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VIA ELECTRONIC FILING

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

Re: *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 14-90*

Dear Ms. Dortch:

We are writing to urge the Commission, in consideration of the proposed merger between AT&T and DIRECTV, to place great weight in its public interest consideration of AT&T's commitment to accelerate high-speed wireline and wireless broadband capability if the merger is approved. Importantly, AT&T's commitment will bring high-speed broadband to subscribers who are underserved, will enable the delivery of critical services like education and health to these underserved subscribers, and will enhance the prospects for economic growth.

Corning is the global leader in specialty glass and ceramics. Drawing on more than 160 years of materials science and processing engineering knowledge, Corning is able to create and manufacture keystone components that enable high technology systems for telecommunications, consumer electronics, mobile source emissions control, and life sciences.

The key to Corning's longevity has been its long-term commitment to innovation. We consistently invest 10 percent of our revenue in research, development, and engineering. Because of this commitment, we have invented numerous products and processes over our history that have profoundly affected our Nation's economy. The invention of the first low-loss optical fiber and the process for making it represents one of Corning's many breakthrough inventions.

As the world's largest manufacturer of optical fiber and cable, we take a keen interest in the FCC's consideration of the proposed merger between AT&T and DIRECTV. Specifically, we are extremely encouraged by AT&T's commitments to expand its broadband deployment, the result of which would "bring new or enhanced high-speed broadband to at least 15 million customer locations, the majority of which are in rural areas with no or limited broadband service choices."[1] As a result of these commitments, we believe that this merger would profoundly and positively affect the market for optical fiber and cable and achieve many other social and economic benefits.

AT&T's first commitment is to expand its current fiber-to-the-premises ("FTTP") deployment plan, which would provide FTTP infrastructure to 25 major metropolitan areas, by deploying "to at least 2 million more customer locations" throughout the United States.[2] AT&T states that most of these new customer locations currently have access only to AT&T's IPDSL services or legacy DSL services, or no AT&T wireline broadband Internet offering at all.[3]

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1 *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, at 5 (filed June 11, 2014) ("AT&T-DTV Application").

2 *Id.* at 41.

3 *Id.* at 41-42.

It is not hard to understand why Corning and similar businesses would benefit from this commitment: as developers and manufacturers of FTTP infrastructure, we rely on Internet Service Providers to continue to build out their high-speed broadband networks. Moreover, because many of these locations currently lack access to any high-speed Internet service, the proposed expansion will lead to opportunities for businesses to reach new and different customers throughout the country.

It also is obvious why consumers would benefit from this commitment. Consumers need access to high-speed Internet connections because these connections can handle the massive quantities of data used by modern Internet services, such as Netflix and other video streaming companies. As AT&T Group President and Chief Strategy Officer John T. Stankey attested, "[c]onsumers in those locations will gain access not only to much faster broadband service, but also to an alternative to cable for seamlessly integrated bundles of broadband, video, and other services."[4] Many customers throughout the United States enjoy few high-speed Internet choices. AT&T's commitment will help address this problem through a competitive offering of broadband Internet capability.

AT&T's proposal also would innervate the U.S. economy as a whole. Faster broadband speeds facilitate telecommuting, remote health monitoring, online education services, and other Internet applications that require very fast broadband connections. These kinds of online services can replace more expensive and time-consuming alternatives; in fact, one study projects that widespread adoption of ultra-fast broadband[5] by 2020 would result in $48.9 billion in aggregate benefits to the U.S. economy.[6] Even in a base-case scenario, which assumes that ultra-fast broadband affordability stays the same from now until 2020, the study projects aggregate benefits of $13.08 billion.[7]

The economic benefits of ultra-fast broadband are not just projections: there is evidence that communities where ultra-fast broadband is widely available already are enjoying higher GDP than communities without such access. One recent study found that 14 Metropolitan Statistical Areas ("MSAs") with ultra-fast broadband access enjoyed approximately $1.4 billion in additional GDP, while similarly situated MSAs without such access sacrificed GDP of as much as $3.3 billion.[8] The study concluded that "next generation broadband is likely to have a substantial impact on economic output and, consequently, consumer welfare."[9] These economic benefits can only be realized through increased deployment of high-speed infrastructure like FTTP. Thus, proposals like AT&T's are critical to maximizing the economic potential of ultra-fast broadband.

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4 *Id.* at Declaration of John T. Stankey, Group President and Chief Strategy Officer, AT&T Inc., ¶ 46.

5 The study defines ultra-fast broadband as broadband with download speeds of 100 Mbps or greater.

6 *See* Attachment A, Cartesian, *Ultra-Fast Broadband: Investigating Demand and Benefits*, at 46 (May 2014).

7 *See id.*

8 *See* Attachment B, Analysis Group, *Early Evidence Suggests Gigabit Broadband Drives GDP*, at 5 (Sept. 2014).

9 *Id.* at 6.

In addition to its FTTP deployment proposal, AT&T commits to "deploy fixed wireless local loop ("WLL") technology to bring high-speed broadband to approximately 13 million largely rural customer locations . . . with advertised speeds of 15-20 Mbps."[10] AT&T explains that because of "the synergies from the transaction," it will be able to offer WLL service "to an estimated 13 million largely underserved, rural customer locations . . . spread across 48 states both in and out of AT&T's wireline region." AT&T attests that almost 20 percent of the new locations have no access to terrestrial broadband services today, and another 27 percent have only one option: in most instances, DSL or a relatively slow cable modem service.[11]

Expanding wireless network infrastructure is important because wireless demand is growing at a phenomenal rate. From 2010 to 2013, U.S. LTE subscribers grew from 215,000 to 95.2 million—a staggering 44,168% increase.[12] Mobile data use increased 732% from 2010-2013, and is expected to increase about 650% by 2018.[13] Network traffic generated by smartphones, which is 49 times more than a basic handset, is predicted to increase 325% by 2018; and network traffic generated by tablets, which is 127 times more than a basic handset, is predicted to increase by nearly 370% by 2018.[14]

This growth in wireless demand drives the demand for optical fiber in two notable ways. First, to accommodate the growth, wireless carriers shift traffic to their fixed wireline network as quickly as possible. Second, wireless carriers need to upgrade their backhaul network to fiber optic transmission as the capability of copper transmission, typically in the form of one or more T-1 lines, is not sufficient to manage the backhaul traffic. In light of the connection between wireless and fiber demand, Corning supports initiatives to increase infrastructure investment and expand broadband access to more Americans, including the proposed merger.

We realize that the Commission must do a rigorous analysis of the impact of the proposed merger on a number of factors beyond those cited in this letter. But we urge the Commission to give great weight to the public benefits that would result from the commitments AT&T has made should the merger be approved—namely, the deployment of high-speed broadband access to over 15 million new customer locations throughout the United States. Because of these commitments, Corning believes that the proposed merger would greatly benefit us, our customers, and the economy.

Respectfully submitted,

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10 AT&T-DTV Application at 5.

11 *Id.* at 44.

12 *See* Ex Parte Notice of CTIA—The Wireless Association, WT Docket No. 13-135, at 2 (filed Oct. 2, 2014).

13 *See id.* at 3.

14 *See id.*