

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Applications of	)	MB Docket No. 14-90
AT&T, Inc. and	)	
DIRECTV	)	
	)	

**OBJECTION OF HILTON WORLDWIDE, INC.  
TO DISCLOSURE OF STAMPED HIGHLY CONFIDENTIAL DOCUMENTS AND  
HIGHLY CONFIDENTIAL INFORMATION**

Hilton Worldwide, Inc. (“Hilton”), pursuant to the Modified Joint Protective Order, DA 14-1465, released October 7, 2014, in the above referenced proceeding (“MJPO”), hereby submits its objection to the disclosure of certain Stamped Highly Confidential Documents and Highly Confidential Information as more fully described below (“Hilton Highly Confidential Information”) to the person(s) listed in Attachment A hereto (the “Reviewing Parties”). As shown below, Hilton is a Third Party Interest Holder with regard to the Hilton Highly Confidential Information.

I. BACKGROUND AND STATEMENT OF INTEREST

Hilton is a leading global hospitality company, spanning the lodging sector from luxury and full-service hotels and resorts to extended-stay suites and focused-service hotels. For 95 years, Hilton Worldwide has been dedicated to continuing its tradition of providing exceptional guest experiences. The company’s portfolio of twelve world-class global brands is comprised of more than 4,200 managed, franchised, owned and leased hotels and timeshare properties (including more than 3,500 in the United States), with

more than 690,000 rooms in 93 countries and territories, including Hilton Hotels & Resorts, Waldorf Astoria Hotels & Resorts, Conrad Hotels & Resorts, Canopy by Hilton, Curio - A Collection by Hilton, DoubleTree by Hilton, Embassy Suites Hotels, Hilton Garden Inn, Hampton Hotels, Homewood Suites by Hilton, Home2 Suites by Hilton and Hilton Grand Vacations.

AT&T, Inc. ("AT&T") has informed Hilton that on September 23, 2014, in response to a discovery request from Commission staff, it produced to the Commission a large volume of contractual documents pursuant to which AT&T provides Managed Internet Service ("MIS") to Hilton. On information and belief, AT&T designated these documents as Exhibits numbered as set forth in the list attached hereto as Attachment B; such Exhibits are "Stamped Highly Confidential Documents" for purposes of the MJPO. Further, AT&T has informed Hilton that it has provided to the Commission information regarding Hilton's historical MIS usage information, and that it has designated such information as "Highly Confidential Information" under the MJPO. Hilton cannot be certain, however, that the documents and information described in the two preceding sentences include all material produced by AT&T to the Commission that is specifically identifiable to Hilton. Accordingly, so that the scope of this objection is clear, Hilton objects to the disclosure to the Reviewing Parties of: (i) the Stamped Highly Confidential Documents listed in Exhibit A; (ii) the historical MIS usage information described above; and (iii) any other Stamped Highly Confidential Documents or Highly Confidential Information produced by AT&T specifically identifiable to Hilton (any and all of the foregoing being included in "Hilton Highly Confidential Information").

The Hilton Highly Confidential Information constitutes highly sensitive competitive information (as further described below) which Hilton is careful to keep confidential, both in its internal practices and through contractual obligations on its vendors, including in its contract with AT&T. Accordingly, Hilton is a Third Party Interest Holder with regard to the Hilton Highly Confidential Information.

## II. GROUNDS OF OBJECTION

A critical competitive factor in today's hospitality industry is the provision of high-speed Internet access services to hotel guests, especially though not exclusively through Wi-Fi, and this has been true for several years. In 2007 (in turn citing studies from as early as 2003), academic researchers were already observing that:

Competition among hotels is increasing. As such, hotels are constantly looking for ways to increase both their competitive advantage and guest satisfaction. Hotels have discovered ways to do this through the use of technologies such as wireless networks. Wireless networks have the potential to provide guests with additional amenities as well as allow for greater productivity among staff members.

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Individuals are also relying more and more on the Internet as a form of communication and are beginning to require Internet access for personal as well as business related activities, especially while traveling. Many travelers have begun to expect that they will be able to at least have access to their email while they are away. As a result, hotels have begun to provide guests with access to wireless networks while the guest is staying at their property. In order to meet the desires of their guests as well as stay competitive, hotels must tailor their services to what guests are expecting (Lee, Barker, & Kandampully, 2003). Because hotels enable guests to access their wireless networks, it can in turn, be marketed as an additional service and/or amenity for the guests. By accessing the wireless system, guests are potentially able to check their email and use the Internet from almost anywhere on the property.<sup>1</sup>

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<sup>1</sup> M. Millar, T. Schrier, E. Kim, "WiFi Availability and Accessibility as Stated on Hotel Websites," Hospitality Management, Paper 1 (2007), retrieved October 15, 2014, <http://repository.usfca.edu/cgi/viewcontent.cgi?article=1011&context=hosp>. The researchers noted that, at the time, "86.2% [of surveyed hotels] advertised some form of Internet availability on their website." *Id.*

Competition among hotels and hotel chains in the provision of high-speed Internet access to guests is even more intense today. Advisors to the hotel industry stress the need to provide ever-faster and more reliable service at lower price points – or free.<sup>2</sup> Websites oriented to business and personal travelers track closely which chains offer Wi-Fi, at what speeds and upon what terms.<sup>3</sup>

Consequently, a hotelier's costs and terms of obtaining Internet service to provide to its guests have a disproportionate impact on its competitive position. For this reason, the exact rates charged and terms and conditions applied to Hilton for Internet access services by AT&T are matters of the highest competitive sensitivity for Hilton, as is its detailed usage information. The contractual documents produced by AT&T to the Commission's staff would provide an inspecting party with a great deal of granularity as to the exact rates and terms Hilton receives at various locations and for various speeds and bandwidths of Internet access services. Should such information become public (or otherwise fall into the hands of Hilton's competitors), its competitors would have strategically valuable information that would allow them to undercut or thwart Hilton's efforts, while Hilton would have no reciprocal advantage.

To be sure, the procedures the Commission has in place for protecting Highly Confidential Information and Stamped Highly Confidential Documents provide some level of comfort against such harm. But nevertheless a real risk of disclosure remains,

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<sup>2</sup> See, e.g., Forrester Consulting, "Winning Customers' Hearts Starts With A Great Guest Wi-Fi Service," May 2013, <http://content.moonblink.com/wordpress/wp-content/uploads/Forrester-Winning-Customers-Hearts-Starts-With-WiFi.pdf>, retrieved October 15, 2014; Hotiyo, "Hotel Wifi Internet – The Debate and Strategy Options for Hoteliers," May 2014, <http://hoteliyo.com/tutorials/hotel-wifi-internet-strategy/>, retrieved October 15, 2014.

<sup>3</sup> See, e.g., Hotel Chatter, "2013 Hotel Wi-Fi Report," <http://www.hotelchatter.com/Hotel-Wifi-Report/2013>, retrieved October 15, 2014; The Business Journals, "Hotels — and road warriors — grapple with Wi-Fi economics," Feb 1, 2014, retrieved October 15, 2014.

and the harm to Hilton must be weighed in the balance against the benefit to the public interest of allowing the Reviewing Parties access to the Hilton Highly Confidential Information. Such benefit is questionable at best. Of course it is in the public interest that the Commission look into the potential effect of the proposed combination of AT&T and DIRECTV on competition in the provision of high-speed Internet access services, and that it obtain the input of interested parties on this issue. But the Reviewing Parties do not need information at the level of detail present in the Hilton Highly Confidential Information to assist with this task – for the specific usage details, rates, terms and conditions of individual customers like Hilton provide no guidance even as to the current level of competition, much less the level of competition that would exist post-merger.

Aggregated data would readily suffice for this analysis -- and indeed to make argumentative use of the Hilton Highly Confidential Information, interested parties would need to aggregate the data themselves. Thus, Hilton would not object to the disclosure to the Reviewing Parties (subject, of course, to the MJPO) of data aggregated in a manner that would sufficiently anonymize Hilton. For example, if AT&T has produced similar data on its 25 largest MIS customers, as Hilton is informed it has, AT&T could provide aggregated or averaged rates and usage data and a list of any nonstandard terms and conditions present in the contracts of these 25 customers taken as a whole, without identifying any particular rates, usage data, terms or conditions to any specific customer. Information in this form could then be disclosed to the Reviewing Parties under the MJPO. This would provide the Reviewing Parties with sufficient information to comment meaningfully on the effect of the merger on competition in this industry segment without posing an undue risk of harm to Hilton's competitive position.

III. CONCLUSION

The Hilton Highly Confidential Information should not be disclosed to the Reviewing Parties, inasmuch as the harm to Hilton from doing so would outweigh the benefit to the public interest. Hilton would not object to the disclosure subject to the MJPO of information suitably aggregated and anonymized as described above.

Respectfully submitted,

HILTON WORLDWIDE, INC.

By:



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October 22, 2014

Counsel to  
Hilton Worldwide, Inc.

## **Attachment A Reviewing Parties**

**Cogent Communications Group** and any affiliated individual filing an Acknowledgement of Confidentiality under the MJPO including without limitation the following:

Hershel A. Wancjer  
James P. Denvir  
Joshua Riley  
Martha L. Goodman  
Nicholas Widnell  
Richard A. Feinstein  
Robert M. Cooper

**Discovery Communications, Inc.** and any affiliated individual filing an Acknowledgement of Confidentiality under the MJPO including without limitation the following:

Derek Ludwin

**Free Press** and any affiliated individual filing an Acknowledgement of Confidentiality under the MJPO including without limitation the following:

Lauren M. Wilson  
Matthew F. Wood  
S. Derek Turner

**Netflix, Inc.** and any affiliated individual filing an Acknowledgement of Confidentiality under the MJPO including without limitation the following:

Andrew W. Guhr  
Damon Kalt  
Georgios A. Leris  
James M. Hobbs  
Markham C. Erickson  
Sarah K. Leggin  
Corie Wright

**Attachment B**  
**List of Stamped Highly Confidential Exhibits**

Exhibit 75.1.77	Exhibit 75.1.116
Exhibit 75.1.78	Exhibit 75.1.117
Exhibit 75.1.79	Exhibit 75.1.118
Exhibit 75.1.80	Exhibit 75.1.119
Exhibit 75.1.81	Exhibit 75.1.120
Exhibit 75.1.82	Exhibit 75.1.121
Exhibit 75.1.83	Exhibit 75.1.122
Exhibit 75.1.84	Exhibit 75.1.123
Exhibit 75.1.85	Exhibit 75.1.124
Exhibit 75.1.86	Exhibit 75.1.125
Exhibit 75.1.87	Exhibit 75.1.126
Exhibit 75.1.88	Exhibit 75.1.127
Exhibit 75.1.89	Exhibit 75.1.129
Exhibit 75.1.90	Exhibit 75.1.130
Exhibit 75.1.91	Exhibit 75.1.131
Exhibit 75.1.92	Exhibit 75.1.132
Exhibit 75.1.93	Exhibit 75.1.133
Exhibit 75.1.94	Exhibit 75.1.134
Exhibit 75.1.95	Exhibit 75.1.135
Exhibit 75.1.96	Exhibit 75.1.136
Exhibit 75.1.97	Exhibit 75.1.137
Exhibit 75.1.98	Exhibit 75.1.138
Exhibit 75.1.99	Exhibit 75.1.139
Exhibit 75.1.100	Exhibit 75.1.140
Exhibit 75.1.101	Exhibit 75.1.141
Exhibit 75.1.102	Exhibit 75.1.142
Exhibit 75.1.103	Exhibit 75.1.143
Exhibit 75.1.104	Exhibit 75.1.144
Exhibit 75.1.105	Exhibit 75.1.145
Exhibit 75.1.106	Exhibit 75.1.146
Exhibit 75.1.107	Exhibit 75.1.147
Exhibit 75.1.108	Exhibit 75.1.148
Exhibit 75.1.109	Exhibit 75.1.149
Exhibit 75.1.110	Exhibit 81.g
Exhibit 75.1.111	
Exhibit 75.1.112	
Exhibit 75.1.113	
Exhibit 75.1.114	
Exhibit 75.1.115	

## Certificate of Service

I, Amanda Delgado, hereby certify that a true and correct copy of the preceding Objection of Hilton Worldwide, Inc., to Disclosure of Stamped Highly Confidential Documents and Highly Confidential Information was served this 22nd day of October, 2014 via first-class and electronic mail upon the following parties:

### **Cogent Communications Group**

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