



March 26, 2015

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

Re: *Applications of AT&T Inc. and DirecTV To Transfer Control of FCC Licenses And Other Authorizations, MB Docket No. 14-90; Applications of Comcast Corp. and Time Warner Cable Inc. for Consent to Assign and Transfer Control of FCC Licenses and Other Authorizations, MB Docket No. 14-57*

Dear Ms. Dortch:

On March 25th, John Bergmayer of Public Knowledge met with Valery Galasso of Commissioner Rosenworcel's office. PK outlined its major concerns with the AT&T/DirecTV transaction:

It would increase AT&T's incentive to favor its own video services over those of competitors.

By buying DirecTV, AT&T will become one of the largest MVPDs in the country overnight. Together with AT&T's sketchily-outline plans with regard to online video, this gives AT&T an increased incentive to discriminate in favor of its own video services. At the same time, AT&T is a member of USTelecom, which has already filed suit against the FCC's recent Open Internet order. (Additionally, AT&T's Senior Executive Vice President for External and Legislative Affairs, James Cicconi, serves on USTelecom's board.) As a condition of buying DirecTV, therefore, the Commission should require that AT&T abide by the terms of the Commission's recently-adopted Open Internet rules, regardless of their ultimate legal disposition.

It would result in a loss of MVPD competition in U-Verse markets.

In the markets where AT&T is already an MVPD, this merger would eliminate the number of independent MVPD choices available to viewers. The Commission cannot approve this deal unless it can be assured that viewers in affected markets will not face increased prices, worse customer service, or reduced access to content.

It could complicate the PSTN technology transition.

This merger would increase AT&T's incentive and ability to move customers off copper connections and toward wireless-only service within those parts of its wireline service territory it

does not intend to upgrade to fiber. For example, AT&T would be able to incentivize customers to drop their copper lines with packages including DirecTV. Customers remaining on copper could find that their service degrades as a consequence. The FCC should therefore require that AT&T adopt an adequate process for handling complaints about the quality of service of both copper and wireless service, publish copper repair deadlines, publish public reports on complaints, provides assurance that a person who finds that a wireless product is unsuitable can get wired service back, provide public reporting on the results of IP transition trials, and ensure clarity about the future of wired service for businesses and the interconnection rights of competitive carriers.

PK also argued that any public interest benefits of this transaction must be reviewable, and auditable after the fact, by members of the public, without recourse to confidential data or protective orders. While PK recognizes the occasional need for filings of confidential data at the FCC, such data should not be used as a basis for public interest benefits or commitments resulting from a transaction, unless the public has some other means of verifying whether those benefits or commitments are being achieved.

PK closed by noting a distinction between this transaction and the Comcast/Time Warner Cable transaction. While PK has not yet seen a full set of merger commitments by AT&T and DirecTV that would demonstrate that this merger is in the public interest, PK does acknowledge that, in principle, conditions might alleviate some of the harms that this merger would cause. By contrast, PK does not believe that any conditions could remedy the harms caused by a Comcast/Time Warner Cable merger, since the most serious of those harms directly result from the way that merger would drastically increase Comcast's already-formidable gatekeeper power in the broadband and video industries.

Respectfully submitted,

/s/ John Bergmayer
Senior Staff Attorney
PUBLIC KNOWLEDGE