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June 15, 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;
REDACTED—FOR PUBLIC INSPECTION

Dear Ms. Dortch:

On Friday, June 12, 2015, representatives of AT&T Inc. (“AT&T”) had a telephone conference with Federal Communications Commission (“FCC”) staff to discuss AT&T’s proposed acquisition of DIRECTV. The following individuals participated in the meeting:

- AT&T: Robert Quinn, Jr., Senior Vice President—Federal Regulatory and Chief Privacy Officer, and David Lawson, Senior Vice President and Assistant General Counsel, of AT&T; and Maureen Jeffreys of Arnold & Porter LLP.
- Commission: Tim Brennan, Jack Erb, Jamillia Ferris, and Susan Singer.

During the conference call, we discussed AT&T’s voluntary commitment to extend its fiber-to-the-premises (“FTTP”) GigaPower wireline broadband service to at least 2.0 million additional customer locations.¹ As requested by the FCC representatives attending the

¹ See Description of the Transaction, Public Interest Showing, and Related Demonstrations at 5, 41 (filed June 11, 2014) (“Public Interest Statement”); Declaration of John T. Stankey, Group President and Chief Strategy Officer, AT&T Inc. ¶ 35 (June 10, 2014) (“Stankey Decl.”); Joint Opposition of AT&T Inc. and DIRECTV to Petitions to Deny and Condition and Reply to Comments at 2, 20, 22 (filed Oct. 16, 2014) (“Joint Opposition”).

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conference call, this submission will summarize the record previously provided to the Commission on this commitment.

I.
AT&T's Pre-Transaction FTTP Build Plan

On June 11, 2014, in Applicants' first filing with the Commission in support of this transaction, AT&T Group President and Chief Strategy Officer John Stankey testified that, prior to this transaction, AT&T's planned FTTP deployment would reach approximately [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] FTTP customer locations.² These [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] customer locations include about [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] customer locations approved as part of AT&T's pre-transaction decision to expand the availability of GigaPower to portions of 25 metropolitan areas³ and about [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] customer locations that had been approved for FTTP deployments prior to the GigaPower expansion decision.⁴ As AT&T advised the Commission on October 7, 2014, the [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] customer locations for the GigaPower expansion were identified using AT&T's FTTP

² Stankey Decl. ¶ 43.

³ [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL INFORMATION]
⁴ [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL INFORMATION] See ATT-FCC-00372427.

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Investment Model,⁵ a sophisticated pre-existing model that AT&T relies upon in the ordinary course of business to make multi-billion-dollar investments in its fixed broadband network.⁶ As Applicants described in the Joint Opposition, dated October 16, 2014:

Prior to this transaction, AT&T used its FTTP Investment Model to commit about [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] to expand the availability of GigaPower to portions of 25 metropolitan areas, covering about [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] customer locations. That expansion would have brought [AT&T's FTTP] planned deployment to a total of about [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] customer locations.”⁷

II.

[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL INFORMATION] AT&T's

⁵ See AT&T Response to Information and Discovery Requests Dated September 9, 2014 at 180 (filed Oct. 7, 2014) (“AT&T Information Request Response”); Joint Opposition at 21.

⁶ See Overview of AT&T FTTP Investment Model at 4 (filed July 28, 2014); AT&T Information Request Response at 160-61; Joint Opposition at 21; Letter from Maureen R. Jeffreys, Counsel for AT&T Inc., to Marlene H. Dortch, Esq., Secretary, Federal Communications Commission at 1 (June 11, 2015) (“June 11 Ex Parte”).

⁷ Joint Opposition at 21.

⁸ DMA[®] is a registered trademark of The Nielsen Company. Used under license.

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October 7, 2014 response to the Commission’s Information Request No. 56.n summarizes this point well:

[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

**[END AT&T HIGHLY
CONFIDENTIAL INFORMATION]⁹**

III.
How Would This Transaction Change
AT&T’s FTTP Build Plan?

As Applicants have repeatedly detailed in the record, the synergies associated with this transaction would fundamentally improve the reach of AT&T’s planned FTTP deployment in two important ways.

First, with the ability to offer a profitable video product and the significant synergies and efficiencies realized by the combined company, the transaction will improve the economics so substantially that the combined company will be able to deploy FTTP GigaPower to at least 2.0 million more locations than it would have been able to deploy under any plan of record absent the transaction.¹⁰ As Applicants stated in their June 11, 2014 Public Interest Statement:

The content cost savings and other synergies of this transaction mean that AT&T will deploy its highest-speed fiber connections (U-verse FTTP) to at least 2 million more customer locations than what could be economically justified absent

⁹ AT&T Information Request Response at 180-81; *see also* Joint Opposition at 22 n.62; Letter from Maureen R. Jeffreys, Counsel for AT&T Inc., to Marlene H. Dortch, Esq., Secretary, Federal Communications Commission at 3 n.6 (June 1, 2015) (“June 1 Ex Parte”). **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

[END

AT&T HIGHLY CONFIDENTIAL INFORMATION]

¹⁰ Public Interest Statement 41; Stankey Decl. ¶ 35; Joint Opposition at 20.

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the merger synergies, and, on the strength of the transaction's expected synergies, AT&T will commit to complete that deployment within four years of the transaction closing.¹¹

And, of course, Applicants have repeatedly detailed this point in numerous other filings.¹²

Second, separate and apart from these additional 2.0 million locations, **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

[END AT&T HIGHLY CONFIDENTIAL INFORMATION] As AT&T stated in its October 7, 2014 response to the Commission's Information Request No. 56.n:

[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL INFORMATION]¹³

Likewise, in their October 16, 2014 Joint Opposition, Applicants stated:

¹¹ Public Interest Statement at 41. *See also* Stankey Decl. ¶ 39; Declaration of Rick L. Moore, Senior Vice President, AT&T Inc. ¶¶ 8, 19 (June 10, 2014).

¹² AT&T Information Request Response at 181, 217-18; Joint Opposition at 2, 20, 22; Letter from Maureen R. Jeffreys, Counsel for AT&T Inc., to Marlene H. Dortch, Esq., Secretary, Federal Communications Commission at 2 (Apr. 21, 2015); Letter from Maureen R. Jeffreys, Counsel for AT&T Inc., to Marlene H. Dortch, Esq., Secretary, Federal Communications Commission at 2 (Apr. 30, 2015) ("April 30 Ex Parte"); June 1 Ex Parte at 2; Letter from Maureen R. Jeffreys, Counsel for AT&T Inc., and William M. Wiltshire, Counsel for DIRECTV, to Marlene H. Dortch, Esq., Secretary, Federal Communications Commission at 2 (June 8, 2015); June 11 Ex Parte at 1, 3-4.

¹³ AT&T Information Request Response at 181.

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[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

**[END AT&T HIGHLY CONFIDENTIAL
INFORMATION]¹⁴**

And, in the June 1, 2015 Ex Parte, AT&T stated:

[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

**[END AT&T HIGHLY CONFIDENTIAL
INFORMATION]¹⁵**

IV.
Conclusion

As repeatedly noted in the record, with approval of the transaction, AT&T will expand its FTTP footprint to reach a total of approximately **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]** **[END AT&T HIGHLY CONFIDENTIAL INFORMATION]** customer locations, calculated as follows:

- **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**
[END AT&T HIGHLY CONFIDENTIAL INFORMATION] customer locations to which AT&T planned to deploy FTTP prior to the transaction, which as described above consist of:
 - **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**
[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

¹⁴ Joint Opposition at 22 n.62.

¹⁵ June 1 Ex Parte at 3 n.6.

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customer locations approved and funded prior to the GigaPower expansion decision and the merger announcement;¹⁶

- **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**
[END AT&T HIGHLY CONFIDENTIAL INFORMATION]
customer locations approved and funded based upon the GigaPower expansion business case modeling prior to the merger announcement;
- **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

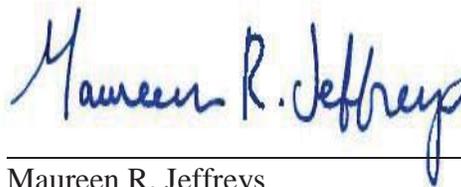
[END

AT&T HIGHLY CONFIDENTIAL INFORMATION]; and

- 2.0 million additional customer locations that will now meet the requisite financial thresholds as a result of the merger synergies.

The Commission should promptly approve the transaction so that consumers can begin to enjoy the resulting pro-competitive, public interest benefits.

Respectfully submitted,



Maureen R. Jeffreys
Counsel for AT&T Inc.

¹⁶ **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**