

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)
) File No.: EB-IHD-14-00017926
)
) Acct. No.: 201632080006
)
América Móvil, S.A.B. de C.V.)
) FRN: 0015025067
)
Puerto Rico Telephone Company, Inc.)
) FRN: 0001731470

ORDER

Adopted: June 28, 2016

Released: June 28, 2016

By the Chief, Enforcement Bureau:

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission) has entered into a Consent Decree to resolve its investigation into whether Puerto Rico Telephone Company, Inc. (PRTC), a telecommunications carrier operating in the United States territory of Puerto Rico, and its ultimate parent, América Móvil, S.A.B. de C.V. (América Móvil), exceeded the alien ownership and control limits set by the Commission and its International Bureau. The Bureau’s investigation found that América Móvil and PRTC violated the Commission’s rules when Carlos Slim Helú’s and his family’s (the Slim Family) ownership and control of América Móvil and PRTC exceeded limits previously set by the International Bureau, without obtaining the International Bureau’s prior approval.

2. Alien ownership and control limits are vital to the protection of the United States’ national security, foreign policy, trade policy, and law enforcement interests. To settle this matter, América Móvil and PRTC admit that prior approval from the Commission was required before the Slim Family, each member of which is a citizen of Mexico, increased its direct and indirect ownership and control of América Móvil and PRTC, respectively, above the voting control limits set by a 2007 Declaratory Ruling¹ and the equity ownership limits set by a 2012 Declaratory Ruling.² América Móvil and PRTC will implement a compliance plan and pay a \$1,100,000 civil penalty.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation regarding the compliance of América Móvil and PRTC with Section 310(b)(4) of the Communications Act of 1934, as amended (Act),³ Section 1.990 of the Commission’s rules (Rules),⁴ and Commission

1 See Verizon Commc’ns, Inc., Transferor, & América Móvil, S.A.B. de C.V., Transferee, Memorandum Opinion and Order and Declaratory Ruling, 22 FCC Rcd 6195, 6225, para. 68 (2007) (2007 Declaratory Ruling).

2 International Authorizations Granted, Public Notice, 27 FCC Rcd 13434, 13435 (Int’l Bur. 2012) (2012 Declaratory Ruling).

3 47 U.S.C. § 310(b)(4).

4 47 CFR § 1.990.

declaratory rulings addressing the Slim Family's ownership of América Móvil and PRTC.⁵

4. In the absence of material new evidence relating to this matter, we do not set for hearing the question of PRTC's basic qualifications to hold or obtain any Commission license or authorization.⁶

5. Accordingly, **IT IS ORDERED** that, pursuant to Section 4(i) of the Act⁷ and the authority delegated by Sections 0.111 and 0.311 of the Rules,⁸ the attached Consent Decree **IS ADOPTED** and its terms incorporated in this Order by reference.

6. **IT IS FURTHER ORDERED** that the above-captioned matter **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent (1) by first class mail and certified mail to Alejandro Cantú Jiménez, General Counsel, América Móvil, S.A.B. de C.V., Lago Zurich 245, Plaza Carso, Edificio Telcel, Piso 16, Colonia Granada Ampliación, México, D.F. 11529; (2) by first class mail and certified mail, return receipt requested, to Francisco J. Silva, General Counsel, Puerto Rico Telephone Company, Inc., PO Box 360998, San Juan, Puerto Rico 00936-0998; and (3) by first class mail and certified mail, return receipt requested, to Nancy J. Victory, Esq., Counsel to América Móvil, S.A.B. de C.V. and Puerto Rico Telephone Company, Inc., Wiley Rein LLP, 1776 K Street, N.W. Washington, DC 20006.

FEDERAL COMMUNICATIONS COMMISSION

Travis LeBlanc
Chief
Enforcement Bureau

⁵ See *2012 Declaratory Ruling*, 27 FCC Rcd at 13435; *International Authorizations Granted*, Public Notice, 26 FCC Rcd 1359, 1360 (Int'l Bur. 2011); *2007 Declaratory Ruling*, 22 FCC Rcd at 6225, para. 68.

⁶ See 47 CFR § 1.93(b).

⁷ 47 U.S.C. § 154(i).

⁸ 47 CFR §§ 0.111, 0.311.

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América Móvil, S.A.B. de C.V.)	File No.: EB-IHD-14-00017926
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Puerto Rico Telephone Company, Inc.)	FRN: 0001731470
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CONSENT DECREE

1. The Enforcement Bureau of the Federal Communications Commission (Commission), América Móvil, S.A.B. de C.V. (América Móvil) as the ultimate parent company of Puerto Rico Telephone Company, Inc. (PRTC), and PRTC as holder of radio licenses for common carrier telecommunications services, by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Enforcement Bureau’s investigation into whether PRTC violated Section 310(b)(4) of the Communications Act of 1934, as amended (Act),¹ as implemented by Section 1.990(a)(1) of the Commission’s rules (Rules)² and certain provisions of two Declaratory Rulings that specify the equity and voting interests in América Móvil that Carlos Slim Helú and certain members of his immediate family may own.

DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions shall apply:
(a) “Act” means the Communications Act of 1934, as amended.³

¹ 47 U.S.C. § 310(b)(4).
² 47 CFR § 1.990(a)(1).
³ 47 U.S.C. § 151 *et seq.*

- (b) “Adopting Order” means an order of the Commission or the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
- (c) “Alien Ownership Rules” means the provisions of the Communications Laws regarding foreign control over equity and voting rights, including the portions of those Laws and any current declaratory ruling(s) addressing the Slim Family’s ownership and control of the Companies.
- (d) “América Móvil” means América Móvil, S.A.B. de C.V., its predecessors-in-interest, and its successors-in-interest.
- (e) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
- (f) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
- (g) “Communications Laws” means collectively, the Act, the Rules, and the published and promulgated orders, declaratory rulings, and decisions of the Commission.
- (h) “Companies” means América Móvil and PRTC.
- (i) “Compliance Plans” means the compliance obligations, program, and procedures described in this Consent Decree at paragraphs 15 and 16.
- (j) “Covered Employees” means all employees and agents of América Móvil and PRTC who perform, supervise, oversee, or manage América Móvil’s or PRTC’s compliance with the Alien Ownership Rules or whose duties require knowledge of the Slim Family Ownership and Control Interests or of anticipated transactions that would change those Interests.
- (k) “Effective Date” means the date by which the Bureau, América Móvil, and PRTC have signed the Consent Decree.
- (l) “Investigation” means the investigation commenced by the Bureau in EB-IHD-14-00017926 regarding whether América Móvil and PRTC, a company in which América Móvil holds a 100 percent indirect ownership interest, violated the Communications Laws regarding alien ownership of, or voting power over, a holder of radio licenses issued by the Commission for the provision of common carrier telecommunications services.
- (m) “June 27, 2014 Transaction” means the transaction consummated between AT&T International, Inc., Inmobiliaria Carso, S.A. de C.V. and Control Empresarial de Capitales, S.A. de C.V., which resulted in the Slim Family raising its indirect equity ownership in PRTC from 48.69% to 57.06% and its indirect voting interest in PRTC from 65.73% to 89.54%.
- (n) “Operating Procedures” means the standard internal operating procedures and compliance policies established by América Móvil and PRTC to implement the Compliance Plan.
- (o) “Parties” means América Móvil, PRTC, and the Bureau, each of which is a “Party.”

- (p) “PRTC” means Puerto Rico Telephone Company, Inc., its predecessors-in-interest, and its successors-in-interest.
- (q) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.
- (r) “Slim Family” means Carlos Slim Helú, his spouse, his children and their spouses, and his grandchildren and their spouses.
- (s) “Slim Family Ownership and Control Interests” means the equity interests and voting interests held directly or indirectly in América Móvil by the Slim Family.
- (t) “Slim Family Representative” means Raul H. Zepeda or his successor. The Bureau shall be notified within thirty (30) days of the designation of a successor.

BACKGROUND

3. Section 310(b)(4) of the Act establishes a 25 percent limit on stock ownership and voting by foreign individuals, corporations, and governments in entities that control, *inter alia*, U.S. common carrier radio licensees.⁴ Pursuant to Section 310(b)(4), the Commission may permit higher levels of foreign ownership or voting if it determines that such higher levels are consistent with the public interest.⁵ The Commission has adopted Rules governing the procedures and setting the conditions for obtaining the Commission’s prior approval of foreign ownership and voting interests exceeding the 25 percent limit.⁶ Commission approval must be obtained before direct or indirect aggregate foreign ownership of any controlling, U.S.-organized parent company exceeds directly or indirectly, 25 percent of the parent’s equity interests and/or 25 percent of its voting interests.⁷ Further, Commission approval must be obtained each time a licensee seeks to further increase its foreign ownership above the amount previously approved by the Commission.⁸

⁴ 47 U.S.C. § 310(b)(4).

⁵ *Id.*

⁶ 47 CFR § 1.990 *et seq.*

⁷ 47 CFR § 1.990(a)(1).

⁸ *See, e.g., In the Matter of Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licenses Under Section 310(b)(4) of the Communications Act, as amended*, Second Report and Order, 28 FCC Rcd 5741, 5788, 5811, paras. 87, 135 (2013) (“We emphasize that, under the new rules, licensees that have received a foreign ownership ruling will still have an obligation to monitor and stay ahead of changes in foreign ownership to ensure that the licensee obtains Commission approval before such a change renders the licensee out of compliance with its ruling(s) or our rules.” And reminding “licensees that they have a continuing obligation to monitor their foreign ownership and ensure that they remain compliant with the requirements of the Act, the rules . . . and a licensee's particular foreign ownership ruling”).

4. PRTC holds radio licenses for common carrier telecommunications services subject to Section 310(b)(4) of the Act and Section 1.990 of the Rules.⁹ PRTC is a corporation formed and based in the Commonwealth of Puerto Rico, a territory of the United States.¹⁰ América Móvil, a publicly traded company formed and based in Mexico, is the ultimate parent of PRTC.¹¹ América Móvil is controlled by the Slim Family, each member of which is a citizen of Mexico.¹²

5. The Commission has addressed the Slim Family's ownership and control of América Móvil and PRTC in three Declaratory Rulings, which permit levels of foreign ownership and voting higher than the statutory limit. In its *2007 Declaratory Ruling*, the Commission granted a petition by América Móvil to exceed the 25 percent foreign ownership benchmark.¹³ In granting that petition, the Commission limited the Slim Family's direct or indirect equity and voting interests in América Móvil, and in turn PRTC, to 32.33 percent and 66.21 percent plus a buffer to account for publicly traded shares.¹⁴ This buffer allowed the Slim Family to increase its equity and voting control by an aggregate three percent above the 32.33 percent and 66.21 percent caps.¹⁵

6. The voting interest ceiling was not raised in subsequent declaratory rulings, including the *2011 Declaratory Ruling* and the *2012 Declaratory Ruling*, which both addressed only the equity component of the Slim Family's direct control over América Móvil and indirect control over PRTC.¹⁶ The *2012 Declaratory Ruling* limited the Slim Family's equity interest in América Móvil to 49.99 percent.¹⁷

7. The June 27, 2014 Transaction increased the Slim Family's indirect ownership interest in the Companies to 57.06 percent and the Slim Family's indirect voting interest in the Companies to 89.54 percent.¹⁸ Although these percentages exceeded the then existing limits on the Slim Family's indirect

⁹ A current listing of PRTC's radio licenses issued by the Commission can be found at the Commission's Universal Licensing Service database at <http://wireless2.fcc.gov/UlsApp/ApplicationSearch/searchAppl.jsp>.

¹⁰ See Puerto Rico Telephone Company, Inc., Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as amended, (Erratum) at 6 (*2014 PRTC Petition for Declaratory Ruling*), attachment to International Bureau Filing System (IBFS) File No.: ISP-PDR-20140707-00004 available at <http://licensing.fcc.gov/myibfs/>.

¹¹ *Id.* at 1, 8.

¹² *Id.*

¹³ See *Verizon Commc'ns, Inc., Transferor, & América Móvil, S.A.B. de C.V., Transferee*, Memorandum Opinion and Order and Declaratory Ruling, 22 FCC Rcd 6195, 6225, para. 68 (2007) (*2007 Declaratory Ruling*).

¹⁴ See *id.* at 6219-21, 6225, paras. 54, 56, 68.

¹⁵ See *id.* at 6225, para. 68.

¹⁶ See *International Authorizations Granted*, Public Notice, 26 FCC Rcd 1359, 1360 (Int'l Bur. 2011) (*2011 Declaratory Ruling*); *International Authorizations Granted*, Public Notice, 27 FCC Rcd 13434, 13435 (Int'l Bur. 2012) (*2012 Declaratory Ruling*).

¹⁷ See *2012 Declaratory Ruling supra* note 16.

¹⁸ See *2014 PRTC Petition for Declaratory Ruling* at 5, 7-8, and Appendix A Puerto Rico Telephone Company, Inc. Ownership Chart.

equity and voting interests, the Companies did not obtain Commission approval for the increases prior to AT&T International, Inc., Inmobiliaria Carso, S.A. de C.V. and Control Empresarial de Capitales, S.A. de C.V. consummating the June 27, 2014 Transaction.¹⁹ PRTC represented that this unauthorized increase in the Slim Family's ownership and control was "[d]ue to an oversight."²⁰

8. The International Bureau referred the June 27, 2014 Transaction to the Enforcement Bureau, which began an investigation in which it discovered that this was not the first time the Slim Family exceeded the level of permissible foreign control over equity and voting rights in PRTC.²¹

TERMS OF AGREEMENT

9. **Adopting Order.** The provisions of this Consent Decree shall be incorporated by the Bureau in an Adopting Order without change, addition, deletion, or modification.

10. **Jurisdiction.** América Móvil and PRTC agree that the Commission, acting through the Bureau, has jurisdiction over the Companies and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

11. **Effective Date.** The Parties agree that this Consent Decree shall become effective on the Effective Date as defined herein. As of the Effective Date, the Parties agree that this Consent Decree shall have the same force and effect as any other order of the Commission.

12. **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 the Investigation. In consideration for the termination of the Investigation, América Móvil and PRTC agree to the terms, conditions, and procedures contained herein. The Bureau further agrees that, in

¹⁹ See 2014 PRTC Petition for Declaratory Ruling at 5.

²⁰ *Id.* ("Due to an oversight, PRTC and América Móvil inadvertently did not seek Commission approval prior to the Slim Family's purchase of the shares held by AT&T.")

²¹ In 2010, América Móvil violated the terms of the 2007 Declaratory Ruling by permitting the Slim Family to increase their indirect equity interest in PRTC to 40.18 percent. See América Móvil, S.A.B. de C.V., Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act of 1934 That Foreign Ownership in Excess of Twenty-Five Percent is in the Public Interest at 3-4 (2010 Petition for Declaratory Ruling), attachment to IBFS File No.: ISP-PDR-20100623-00012 available at <http://licensing.fcc.gov/myibfs/>; see also 2011 Declaratory Ruling *supra* note 14. América Móvil represented that "due to an oversight" it "inadvertently did not seek Commission approval" to increase the Slim Family's equity ownership interest beyond the limit set by the 2007 Declaratory Ruling. 2010 Petition for Declaratory Ruling at 4. América Móvil represented to the Commission that it "takes its obligations under FCC's rules . . . very seriously and has put in place internal measures to ensure that such an oversight does not reoccur." *Id.* The 2010 Violation resulted in the release of a Notice of Apparent Liability Forfeiture against América Móvil as parent of PRTC, which América Móvil paid. See América Móvil, S.A.B. de C.V., Parent of Puerto Rico Tel. Co., Inc., Notice of Apparent Liability for Forfeiture, 26 FCC Rcd 8672 (Enf. Bur. 2011).

the absence of new material evidence, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute any new proceeding, formal or informal, or take any action against América Móvil or PRTC and their regulated affiliates concerning the matters that were the subject of the Investigation. The Bureau also agrees that, in the absence of new material evidence, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute any proceeding, formal or informal, or to set for hearing the question of América Móvil's or PRTC's basic qualifications to be a Commission licensee or hold Commission licenses or authorizations.

13. **Admissions.** América Móvil and PRTC admit for the purpose of this Consent Decree and for Commission civil enforcement purposes, and in express reliance on the provisions of paragraph 10 of this Consent Decree, that Section 310(b)(4) of the Act, as implemented by Section 1.990(a)(1) of the Rules, required prior approval from the Commission in the form of a declaratory ruling before the Slim Family Ownership and Control Interests could exceed the levels established by the *2007 Declaratory Ruling* with respect to voting control and the *2012 Declaratory Ruling* with respect to equity ownership. América Móvil and PRTC further admit that the June 27, 2014 Transaction violated Section 310(b)(4) of the Act, as implemented by the provisions of the *2007 Declaratory Ruling* and *2012 Declaratory Ruling* because it increased the Slim Family Ownership and Control Interests in América Móvil beyond the limits set by these *Declaratory Rulings* without prior Commission approval.

14. **Compliance Officers.** Within thirty (30) calendar days after the Effective Date, América Móvil and PRTC shall each designate a Covered Employee within their respective Companies to serve as the Compliance Officer for their respective Company and to personally discharge the duties set forth below. Each Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan and ensuring that his/her Company complies with the terms and conditions of the Compliance Plans and this Consent Decree. In addition to the general knowledge of the Communications Laws necessary to discharge his or her duties under this Consent Decree, each Compliance Officer shall have specific knowledge of the Alien Ownership Rules.

15. **Compliance Plan for América Móvil.** For purposes of settling the matters set forth herein, América Móvil agrees that it shall, within the dates set out below, develop and implement a Compliance Plan designed to ensure future compliance with the Alien Ownership Rules, all current declaratory ruling(s), and the terms and conditions of this Consent Decree. América Móvil will implement, at a minimum, the following procedures:

- (a) **Compliance Processes.** Within ninety (90) calendar days after the Effective Date, América Móvil shall develop appropriate measures to monitor increases and learn about impending increases in the Slim Family Ownership and Control Interests.
- (b) **Operating Procedures.** Within ninety (90) calendar days after the Effective Date, América Móvil shall establish Operating Procedures that all Covered Employees must follow to help ensure that América Móvil complies with the Commission's Alien Ownership Rules. América Móvil's Operating Procedures shall include internal procedures and policies specifically designed to ensure that the Compliance Processes in paragraph 15(a) are met. América Móvil shall also develop a Compliance Checklist that describes the steps that a Covered Employee must follow to ensure compliance with the Commission's Alien Ownership Rules.

- (c) **Compliance Manual**. Within ninety (90) calendar days after the Effective Date, the Compliance Officer shall develop and distribute a Compliance Manual to all Covered Employees. The Compliance Manual shall set forth the Alien Ownership Rules applicable to América Móvil. América Móvil shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth in it remains current and accurate. América Móvil shall distribute any revisions to the Compliance Manual promptly to all Covered Employees.
- (d) **Compliance Training Program**. América Móvil shall establish and implement a Compliance Training Program on compliance with the Alien Ownership Rules. As part of the Compliance Training Program, Covered Employees shall be advised of América Móvil's obligations to report noncompliance under paragraph 17 of this Consent Decree and shall be instructed on how to disclose noncompliance to the Compliance Officer. All Covered Employees shall be trained pursuant to the Compliance Training Program within ninety (90) calendar days after the Effective Date, except that any person who becomes a Covered Employee at any time after the initial Compliance Training Program shall be trained within sixty (60) calendar days after the date such person becomes a Covered Employee. América Móvil shall repeat compliance training on an annual basis, and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

16. **Compliance Plan for PRTC**. For purposes of settling the matters set forth herein, PRTC agrees that it shall, within the dates set out below, develop and implement a Compliance Plan designed to ensure future compliance with the Alien Ownership Rules and with the terms and conditions of this Consent Decree. PRTC will implement, at a minimum, the following procedures:

- (a) **Compliance Processes**. Within ninety (90) calendar days after the Effective Date, PRTC shall develop appropriate measures for receiving and analyzing information from América Móvil about increases and impending increases in the Slim Family Ownership and Control Interests.
- (b) **Operating Procedures**. Within ninety (90) calendar days after the Effective Date, PRTC shall establish Operating Procedures that all Covered Employees must follow to help ensure that PRTC complies with the Commission's Alien Ownership Rules. PRTC's Operating Procedures shall include internal procedures and policies specifically designed to ensure that the Compliance Processes in paragraph 16(a) are met. PRTC shall also develop a Compliance Checklist that describes the steps that a Covered Employee must follow to ensure compliance with the Commission's Alien Ownership Rules.
- (c) **Compliance Manual**. Within ninety (90) calendar days after the Effective Date, the Compliance Officer shall develop and distribute a Compliance Manual to all Covered Employees. The Compliance Manual shall set forth the Alien Ownership Rules applicable to PRTC. PRTC shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth in it

remains current and accurate. PRTC shall distribute any revisions to the Compliance Manual promptly to all Covered Employees.

- (d) **Compliance Training Program.** PRTC shall establish and implement a Compliance Training Program on compliance with the Alien Ownership Rules. As part of the Compliance Training Program, Covered Employees shall be advised of PRTC's obligations to report noncompliance under paragraph 17 of this Consent Decree and shall be instructed on how to disclose noncompliance to the Compliance Officer. All Covered Employees shall be trained pursuant to the Compliance Training Program within ninety (90) calendar days after the Effective Date, except that any person who becomes a Covered Employee at any time after the initial Compliance Training Program shall be trained within sixty (60) calendar days after the date such person becomes a Covered Employee. PRTC shall repeat compliance training on an annual basis, and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

17. **Reporting Noncompliance.** Each Compliance Officer shall report all material noncompliance with the Alien Ownership Rules and with the other terms and conditions of this Consent Decree within fifteen (15) calendar days after discovery of such noncompliance. Such reports shall include a detailed explanation of: (i) each instance of such noncompliance; (ii) the steps that América Móvil and PRTC have taken or will take to remedy such noncompliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that América Móvil and PRTC have taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, DC 20554, with copies submitted electronically to Jeffrey J. Gee at Jeffrey.Gee@fcc.gov, Kalun Lee at Kalun.Lee@fcc.gov, and Robert B. Krinsky at Robert.Krinsky@fcc.gov.

18. **Reporting Requirements.**

- (a) **Compliance Reports.** Each Compliance Officer shall file compliance reports with the Commission one hundred twenty (120) calendar days after the Effective Date, twelve (12) months after the Effective Date, and then every twelve (12) months thereafter until the Termination Date.
1. Each Compliance Report shall include a detailed description of América Móvil's or PRTC's efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Communications Laws, including the Alien Ownership Rules in effect for the period covered by the Compliance Report.
 2. In addition, each Compliance Report shall include a certification by the Compliance Officer, as agent of and on behalf of América Móvil or PRTC, respectively, stating that the Compliance Officer has personal knowledge that the Officer's respective company has: (i) established and implemented the company's Compliance Plan; (ii) utilized the Operating Procedures since the implementation of that Compliance Plan; and (iii) has no knowledge of any

instances of noncompliance with the terms and conditions of this Consent Decree, including the reporting obligations set forth in paragraph 17 of this Consent Decree.

3. Each Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certifications and shall comply with Section 1.16 of the Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein.²²
 4. If a Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of his/her respective company, shall provide the Commission with a detailed explanation of the reason(s) why and describe fully: (i) each instance of noncompliance; (ii) the steps that his/her respective company has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial actions will be taken; and (iii) the steps that his/her respective company has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.
 5. All Compliance Reports shall be submitted to Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, DC 20554, with a copy submitted electronically to Jeffrey J. Gee at Jeffrey.Gee@fcc.gov, Kalun Lee at Kalun.Lee@fcc.gov, and Robert B. Krinsky at Robert.Krinsky@fcc.gov.
- (b) **Reports on Slim Family Ownership and Control Interests.** América Móvil shall file a report on the Slim Family Ownership and Control Interests (Slim Family Report) thirty (30) calendar days after the Effective Date, and then every thirty (30) calendar days thereafter until the Termination Date.
1. Each Slim Family Report shall state América Móvil's understanding, based on the materials identified in paragraph 18(b)(2), of: (i) the level of direct or indirect equity ownership held by the Slim Family in América Móvil and the Slim Family's level of indirect equity ownership held in PRTC expressed as percentages of one hundred (100) percent equity ownership in América Móvil and PRTC, respectively; and (ii) the level of voting control held by the Slim Family directly or indirectly in América Móvil and indirectly in PRTC expressed as percentages of one hundred (100) percent voting control in América Móvil and PRTC, respectively.
 2. As part of the preparation of each Slim Family Report under paragraph 18(b)(1), América Móvil's Compliance Officer, or designee, will notify the Slim Family Representative as to the Compliance Officer's understanding of

²² 47 CFR § 1.16.

the Slim Family's equity and voting interests in América Móvil based on public filings with the U.S. Securities and Exchange Commission (SEC). This Notice also will remind the Slim Family Representative of the applicable restrictions on the Slim Family's equity and voting interests in América Móvil and state the percentages by which those equity and voting interests may increase without prior Commission approval. This Notice will request that, no later than ten (10) calendar days prior to the due date of the next Slim Family Report, the Slim Family Representative: (i) certify whether the equity and voting interests stated in the Notice are accurate to the Slim Family Representative's knowledge, information, and belief; (ii) if not, certify the accurate level of the Slim Family's equity and voting interests in América Móvil to the Slim Family Representative's knowledge, information, and belief; and (iii) certify whether the Slim Family has taken action reflecting earnest intent to increase the Slim Family Ownership and Control Interests above the maximum amounts permitted in the next twelve months such that América Móvil should seek prior Commission approval.

3. Each Slim Family Report shall also state: (i) the date the Notice was provided to the Slim Family Representative in connection with that Report; (ii) whether the Slim Family Representative responded to that Notice and, if so, the date of that response; (iii) the amount of the Slim Family's ownership calculated by América Móvil and the response (if any) from the Slim Family Representative regarding the accurate amount; and (iv) the response, if any, from the Slim Family Representative to the Compliance Officer's request for certification under paragraph 18(b)(2)(iii).

19. **Termination Date.** Unless stated otherwise, the requirements set forth in paragraphs 14 through 18 of this Consent Decree shall expire thirty-six (36) months after the Effective Date.

20. **Section 208 Complaints; Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to Section 208 of the Act²³ against América Móvil and PRTC or their affiliates for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by América Móvil and PRTC with the Communications Laws.

21. **Civil Penalty.** For purposes of settling the matters set forth herein, América Móvil and PRTC will be jointly and severally responsible for the payment of a civil penalty to the United States Treasury in the amount of one million one hundred thousand dollars (\$1,100,000) within thirty (30) calendar days of the Effective Date. América Móvil and/or PRTC shall send electronic notification of

²³ 47 U.S.C. § 208.

payment to Jeffrey J. Gee at Jeffrey.Gee@fcc.gov, Kalun Lee at Kalun.Lee@fcc.gov, and Robert B. Krinsky at Robert.Krinsky@fcc.gov on the date said payment is made. The payment must be made by check or similar instrument, wire transfer, or credit card, and must include the Account Number 201632080006 and FRN 0015025067, and FRN 0001731470. Regardless of the form of payment, a completed FCC Form 159 (Remittance Advice) must be submitted.²⁴ When completing the FCC Form 159, enter the Account Number in block number 23A (call sign/other ID) and enter the letters “FORF” in block number 24A (payment type code). Below are additional instructions that should be followed based on the form of payment selected:

- Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payments (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.
- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

Questions regarding payment procedures should be addressed to the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

22. **Waivers.** As of the Effective Date, América Móvil and PRTC waive any and all rights they 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 Adopting Order. América Móvil and PRTC shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Consent Decree or the Adopting Order, neither América Móvil, nor PRTC, nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and América Móvil and PRTC shall both waive any statutory right to a trial *de novo*. América Móvil and PRTC hereby agree to waive any claims that each entity may otherwise have under the Equal Access to Justice Act²⁵ relating to the matters addressed in this Consent Decree.

²⁴ An FCC Form 159 and detailed instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

²⁵ See 5 U.S.C. § 504; 47 CFR §§ 1.1501–1.1530.

23. **Severability.** The Parties agree that if any of the provisions of the Consent Decree shall be held unenforceable by any court of competent jurisdiction, such unenforceability shall not render unenforceable the entire Consent Decree, but rather the entire Consent Decree shall be construed as if not containing the particular unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly.

24. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

25. **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 América Móvil and PRTC do not expressly consent) that provision will be superseded by such Rule or Order.

26. **Successors and Assigns.** América Móvil and PRTC agree that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

27. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the Investigation.

28. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

29. **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.

30. **Authorized Representative.** Each Party represents and warrants to the other that it has full power and authority to enter into this Consent Decree. Each person signing this Consent Decree on behalf of a Party hereby represents that he or she is fully authorized by the Party to execute this Consent Decree and to bind the Party to its terms and conditions.

31. **Counterparts.** This Consent Decree may be signed in counterpart (including electronically or by facsimile). Each counterpart, when executed and delivered, shall be an original, and all of the counterparts together shall constitute one and the same fully executed instrument.

Travis LeBlanc

Chief

Enforcement Bureau

Date

Alejandro Cantú Jiménez, General Counsel

América Móvil, S.A.B. de C.V.

Date

Francisco J. Silva, General Counsel

Puerto Rico Telephone Company, Inc.

Date