

- g. “Bureau” means the FCC’s Enforcement Bureau.
- h. “Commission” or “FCC” means the Federal Communications Commission.
- i. “Effective Date” means the date on which the Bureau releases the Adopting Order.
- j. “Investigation” mean the Bureau’s investigation of PRTC’s and América Móvil’s compliance with Section 1.2105(c)(1) and (c)(6) of the Commission’s Rules, 47 C.F.R. § 1.2105(c)(1) and (c)(6), relating to PRTC’s participation in Auction 73.
- k. “Parties” means the Bureau, PRTC, and América Móvil.
- l. “PRTC” means Puerto Rico Telephone Company, Inc., a participant in Auction 73 and a wholly-owned subsidiary of América Móvil.

II. BACKGROUND

3. PRTC is a telecommunications provider in Puerto Rico. It serves more than 1.6 million customers with a variety of advanced services for voice, data, broadband, and wireless communications. PRTC is a wholly-owned subsidiary of Mexico City-based América Móvil, a provider of wireless services in Latin America. As of June 30, 2010, América Móvil had 211.3 million wireless subscribers and 27.4 million fixed lines in the Americas. AT&T Inc. owns a substantial number (23.6 percent, based on beneficial ownership reports filed by AT&T Inc. with the Securities and Exchange Commission on August 2, 2010) of voting shares in América Móvil. In addition, at all relevant times, two AT&T executives sat on América Móvil’s Board of Directors.

4. Section 1.2105(c)(1) of the Commission’s Rules, 47 C.F.R. § 1.2105(c)(1), states in pertinent part:

[A]fter the [FCC Form 175] short-form application filing deadline, all applicants for licenses in any of the same geographic license areas are prohibited from cooperating or collaborating with respect to, discussing with each other, or disclosing to each other in any manner the substance of their own, or each other’s, or any other competing applicants’ bids or bidding strategies, or discussing or negotiating settlement agreements, until after the down payment deadline, unless such applicants are members of a bidding consortium or other joint bidding arrangement identified on the bidder’s short-form application

In addition, Section 1.2105(c)(6) of the Commission’s Rules, 47 C.F.R. § 1.2105(c)(6), requires that “[a]ny applicant that makes or receives a communication of bids or bidding strategies prohibited under [Section 1.2105(c)(1) of the Commission’s Rules] shall report such communication in writing to the Commission immediately, and in no case later than five business days after the communication occurs.”

5. PRTC and AT&T Mobility were both participants in Auction 73 for licenses in the 700 MHz band. AT&T Mobility selected all 1,099 of the licenses available in the auction, and PRTC selected 16 licenses covering areas of Puerto Rico and the Virgin Islands. Neither company identified the existence of any bidding consortium or joint bidding agreement with the other in its short form application. For Auction 73, the prohibitions of Section 1.2105(c) applied from 6:00 p.m. ET on December 3, 2007, the short-form application filing deadline, until 6:00 p.m. ET on April 3, 2008, the down payment deadline. Bidding in Auction 73 began on January 24, 2008, and concluded on March 18, 2008.

6. On January 16, 2009, AT&T reported by letter to the Commission that it had found a document in the files of two of its employees that appeared to contain information in a foreign language regarding the participation of another applicant in Auction 73. In a subsequent letter to the Commission, dated January 23, 2009, AT&T explained that the document consisted of minutes, written in Spanish, of a board meeting of América Móvil held on February 5, 2008, and that a copy of the minutes had been found in the files of a third AT&T employee. Thereafter, on January 26, 2009, AT&T informed the Commission that it had located a copy of the minutes in the files of a fourth AT&T employee. The América Móvil minutes found in the files of the four AT&T employees contained information revealing the amount PRTC was authorized to bid for 700 MHz licenses in Puerto Rico. Neither PRTC nor América Móvil reported to the Commission that these documents were transmitted to AT&T.

7. On April 6, 2009, the Enforcement Bureau issued a letter of inquiry to PRTC and América Móvil seeking sworn written responses concerning the specific circumstances by which information about PRTC's bids or bidding strategy in Auction 73 was communicated by its parent company, América Móvil, to AT&T, the parent company of AT&T Mobility, another participant for licenses in the same auction, and the lack of notification of such communication by PRTC to the Commission. The letter of inquiry also sought sworn statements concerning the adequacy of safeguards between América Móvil and AT&T to prevent communications prohibited by Section 1.2105(c) of the Commission's Rules, given AT&T's voting and equity interest in América Móvil. On June 9, 2009, PRTC and América Móvil responded to the letter of inquiry.

III. TERMS OF AGREEMENT

8. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

9. **Jurisdiction.** PRTC and América Móvil each agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

10. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the date on which the FCC releases the Adopting Order. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other Order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Bureau Order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Commission Order.

11. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate its Investigation. In consideration for the termination of said Investigation, PRTC and América Móvil each agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that, in the absence of new material evidence, the Bureau will not use the facts developed in this Investigation through the Effective Date of the Consent Decree, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against PRTC or América Móvil concerning the matters that were the subject of the Investigation. The Bureau also agrees that it will not use the facts developed in this Investigation through the Effective Date of this Consent Decree, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against PRTC or América Móvil with respect to PRTC's or América Móvil's basic qualifications, including their character qualifications, to be a Commission licensee or hold Commission authorizations.

12. **Compliance Plan.** For purposes of settling the matters set forth herein, PRTC and América Móvil each agrees to develop a Compliance Plan within 90 calendar days of the Effective Date related to future compliance with the Act, the Commission's Rules, and the Commission's Orders involving FCC auctions. The requirements of the Compliance Plan shall continue for a period of 3 years after the Effective Date. The Compliance Plan shall be implemented at least 30 days prior to participation by either entity in any future FCC auction. The Compliance Plan shall include, at a minimum, the following components:

- a) **Definitions** - For purposes of this Compliance Plan, the following definition shall apply:
- i) "Auctions Personnel" means with respect to América Móvil and PRTC:
 - (1) all officers and directors, regardless of their ownership interest in América Móvil and PRTC; and
 - (2) all individuals holding controlling interests in América Móvil and PRTC; and
 - (3) all individual holders of ownership interests amounting to 10 percent or more of either company or 10 percent or more of either company's outstanding stock or either company's outstanding voting stock, provided the individual also is an employee of América Móvil or PRTC; and
 - (4) all employees or agents of América Móvil or PRTC who are directly involved in América Móvil's or PRTC's auction decision-making or auction-related activities, all employees or agents possessing information about América Móvil's or PRTC's bids or bidding strategies, and all employees or agents possessing information that is non-public under the Commission's anonymous bidding procedures, including information relating to bidder interests or identities the public disclosure of which is prohibited at any time during the auction process.
 - ii) Notwithstanding the provisions in paragraph 12(a)(i), the term "Auctions Personnel" shall not include AT&T or its employees.
- b) **Auctions Compliance Manual**
- i) No later than 30 days prior to the filing with the FCC by either América Móvil or PRTC of a short form application to participate in an auction, América Móvil and PRTC shall each distribute an Auctions Compliance Manual to their respective company's Auctions Personnel. If either company desires to add persons to its respective Auctions Personnel subsequent to the date that is 30 days prior to the filing with the FCC by either América Móvil or PRTC of a short form application, América Móvil or PRTC, as appropriate, shall provide such persons with a copy of the Auctions Compliance Manual prior to their receiving information about América Móvil's or PRTC's bids or bidding strategies or any information that is non-public under the Commission's anonymous bidding procedures, including information relating to bidder interests or identities. América Móvil and PRTC shall make their Auctions Compliance Manuals available in both English and Spanish.
 - ii) The Auctions Compliance Manual shall include, in greater detail, the matters covered in the Compliance Training Program, e.g., an overview of the Commission's requirements for participation in auctions, including the requirements of the Communications Act of 1934, as

amended (the “Act”), and the Commission’s Rules regarding prohibited communications and related reporting requirements.

c) Compliance Training Program

- i) No later than 30 days prior to the filing with the FCC by either América Móvil or PRTC of a short form application to participate in an auction, América Móvil and PRTC each shall implement a comprehensive Compliance Training Program for the education of their respective company’s Auctions Personnel, such training to be completed prior to the short form filing. If either company desires to add persons to its respective Auctions Personnel subsequent to the date that is 30 days prior to the filing with the FCC by either América Móvil or PRTC of a short form application, América Móvil or PRTC, as appropriate, shall provide such persons with compliance training prior to their receiving information about América Móvil’s or PRTC’s bids or bidding strategies or any information that is non-public under the Commission’s anonymous bidding procedures, including information relating to bidder interests or identities. The purpose of the Compliance Training Program shall be to ensure future compliance by América Móvil and PRTC with all applicable, current auction-related rules and regulations and prompt reporting of violations thereof. The Compliance Training Program shall include an overview of the Commission’s requirements for participation in auctions, including the requirements of the Act, and the Commission’s rules regarding prohibited communications and related reporting requirements.

d) Compliance Officer and Compliance Reports

- i) América Móvil and PRTC each shall designate an officer of the company to serve as its Compliance Officer. Such Compliance Officer shall be directly responsible for overseeing compliance with all of the requirements of this Compliance Plan.
- ii) The Compliance Officer shall, among other things:
- (1) Communicate the substance of this Compliance Plan to all Auctions Personnel.
 - (2) Oversee and be responsible for all aspects of the Compliance Training Program referenced in paragraph 2, above, including monitoring and evaluating the participation in all educational training sessions provided under the Compliance Training Program;
 - (3) Maintain auditable records demonstrating compliance with all aspects of this Compliance Plan and produce such records, together with a certified English translation thereof, if the original is written in Spanish, to the Commission upon written request for such within 14 calendar days;
 - (4) Disclose in a written Disclosure Report, in English, to the Commission within 14 calendar days of any event or occurrence that causes the company to be out of compliance with any provision of this Consent Decree; any provision of this Compliance Plan; and/or any provision of the Act, as amended, and/or the Commission’s rules, regulations, policies, or procedures relating to auctions. Such Disclosure Report shall be submitted under penalty of perjury to Chief, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, and to Chief, Investigations and Hearings Division, Enforcement Bureau.

- (5) Act as a point of contact for all personnel within the company who have information relating to any matters that may be self-reported under paragraph 12(d)(ii)(4), above;
- (6) Investigate and act upon any known or reported matter that may be self-reported under paragraph 12(d)(ii)(4), above; and
- (7) Submit to the Commission in writing a Compliance Report, in English. Each Compliance Report shall be signed by the Compliance Officer who shall certify under penalty of perjury on behalf of the company that the company has been in compliance during the previous 12 month period with all provisions of this Consent Decree; all provisions of this Compliance Plan; all provisions of the Act, and/or the Commission's rules, regulations, policies or procedures relating to auctions. If the Compliance Officer is unable to so certify, he/she shall explain fully and completely why. Each Compliance Report shall also include a certification by the Compliance Officer submitting the report that he/she is familiar with the requirements of the Act, and the rules, regulations and procedures implemented in connection therewith related to FCC auction proceedings. Each such Compliance Report shall be directed to Chief, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, and to Chief, Investigations and Hearings Division, Enforcement Bureau. The first such Compliance Report shall be submitted no later than 12 months after the Effective Date. Subsequent Compliance Reports shall be submitted every 12 months thereafter for the duration of this Compliance Plan.

13. **Voluntary Contribution.** PRTC and América Móvil collectively agree that they shall make a voluntary contribution to the United States Treasury in the total amount of \$80,000 within ten business days of the Effective Date. The payment shall include the NAL/Account Number and FRN Number referenced in the caption to the Adopting Order. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters “FORF” in block number 24A (payment type code). PRTC and América Móvil shall also send electronic notification on the date said payment is made to Hillary.DeNigro@fcc.gov, Gary.Schonman@fcc.gov and William.Knowles-Kellett@fcc.gov.

14. **Waivers.** PRTC and América Móvil each waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Order adopting this Consent Decree, provided the Bureau issues an Order adopting the Consent Decree without change, addition, modification, or deletion. PRTC and América Móvil shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If any party to this Consent Decree (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither PRTC nor América Móvil nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and PRTC and América Móvil shall waive any statutory right to a trial *de novo*. PRTC and América Móvil each hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

15. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or Order adopted by the Commission (except an Order specifically intended to revise the terms of this Consent Decree to which PRTC or América Móvil does not expressly consent) that provision will be superseded by such Commission rule or Order.

16. **Successors and Assigns.** PRTC and América Móvil each agrees that the provisions of this Consent Decree shall be binding on its successors and assigns.

17. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute full and final settlement between the Parties. The Parties further agree that this Consent Decree does not constitute and shall not be construed as (1) an adjudication on the merits; or (2) a factual or legal finding or determination; or (3) an admission by América Móvil or PRTC regarding any compliance or noncompliance with the requirements of the Act or the Commission’s Rules and/or Orders.

18. **Modifications.** This Consent Decree shall not be modified without the written consent of all Parties.

19. **Paragraph Headings.** The headings of the Paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

20. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

21. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

P. Michele Ellison
Chief, Enforcement Bureau

Date

Francisco J. Silva
Secretary and General Counsel
Puerto Rico Telephone Company, Inc.

Date

Alejandro Cantú Jiménez
Secretary and General Counsel
América Móvil, S.A.B. de C.V.

Date