

June 18, 2015

**Via ECFS**

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

**Re: Ex parte Presentation  
AT&T/DirecTV, MB Docket No. 14-90**

Dear Ms. Dortch:

The ABC Television Affiliates Association, the CBS Television Network Affiliates Association, the FBC Television Affiliates Association, and the NBC Television Affiliates (collectively, the “Joint Television Network Affiliates”),<sup>1</sup> by their counsel, are filing this letter in support of the request of the National Association of Broadcasters (“NAB”) that the FCC place conditions on the merger of AT&T, Inc. and DirecTV. Specifically, the Joint Television Network Affiliates agree with NAB that the merged AT&T/DirecTV should be required to adopt local-into-local television service in all 210 local designated market areas (“DMAs”) throughout the United States without further delay.

Unlike every other provider of multichannel video programming services in the country (including Dish Network and AT&T U-verse), DirecTV does not offer ANY local television stations in several of the markets in which it sells video programming services. The unserved DMAs are as follows:

<b><u>DMA</u></b>	<b><u>Market Name</u></b>
182	Bowling Green, Kentucky
185	Grand Junction-Montrose, Colorado
196	Cheyenne-Scottsbluff, Wyoming
197	Casper-Riverton, Wyoming
201	Ottumwa-Kirksville, Missouri
203	Victoria, Texas
205	Helena, Montana
206	Presque Isle, Maine
208	North Platte, Nebraska

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<sup>1</sup> The ABC Television Affiliates Association is a non-profit trade association whose members consist of local television broadcast stations throughout the country that are each affiliated with the ABC television network. The CBS Television Network Affiliates Association represents almost two hundred independently-owned and operated television stations that are affiliated with the CBS Television Network. The FBC Television Affiliates Association is a non-profit trade association whose members consist of local television broadcast stations located throughout the country that are affiliated with the Fox television network. The NBC Television Affiliates is an association of broadcast television stations that are affiliated with the NBC Television Network. Members of the NBC Television Affiliates operate approximately 225 stations.

209 Alpena, Michigan  
210 Glendive, Montana

While the markets that have been left behind by DirecTV are all small, their residents are just as important as those in every other market in the country. And these residents deserve access to local programming, local news, local weather, and local political and emergency information just like the residents of larger markets. Ironically, as DirecTV boasts that it offers more than 400 channels and serves 20 million customers, it steadfastly refuses to carry ANY television station in these remaining handful of local communities.

The proposed merger between DirecTV, the nation's largest satellite provider and second-largest multichannel video provider ("MVPD") and AT&T, one of the nation's largest competitive wireline MVPDs and an important actor in the broadband and wireless markets, creates significant risks to localism and competition that can be appropriately addressed through conditions designed to protect those important Congressional and FCC policies. The elimination of an independent MVPD competitor and the associated growth of DirecTV – a national company with no ties to any particular market – will certainly create new threats to localism. Moreover, elimination of the head-to-head competition that currently exists between AT&T and DirecTV unquestionably will reduce competition in AT&T's wireline video markets. The FCC's responsibility in merger reviews is to adopt conditions that will address these obvious transaction-specific harms. Requiring the merged company to provide local-into-local television service in all 210 DMAs is a straightforward condition that will address both the competition and localism dangers posed by the merger.

An FCC-imposed condition is most appropriate in this case as mere promises (made by applicants before the FCC) often go unfulfilled. For example, over twelve years ago, DirecTV told the FCC (as part of a then pending application) that it would deliver local-into-local television service to all 210 DMAs within three years and absolutely no later than 2008.<sup>2</sup> This has not yet happened, and a condition imposed by the FCC in this proceeding will fix that broken promise.

Nationwide local-into-local television service is a clear countervailing force to the harms to local television service that will be caused by the merger. Allowing the merged company to become the second largest MVPD will only exaggerate DirecTV's disinterest in providing local service to markets throughout the country. The Joint Television Network Affiliates agree with NAB that requiring the merged company to deliver local programming in all 210 DMAs would promote the public interest by ensuring that all DirecTV/AT&T subscribers have access to local news, weather, emergency, and other programming tailored to their local communities. Absent such a condition, DirecTV, alone among MVPDs, has shown no inclination to make available these important local services to their viewers in the 11 DMAs where DirecTV currently refuses to provide local service. This relatively small imposition would help counteract the damage to localism that will be caused by the merger's creation of what will be a huge nationwide, multiplatform video provider.

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<sup>2</sup> Memorandum Opinion & Order, 19 FCC Rcd 473,616 at ¶ 332 (2004).

Requiring nationwide local-into-local service also will help remedy competitive harms by removing from DirecTV a regulatory advantage it currently enjoys over every one of its competitors. While the FCC recently has recognized the “ubiquitous nationwide presence of DBS providers” and its impact on MVPD competition, every major MVPD other than DirecTV has TV broadcast carriage obligations in every market they serve. That includes Dish Network, DirecTV’s only DBS competitor and the third largest MVPD. Permitting the merged AT&T/DirecTV to continue to enjoy this competitive advantage is entirely inappropriate, particularly given the competitive advantages the company will have due to its unparalleled wireless platform and overall customer base. Moreover, the elimination of head-to-head competition between DirecTV and AT&T will benefit the merged company by reducing the number of competitive challengers in the market. Requiring the company to provide local service to all Americans is a reasonable request as a trade-off for the competitive advantages AT&T/DirecTV will gain by virtue of merger approval in this case.

For these reasons, the Joint Television Network Affiliates respectfully request that the FCC require the merged AT&T/DirecTV to provide local-into-local service in all 210 DMAs nationwide.

Respectfully submitted,

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