



April 24, 2015

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

Re: 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; Applications of AT&T Inc. and DirecTV To Transfer Control of FCC Licenses And Other Authorizations, MB Docket No. 14-90

Dear Ms. Dortch:

On April 23rd, Gene Kimmelman of Public Knowledge met with Commissioner Clyburne, and Rebecca Goodheart and Martha Heller from the Commissioner's office. He met separately with FCC General Counsel Jonathan Sallet, Hillary Burchuk from the Comcast/Time Warner Cable review team, and Jamillia Ferris from the AT&T/DirecTV review team.

Comcast/Time Warner Cable

PK reviewed its objections to the proposed merger between Comcast and Time Warner Cable: specifically, that the relevant market definition is a nationwide market for the distribution of broadband and video content, and that increasing Comcast's size in this market would harm consumers by increasing Comcast's ability to both squeeze its suppliers and raise the costs of its rivals. PK also argued that the harms of this transaction cannot be remedied by conditions, and that no public interest commitments on the part of Comcast could be enough to counter or offset the transaction's harms. Therefore, PK argued that the Commission should refer the proposed transaction to an administrative hearing.

AT&T/DirecTV

PK also reviewed its concerns with the AT&T/DirecTV transaction: notably, that the transaction could cause significant public interest and competition harms, and that the alleged public interest benefits are unverifiable.

The merger 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 has filed suit against the FCC's recent Open Internet order. As a condition of buying DirecTV, therefore, the Commission should require that AT&T comply with the goals of

the Commission's recently-adopted Open Internet rules, regardless of their ultimate legal disposition. It should also examine ways AT&T could discriminate against online video that fall outside the ambit of those rules, and adopt conditions to remedy those harms, as well.

The merger 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.

The merger 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.

Public interest benefits must be verifiable.

PK also believes 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. In this merger, AT&T has claimed that efficiencies, particularly reduced per-subscriber video cost, would enable it to bring fiber service to 2 million additional households beyond its current plans. To verify this claim, the public would need to know the precise number AT&T currently plans to serve. Otherwise, as soon as AT&T deploys fiber to slightly more than 2 million households, it would be able to claim that it has met its public interest commitments. Therefore, as it stands, this proposed public interest benefit cannot be used as an argument in favor of the merger.

Respectfully submitted,

/s/ John Bergmayer
Senior Staff Attorney
PUBLIC KNOWLEDGE