and existing GSM or UMTS sites, outcollect rating tables per carrier, long distance and data analysis (reporting tool), digital signature, and platform consolidations, among others.

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**Attachment No. 3**

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

1. GSM Wireless Network

2. Prepaid & Postpaid Platforms

3. Building Remodeling

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

Total \$88,082,183

C. Investments Below \$1.0 Million in Wireless Services During Reporting Period<sup>1</sup>

Total \$5,238,202

D. All Wireless Services Investments During Reporting Period

Total \$93,320,385

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<sup>1</sup> Wireless Services investments below \$1.0 million during the reporting period include Trunk additions, RAS Network NMS upgrade, DCC 5500 Network Ports additions, WAN/ LAN Metro optical Ethernet, hot spot monetization, special facility testing, ADA enhancements, and fiber construction for GSM, among others.