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July 24, 2015

**VIA ECFS**

Marlene H. Dortch, Esq.  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, D.C. 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; WRITTEN EX PARTE PRESENTATION***

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Dear Ms. Dortch:

One of the public interest benefits of the AT&T/DIRECTV merger is an expanded deployment of fiber-to-the-premises (“FTTP”) technology.<sup>1</sup> Within four years after the merger’s closing, AT&T will serve at least 12.5 million customer locations with FTTP. This includes the 11.7 million customer locations described in response to Item 61 of the FCC’s Information Request<sup>2</sup> plus 800,000 greenfield customer locations (i.e., locations at which wire or fiber lines have not previously been deployed) where post-closing FTTP deployments are expected.

AT&T anticipates that, substantially everywhere FTTP is deployed, it will face competition from the broadband offerings of the cable companies. As one industry analyst has noted, AT&T’s FTTP deployment will result in “a real increase in competitive intensity” that will “threaten[] the revenue of the cable companies” and reduce their “growth and pricing

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<sup>1</sup> See, e.g., Declaration of John T. Stankey, Group President and Chief Strategy Officer, AT&T Inc. ¶¶ 38, 39 (June 10, 2014); Declaration of Michael L. Katz ¶ 126 (June 11, 2014); Description of the Transaction, Public Interest Showing, and Related Demonstrations at 41-42 (filed June 11, 2014); Letter from Maureen R. Jeffreys, Counsel for AT&T Inc., to Marlene H. Dortch, Esq., Secretary, FCC (April 21, 2015).

<sup>2</sup> Supplemental Response of AT&T Inc. to Information and Discovery Requests Dated September 9, 2014 at 1-2 (filed June 24, 2015); see also Letter from Maureen R. Jeffreys, Counsel for AT&T Inc., to Marlene H. Dortch, Esq., Secretary, FCC at 6-7 (June 15, 2015).

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power.”<sup>3</sup> “AT&T, not Google,” he observes, will be “[b]y far the largest fiber builder over the next five years or so.”<sup>4</sup> The analyst attempts to calculate how much overlap each cable operator will have with competing fiber offerings from AT&T and others. “AT&T, he writes, will change Comcast’s overlap . . . from 18% to 22%. For Charter, it goes to 12% from 7%. And for the pending combination between Charter and Time-Warner Cable, the pro-forma new company would go from a combined 17% overlap to 21%.”<sup>5</sup>

Almost 2000 municipalities are currently candidates for AT&T’s FTTP deployment. Attached is a list of the Designated Market Areas<sup>®</sup> (“DMAs”)<sup>6</sup> that contain those municipalities,<sup>7</sup> together with the cable operators in those DMAs whose broadband offerings may face competition from AT&T’s FTTP-delivered broadband services.<sup>8</sup> The final selection of locations for FTTP deployment will be influenced by a combination of strongest investment cases based on anticipated demand, receptive policies, and actual engineering conditions.

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

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<sup>3</sup> Tiernan Ray, *AT&T’s Big Fiber Build May Crimp Comcast et al., Says Moffett*, Barron’s, July 7, 2015, <http://blogs.barrons.com/techtraderdaily/2015/07/07/atts-big-fiber-build-may-crimp-comcast-et-al-says-moffett/>.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> DMA<sup>®</sup> is a registered trademark of The Nielsen Company. Used under license.

<sup>7</sup> This list consists of the DMAs identified by AT&T’s FTTP Investment Model. See Letter from Maureen R. Jeffreys, Counsel for AT&T Inc., to Marlene H. Dortch, Esq., Secretary, FCC, Overview of AT&T FTTP Investment Model (July 28, 2014); Response of AT&T Inc. to Information and Discovery Requests Dated September 9, 2014, Response No. 56 (filed Oct. 7, 2014).

<sup>8</sup> Cable provider data are based on AT&T analysis of SNL Kagan “U.S. Multichannel Operator Comparison by Market.” The data are for 1Q2015. Similar data are available from public sources.

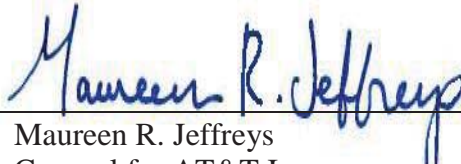
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ARNOLD & PORTER LLP

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Respectfully submitted,

  
Maureen R. Jeffreys  
Counsel for AT&T Inc.

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Enclosure

cc (via email): Daniel Ball, Esq.  
Jim Bird, Esq.  
Brendan Holland, Esq.  
Ms. Vanessa Lemmé  
Christopher Sova, Esq.  
Best Copy and Printing, Inc.

Cable Provider Data Source: SNL Kagan "U.S. Multichannel Operator Comparison By Market" - data represents 1Q2015

	DMA®	Comcast	Time Warner Cable	Cox	Charter	Cablevision	Bright House	Suddenlink	WOW!	Mediacom	CableOne	All Others	Total
1	ALBANY, GA									X		X	2
2	ALEXANDRIA, LA							X				X	2
3	ATLANTA, GA	X			X				X			X	4
4	Augusta, GA-Alken, SC	X						X				X	3
5	AUSTIN, TX		X					X				X	3
6	BAKERSFIELD, CA						X			X		X	3
7	BATON ROUGE, LA			X	X							X	3
8	BLOXI-GULFPORT, MS									X			2
9	Birmingham (Anniston and Tuscaloosa), AL	X			X		X			X	X	X	6
10	BOWLING GREEN, KY	X	X							X		X	4
11	Champaign & Springfield-Decatur, IL	X								X		X	3
12	CHARLESTON, SC	X	X						X			X	4
13	CHARLOTTE, NC		X		X							X	3
14	CHATTANOOGA, TN	X			X							X	3
15	CHICAGO, IL	X			X				X	X		X	5
16	Cleveland-Akron (Canton), OH	X	X	X				X	X			X	6
17	COLUMBIA, SC	X	X		X							X	4
18	Columbus, GA (Opelika, AL)	X			X		X		X	X		X	6
19	COLUMBUS, OH		X					X	X			X	4
20	Columbus-Tupelo-West Point-Houston, MS	X			X						X	X	4
21	CORPUS CHRISTI, TX		X								X	X	3
22	Dallas-Ft. Worth, TX		X		X			X				X	5
23	DAYTON, OH	X	X									X	3
24	DETROIT, MI	X			X		X		X			X	5
25	El Paso, TX (Las Cruces, NM)	X	X									X	3
26	EVANSVILLE, IN	X	X						X	X		X	5
27	Flint-Saginaw-Bay City, MI	X			X				X			X	4
28	Myrtle Beach-Florence, SC		X									X	2
29	FRESNO-VISALIA, CA	X			X		X	X				X	5
30	Ft. Smith-Fayetteville-Springdale-Rogers, AR			X				X				X	3
31	GAINESVILLE, FL	X		X			X					X	3
32	Grand Rapids-Kalamazoo-Battle Creek, MI	X			X				X	X		X	5
33	Green Bay-Appleton, WI	X	X		X							X	5
34	Greensboro-High Point-Winston Salem, NC	X	X		X							X	4
35	Greenville-Spartanburg, SC-Asheville, NC-Anderson, SC	X	X		X							X	4
36	Hattiesburg-Laurel, MS	X								X		X	3
37	Huntsville-Decatur (Florence), AL	X			X		X		X	X		X	6
38	HOUSTON, TX	X	X		X		X	X			X	X	6

Cable Provider Data Source: SNL Kagan "U.S. Multichannel Operator Comparison By Market" - data represents 1Q2015

	DMA®	Comcast	Time Warner Cable	Cox	Charter	Cablevision	Bright House	Suddenlink	WOW!	Mediacom	CableOne	All Others	Total
39	Harlingen-Weslaco-Brownsville-McAllen, TX		X									X	2
40	INDIANAPOLIS, IN	X	X				X					X	4
41	Jackson, MS	X					X				X	X	3
42	JACKSONVILLE, FL											X	3
43	KANSAS CITY, MO	X	X	X	X			X	X	X		X	8
44	KNOXVILLE, TN	X	X		X			X	X			X	5
45	LAFAYETTE, LA			X	X			X				X	4
46	LAKE CHARLES, LA							X				X	2
47	LANSING, MI	X			X				X			X	4
48	LEXINGTON, KY		X							X		X	3
49	Little Rock-Pine Bluff, AR	X						X				X	3
50	LOS ANGELES, CA		X	X	X			X		X		X	6
51	LOUISVILLE, KY	X	X					X		X		X	5
52	LUBBOCK, TX							X				X	2
53	MACON, GA	X		X	X					X		X	5
54	MADISON, WI				X					X		X	3
55	MEMPHIS, TN	X	X	X	X			X		X	X	X	6
56	MERIDIAN, MS	X								X		X	3
57	Miami-Ft. Lauderdale, FL	X										X	2
58	MILWAUKEE, WI		X		X					X		X	4
59	Mobile, AL-Pensacola (Ft. Walton Beach), FL	X		X			X			X		X	5
60	MONTGOMERY(SEL), AL				X		X			X		X	5
61	Monroe, LA-El Dorado, AR	X						X	X		X	X	4
62	Monterey-Salinas, CA	X			X			X				X	3
63	NASHVILLE, TN	X	X		X			X		X		X	6
64	NEW ORLEANS, LA			X	X					X	X	X	6
65	ODESSA-MIDLAND, TX	X						X			X	X	3
66	OKLAHOMA CITY, OK			X				X			X	X	4
67	Orlando-Daytona Beach-Melbourne, FL	X		X			X				X	X	4
68	PANAMA CITY, FL	X		X			X		X			X	6
69	Raleigh-Durham (Fayetteville), NC	X	X		X			X		X		X	6
70	RENO, NV	X			X			X		X		X	4
71	Sacramento-Stockton-Modesto, CA	X			X			X				X	4
72	SAN ANTONIO, TX		X					X				X	3
73	SAN DIEGO, CA		X							X		X	4
74	San Francisco-Oakland-San Jose, CA	X			X					X		X	4
75	SAVANNAH, GA	X	X							X		X	5
76	SHREVEPORT, LA	X						X			X	X	4

Cable Provider Data Source: SNL Kagan "U.S. Multichannel Operator Comparison By Market" - data represents 1Q2015

	Cable Providers (top 10)											
DMA®	Comcast	Time Warner Cable	Cox	Charter	Cablevision	Bright House	Suddenlink	WOW!	Mediacom	CableOne	All Others	Total
77	X								X		X	3
78			X	X			X		X		X	5
79				X					X		X	3
80	X					X			X		X	4
81	X					X		X			X	4
82	X	X							X		X	4
83			X						X	X	X	4
84			X				X			X	X	4
85	X											1
86		X					X			X	X	4
87		X		X							X	3

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