

March 13, 2015

**VIA ECFS**

Marlene H. Dortch, Esq.  
Secretary  
Federal Communications Commission  
445 Twelfth 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***  
**NOTICE OF EX PARTE PRESENTATION**

Dear Ms. Dortch:

On Wednesday, March 11, 2015, representatives of AT&T Inc. (“AT&T”) and DIRECTV (collectively, “the Applicants”) met with Federal Communications Commission (“FCC”) staff to discuss AT&T’s proposed acquisition of DIRECTV. The following individuals participated the meeting:

- AT&T: Hank Hultquist, Christopher Heimann, and Chris Boyer of AT&T; and Maureen Jeffreys of Arnold & Porter LLP.
- DIRECTV: Stacy Fuller of DIRECTV; and William Wiltshire and Michael Nilsson of Harris, Wiltshire & Grannis LLP.
- Commission: Elizabeth Andrion, Kathy Berthot, Jim Bird, Steve Broeckaert, Michelle Carey, Soumitra Das, William Dever, Jack Erb, Jamillia Ferris, Chad Guo, Brendan Holland, Scott Jordan, William Lake, Sean Mirzadegan (via phone), Mary Beth Murphy, Brendan Murray, Alison Neplokh, Jeffrey Neumann, Joel Rabinovitz, Marilyn Simon, Susan Singer, Geoffrey Waldau, Sarah Whitesell, George Williams (via phone), and Alexis Zayas.

During the meeting, the Applicants described how the industry is achieving the goals of Section 629 of the Communications Act, which instructs the Commission to “adopt regulations to assure the commercial availability . . . [of] equipment used by consumers to access multichannel video programming and other services offered over multichannel video

programming systems.”<sup>1</sup> The Applicants discussed how the video navigation device industry is more vibrant and dynamic than it has ever been. Consumers today have numerous options for receiving video content on their televisions through smart TVs, Blu-ray players, and video game consoles, as well as Apple TV, Roku, Google Chromecast, Amazon Fire TV, and other devices.<sup>2</sup>

The Applicants discussed how each company satisfies applicable obligations under the Commission’s navigation device rules. The Applicants described how both companies have worked and continue to work to promote the goals of Section 629 by cooperating with the consumer electronics industry and by making their services available on a variety of devices. DIRECTV and U-verse applications are available on tablets, smartphones, and other devices, appearing alongside those of other distributors such as Netflix, Amazon Prime, and Hulu.<sup>3</sup> Moreover, as a leading member of the RVU Alliance, DIRECTV also has helped pioneer open standards that have been implemented by multiple television manufacturers.<sup>4</sup>

As described in the record of this proceeding, the transaction will stimulate demand for new and innovative devices through the expanded broadband deployment enabled by the transaction’s efficiencies.<sup>5</sup> Indeed, the President and CEO of the Consumer Electronics Association, the leading trade organization representing 2,000 electronics companies, has urged the Commission to approve the transaction, highlighting the significant “ironclad” public interest benefits that will be derived from AT&T’s commitment to deploy new high-speed broadband services to at least 15 million customer locations beyond its current plans.<sup>6</sup>

The Applicants reiterated that the issues raised and conditions sought by TiVo and Public Knowledge have no connection to this transaction review.<sup>7</sup> These issues of general applicability

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<sup>1</sup> 47 U.S.C. § 549(a).

<sup>2</sup> See Joint Opposition of AT&T Inc. and DIRECTV to Petitions to Deny and Condition and Reply to Comments at 63 (filed Oct. 16, 2014) (“Joint Opposition”).

<sup>3</sup> See U-verse, U-verse App, <http://uverse.com/uverse/uverseapp> (last visited Mar. 12, 2015); DIRECTV, Mobile Apps, [http://www.directv.com/technology/mobile\\_apps](http://www.directv.com/technology/mobile_apps) (last visited Mar. 12, 2015).

<sup>4</sup> See RVU Alliance, <http://rvualliance.org/> (last visited Mar. 12, 2015). “The RVU Alliance™ is a consortium of leading content service provider, semiconductor, consumer electronics and technology companies who have come together to advance Remote User Interface (RUI) technology for home networked television entertainment.” *Id.*

<sup>5</sup> Joint Opposition at 64.

<sup>6</sup> Gary Shapiro, President and CEO of the Consumer Electronics Association, *A Second Chance For the FCC To Make the Right Call With AT&T*, Real Clear Markets (Dec. 10, 2014), [http://www.realclearmarkets.com/articles/2014/12/10/a\\_second\\_chance\\_for\\_the\\_fcc\\_to\\_make\\_right\\_call\\_with\\_att\\_101433.html](http://www.realclearmarkets.com/articles/2014/12/10/a_second_chance_for_the_fcc_to_make_right_call_with_att_101433.html) (noting “15 million reasons” for the Commission “to find that the merger is in the ‘public interest’”). A copy of this article is attached to this letter.

<sup>7</sup> Joint Opposition at 61-65.

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should be addressed, if at all, in an industry-wide forum, such as the congressionally mandated Downloadable Security Technology Advisory Committee (“DSTAC”).<sup>8</sup>

In accordance with section 1.1206 of the Commission’s rules,<sup>9</sup> this letter is being filed electronically with your office for inclusion in the public record. Please contact the undersigned if you have any questions.

Respectfully submitted,

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Attachment

cc: Elizabeth Andrion  
Daniel Ball  
Kathy Berthot  
Jim Bird  
Steve Broeckaert  
Michelle Carey  
Soumitra Das  
William Dever  
Jack Erb  
Jamillia Ferris  
Chad Guo  
Brendan Holland  
Scott Jordan  
William Lake  
Vanessa Lemmé  
Sean Mirzadegan  
Mary Beth Murphy

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<sup>8</sup> See FCC, Downloadable Security Technology Advisory Committee, <http://www.fcc.gov/dstac> (last visited Mar. 12, 2015).

<sup>9</sup> 47 C.F.R. § 1.1206.

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Brendan Murray  
Alison Neplokh  
Jeffrey Neumann  
Joel Rabinovitz  
Marilyn Simon  
Susan Singer  
Christopher Sova  
Geoffrey Waldau  
Sarah Whitesell  
George Williams  
Alexis Zayas  
Best Copy and Printing, Inc.

December 10, 2014

# A Second Chance For the FCC To Make the Right Call With AT&T

By **Gary Shapiro**

Do regulators actually care about the fate of U.S. companies on the world stage? Recent experience indicates no.

Three years ago, the Federal Communications Commission (FCC) **blocked** AT&T's proposed merger with T-Mobile. Instead of making a statement regarding the poor analysis by AT&T's surely superb legal team, the FCC's then-Chairman Julius Genachowski issued a one sentence statement that the merger did not meet the FCC's standard for approval, injecting ambiguity and exemplifying enforcement on the part of the government when it came to big-stakes mergers. Adding insult to injury, AT&T was forced to pay T-Mobile a \$3 billion "break-up" fee revealing how little regard regulators show for the fate of U.S. companies in a competitive international environment.

Now, three years later, AT&T is back with another merger proposal, this time with DIRECTV, one of the two largest U.S. satellite TV companies. Will the FCC demonstrate similar disregard for its regulatory role? A smaller group of the **usual suspects** is calling on the FCC to block it. They are suggesting the merger will lead to higher prices, lower quality of services and less innovation. On the contrary, the deal will give consumers more choice: an alternative to cable those wanting a better bundle of video, voice, and broadband, as well as a better customer experience and enhanced innovation.

Not only does the proposed AT&T/DIRECTV merger raise no serious antitrust concerns, the merger offers ironclad reasons for the FCC to find that the merger is in the "public interest" - actually 15 million reasons.

Specifically, AT&T has committed to make broadband access available to some 15 million DIRECTV customers who would otherwise not enjoy high-speed Internet. Two million customer locations would gain access to enhanced fiber-to-the-premises wireline broadband service. And some 13 million largely rural customers would gain fixed wireless loop technology as an added value to their satellite TV dishes, allowing broadband speeds of 15-20 Mbps.

If you think every American should have access to broadband service, then this deal gets us closer to that goal. And if you believe that competition in broadband services is a laudable objective to enhance service and reduce costs, then the deal also is a winner. As a merged company, AT&T and DIRECTV would provide competition to areas where there is little or no choice in broadband. The fact remains that together, AT&T will provide millions of Americans either new broadband options or a new and welcome choice to broadband over cable.

Moreover, opening the rural broadband market to competition and releasing cable's grip on broadband is a worthy and achievable goal. State leaders agree: nine governors have publicly praised the deal as a way provide their residents with more affordable access to broadband services. Expanding connectivity in rural America helps create jobs and improve educational and businesses opportunities.

The FCC has taken steps to promote broadband accessibility through programs like the Connect America Fund, which is dedicated to expanding high-speed Internet access in underserved communities. Still, more than **26 million** Americans do not have access to broadband, a service which the FCC says has gone from being, "a luxury to a necessity for full participation in our economy and society."

The federal government should not simply throw taxpayer money at broadband. It should remove impediments from companies trying to close the broadband gap. AT&T's commitment to expand broadband service in rural areas is a public good that will bring us closer to our goal of getting all of our citizens connected.

*Gary Shapiro is president and CEO of the Consumer Electronics Association (CEA), the U.S. trade association representing some 2,000 consumer electronics companies.*

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