

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Applications of AT&T Inc. and DIRECTV) MB Docket No. 14-90
for Consent To Assign or Transfer Control of)
Licenses and Authorizations)

AT&T INC. SEMI-ANNUAL COMPLIANCE REPORT ON
AT&T/DIRECTV MERGER CONDITIONS

FEBRUARY 25, 2019

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I. INTRODUCTION & COMPLIANCE OVERVIEW

On July 24, 2015, the Federal Communications Commission (“Commission”) approved, subject to conditions, the applications of AT&T Inc. and DIRECTV (collectively “AT&T” or the “Company”) to transfer control of various Commission licenses and other authorizations from DIRECTV to AT&T pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “Act”).¹ The transaction closed the same day.

AT&T submits this seventh semi-annual report demonstrating compliance with the conditions set forth in Appendix B (the “Conditions”) of the *Merger Order*.² This report

¹ *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131 (2015) (“*Merger Order*”).

² AT&T submitted its first semi-annual report on January 27, 2016, covering the time period July 24, 2015 to December 31, 2015. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Jan. 25, 2016) (“First Semi-Annual Compliance Report”). AT&T’s second semi-annual compliance report covered the time period of January 1, 2016 to June 30, 2016. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed July 25, 2016) (“Second Semi-Annual Compliance Report”). On December 9, 2016, the Wireline Competition Bureau approved AT&T’s request for a 30-day extension of the date for filing the remaining semi-annual compliance reports. *Letter from Matthew DelNero, Chief, Wireline Competition Bureau, FCC, to Maureen R. Jeffreys, Arnold & Porter LLP, Counsel for AT&T*, 31 FCC Rcd 12,926 (Dec. 9, 2016). AT&T’s semi-annual reports are now due on February 24 and August 24 for each year of the reporting condition (for reporting periods that end December 31 and June 30, respectively). *Id.* Accordingly, AT&T submitted its third semi-annual report on February 24, 2017, covering the time period of July 1, 2016 to December 31, 2017. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Feb. 24, 2017) (“Third Semi-Annual Compliance Report”). AT&T submitted its fourth semi-annual compliance report on August 24, 2017, covering the time period of January 1, 2017 to June 30, 2017. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Aug. 24, 2017) (“Fourth Semi-Annual Compliance Report”). AT&T submitted its fifth semi-annual compliance report on February 26, 2018, covering the time period of July 1, 2017 to December 31, 2017. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Feb. 26, 2018) (“Fifth Semi-Annual Compliance Report”). AT&T submitted its sixth semi-annual compliance report on August 24, 2018, covering the time period of January 1, 2018 to June 30, 2018. *AT&T Inc. Semi-Annual Compliance Report on*

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describes AT&T's compliance with the following Conditions: (1) Fiber to the Premises ("FTTP") deployment;³ (2) the provision of 1 Gigabit FTTP Service to covered E-rate eligible schools and libraries;⁴ (3) non-discriminatory usage-based practices;⁵ and (4) the Discounted Broadband Services Program.⁶

As this report demonstrates, AT&T is in full compliance with the Conditions. Indeed, AT&T is performing above and beyond the Conditions' requirements. For example, as of December 31, 2018, AT&T has exceeded the end of year 2018 milestone for FTTP deployment. And, AT&T has over 20 percent more subscribers to its Discounted Broadband Services Program (the "Program") than the prior reporting period, and over 1,000 organizations have agreed to help promote the Program.

In addition to the Conditions on which AT&T is required to report semi-annually, the *Merger Order* imposed certain compliance program Conditions.⁷ As AT&T explained in its First Semi-Annual Compliance Report, AT&T has satisfied the Conditions to appoint a

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AT&T/DIRECTV Merger Conditions, MB Dkt No. 14-90 (filed Aug. 24, 2018) ("Sixth Semi-Annual Compliance Report").

³ *Merger Order*, Appendix B, § III.

⁴ *Id.*

⁵ *Id.*, Appendix B, § IV.

⁶ *Id.*, Appendix B, § VI. The *Merger Order* also imposed specific internet interconnection disclosure and reporting requirements, but did not require AT&T to include in its semi-annual report a description of its compliance with that Condition. *Id.*, Appendix B, § V.

⁷ *Id.*, Appendix B, § VII.

Company Compliance Officer,⁸ develop and implement an Implementation and Compliance Plan,⁹ and engage an Independent Compliance Officer (“ICO”)¹⁰ within the time frames required by the Conditions, and continues to comply with any associated Program and Reporting Conditions on an ongoing basis. AT&T has designated Jerrie Kertz, Senior Vice President - Compliance, as the Company Compliance Officer. AT&T has engaged Donald K. Stern as the ICO, who has been approved by the Commission’s Office of General Counsel.¹¹ AT&T has had many meetings with Mr. Stern and his team to educate them about the Conditions, AT&T’s compliance activities, and the semi-annual compliance reports, and to prepare for and assist the ICO’s evaluation activities. Mr. Stern filed his sixth compliance report on October 23, 2018.¹²

⁸ *Id.*, Appendix B, § VII(1) (“Within thirty (30) calendar days after the Closing Date, the Company shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as a Company Compliance Officer and to discharge the Company’s duties with respect to the conditions specified in this Appendix B.”).

⁹ *Id.*, Appendix B, § VII(2) (“The Company agrees that it shall, within sixty (60) calendar days after the Closing Date, develop and implement an Implementation and Compliance Plan designed to ensure its implementation of and compliance with the conditions specified in this Appendix B, establishing, *inter alia*, mechanisms to provide, on an ongoing basis, adequate notice and training to all Company personnel involved with the activities covered by the conditions in this Appendix B.”).

¹⁰ *Id.*, Appendix B, § VII(3)(a) (“Within ninety (90) days of the Closing Date, an Independent Compliance Officer shall be identified, whose selection is acceptable to the Company and approved by the Commission’s Office of General Counsel, in consultation with the Wireline Competition Bureau.”).

¹¹ *Independent Compliance Officer Identified in Accordance with AT&T-DIRECTV Merger Condition*, Public Notice, 30 FCC Rcd 11,556 (Oct. 23, 2015).

¹² *Independent Compliance Officer’s Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Oct. 23, 2018) (“ICO Sixth Report”). Mr. Stern filed his first compliance report on March 28, 2016. *Independent Compliance Officer’s Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Mar. 28, 2016) (“ICO First Report”). Mr. Stern filed his second compliance report on September 23, 2016. *Independent Compliance Officer’s Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Sept. 23, 2016) (“ICO Second Report”). Mr. Stern filed his third compliance report on April 25, 2017. *Independent Compliance Officer’s Compliance Report on*

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As described below, AT&T is addressing the recommendations and suggestions made in the ICO Sixth Report.

As described in AT&T's Implementation and Compliance Plan, AT&T has assembled a team of employees, including company officers, senior-level managers and attorneys, to develop, coordinate, and oversee implementation of the Conditions. A Program Management Team, led by AT&T officers, has overall responsibility for overseeing compliance for all Conditions. In addition, AT&T has established six "Working Teams" to oversee and ensure compliance with each specific Condition (or portion of a Condition). These Working Teams include AT&T officers and senior-level employees whose ordinary course responsibilities within AT&T encompass the activities covered by the Condition to which they have been assigned.¹³

This report is divided into separate sections for each specific Condition. The first part of each section provides the text of the Condition as set forth in Appendix B of the *Merger Order*.

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AT&T/DIRECTV Merger Conditions, MB Dkt No. 14-90 (filed Apr. 25, 2017) ("ICO Third Report"). Mr. Stern filed his fourth compliance report on October 23, 2017. *Independent Compliance Officer's Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Oct. 23, 2017) ("ICO Fourth Report"). Mr. Stern filed his fifth compliance report on April 27, 2018. *Independent Compliance Officer's Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Apr. 27, 2018) ("ICO Fifth Report"). See also *Merger Order*, Appendix B, § VII(3)(e) ("The Independent Compliance Officer shall prepare and submit, in accordance with the filing and service requirements set forth in Section VII.5. herein, a Compliance Report within sixty (60) days of receiving the Company's reports required under the conditions specified in this Appendix B.").

¹³ In addition, AT&T has provided training to the Working Teams responsible for implementing and tracking compliance with the Conditions to ensure that they understand their obligation to promptly report any potential material noncompliance with any Condition. AT&T also has established an internal mechanism for reporting potential violations, and all such reports will be promptly reviewed and investigated by members of AT&T's Program Management Team.

The second part of each section provides an overview of the processes and specific steps that AT&T has implemented to comply with the Condition, and the specific reporting requirements and associated exhibits required for each Condition.

II. FTTP DEPLOYMENT AND PROVISION OF GIGABIT FTTP SERVICE TO COVERED E-RATE ELIGIBLE SCHOOLS AND LIBRARIES

A. STATEMENT OF THE CONDITION

1. Condition

- a. Within four (4) years, in accordance with the timing requirements set forth in subparts 2.a.(i) through 2.a.(v), the Company shall deploy FTTP-based Broadband Internet Access Service to at least 12.5 million mass-market customer locations,¹⁴ such as those occupied by residences, home offices, and very small businesses (and excluding locations solely occupied by large enterprises and institutions), of which no more than 2.9 million may be upgrades to customer locations that receive speeds of 45 Mbps or more using fiber to the node (“FTTN”) technology:
 - (i) By December 31, 2015, the Company shall expand its FTTP coverage to at least 1.6 million of the aforementioned customer locations, including locations built as of April 15, 2015;
 - (ii) By December 31, 2016, the Company shall expand its FTTP coverage to at least 2.6 million of the aforementioned customer locations;
 - (iii) By December 31, 2017, the Company shall expand its FTTP coverage to at least 5.0 million of the aforementioned customer locations;

¹⁴ Customer locations are defined as addresses to which the Company has the technical ability to provide Broadband Internet Access Service and excluding broadband-connected locations such as gates, ATMs, and elevators (“Customer Locations”).

- (iv) By December 31, 2018, the Company shall expand its FTTP coverage to at least 8.3 million of the aforementioned customer locations; and
 - (v) Within four (4) years of the Closing Date the Company will complete the aforementioned FTTP deployment to all 12.5 million customer locations and the Company will offer speeds of 45 Mbps or more to at least 25.7 million customer locations.
- b. No more than 1.5 million greenfield locations (*i.e.*, locations at which wire or fiber lines have not been deployed previously) may be counted towards the 12.5 million customer locations required in subsection 2.a.
 - c. The Company may not use, receive, or request any Connect America Funds (“CAF”) for the investments required to satisfy the 12.5 million FTTP deployment transaction commitment or for operating expenses for such locations after such are deployed. Specifically, 12.5 million geocoded locations reported for purposes of this condition cannot be counted towards satisfying any CAF requirements.¹⁵
 - d. In addition to the 12.5 million FTTP locations required by this condition, the Company is obliged to offer 1 Gbps FTTP Service (“Gigabit FTTP Service”) to any E-rate eligible school or library located within or contiguous to a distribution area in which the Company deploys FTTP-based service, including all of the distribution areas included with the 12.5 million FTTP buildout, which includes approximately 6,000 E-rate eligible schools and libraries (“covered schools and libraries”). Provided however, the Company is not obliged to deploy Gigabit FTTP Service to schools and libraries outside of its wireline footprint. In order to satisfy this condition, the Company must offer Gigabit FTTP Service in response to a Form 470 seeking bids for Gigabit FTTP Service to

¹⁵ This would include but is not limited to any of the CAF programs, as well as any other Universal Service Fund (“USF”) programs that the Commission may implement at a future date.

any covered school or library, pursuant to the E-rate rules, and it must engage in affirmative and adequate outreach to make all covered schools and libraries aware of the opportunity to purchase its Gigabit FTTP Services. The Company shall make adjustments to its outreach efforts in response to reasonable requests from the Commission's Office of General Counsel.

2. Reporting

- a. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that describes its compliance with subsections 2.a.-c. of this condition, with the first such report to be submitted six (6) months after the Closing Date, in a format similar to the report that the Company submits in connection with receiving CAF Phase I support, and is expected to submit in Phase II, which must include at least the following, in electronic format:
 - (i) The number of new customer locations to which FTTP service has been deployed during the reporting period;
 - (ii) A CSV file (comma separated values file) or other form approved by the Commission staff for each location to which FTTP service has been deployed in satisfaction of this deployment condition, information presented in substantially the format shown in the chart below (the same location information collected from CAF Phase I recipients);¹⁶
 - (iii) Any explanatory notes as required; and
 - (iv) Any other information the Independent Compliance Officer determines is reasonably necessary to report on compliance with this condition.

¹⁶ The Company must provide LAT and LONG; however, if information for a column other than LAT/LONG is unavailable for a given location, that column may be left blank.

- b. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that describes its compliance with subsection 2.d. of this condition, with the first such report to be submitted six (6) months after the Closing Date, which must include at least the following, in electronic format:
- (i) A list of the covered schools and libraries to which the Company has provided a bid for FTTP services pursuant to this condition, the FCC Form 470 associated with each such bid, and information about the monthly recurring charges and any special construction charges associated with each such bid;
 - (ii) The number of covered schools and libraries to which Gigabit FTTP Service has been deployed during the reporting period;
 - (iii) A CSV file (comma separated values file) or other form approved by the Commission staff for each school or library location to which Gigabit FTTP Service has been deployed in satisfaction of this deployment condition, information presented in substantially the format shown in the chart below;¹⁷
 - (iv) Any explanatory notes as required;
 - (v) A description of the Company's outreach to covered schools and libraries to notify them of the availability of Gigabit FTTP Service; and

¹⁷ The Company must provide LAT and LONG; however, if information for a column other than LAT/LONG is unavailable for a given location, that column may be left blank.

- (vi) Any other information the Independent Compliance Officer determines is reasonably necessary to report on compliance with this condition.¹⁸

B. COMPLIANCE REPORT – FTTP DEPLOYMENT

1. Introduction and Working Team

AT&T has a Working Team that oversees and coordinates implementation of this Condition. This Working Team includes AT&T management personnel who, in the ordinary course of business, lead AT&T’s FTTP expansion projects and have a proven track record of developing and executing broadband expansion plans within specified time frames. All members of this Working Team have been trained to understand what is required by this Condition, including the buildout milestones and the limitations on counting certain types of Customer Locations towards satisfying this Condition.

The Condition requires AT&T to expand its FTTP coverage to reach a total of 8.3 million Customer Locations by the end of 2018, *i.e.*, 3.3 million more locations beyond the 2017 deployment milestone.¹⁹ The condition also requires AT&T to offer speeds of 45 Mbps or more to at least 25.7 million locations by July 24, 2019, *i.e.*, within four years of closing. As discussed below, AT&T has exceeded the end of year 2018 milestone for FTTP deployment in a manner fully consistent with the Condition’s limitations on counting certain types of Customer

¹⁸ Although this Condition refers to fiber deployment within or contiguous to “distribution areas” (“DAs”), that term relates to boundaries associated with copper technology. For fiber, the term equivalent to distribution area is a passive optical network (“PON”) Serving Area (“PSA”). (A PON “is a cabling system that uses optical fibers and optical splitters to deliver services to multiple access points.” Techopedia, Dictionary, <https://www.techopedia.com/definition/16009/passive-optical-network-pon> (last visited Feb. 18, 2019).) The PSA boundaries are often similar, but not identical to copper DA boundaries.

¹⁹ *Merger Order*, Appendix B, § III(2)(a)(ii).

Locations. In addition, as AT&T previously reported, AT&T has exceeded its commitment to offer speeds of 45 Mbps or more to at least 25.7 million customer locations by the middle of 2019.²⁰

2. Total Deployment

AT&T is reporting a total deployment of FTTP service to **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** mass-market Customer Locations during the reporting period, reaching a total of **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** mass-market Customer Locations as of December 31, 2018.

A total of **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** greenfield Customer Locations are included in this report. As explained in AT&T's Sixth Semi-Annual Compliance Report, **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

[END HIGHLY CONFIDENTIAL INFORMATION]

²⁰ See Fifth Semi-Annual Compliance Report at 9; Sixth Semi-Annual Compliance Report at 9.

²¹ **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

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Approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**
[END HIGHLY CONFIDENTIAL INFORMATION] of the total Customer Locations reported are upgrades to FTTN technology that received speeds of 45 Mbps or higher as of the Closing Date. No CAF funds were used, received, or requested by AT&T in order to deploy FTTP to these Customer Locations.

In addition, as AT&T previously reported, AT&T has exceeded its commitment to offer speeds of 45 Mbps or more to at least 25.7 million customer locations by the middle of 2019.²²

3. CSV File Reporting on Each Customer Location²³

Exhibit 1 contains information for each of the total Customer Locations to which FTTP service has been deployed in satisfaction of this Condition as of December 31, 2018.²⁴ Exhibit 1 contains two CSV files.

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[END HIGHLY CONFIDENTIAL INFORMATION]

²² Fifth Semi-Annual Compliance Report at 9; Sixth Semi-Annual Compliance Report at 12. See also *AT&T Expands Ultra-Fast Internet Speeds in Houston Area*, PR Newswire, (Sept. 12, 2018) https://www.prnewswire.com/news-releases/att-expands-ultra-fast-internet-speeds-in-houston-area-300710282.html?tc=eml_cleartime (stating that AT&T offers home internet speeds of 45 Mbps or higher to more than 28 million locations).

²³ Exhibit 1 includes Customer Locations for which AT&T has deployed FTTP service as of December 31, 2018, even if AT&T does not have latitude and longitude coordinates at this time. For those Customer Locations where latitude and longitude coordinates are not available for inclusion in a compliance report, AT&T will provide those coordinates in the final compliance report to the extent those coordinates become available in AT&T's ordinary course databases. See Sixth Compliance Report at 12 n.25; Fifth Semi-Annual Compliance Report at 11 n.24; Fourth Semi-Annual Compliance Report at 11 n.23; Third Semi-Annual Compliance Report at 13-14; Letter from Maureen R. Jeffreys, Counsel for AT&T Inc. to Marlene H. Dortch, Esq., Secretary, FCC, MB Dkt No. 14-90, at 3-4 (Oct. 6, 2016) ("October 6, 2016 Letter").

Exhibit 1.a provides data on **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**
[END HIGHLY CONFIDENTIAL INFORMATION] Customer Locations to which AT&T has deployed fiber and is offering service to the Customer Location. In particular, AT&T has provided Census Block Information; Operating Company Number; Study Area Code; Common Language Location Identifier; Latitude and Longitude of the Customer Location (if available as of the end of the reporting period); DA/PSA; the Service Address, including the unit number for customer locations in MDUs; City; State; Zip Code; and the Service Address Identification Number (a unique identification number assigned to each Customer Location in AT&T's databases and systems in the ordinary course of business).

Exhibit 1.b provides data on **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**
[END HIGHLY CONFIDENTIAL INFORMATION] MDU properties, comprising **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** Customer Locations, to which AT&T has allocated fiber, has the technical ability to provide fiber-based broadband internet access service, and has

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²⁴ The data provided in Exhibit 1.a is obtained from AT&T's ordinary course databases, which may be modified or corrected from time to time. For example, these databases are routinely updated with changes, corrections, and improved data that may be obtained from the field as part of the ongoing FTTP deployment process. Such updates are common in greenfield locations where changes routinely occur as part of the development process, but database updates also occur in locations where AT&T overbuilds fiber. Accordingly, the information provided in Exhibit 1.a for a particular Customer Location in one reporting period may be updated in a subsequent reporting period. As explained in the Sixth Semi-Annual Compliance Report, for each compliance report, AT&T plans to provide information for each of the total Customer Locations to which AT&T has deployed FTTP service in satisfaction of this Condition as of the end of that reporting period based on the data available in the ordinary course databases at that time. *See* Sixth Semi-Annual Compliance Report at 13 n.26.

attempted to sell fiber to that MDU property, but to which the MDU owner has denied AT&T access or failed to respond to AT&T's marketing efforts ("MDU Owner Denials").²⁵ Because AT&T has not been granted permission from the MDU owner to provide fiber service to these properties, AT&T's ordinary course sales databases used to prepare the CSV files submitted pursuant to this Condition do not contain certain data regarding individual customer locations for MDU Owner Denials. Accordingly, AT&T has developed a different process for reporting on MDU Owner Denials to satisfy this Condition. Specifically, AT&T tracks the fiber allocated and available to serve specific MDUs as well as the MDUs to which AT&T marketed its fiber services, but to which the MDU owner has denied AT&T access to deploy fiber or failed to respond to AT&T's marketing efforts. In particular, for Exhibit 1.b, AT&T has provided the following information for each property: Census Block Information; Operating Company Number; Study Area Code; Common Language Location Identifier; Latitude and Longitude of the MDU (if available as of the end of the reporting period); DA/PSA; the MDU's address; City; State; Zip Code; a unique identification number assigned to each MDU Owner Denial property for purposes of this Condition; and the number of Customer Locations at the property.²⁶

²⁵ As explained in AT&T's prior compliance reports, AT&T, Commission staff and the ICO have agreed upon a process that AT&T will use to count towards the Condition MDU Owner Denials. *See* Sixth Semi-Annual Compliance Report at 10 n.21; Fifth Semi-Annual Compliance Report at 10 n.21; Fourth Semi-Annual Compliance Report at 9 n.20; Third Semi-Annual Compliance Report at 11-12; *see also* October 6, 2016 Letter. In AT&T's prior compliance reports, AT&T did not report such Customer Locations because AT&T's sales databases were not capable of tracking such Customer Locations, and AT&T needed to develop the methodology to do so. During this reporting period, AT&T finished developing the methodology and therefore has included MDU Owner Denials in this semi-annual report.

²⁶ This approach is consistent with the Wireline Competition Bureau's guidance for reporting broadband deployment to MDUs for CAF recipients. *See* Public Notice, *Wireline Competition Bureau Provides Guidance to Carriers Receiving Connect America Fund Support Regarding*

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As in the prior reporting period, AT&T will provide to the ICO, as a supplement to Exhibit 1.a, additional data about each Customer Location to enable the ICO to verify that the reported Customer Locations are in compliance with the Condition.²⁷

As explained in AT&T's Sixth Semi-Annual Compliance Report, AT&T has formally documented and updated its FTTP reporting process that it uses to prepare the compliance reports for the FTTP Condition. This documentation describes AT&T's data-merging and quality control process, including the specific data-field interrelationships and queries used to track and report FTTP deployment.²⁸ In addition, as in the prior reporting period, AT&T has provided the ICO with a summary of the data verification procedures **[BEGIN**

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Their Broadband Location Reporting Obligations, DA 16-1363 (2016) (directing filers to report multiple-housing units in a single record with a field for the number of units); *see also* Merger Order, Appendix B, § III(3)(a)(ii) (describing CSV file template as “the same location information collected from CAF Phase I recipients”).

²⁷ AT&T will provide the ICO with **[BEGIN CONFIDENTIAL INFORMATION]**

[END CONFIDENTIAL INFORMATION] for each Customer Location.

²⁸ *See* Sixth Semi-Annual Compliance Report at 13.

C. COMPLIANCE REPORT – GIGABIT OFFERS TO COVERED E-RATE ELIGIBLE SCHOOLS AND LIBRARIES

1. Introduction and Working Team

AT&T has a Working Team to oversee and coordinate compliance with the Condition requiring AT&T to offer 1 Gbps FTTP Service to covered E-rate eligible schools and libraries (“E-rate Condition”). This Working Team includes AT&T senior managers who, in the ordinary course of business, oversee AT&T’s business-level broadband internet access services and its participation in the E-rate program.

The E-rate Condition, like the E-rate program itself, is centered on the Commission’s Form 470 process. The E-rate fiscal year (referred to as a “Funding Year”) runs from July 1st to June 30th. Under the Commission’s procedures, individual schools and libraries, school districts, library systems, buying consortia and states may post a Form 470 for an upcoming Funding Year until approximately February/April (“E-rate Bidding Season”), seeking bids for a contract that typically would begin the following July 1st. For example, these entities post Form 470s from about October 2018 to February/March 2019 for contracts for which E-rate funding will not begin until July 1, 2019. Thus, if awarded, AT&T will begin providing E-rate eligible service under the E-rate Condition pursuant to Commission rules²⁹ for any Form 470s to which AT&T responded during this reporting period on or after July 1, 2019, depending on the customer’s desired due date.

²⁹ 47 C.F.R. § 54.507(d)(2).

As discussed in the sections that follow, AT&T is complying with this Condition by (1) identifying covered schools and libraries located where AT&T plans to have deployed FTTP services by the end of the first half of 2019 (*i.e.*, the beginning of the new E-rate funding year); (2) responding to all Form 470s seeking bids for 1 Gigabit FTTP Service to any such covered school or library;³⁰ (3) deploying as requested 1 Gigabit FTTP Service to any covered school or library that awards to AT&T a bid for such service; and (4) conducting affirmative and adequate outreach to make covered schools and libraries aware of the opportunity to purchase 1 Gigabit FTTP Services.

2. Methodology for Identifying “Covered Schools and Libraries”³¹

The E-rate Condition requires AT&T “to offer 1 Gbps FTTP Service . . . to any E-rate eligible school or library located within or contiguous to a DA in which the Company deploys FTTP-based service.”³² For purposes of compliance with this Condition during the 2018-2019 E-rate Bidding Season for Funding Year 2019, AT&T applied the same methodology for identifying covered schools and libraries described in the Sixth Semi-Annual Compliance

³⁰ Schools and libraries typically purchase commercial broadband services with a guaranteed quality of service. **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

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³¹ As explained in AT&T’s prior compliance reports, AT&T has formally documented and updated its mapping methodology for identifying covered schools and libraries within and contiguous to AT&T’s FTTP deployment. *See, e.g.*, Sixth Semi-Annual Compliance Report at 15 n.31.

³² *Merger Order*, Appendix B, § III(2)(d).

Report.³³ Specifically, AT&T compiled a list of fiber routes³⁴ that include PSAs where AT&T had deployed FTTP-based service or planned to deploy FTTP by June 30, 2019. Using the most recently available Universal Service Administrative Company (“USAC”) data, AT&T identified all of the E-rate eligible individual schools and libraries located within those fiber routes, which is approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** schools and libraries. Because multiple PSAs make up a fiber route, this methodology sweeps well beyond what the Condition requires.

As discussed in the sections that follow, AT&T has used this list of “covered schools and libraries” for purposes of responding to Form 470s seeking bids for 1 Gigabit FTTP Service.

3. Process for Responding to Form 470s³⁵

The existing E-rate sales team is responsible for responding to the Form 470s received from covered schools and libraries. AT&T has integrated the requirements of this Condition into the processes it uses in the ordinary course of business to respond to Form 470s, and has overlaid additional processes to ensure compliance with the Condition.

During the reporting period, the Working Team used the most recent list of covered schools and libraries identified using the methodology described above and compared these covered school and library addresses to the addresses listed for the E-rate school and library

³³ Sixth Semi-Annual Compliance Report at 15-16.

³⁴ AT&T’s wire centers are divided into multiple fiber routes. Multiple PSAs make up a fiber route.

³⁵ As explained in AT&T’s prior compliance reports, AT&T has formally documented and updated its procedures for responding to bids from covered schools and libraries. *See, e.g.*, Sixth Semi-Annual Compliance Report at 16 n.35.

locations that have registered as participants in the E-rate program. AT&T searched the USAC database for the Billed Entity Numbers (“BENs”) for individual schools and libraries.³⁶ For each matching address, the BEN of the individual covered school and library was identified and captured. AT&T further researched the database to determine whether any such individual covered school or library location was part of a school district or library system (“Parent Entity”) that might itself file a Form 470 under which the individual covered school or library might purchase E-rate services and, if found, captured the Parent Entity BEN. AT&T then flagged all of the identified BENs, approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** BENs, and loaded them into the system used in AT&T’s ordinary course of business to respond to Form 470s. This system flags any of these BENs that post a Form 470 with a positive indicator, which is then reviewed to determine if the specifics of the request meet the Condition requirements.

For consortia, after a consortium posts a Form 470 it is necessary for AT&T to review the consortium’s Form 470 to determine the school districts or library systems that are members of that consortium, and then manually identify whether any individual covered school or library is a member of those school districts or library systems.

For the 2018-2019 E-rate Bidding Season, AT&T used the list of BENs corresponding to individual covered schools and libraries, school districts, and library systems, supplemented by the review of consortia Form 470s, to search for any Form 470 posted by these entities. Then,

³⁶ Universal Service Administrative Co., Schools and Libraries, Tools, Entity Download Tool, <https://data.usac.org/publicreports/EntityDownload/Entity/Download> (last visited Feb. 18, 2019).

AT&T offered 1 Gigabit FTTP Service in response to any Form 470 seeking bids for 1 Gigabit FTTP Service filed by one of the BENs identified for the covered schools and libraries, school districts, library systems, or consortia. In particular, based on recent USAC guidance,³⁷ AT&T responded to requests from covered schools and libraries that included a speed of 1 Gbps where the Applicants selected “Leased Lit Fiber (with or without internet access)” from the Form 470 drop-down and indicated the request includes “Internet” in the narrative and/or RFP (if used)³⁸ or selected both “Leased Lit Fiber (with or without internet access)” and “Internet Access and Transport Bundled” from the Form 470 drop-down.

4. List of Schools and Libraries to which AT&T Has Provided Bids

Exhibit 2.a contains a list of **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** Form 470s to which AT&T has, during the period from July 1, 2018 to December 31, 2018, provided a bid to serve a covered school or library with 1 Gigabit FTTP Services during the 2019 E-rate Funding Year. Exhibit 2.a also contains links to the FCC Form 470 associated with each such bid, and information about the monthly recurring charges and any special construction charges associated with each such bid. Exhibit 3 contains copies of the FCC Form 470s listed in Exhibit 2.a.

Above and beyond this Condition, AT&T has responded to E-rate Form 470s from covered schools and libraries that sought bids for fiber-based services that are not expressly

³⁷ USAC, News Brief, FY2019 FCC Form 47- Available on July 1, <https://www.usac.org/sl/tools/news-briefs/preview.aspx?id=839> (June 29, 2018).

³⁸ *Id.*

covered by this Condition. Detailed information about such bids and services is not included in this report.

5. Total Deployment and CSV File

The Condition requires AT&T to provide information about “each school or library location to which Gigabit FTTP Service has been deployed in satisfaction of this deployment condition.” As explained above and in AT&T’s Sixth Semi-Annual Compliance Report, the E-rate Funding Year and contracts for 1 Gbps FTTP service awarded under the E-rate program run from July 1st to June 30th, and service providers thus generally do not begin to provide E-rate supported service until July 1st.³⁹ Thus, this reporting period, July 1 to December 31, 2018, covers any deployment pursuant to this Condition during the 2018 E-rate Funding Year.

Exhibit 2.b is a CSV file that contains information⁴⁰ for each covered school or library location to which 1 Gigabit FTTP Service has been deployed in satisfaction of the Condition between July 1, 2018 to December 31, 2018.⁴¹

6. Outreach

AT&T has an existing sales channel responsible for larger state and local government and education customers, including schools and libraries. AT&T also has a separate sales channel

³⁹ See Sixth Semi-Annual Compliance Report at 19-20.

⁴⁰ The Condition requires AT&T to include the following information in the CSV file: Census Block Information; Operating Company Number; Study Area Code; Common Language Location Identifier; Latitude; Longitude; Name; District Name; Monthly Charge; and Special Construction Charge. *Merger Order*, Appendix B, § III(3)(b)(ii)-(iii).

⁴¹ As AT&T previously explained, there are multiple reasons why AT&T may have few reportable deployments of 1 Gigabit FTTP Service during a reporting period. See Fifth Semi-Annual Compliance Report at 18-20; Sixth Semi-Annual Compliance Report at 20-21.

responsible for smaller local government and education customers, again including schools and libraries. AT&T's sales channels provide information about available E-rate products and services to potential customers in the ordinary course of business.

Building on AT&T's established efforts to make prospective school and library customers aware of the opportunity to purchase E-rate services, AT&T has implemented additional outreach to inform covered schools and libraries about AT&T's 1 Gigabit FTTP Service offer pursuant to this Condition. As described below, AT&T is reaching out to schools and libraries within AT&T's wireline footprint via a direct mail and email campaign, and by providing information about its 1 Gigabit FTTP Services to all schools and libraries to which AT&T has won a bid to provide service through the E-rate program.

Direct Mail and Email Outreach: On or about September 17, 2018, AT&T commenced outreach for the E-rate Funding Year beginning July 1, 2019. As part of this outreach, AT&T sent direct mail communications intended to reach all schools and libraries in AT&T's wireline footprint. AT&T sent the direct mail communication to over **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** schools and libraries listed in the USAC database and National Telecommunications & Information Administration ("NTIA") broadband mapping data.

During the prior reporting period, AT&T implemented an additional email campaign, whereby AT&T sends email notices with the goal to effectively communicate AT&T's 1 Gigabit FTTP service expansion with more robust internet services to more locations; expand communications to a much larger audience of school and library decisions-makers; and increase

AT&T's ability to measure outreach effectiveness.⁴² During this reporting period, AT&T conducted two email campaigns in July/August and October/November to school and library representatives in its wireline footprint for which AT&T had a valid email address. In total, AT&T sent the email communication to approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] school and library recipients. Over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] emails were opened during the July/August email campaign and over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] emails were opened during the October/November email campaign. A sample copy of the email is attached as Exhibit 4.

E-rate Services Welcome Package: When AT&T receives a Funding Commitment Decision Letter from USAC with respect to any E-rate eligible service, AT&T sends a welcome package email and instructions to the E-rate customer with information about AT&T's E-rate products and services. AT&T includes information about the 1 Gigabit FTTP Service in this welcome email stating that: "AT&T is pleased to inform you that we are expanding our fiber based Internet Access services into new areas every day. AT&T may have an FTTP Internet Access service with high-broadband capacity, including 1G in your area." The welcome email further includes a link to the AT&T E-rate website and an online form to request information.⁴³

⁴² See Sixth Semi-Annual Compliance Report at 22.

⁴³ See AT&T, AT&T E-rate, Contact an Expert, <https://www.corp.att.com/erate/contact-us/> (last visited Feb. 18, 2019).

III. NON-DISCRIMINATORY USAGE-BASED PRACTICES

A. STATEMENT OF THE CONDITION

1. Condition

- a. In the application of usage-based allowances or other retail terms and conditions for Fixed Broadband Internet Access Service, the Company shall not discriminate in favor of its own Video Programming Service, including Company-operated online Video Programming service or any Company “TV Everywhere” service (whether operated by AT&T’s U-verse service, DIRECTV, or the equivalent), or any content or application available through its own Video Programming services, including through the exemption of one or more of its own Video Programming services from usage-based allowances. For the avoidance of doubt and consistent with such prohibition, this condition does not prohibit the Company from offering discounts for integrated bundles of the Company’s U-verse or DIRECTV satellite Video Programming service or rebranded offerings of these services with the Company’s Fixed Broadband Internet Access Services.

2. Reporting

- a. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that details its compliance with this condition, with the first such report to be submitted six (6) months after the Closing Date, which will include at least the following: a description of all terms and conditions associated with its usage-based allowances and any other information the Independent Compliance Officer determines is reasonably necessary to report as required by this condition.

B. COMPLIANCE REPORT

1. Introduction and Working Team

AT&T has a Working Team that oversees and coordinates compliance with the Non-Discriminatory Usage-Based Practices Condition. The Working Team is composed of officers

and senior managers who, in the ordinary course of business, oversee the development of AT&T's retail terms and conditions for its Fixed Broadband Internet Access Service. AT&T's businesses are subject to a wide variety of regulatory requirements and, in the ordinary course of business, AT&T has developed processes to ensure that proposals that may implicate such regulations are subject to review before AT&T proceeds to any marketplace actions. AT&T is using similar procedures to implement and ensure full compliance with this Condition. As previously explained, AT&T also has conducted training sessions regarding the requirements of this Condition for personnel involved in the development of the products and services covered by the Condition, including Working Team members, company officers, senior-level managers, attorneys, and new personnel.⁴⁴ As required by the Condition, in the application of usage-based allowances or other retail terms and conditions for Fixed Broadband Internet Access Service, AT&T has not discriminated in favor of its own Video Programming Service. Accordingly, AT&T has been in full compliance with this Condition during the time period covered in this report.

2. Terms and Conditions Associated with AT&T's Usage-Based Allowances

AT&T has established monthly usage allowances for some of its internet access services. The usage allowances specify the amount of data that can be used in a customer's monthly

⁴⁴ First Semi-Annual Compliance Report at 31; Second Semi-Annual Compliance Report at 26; Third Semi-Annual Compliance Report at 25-26; Fourth Semi-Annual Compliance Report at 23; Fifth Semi-Annual Compliance Report at 23-24; Sixth Semi-Annual Compliance Report at 24.

billing cycle before overage usage charges are assessed. Effective during this reporting period, the current monthly usage allowances are:

- 150 GB for AT&T DSL service
- 170 GB for Fixed Wireless Internet⁴⁵
- 1 TB for AT&T Internet for speed tiers between 768 kbps and 500 Mbps

AT&T offers an unlimited monthly usage allowance for AT&T Internet service other than AT&T DSL or Fixed Wireless Internet under the following circumstances:⁴⁶

- An unlimited monthly usage allowance is included in the price for the 1 Gbps speed tier
- Customers with AT&T Internet speed tiers between 768 kbps and 500 Mbps can purchase an unlimited monthly usage allowance for \$30/month
- An unlimited monthly usage allowance is offered as a complimentary bundling benefit to customers with both a qualifying AT&T Internet service and a qualifying AT&T video service⁴⁷

AT&T uses the following procedures to notify its AT&T Internet, DSL and Fixed Wireless Internet service customers when their data consumption approaches their data allowances to enable them to avoid additional usage charges. These procedures typically provide a customer at least seven email notifications before the customer is billed for any usage above

⁴⁵ The monthly usage allowance for Fixed Wireless increased from 170 GBs to 215 GBs effective January 1, 2019.

⁴⁶ An unlimited monthly data allowance is not available to consumer DSL or Fixed Wireless Internet customers.

⁴⁷ The unlimited monthly data allowance bundle benefit represents a \$30/month discount over purchasing the unlimited data allowance separately. Qualifying AT&T Internet services for purposes of the bundle benefit include speed tiers between 768 kbps and 500 Mbps. Qualifying AT&T video services include DIRECTV Satellite TV or U-verse IPTV on a combined bill with AT&T Internet. As of September 27, 2018, DIRECTV NOW over-the-top (OTT) video streaming service was added as a qualifying AT&T video service.

her data plan's allowance.⁴⁸ The first time a subscriber's usage exceeds the data plan, she receives an email notification describing the usage measurement plan and process, informing her that she will not be billed for the usage, and providing a link to the usage website. In a subsequent monthly billing cycle in which a customer's usage level approaches her data allowance for the second time, AT&T sends the customer grace email notifications when her usage reaches 65 percent, 90 percent, and 100 percent of the usage threshold. These grace notifications inform the customer that she is now in her second month of overage usage, but will not be billed during this grace period. These grace notifications again contain a link to the usage website. In any subsequent billing cycle in which a customer's usage level approaches the data plan allowance for the third time, AT&T sends billing email notifications when her usage reaches 65 percent, 90 percent, and 100 percent of the usage threshold. These billing notifications contain a link to the usage website and inform the customer that she is in her third month of overage usage and will be billed after exceeding her usage allowance. At this point, AT&T assesses overage charges for customers at a rate of \$10 for each 50 GB of usage over the monthly allowance, up to a maximum of \$100 for AT&T Internet, or \$200 for DSL and Fixed Wireless Internet. In any subsequent month in which the customer's usage exceeds the threshold and the customer incurs overage billing, AT&T sends email notifications to the customer when her usage reaches 75 percent and 100 percent of each overage bucket.

⁴⁸ This process does not apply to wireline internet access customers who have unlimited data since there is no monthly data allowance that a customer could potentially exceed.

AT&T provides information regarding its usage allowances on its publicly accessible website at <http://www.att.com/internet-usage>, and customers may obtain additional information regarding usage through the AT&T Internet Terms of Service.⁴⁹ AT&T also provides customers with access to various online tools to help them understand and track their data usage, including data calculators, FAQs, usage tracking reports, and instructional videos. Customers also are provided information about the usage allowances, charges, and practices through AT&T's advertising disclosures, order summaries, online registration website, and bills. Additional information about the network practices, performance characteristics, and commercial terms of AT&T's broadband internet access services is available at <http://www.att.com/broadbandinfo>. Customers also can check their data usage anytime on AT&T's online portal.

Exhibit 5 contains additional information on, and examples of, the publicly available material and resources regarding AT&T's usage allowance practices. These include AT&T Internet Terms of Service (in effect from November 15, 2017 to the end of this reporting period); AT&T's Internet Consumer Fee Schedule (in effect from April 1, 2018 to the end of this reporting period); Broadband Information available on AT&T's website; and screenshots of AT&T's Online Data Calculator, Consumer Web Portals, Order Summary pages, and customer communications.

⁴⁹ AT&T, AT&T Internet Terms of Service, <https://www.att.com/shop/internet/att-internet-terms-of-service.html> (last visited Feb. 18, 2019). *See also* Exhibit 5.a.i, AT&T Internet Terms of Service (in effect from Nov. 15, 2017 to the end of this reporting period).

3. Procedures for Reviewing Usage-Based Allowances and Other Offers Implicating the Condition

AT&T has procedures to review all new products and offers relating to its Fixed Broadband Internet Access Service in the early stages of product development to ensure that the terms and conditions of those products and offers comply with the Non-Discriminatory Usage-Based Practices Condition. In the ordinary course of business, AT&T has robust procedures to review all new offers, pricing and product enhancements relating to its regulated services (including Fixed Broadband Internet Access Service) to confirm compliance with legal and regulatory requirements. AT&T has incorporated into these existing procedures an additional review to ensure compliance with the Non-Discriminatory Usage-Based Practices Condition.

In particular, AT&T has an established intake process for review and approval of new products and product enhancements. AT&T has incorporated a step in each of these processes to ensure that relevant changes in the retail terms and conditions of its Fixed Broadband Internet Access Services are reviewed for compliance with the Condition. As part of these processes, Working Team Leaders and AT&T Legal receive proposed offers, pricing, and new products and product enhancements and review such proposals to ensure they comply with the Condition.

In addition, AT&T has established processes to ensure that all usage-based allowances associated with its Fixed Broadband Internet Access Service comply with the Condition. Certain Working Team members are responsible in the ordinary course of business for developing or modifying any usage-based allowances AT&T might offer in conjunction with Fixed Broadband Internet Access Services. All such personnel must notify the Working Team Leaders of any proposed usage-based allowance offers, as well as seek the guidance of the Program

Management Team and AT&T Legal to ensure compliance with the Condition, before proceeding to introduce any such offer in the marketplace.

IV. DISCOUNTED BROADBAND SERVICES PROGRAM

A. STATEMENT OF THE CONDITION

1. Condition

Within nine (9) months of the Closing Date, the Company shall establish and commence a program to substantially increase broadband adoption in low-income households throughout AT&T's wireline footprint (the "Discounted Broadband Services Program").

- a. The Company shall offer wireline Broadband Internet Access Service with download speeds of at least 10 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$10 per month. If 10 Mbps wireline Broadband Internet Access Service is not technically available, the Company shall offer wireline Broadband Internet Access Service with download speeds of at least 5 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$10 per month.
- b. Where AT&T has deployed broadband service at top speeds below 5 Mbps, the Company shall offer wireline Broadband Internet Access Service at speeds of at least 3 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$5 per month.
- c. Qualifying households are those where at least one individual participates in the Supplemental Nutrition Assistance Program ("SNAP"), subject to annual recertification, and that do not have outstanding debt for AT&T's Fixed Broadband Internet Access Services that was incurred within the six (6) months prior to the individual's request for services under the Discounted Broadband Services Program or that is incurred for services provided under the Discounted Broadband Services Program and that is subject to the Company's ordinary debt collection procedures.

- d. The Company shall offer the discounts set forth in this condition for at least four (4) years from the commencement of the Discounted Broadband Services Program. Qualifying households who sign up for the Discounted Broadband Services Program in the fourth year of the Discounted Broadband Services Program shall remain eligible for at least twelve (12) months.
- e. Qualifying households shall not be required to pay any installation or modem charges or fees in order to participate in the Discounted Broadband Services Program.
- f. For the period during which this condition is in effect, the Company shall clearly and conspicuously market the Discounted Broadband Services Program, including but not limited to undertaking the following actions:
 - (i) Providing on the Company’s consumer-facing homepage a link to a webpage devoted to describing the Discounted Broadband Services Program; and
 - (ii) Ensuring that the Company’s Customer Service Representatives are trained prior to the commencement of the program to inform consumers of the availability of the Discounted Broadband Services Program offerings, including pricing, and terms and conditions as described in this condition.
- g. The Company shall effectively engage in targeted outreach efforts, in coordination with schools and community-based organizations serving low-income individuals and families, including, but not limited to veterans, the elderly, and those who are non-English speaking, to adequately publicize the availability of the Discounted Broadband Services Program, to ensure that qualified individuals and households are informed about and have access to the program. The Company shall make adjustments to its outreach efforts in response to reasonable requests from the Commission’s Office of General Counsel and, at a minimum, shall take the following actions during each year that the program is in effect:
 - (i) Promote the Discounted Broadband Services Program, including through public service announcements that shall have a minimum annual value of \$15 million.

- (ii) Distribute Discounted Broadband Services Program information to at least twenty (20) organizations that work with low-income communities on a national and local level.
 - (iii) Coordinate with state education departments and local school districts, including requesting that all school districts within the Company's wireline footprint include information about the Discounted Broadband Services Program with their communications to families in advance of the school year, including in each communication relating to the National School Lunch Program ("NSLP"), as feasible and appropriate, to ensure that families that qualify for the NSLP are informed about the Discounted Broadband Services Program at the beginning of the school year and have the opportunity to register.
 - (iv) Provide appropriate promotional and collateral materials to all public school districts within the Company's wireline footprint and requesting that the materials be included in NSLP mailings.
 - (v) Educate school professionals about the Discounted Broadband Services Program, including by conducting outreach to various education-related associations such as parent-teacher associations and associations representing guidance counselors and social workers, in order to reach those who are most likely to work closely with students and families.
- h. Prospective participants shall be directed to a Company phone number dedicated to the Discounted Broadband Services Program to verify eligibility. Qualifying callers shall be transferred to a centralized order-entry center.
- i. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that includes a description of the Company's compliance with the condition, with the first such report to be submitted six (6) months after the Closing Date. The report shall at least include the following:
- (i) The total number of households participating in the Discounted Broadband Services Program;

- (ii) A detailed description of outreach efforts made during the reporting period to publicize the Discounted Broadband Services Program to schools and community-based organizations, including a list of the community-based organizations participating, and representative examples of the promotional and collateral materials provided; and
- (iii) An analysis of the effectiveness of the Discounted Broadband Services Program, describing any adjustments the Company has implemented during the reporting period or plans to implement to improve its effectiveness.

B. COMPLIANCE REPORT

1. Introduction & Working Team

AT&T launched the Discounted Broadband Services Program, branded *Access from AT&T*, in April 2016.⁵⁰ The Program's launch was praised by public interest organizations and other stakeholders as an affordable broadband option for low-income individuals and families.⁵¹ AT&T's extensive outreach initiative has been met with overwhelming support from national, state and local public and private organizations.⁵²

As of December 31, 2018, AT&T has contacted more than 1,000 organizations that have agreed to help promote the Program, with over 55 new organizations agreeing to assist during this reporting period. More than two and a half years since launch, the Program has connected even more low-income Americans to the internet, helping to bridge the digital divide. Indeed,

⁵⁰ The Condition required AT&T to establish and commence the Program within nine months of the Closing Date — on or before April 22, 2016. *Merger Order*, Appendix B, § VI(2).

⁵¹ See Second Semi-Annual Compliance Report at 46-48.

⁵² See, e.g., Sixth Semi-Annual Compliance Report at 32.

the number of participants in the Program has increased by more than 20 percent since the prior reporting period. As described below, AT&T continues to implement changes designed to facilitate the Program's success and expansion.⁵³

This report provides a detailed description of AT&T's implementation of the Discounted Broadband Services Program during the reporting period, including: (i) discounted broadband service offerings and eligibility criteria, (ii) number of participating households, (iii) marketing, (iv) outreach efforts, participating community-based organizations, and examples of promotional and collateral materials provided, and (v) an analysis of the effectiveness of the Program. As discussed below, AT&T's implementation, promotion, and operation of *Access from AT&T* is in full compliance with this Condition.

2. Broadband Service Offered and Qualifying Households

AT&T is offering *Access from AT&T* service plans for wireline Broadband Internet Access Service at the download speeds and prices specified in the Condition. As required by the Condition, AT&T is offering the following service tiers and prices for the Discounted Broadband Service, where technically available:

- 10 Mbps for \$10/month;
- if 10 Mbps is not technically available, then 5 Mbps for \$10/month; or
- if 5 Mbps is not technically available, then 3 Mbps (where technically available) for \$5/month.

⁵³ AT&T has a Working Team to implement this Condition. This Working Team includes AT&T senior managers who, in the ordinary course of business, lead the development, promotion, and operation of AT&T's broadband internet access services. All members of this Working Team have been trained to understand what is required by this Condition.

In addition, AT&T continues to offer expanded eligibility under the *Access from AT&T* program to qualifying households that are unable to receive internet speed tiers of 3 Mbps and above. Specifically, if a 3 Mbps speed tier is not technically available, AT&T is offering the faster of 1.5 Mbps or 768 kbps where technically available for \$5/month.⁵⁴

AT&T operates a dedicated call center for *Access from AT&T* for prospective participants to apply for the Program.⁵⁵ Agents at the dedicated call center both (1) verify whether the customer is eligible to participate in the Discounted Broadband Services Program and (2) coordinate service installation, including determining what services are technically available at that customer location.

With respect to Program eligibility, call center agents send, via regular mail, an application for the prospective participant to complete to verify that the applicant's household contains at least one member who participates in SNAP.⁵⁶ AT&T also has made the application available online. Customers may submit applications, together with supporting documentation to verify participation in SNAP (such as a copy of their SNAP cards), online, or via email, U.S.

⁵⁴ See Third Semi-Annual Compliance Report at 34-35; Fourth Semi-Annual Compliance Report at 32-33; Fifth Semi-Annual Compliance Report at 33; Sixth Semi-Annual Compliance Report at 34.

⁵⁵ See Second Semi-Annual Compliance Report at 35; Third Semi-Annual Compliance Report at 35; Fourth Semi-Annual Compliance Report at 33; Fifth Semi-Annual Compliance Report at 33; Sixth Semi-Annual Compliance Report at 34. In addition to English- and Spanish-speaking agents at the Program's dedicated call center, AT&T supports other languages by engaging Language Line services. Language Line provides live agent translation for over 240 languages. Agents at the dedicated call center are able to conference in a Language Line representative who provides real-time translation between the agent and the customer.

⁵⁶ As of July 21, 2016, *Access from AT&T* extended eligibility to include California residents who participate in the California Supplemental Security Income ("SSI") program as an alternative to SNAP eligibility. Third Semi-Annual Compliance Report at 35 n.57.

mail, or fax.⁵⁷ Agents review the application and supporting documentation for completeness. Upon completion of this review, AT&T notifies applicants by mail or via email whether their applications have been approved and, if so, provides them instructions on how to contact the dedicated call center to order service. If an application has been denied, AT&T provides the reasons for that denial, which among other things may be due to lack of supporting documentation, failure to provide all information requested on the application, or failure to sign the application.

As noted by the ICO, “AT&T continues to work on improving the application experience for Access from AT&T customer.”⁵⁸ During this reporting period, AT&T implemented an additional change to facilitate the application process by updating customer communication letters to make them more user-friendly and to clarify the next steps needed to participate in the Program. AT&T updated the application during the last reporting period to enable customers to identify that they can be called about the Access program. This enabled AT&T to implement a new automated calling effort during this reporting period. The new system notifies customers who mail their application that it has been received and is being processed, and for customers who have been denied, that a new application has been sent.

AT&T directs applicants with approved applications to call the dedicated call center, where agents confirm which service tier – *i.e.*, 10 Mbps at \$10, 5 Mbps at \$10, 3 Mbps at \$5, or

⁵⁷ AT&T, Shop, Internet, Access from AT&T, at Step 2, <https://www.att.com/shop/internet/access/index.html> (last visited Feb. 18, 2019) (“Access from AT&T Website”).

⁵⁸ ICO Sixth Report at 58. *See also* Fourth Semi-Annual Compliance Report at 33-34; Fifth Semi-Annual Compliance Report at 34; Sixth Semi-Annual Compliance Report at 34.

1.5 Mbps or 768 kbps at \$5 – is available at the prospective participant’s location.⁵⁹ Specifically, the agents have a loop qualification tool that permits them to enter an address and determine the services and speeds available at that location. A prospective participant can also check service availability online for a preliminary determination.⁶⁰ The agent then processes a service order, which includes an automatic credit check. For the Discounted Broadband Services Program, AT&T **[BEGIN CONFIDENTIAL INFORMATION]**

[END CONFIDENTIAL INFORMATION], so that all qualifying prospective participants⁶¹ may obtain broadband service.

Finally, as required by the Condition, AT&T does not assess any installation or modem charges in order to participate in the Discounted Broadband Services Program.⁶² AT&T sends

⁵⁹ AT&T offers services under this Program wherever such services are technically available, as required by the Condition. As AT&T explained in the First Semi-Annual Compliance Report, there are a small number of DAs in which AT&T has not deployed broadband internet access services, and in the DAs in which AT&T has deployed legacy DSL services, there are a limited number of locations at which AT&T cannot offer any internet access service to additional customers, and thus services for the Program are not “technically available” in those areas. See First Semi-Annual Compliance Report at 38.

⁶⁰ *Access from AT&T* Website at Step 1.

⁶¹ *Merger Order*, Appendix B, § VI(2)(c) (“Qualifying households are those . . . that do not have outstanding debt for AT&T’s Fixed Broadband Internet Access Services that was incurred within the six (6) months prior to the individual’s request for services provided under the Discounted Broadband Services Program and that is subject to the Company’s ordinary debt collection procedures.”).

⁶² AT&T otherwise applies its existing terms and conditions in conjunction with these services. Thus, for example, *Access from AT&T* service plans are subject to the monthly usage allowances described above, including the grace period and notifications provided to customers before they are billed for any usage above an applicable monthly usage allowance. Customer bills include the data usage limits that are applicable to the customer’s *Access from AT&T* service. Likewise, as with all of AT&T’s wireline broadband internet access services, AT&T will repair or replace damaged equipment as AT&T deems necessary, except where the customer owns the equipment or the equipment is damaged due to the customer’s intentional acts or negligence as determined by AT&T.

customers who have completed the ordering process a self-installation kit, with a router and user-friendly installation instructions.⁶³ Instructions are available in English and Spanish. As an alternative to the self-installation process, AT&T will send a technician to the customer's location at no cost to the customer.

3. Number of Households Participating

As of December 31, 2018: (i) a total of approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] qualifying households have subscribed to *Access from AT&T*, and (ii) AT&T is providing discounted broadband service through the Program to approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] households.

4. Marketing

Website: AT&T is marketing the Discounted Broadband Services Program by prominently displaying on its customer-facing homepage a link to a webpage, <https://www.att.com/access>, that describes the Program and encourages prospective participants to call a toll-free number to obtain more information about AT&T's Discounted Broadband

⁶³ AT&T engages in ongoing efforts to monitor and ensure that a customer is not billed for such equipment. When AT&T discovers instances of inadvertent charges, AT&T actively takes steps to credit such customers and ensure they are not charged improperly going forward. [BEGIN CONFIDENTIAL INFORMATION]

[END CONFIDENTIAL INFORMATION]

Services.⁶⁴ The *Access from AT&T* Website clearly lays out step-by-step instructions for how a prospective participant can check to see if AT&T broadband is available at her location; determine whether she qualifies for the Program if service is available; and request service.⁶⁵ As discussed below, AT&T has partnered with numerous third parties to raise public awareness of *Access from AT&T*, and established a partner portal, accessible from a link on the *Access from AT&T* Website, where participating organizations that are engaged in communications and outreach can access promotional materials, application materials, email and social media templates, and other resources to help share information about the Program with their constituents.⁶⁶

Toll-Free Numbers: AT&T has English and Spanish toll-free numbers (English: 855.220.5211; Spanish: 855.220.5225) that are dedicated to the Discounted Broadband Services Program. In addition, AT&T is supplementing the dedicated toll-free numbers with additional numbers for targeted marketing and to track the effectiveness of its outreach efforts. These numbers are directed to the dedicated call center.

Training Customer Service Representatives: AT&T has built upon its existing customer care training programs to implement a specialized training program for the Discounted Broadband Services Program. In addition to the initial awareness training described in the Second Semi-Annual Compliance Report,⁶⁷ AT&T is offering ongoing refresher trainings to

⁶⁴ AT&T, Shop, Access from AT&T, <https://www.att.com/> (last visited Feb. 18, 2019).

⁶⁵ *Access from AT&T* Website at Steps 1-3.

⁶⁶ *Id.* at For Our Partners.

⁶⁷ *See* Second Semi-Annual Compliance Report at 38.

ensure Customer Service Representatives are aware of the Discounted Broadband Services Program and the dedicated call center, and know how to transfer customers to the dedicated call center for information about the availability, prices, terms and conditions of the Program.

AT&T has continued to improve the training and monitoring of its Customer Service Representatives, **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

[END

HIGHLY CONFIDENTIAL INFORMATION]

In addition, as recommended by the ICO,⁶⁸ AT&T completed an additional training in July 2018 to agents in a center outside of the United States to focus on concepts that are not mirrored in their own systems, such as SNAP and SSI. As recommended by the ICO,⁶⁹ AT&T also continued to ensure that all Access agents understand the process for refunding equipment and installation charges if an eligible customer is **[BEGIN CONFIDENTIAL**

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[END CONFIDENTIAL INFORMATION] by reinforcing the process with call center teams during the reporting period.

In response to the ICO's recommendations regarding non-Access sales agents,⁷⁰ AT&T continues to work on awareness and proper procedures for non-Access agents to follow for handling Access customers.⁷¹ During this report period, **[BEGIN HIGHLY CONFIDENTIAL**

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⁶⁸ See ICO Sixth Report at 68-69.

⁶⁹ *Id.* at 69.

⁷⁰ *See id.*

⁷¹ **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

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5. Outreach and Awareness

AT&T continues to promote *Access from AT&T* through the multi-pronged outreach program required by the Condition.

Public Service Announcements: AT&T is promoting *Access from AT&T* through public service announcements that have a minimum annual value of \$15 million, as required by the Condition. These public service announcements have aired on a variety of channels, including broadcast TV and radio, Hispanic spot TV and radio, and StateNets Radio.⁷⁴

As discussed further below, in addition to satisfying the public service announcement requirement, AT&T also is advertising to patrons of Dollar General and Family Dollar stores in areas where *Access from AT&T* services are available.⁷⁵ During this reporting period, AT&T ran

⁷² See ICO Sixth Report at 69.

⁷³ Further details on the quality assurance steps that AT&T has taken during the reporting period to improve training for call center agents are provided in Exhibit 9.

⁷⁴ StateNets Radio is the exclusive representative firm for the National Association of State Radio Networks, which is comprised of 31 State Radio Networks that include over 1,800 radio stations across the country. See StateNets, Member Networks, <http://statenets.com/cms/index.php/member-networks-2/> (last visited Feb. 18, 2019).

⁷⁵ Samples of these marketing materials are provided in Exhibit 7.

three Dollar General and Family Dollar store campaigns, each for a two-week period: June 25 to July 8, 2018; July 23 to August 5, 2018; and August 20 to September 2, 2018. As part of these campaigns, the *Access from AT&T* offer is displayed on receipts when a SNAP EBT card is used to pay for purchases. In total, these Dollar General and Family Dollar store campaigns generated over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] printed receipts promoting *Access from AT&T* and resulted in over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] calls from potential participants in the Program from June 25, 2018 through September 4, 2018.⁷⁶

Distribute Information to At Least 20 Organizations: AT&T personnel are conducting targeted outreach efforts directed at national, state, and local private, government and quasi-governmental organizations serving low-income individuals and families – including households with school children, veterans, the elderly, non-English-speakers, and minorities. National non-profit organizations Connected Nation and EveryoneOn are assisting AT&T with these outreach efforts.⁷⁷

⁷⁶ As noted above, the first store campaign began during the last week of the prior reporting period on June 25, 2018. From July 2, 2018 through September 4, 2018, the three 2018 Dollar General and Family Dollar store campaigns generated over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] printed receipts promoting *Access from AT&T* and resulted in over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] calls from potential participants in the Program.

⁷⁷ See Fourth Semi-Annual Compliance Report at 39-40; Fifth Semi-Annual Compliance Report at 39-40.

AT&T, with the assistance of EveryoneOn and Connected Nation, has contacted many organizations to provide information about *Access from AT&T*. Over 1,000 organizations have agreed to promote *Access from AT&T* among the populations they serve, with more than 55 new organizations added to the list during this reporting period.⁷⁸ Of the new partner organizations, about 49 percent provide services to minority organizations, 67 percent provide services to low-income households, 25 percent provide services to seniors, and 37 percent provide services to youth.

Participating organizations may obtain promotional and collateral materials directly through AT&T's online partner portal, by contacting Connected Nation or EveryoneOn for assistance or by ordering collateral via the print portal.⁷⁹ Available materials include: a promotional flyer, FAQ, checklist of materials needed to complete the application, email templates, a poster, a promotional video, and the Program launch press release and social media verbiage.⁸⁰ Promotional materials are available in seven languages.⁸¹ Organizations supporting AT&T's outreach efforts downloaded or ordered hard copies of more than 120,000 pieces of collateral during this reporting period.

⁷⁸ A list of organizations that have agreed to promote the Program is provided in Exhibit 6. AT&T, with the assistance of Connected Nation, annually distributes materials about the Program to these organizations. EveryoneOn also engages organizations through outreach to its local and national partners. After an organization has agreed to promote the Program, it remains on the list of participating organizations unless the organization advises that it no longer plans to participate.

⁷⁹ See *Access from AT&T*, Account Sign In, <https://attaccess.rrd.com> (last visited Feb. 18, 2019).

⁸⁰ Samples of these collateral materials are provided in Exhibit 7.

⁸¹ The seven languages are English, Arabic, Chinese, Haitian Creole, Korean, Spanish, and Vietnamese.

National, State and Local Outreach

AT&T's outreach efforts at the national, state and local levels continue to achieve results.

Examples include:

- During this reporting period, OCA - Asian Pacific American Advocates, a national organization dedicated to advancing the well-being of Asian Pacific Americans, continued to promote *Access from AT&T* to members of the Asian Pacific American community via its national constituency and through its local chapters in Cleveland, San Francisco, Sacramento, Atlanta, and Houston. Through its outreach program, OCA distributed flyers and card handouts at a wide variety of local events and festivals and included *Access from AT&T* advertisements in the program books distributed at these events and festivals. For example, the OCA - Greater Cleveland Chapter has an ongoing display of *Access from AT&T* outreach materials inside one of Cleveland's Asiatown's longest standing shopping centers and in a Cleveland local service agency that primarily serves individuals in the Asian community. The OCA - East Bay chapter had many events on its calendar during the reporting period and focused on promotion via tabling and flyers. The OCA - Georgia chapter reached both youth and senior community members during this reporting period. OCA also includes a full-page advertisement for *Access from AT&T* in its monthly newsletters and biannual magazine, which are distributed nationally to OCA members and affiliates. During this reporting period, OCA also printed an ad in the program book of the OCA National Corporate Achievement Awards Gala held in October 2018.
- As part of its collaboration with AT&T, League of United Latin American Citizens ("LULAC") facilitated several outreach events during the summer and fall of 2018 to reach key stakeholders and increase general awareness about *Access from AT&T*. For example, LULAC set up interactive booths at various community events to distribute information regarding program qualifications. Volunteers and staff addressed questions that potential participants had regarding the Program and distributed giveaways such as branded items and raffle opportunities for those participating in an interactive quiz game that consisted of answering simple questions related to *Access from AT&T*. Key events for *Access from AT&T* promotion during this reporting period included the LULAC National Conference from July 18 through July 20, 2018 with over 11,000 participants, and the LULAC Health Fair on September 23, 2018 with over 8,000 participants, as well as other smaller community-based events. During this reporting period, LULAC also promoted

Access from AT&T through its website and via an email blast to its approximately 40,000 subscribers.

- Make Room is a national organization that offers support services for low-income and underserved renters. *Access from AT&T* collaborated with Make Room at two promotional events, one in Miami, Florida on September 22, 2018 and another in Chicago, Illinois on October 6, 2018, to provide information about the Program and assist with enrollment. The Marketing Arm, a marketing and promotion agency engaged by AT&T, provided on-site enrollment opportunities during these two events.
- The Children’s Services Council of Broward County, an organization that actively works to improve the quality of life for families and children in Broward County, Florida, held four back to school community events in July and August 2018, at which local AT&T representatives distributed *Access from AT&T* flyers to participants.
- Brothers for Change is a San Francisco non-profit organization focused on promoting fatherhood in African American Families. The organization promoted *Access from AT&T* by distributing flyers and information at Black Family Day, a community event held on September 29, 2018.
- At the invitation of the Mayor’s office for the City of Detroit, *Access from AT&T* participated in the city’s back to school Event on August 26, 2018, which drew over 500 attendees. The event promoted public and charter school enrollment, as well as city-wide school transportation programs. The Marketing Arm provided on-site enrollment opportunities at the *Access from AT&T* informational booth and distributed a variety of promotional materials.

Program Awareness and Community Events

As a stakeholder in the U.S. Department of Housing and Urban Development’s (“HUD’s”) ConnectHome Initiative, now branded “ConnectHome USA,”⁸² AT&T agreed to

⁸² See Third Semi-Annual Compliance Report at 43-44; Fourth Semi-Annual Compliance Report at 42-43; Fifth Semi-Annual Compliance Report at 43; Sixth Semi-Annual Compliance Report at 44.

conduct 20 Program awareness and enrollment events in certain ConnectHome USA communities within the AT&T 21-state wireline footprint by the end of 2018.⁸³ During this reporting period, AT&T conducted 12 events in 9 communities,⁸⁴ for a total of 18 ConnectHome USA events in 15 communities during 2018.⁸⁵ EveryoneOn is leading the expansion of the ConnectHome USA, “with the goal of connecting 350,000 people living in HUD-assisted housing by 2020,” and is continuing to promote *Access from AT&T* in this role.⁸⁶

Separate and apart from the ConnectHome USA program awareness and enrollment events described above, with the assistance of The Marketing Arm, AT&T also conducted a series of 9 events during this reporting period at different community locations (such as YMCAs, senior centers and local schools) for local families and organizations. These included community events such as the Autumn Moon Festival in San Francisco, STEAM Fest in New Orleans, Columbus Metropolitan Housing Authority in Columbus, Ohio, among others.

In addition, in November of 2018, AT&T entered into a collaboration with the Elizabeth Dole Foundation through its Hidden Heroes Cities campaign to promote the *Access from AT&T*

⁸³ AT&T has engaged The Marketing Arm, a marketing and promotion agency, to assist with conducting *Access from AT&T* outreach events.

⁸⁴ These communities include the following: Louisville, Kentucky; Canton, Ohio; Paso Robles, California; Oakland, California; Los Angeles, California; Champaign, Illinois; St. Louis, Missouri; Macon, Georgia; and Citronelle, Alabama. *See also* Fourth Semi-Annual Compliance Report at 42 n.81; Fifth Semi-Annual Compliance Report at 43 n.83; Sixth Semi-Annual Compliance Report at 44 n.80.

⁸⁵ *See* Sixth Semi-Annual Compliance Report at 44. Due to scheduling issues in 2018, AT&T plans to hold the other two events in the next reporting period.

⁸⁶ Fourth Semi-Annual Compliance Report at 42-43; Fifth Semi-Annual Compliance Report at 43-44. *See also* Joojo Ocran, *ConnectHomeUSA Summit* (Nov. 6, 2017), <https://connecthomeusa.org/connecthome-nation-blog/summit>.

program in 2019 to thousands of eligible low-income veterans and their caregivers. The Elizabeth Dole Foundation and its Hidden Heroes campaign raise both funds and awareness for caregivers supporting veterans who have sustained physical or emotional trauma on the battlefield.⁸⁷ According to the U.S. Census Bureau’s American Community Survey, almost 1.4 million veterans live in households that participate in the SNAP program.⁸⁸ In 2019, the Foundation will focus on promoting *Access from AT&T* in six key cities: [BEGIN

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EveryoneOn and Connected Nation Activities

EveryoneOn continues to conduct outreach to its local and national partners, inviting them to promote the Program in various ways.⁸⁹ EveryoneOn focused on both national and school outreach during 2018. As part of these efforts, EveryoneOn designed and executed four strategies for national outreach: email campaigns to partner organizations, webinars for organizations, presentations to diverse audiences, and local enrollment events.

⁸⁷ Elizabeth Dole Foundation Website, *Hidden Heroes*, <https://www.elizabethdolefoundation.org/hidden-heroes/> (last visited Feb. 18, 2019).

⁸⁸ Brynne Keith-Jennings and Lexin Cai, *SNAP Helps Almost 1.4 Million Low-Income Veterans, Including Thousands in Every State*, Center on Budget and Policy Priorities (Nov. 8, 2018), <https://www.cbpp.org/research/food-assistance/snap-helps-almost-14-million-low-income-veterans-including-thousands-in>.

⁸⁹ Second Semi-Annual Compliance Report at 41; Third Semi-Annual Compliance Report at 43; Fourth Semi-Annual Compliance Report at 44; Fifth Semi-Annual Compliance Report at 44-45; Sixth Semi-Annual Compliance Report at 45.

During this reporting period, EveryoneOn hosted 2 webinars in support of sharing information about the Access program and learning more about low-cost internet options with a wide variety of groups. Specifically, on August 2, 2018, EveryoneOn co-hosted a webinar with the National PTA for PTA leaders in the 21-state AT&T footprint. On October 17, 2018, EveryoneOn conducted an additional webinar about the Program, inviting 440 of its partners to attend.⁹⁰ EveryoneOn sent a follow-up email to the 61 organizations that registered to participate in the October webinar, which included a link to the webinar recording, webinar presentation, and links to the *Access from AT&T* website and collateral portal.

EveryoneOn also held an enrollment event to facilitate enrollment in *Access from AT&T* and promoted the Program in a presentation during this reporting period. *Access from AT&T* continued to be featured on EveryoneOn's offer locator tool, which is used by diverse audiences to find low-cost internet service and device offers through a zip code search.⁹¹

Connected Nation's activities during this reporting period included continuing to manage information and collateral requests from third-party organizations, responding to email inquiries, and maintaining a dedicated phone number specific to the Program. Connected Nation sent three emails to partner organizations that were designed to promote the Program:⁹²

- On October 1, 2018, Connected Nation sent an email to *Access from AT&T* partner organizations with information about the Program and to invite partners to the October webinar hosted by EveryoneOn;

⁹⁰ Connected Nation also sent an email to more than 870 of its partners inviting them to attend and featuring this webinar as an educational opportunity.

⁹¹ EveryoneOn's school outreach activities are discussed separately below.

⁹² See Exhibit 8 at 21-25.

- On December 10, 2018, Connected Nation sent another email to the *Access from AT&T* partner organizations to thank them for their partnership and to request they complete a survey to provide feedback about their experience with the Program and information about the promotional activities they have conducted; and
- On December 17, 2018, Connected Nation sent a follow up email to remind partners to complete the survey.

Connected Nation reports that the more than 55 partner organizations added between July 1, 2018 and December 31, 2018 support an estimated 174,000 consumers who would potentially receive Access information.⁹³ Based on survey responses from existing and new organizations, Connected Nation estimates the *Access from AT&T* partner organizations that responded to the survey conducted during this reporting period sent e-newsletters with information about the Program to more than 32,000 recipients, distributed information at events with approximately 25,000 attendees, and have had about 22,000 social media followers of organizations that shared information.⁹⁴ In addition, Connected Nation reports that it processed more than 30 requests for print collateral of over 21,000 flyers.⁹⁵

Coordination with and Distribution of Promotional and Collateral Materials to State Education Departments and School Districts: AT&T continues to promote *Access from AT&T* to state departments of education (“DOE”), school districts and education professionals. In July and August 2018, AT&T contacted via email or U.S. mail, the lead contact for every state DOE within its 21-state wireline footprint to make sure that each DOE continues to be aware that

⁹³ A Connected Nation report for the period ending December 31, 2018 is provided in Exhibit 8.

⁹⁴ Samples of these collateral materials are contained in Exhibit 8.

⁹⁵ See Exhibit 8 at 14.

Access from AT&T remains available in the state and to provide promotional flyers about the Program.⁹⁶

During the last reporting period, AT&T sent letters to local school districts located within its 21-state wireline footprint, providing details about *Access from AT&T*, requesting that information about the Program be placed in National School Lunch Program packets, and giving examples of how the district can help promote the Program, including a copy of a Program flyer. The letter also invited school district administrators to attend a webinar to be held by EveryoneOn to learn more about the Program. AT&T also sent emails containing similar information to school and local school district administrators and staff whose email addresses were available to AT&T. During this reporting period, as referenced in the letter and email, EveryoneOn hosted three webinars for school districts in July 2018.⁹⁷

In addition, as part of its school outreach efforts during this reporting period, EveryoneOn conducted telephone outreach to over 1,500 school districts about *Access from AT&T*, reaching more than 650 of those called and providing those districts with information about the Program. EveryoneOn followed up its phone call by sending an email with information about the Program to school representatives who provided an email address.⁹⁸

Educate School Professionals: AT&T is working with key national education-related associations and advocacy groups representing educators, guidance counselors, and social

⁹⁶ A sample email and letter are contained in Exhibit 7.

⁹⁷ These three webinars were held in addition to the EveryoneOn PTA and Access partner webinars discussed above.

⁹⁸ A copy of the email is contained in Exhibit 7.

workers – such as Family, Carrier and Community Leaders of America (“FCCLA”), National PTA, and American School Counseling Association – to gain assistance in disseminating the Program details among the populations these organizations serve.⁹⁹

AT&T continues to work with National PTA to conduct outreach to school districts during the 2018-2019 school year.¹⁰⁰ As part of the collaboration, National PTA targeted local PTAs across AT&T’s 21-state wireline footprint to share with eligible participants information about *Access from AT&T*, as well as other information about digital learning and resources available to support internet access. During the fall of 2018, PTA provided grants to four regional PTAs – Louisville, Kentucky; Chicago, Illinois; Orlando, Florida; Racine, Wisconsin – to provide onsite opportunities for families to enroll in *Access from AT&T* during back to school events in their communities. National PTA provided each regional chapter promotional social media tools, *Access from AT&T* flyers, and technical assistance from National PTA staff, EveryoneOn, and Connected Nation. The regional PTAs also received funds to purchase tablets and Wi-Fi service to support enrollment of families in the Program while onsite at their events.

National PTA’s 21-state outreach also includes social media, E-newsletters, blog entries and articles, a dedicated *Access from AT&T* page on the National PTA website, and a recorded webinar for on-demand viewing by local PTA leaders and the families they serve. In addition, in August 2018, as discussed above, National PTA hosted a webinar with EveryoneOn for PTA

⁹⁹ Education-related organizations that have agreed to assist in promoting the Program are included in Exhibit 6, and sample promotional materials are in Exhibit 7.

¹⁰⁰ AT&T also worked with National PTA to conduct outreach to school districts during the 2016-2017 school year and during the 2017-2018 school year. *See* Third Semi-Annual Compliance Report at 47-48; Fourth Semi-Annual Compliance Report at 47; Fifth Semi-Annual Compliance Report at 48-49; Sixth Semi-Annual Compliance Report at 48.

members across the country. The webinar introduced participating PTA chapters to the resources that they can find through EveryoneOn and provided more information as to how PTAs can help enroll their families in *Access from AT&T* at PTA events.

In September 2018, National PTA launched PTA Connected, a new initiative to educate and engage families in digital wellness, security, access, equity and literacy. PTA's initiative formalizes and builds on its work in the digital space and will provide families with the support they need in learning about how to build a healthy digital community. AT&T is one of the founding sponsors of this multiyear, multipronged initiative.

AT&T also continued to work with the FCCLA to promote the Program during this reporting period. Since August of 2018, 28 local FCCLA chapters and 1 state association have participated in promotional and enrollment activities for *Access from AT&T*. These FCCLA chapters and state associations reached a combined total of more than 12,000 individuals as of December 2018. FCCLA also has produced multiple announcements to promote its *Access from AT&T* partnership between July 1 and December 31, 2018. FCCLA included these promotional pieces in FCCLA's weekly Fast Facts e-newsletter, weekly State Advisor Update e-newsletter, social media pages, website, and 2018 issues of FCCLA's official national magazine, among others.

During this reporting period, AT&T also attended the American School Counselors Association convention from July 14 through July 17, 2018. As one of the sponsors for the convention, AT&T advertised the Program in the café and on coffee cups that were provided to attendees. AT&T also distributed materials and met with attendees to provide information and materials about the Program.

6. Analysis of Effectiveness of Program

AT&T knows that an “affordable home internet connection is vital to promote digital inclusion—making it possible for students to complete homework and families to apply for jobs, keep in touch with family and friends and so much more.”¹⁰¹ That is why AT&T is “proud to play a part in helping to narrow the digital divide by providing low-cost internet options for families who need it the most and providing tools and resources for everyone to have a safe experience online.”¹⁰² As of December 31, 2018, AT&T has received [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] calls from prospective participants, [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] unique views on the *Access from AT&T* Website, and [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] visits to the “Apply Now Link.”

AT&T’s national, state and local efforts to enlist outreach partners that work with low-income communities have continued to exceed the Condition’s requirements. As explained above, as of December 31, 2018, over 1,000 organizations have agreed to promote the Program

¹⁰¹ Press Release, *National PTA and AT&T Team Up to Help Close the Homework Gap*, National PTA (Jul. 20, 2017), <https://www.pta.org/home/About-National-Parent-Teacher-Association/PTA-Newsroom/news-list/2017/09/18/National-PTA-and-ATT-Team-Up-to-Help-Close-the-Homework-Gap>.

¹⁰² AT&T California, Blog Post, *Helping Households ‘Spring into Access’* (Apr. 28, 2017), <https://engage.att.com/california/blog/?PostId=3900>.

among the populations they serve.¹⁰³ Subscriber enrollment throughout AT&T's wireline footprint, in part, reflects the breadth of AT&T's outreach efforts.

A considerable amount of work has gone into the implementation and operation of *Access from AT&T* and the outreach campaign to build awareness about the Program. While AT&T is extremely proud of what it has accomplished to date, AT&T is continuing to take steps to help ensure the success of the Program and facilitate its expansion. As recognized by the ICO, AT&T is "committed to the success of the DBS Program."¹⁰⁴

As of December 31, 2018, AT&T is providing discounted broadband service through the Program to approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] qualifying households. Of these households, the vast majority are provisioned on the IP network. Of the IP-based customers, about [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] are receiving AT&T's 10 Mbps service tier at a price of \$10/month. Program outreach and awareness efforts have resulted in *Access from AT&T* subscribers in all 21-states in the wireline broadband services footprint. Customer applications indicate that approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[END HIGHLY CONFIDENTIAL INFORMATION] of respondents heard about *Access from AT&T* via our promotional or outreach efforts. The number of subscribers has increased steadily as awareness of the Program continues to grow, and through AT&T's efforts

¹⁰³ A list of these organizations is provided in Exhibit 6.

¹⁰⁴ ICO Sixth Report at 74.

to improve the enrollment process, as described below. Indeed, since the prior reporting period, the number of subscribers has increased by over **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** subscribers.

AT&T also has taken steps to attract more subscribers and expand the Program. As described in the prior compliance reports,¹⁰⁵ AT&T extended eligibility for the Program to California residents who participate in the California SSI program as an alternative to SNAP eligibility.¹⁰⁶ California residents who participate in the California SSI program may not also claim federal SNAP benefits. As a result, California SSI participants are not eligible for *Access from AT&T* based on SNAP participation. As of December 31, 2018, approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** applications submitted by California SSI participants have been approved, and about **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** California SSI participants have *Access from AT&T* service.

AT&T has further expanded the Program to include prospective participants that are unable to receive internet speed tiers of 3 Mbps and above. In particular, as of October 2, 2016, eligible individuals or households that apply for *Access from AT&T* that are not able to receive service at the 3 Mbps speed tier, but are able to receive service of up to 768 kbps or 1.5 Mbps, will be offered the faster of these two speeds at their location for \$5/month. As of December 31,

¹⁰⁵ Third Semi-Annual Compliance Report at 50-51; Fourth Semi-Annual Compliance Report at 50; Fifth Semi-Annual Compliance Report at 52-53.

¹⁰⁶ See *Access from AT&T* Website.

2018, about [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] customers have subscribed to *Access from AT&T* for speeds below 3 Mbps.

As discussed above, AT&T has continued to market to certain potentially budget-minded consumers, including Dollar General and Family Dollar store patrons. During this reporting period, AT&T's Dollar General and Family Dollar store campaigns ran six weeks of advertising throughout the summer and early fall.¹⁰⁷ As part of these campaigns, the *Access from AT&T* offer is displayed on receipts when a SNAP EBT card is used to pay for purchases, and a total of over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] receipts with the *Access from AT&T* offer were printed during the six weeks of campaigns. These efforts resulted in over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] calls from potential participants in the Program from June 25, 2018 through September 4, 2018.

In addition, AT&T has continued to make changes to the Program in an effort to increase the number of customers in service.¹⁰⁸ In particular, during this reporting period, AT&T implemented an additional change to facilitate the application process by updating customer communication letters to make them more user-friendly and to clarify the next steps needed to participate in the Program. AT&T updated the application during the last reporting period to

¹⁰⁷ As discussed above, the first store campaign began during the last week of the prior reporting period on June 25, 2018.

¹⁰⁸ See Exhibit 9.

enable customers to identify that they can be called about the Access program. This enabled AT&T to implement a new automated calling effort during this reporting period. The new system notifies customers who mail their application that it has been received and is being processed, and for customers who have been denied, that a new application has been sent.

In addition, **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

[END HIGHLY CONFIDENTIAL INFORMATION]

During this reporting period, AT&T also has continued to take steps to improve its outreach efforts, as described above. AT&T conducted 12 ConnectHome USA program awareness and enrollment events this reporting period. In addition to its ConnectHome efforts, AT&T conducted a series of 9 community events for local families and organizations at different

community locations (such as YMCAs, senior centers and local schools) throughout AT&T's 21-state wireline footprint, with the assistance of The Marketing Arm.¹⁰⁹

As described above, EveryoneOn also continues to highlight *Access from AT&T* to a wide variety of audiences through national and school outreach, including through ConnectHome USA events. EveryoneOn continues to make *Access from AT&T* available on its offer locator tool, which is used by diverse audiences to find low-cost internet service and device offers through a zip code search.

AT&T's outreach efforts are raising awareness about the Program. AT&T includes *Access from AT&T* questions in the weekly online survey that AT&T conducts continuously throughout the year in discount broadband markets to measure awareness and interest in the Program. During this reporting period, awareness of the Program increased for the targeted market of SNAP participants when advertising was present in the market. Survey results during this reporting period show that SNAP participants always had a higher awareness **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** and interest in the Program **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** than consumers who did not qualify for the Program.

¹⁰⁹ The Marketing Arm provides AT&T with a summary report after each event, which provides key learnings and recommendations AT&T uses to improve future events.

Connected Nation continues to survey the organizations participating in the Program to learn what promotional activity has taken place and to collect metrics about outreach activities undertaken by organizations responding to the survey.¹¹⁰ Partner organizations provided feedback to Connected Nation via an electronic survey or via telephone, and 84 out of over 100 surveyed organizations provided feedback during this reporting period about their participation in the Program. About 76 percent of survey respondents stated that they are assisting in raising awareness about *Access from AT&T*, reporting that they have engaged in numerous outreach activities, such as distributing flyers, mailings and newsletters, and posting on social media and websites. About 87 percent of the respondents plan to do even more to promote the Program in the future. According to Connected Nation, the responding organizations continued to incorporate *Access from AT&T* outreach activities in their regular interactions with customers, which has been a consistent theme from the onset of the Program.

AT&T is continuing to use the resources of Connected Nation to help AT&T ensure that the outreach program is achieving its broad objectives and to assess the Program's overall effectiveness moving forward.

¹¹⁰ The Connected Nation report for the period ending December 31, 2018 contained in Exhibit 8 describes the feedback provided on outreach activities by partner organizations.