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September 25, 2014

Via Electronic Comment Filing System

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

Re: Ex Parte Presentation in MB Docket No. 14-90, *Application of AT&T Inc. and DIRECTV for Consent to Transfer Control of Licenses and Authorizations*

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, InterMedia Partners, L.P. ("InterMedia") submits this letter summarizing a meeting on Tuesday, September 23, 2014, among Chairman Tom Wheeler, Jonathan Sallet, General Counsel, and Ruth Milkman, Chief of Staff to Chairman Wheeler, and Leo Hindery, Jr., Managing Partner of InterMedia.

Mr. Hindery expressed support for the proposed mergers between Comcast Corporation and Time Warner Cable, Inc. and between AT&T Inc. and DIRECTV. He explained that material consolidation of the nation's major content distribution companies began in earnest in 1998, without any subsequent harm to consumers. To the contrary, the United States now has the most robust television industry in the world thanks to the operating efficiencies these mergers have generated. Broadband deployment is near-ubiquitous. Viewers, employees and shareholders have all benefited. Mr. Hindery explained that consumers and viewers would gain nothing from blocking these proposed mergers and retarding the industry's natural evolution. Indeed, it is in the public interest to permit the mergers to proceed. Mr. Hindery gave the participants in the meeting a copy of an opinion piece he authored on the subject that was published on September 8, 2014, in the *Wall Street Journal*, a copy of which is enclosed with this letter.

Mr. Hindery also noted that some care must be taken, though, to protect the interests of the smaller, independent programmers. The eight or so very large programming companies or combines have proven in the marketplace that they can protect their own interests vis-à-vis the large multichannel video programming distributors ("MVPDs"). Independent programmers, which serve important and under-represented constituencies and foster the well-recognized consumer benefit of diversity, however, are vulnerable to certain risks and demands which the larger programming companies are not, including: potential loss of subscribers by virtue of a combination of MPVDs which carry a programmer on differing levels of service; unfair most favored nations ("MFN") clauses and audit provisions; restrictions on the ability of independent programmers to sell their content "over the top"; and re-tiering rights without good cause during the operative term of a carriage agreement.

Respectfully submitted,

Mark J. Coleman

Enclosure

cc: Chairman Tom Wheeler (w/enc.)
Ruth Milkman, Esq. (w/enc.)
Jonathan Sallet, Esq. (w/enc.)
Ms. Vanessa Lemmé (w/enc.)
Mr. Brendan Holland (w/enc.)
Mr. Christopher Sova (w/enc.)
Mr. Daniel Ball (w/enc.)
Jim Bird, Esq. (w/enc.)
Best Copy and Printing, Inc. (w/enc.

OPINION

The Absurd Opposition to Media Mergers

Consolidation of content companies began in 1998, without any harm to consumers.

ByLEO HINDERY JR.

Sept. 8, 2014 7:17 p.m. ET

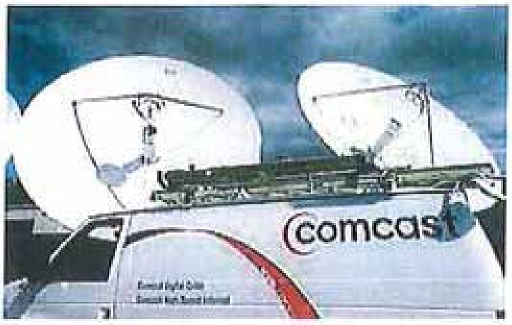
Over the past several weeks, the Federal Communications Commission has been hearing concerns, confidentially, from media-content companies about Comcast's proposed acquisition of Time Warner Cable. The private meetings, reported in this newspaper on Aug. 29, come after the public-comment period ended, and are one of many indications that the commission could block the acquisition.

Yet the agency has not appeared to give the same signals about the near-identical proposed merger between AT&T and DirecTV, perhaps because AT&T has far fewer cable subscribers than Time Warner does. But both of these mergers, which must be approved by the FCC and the Justice Department, are a continuation of the industry's logical progression, and both deals should be approved.

The consolidation of the media-content-distribution industry began in June 1998 when AT&T announced its intention to acquire Tele-Communications Inc. (TCI), and it has continued. No one can prove that any such mergers have harmed American consumers.

To the contrary, the U.S. now has the most robust television industry in the world thanks to the operating efficiencies these mergers have afforded. Broadband deployment is near-ubiquitous, and though it's hard for some to admit it, the pricing models have never been fairer. Viewers, employees and shareholders have all benefited.

The decades-long era of "vertical integration," wherein a media company owned material amounts of both content and distribution capacity, is essentially over. There are now only nine large companies in the U.S. distributing content and just six companies— CBS, Disney -ABC, 21st Century Fox, NBCUniversal, Time Warner and Viacom—producing most of the nation's TV-based and movie-theater content.



Getty Images

The two proposed distribution company mergers—Comcast and Time Warner, and AT&T and DirecTV—are appropriate next steps. These mergers will likely produce the same positive effects for consumers. And the deals would do no harm provided that the approving government agencies require Comcast and AT&T, and other major content distributors, to treat fairly independent channels that are not aligned with one of the six dominant TV-content producers. This safeguard should be part of the FCC and Justice approvals.

But in practical terms, it is of no adverse consequence to consumers if the cable-television operator in Philadelphia and San Francisco (Comcast) is tomorrow also the cable operator in Manhattan and Los Angeles (now Time Warner). Nor is it of any adverse consequence if one of the nation's premier satellite providers (DirecTV) materially enhances its consumer offerings by merging with one of the two premier wireless and growing cable providers (AT&T).

Media-content companies are telling the FCC that the Comcast deal—but somehow not the AT&T deal—should be denied because the combined company will be too big, consumers will pay more and the amount of quality programming will shrink.

None of these objections is valid, if, again, Justice and the FCC properly do their jobs. This mostly means protecting, but not overprotecting, independent programmers and assuring Internet neutrality.

The media industry—both distribution and content production—is an indisputable beneficiary of economies of scale, to the onward benefit of consumers and shareholders alike. Big cost-savings in equipment and technology would accrue to Comcast and to AT&T from their proposed mergers.

The confidential contentions by many of the biggest entertainment companies that these mergers, especially the Comcast merger, might also diminish the amount of quality content being produced is even more absurd. Content companies are all about producing ever more and better content, not about reducing production or devaluing programming. And looking ahead, nothing can curtail the proliferation of Internet content.

Consumers and viewers won't gain a thing from regulators blocking the media-distribution industry's natural evolution.

Mr. Hindery was president and CEO of TCI, Liberty Media and later AT&T Broadband. He is now an investor in independent programmers.