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October 30, 2015

**VIA ECFS**

Marlene H. Dortch, Esq.  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, D.C. 20554

**Re: *Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to Transfer Control of Licenses and Authorizations, MB Docket No. 15-149***  
**REDACTED - FOR PUBLIC INSPECTION**

Dear Ms. Dortch:

AT&T Inc. (“AT&T”) provides the attached response (the “Response”) to the letter dated October 9, 2015 from William T. Lake, Chief of the Media Bureau of the Federal Communications Commission (the “FCC” or the “Commission”), and the Request for Information and Data from AT&T attached thereto (collectively, the “Request”).<sup>1</sup>

The Request calls for AT&T to submit certain information and documents that are sensitive from a commercial, competitive, or financial perspective, and that AT&T would not reveal in the ordinary course of business to the public or its competitors. AT&T is submitting information and documents on a Confidential and Highly Confidential basis pursuant to the Protective Order for this proceeding that was issued on September 11, 2015.<sup>2</sup> The inadvertent inclusion of any material that is subject to an assertion of the attorney-client, attorney work-product, or other applicable privilege is not intended as a waiver of such privilege.

Pursuant to discussions with the Commission staff, AT&T is submitting its Response consistent with the following general modifications:

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<sup>1</sup> *Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent To Transfer Control of Licenses and Authorizations*, MB Docket No. 15-149, Letter from William T. Lake to Stacy Fuller, AT&T Services, Inc. (Oct. 9, 2015).

<sup>2</sup> *Id.*, Protective Order, FCC 15-110 (rel. Sept. 11, 2015).

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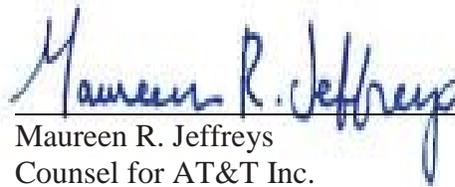
1. Notwithstanding the definition of “Internet Access Service,” AT&T need not provide information or data relating to services delivered over a mobile wireless broadband network or satellite broadband network in its Response to the Information Request.
2. Notwithstanding the definition of “MVPD Service,” AT&T need not provide information or data relating to such services delivered over a mobile wireless network, including but not limited to the Mobile TV service offered through AT&T’s Mobility organization, in its Response to the Information Request.
3. AT&T may exclude from its Response data on business subscribers and business rate plans or packages.

Additional modifications applicable to a particular Request are listed in the Response to that Request.

Pursuant to the Protective Order, AT&T is filing an unredacted Highly Confidential copy of the Response with your office and a redacted public version in ECFS. Additional copies of the unredacted Response are being delivered to the Media Bureau staff.

Please contact me at (202) 942-6608 or [Maureen.Jeffreys@aporter.com](mailto:Maureen.Jeffreys@aporter.com) if you have any questions regarding the information submitted today.

Respectfully submitted,

  
Maureen R. Jeffreys  
Counsel for AT&T Inc.

Enclosures

**RESPONSE OF AT&T INC. TO  
REQUEST FOR INFORMATION AND DATA DATED OCTOBER 9, 2015**

**October 30, 2015**

AT&T's responses to the Request are as follows.

**1. REQUEST:**

**Explain or identify and provide documents sufficient to show:**

- a. whether and to what extent AT&T's ability to compete for Internet access service subscribers has been or would be increased by offering Internet access service using fiber to the premises (FTTP);**
- b. AT&T's plans for capital investments that would increase the speed of the DSL-based Internet access service it offers, and the Company's reasons to make those investments;**
- c. the plans of AT&T to replace Internet access service that it currently provides over DSL with Internet access service over FTTP and the Company's rationales in favor of or against such replacements;**
- d. what download and upload speeds AT&T believes are required to support Internet usage for different types (e.g., standard definition, high definition, 3D, ultra HD/4K) of video consumption by the average individual and by the average household, both at present and in the future; and**
- e. the reasons subscribers disconnect Internet access service or switch providers thereof, including but not limited to, pricing, quality of service and disputes between the Company and edge providers, CDNs or transit service providers.**

**RESPONSE:**

Documents responsive to Request 1.a-1.e are appended as Exhibits 1.1-1.11.

With respect to Request 1.d, AT&T notes that there is no defined industry standard for video consumption by the average individual or average household. Download and upload speeds required to support Internet usage for video consumption for an individual or household will vary depending on a number of factors, including the video and audio quality required and the usage by customers of the broadband technologies available to those customers and their households, which in turn will

depend on the network technologies utilized by Internet Service Providers (“ISPs”) and programmers to deliver video over Internet connections.

**2. REQUEST:**

**Explain or identify and provide documents sufficient to show AT&T’s policies or procedures with respect to decisions to establish or augment interconnection capacity with any CDNs, Internet backbone services, edge providers, Internet access service providers, and all other persons with whom AT&T may engage in Internet traffic exchange.**

**RESPONSE:**

AT&T offers three services that allow third parties to directly interconnect with AT&T’s network: (1) peering; (2) Managed Internet Service (“MIS”); and (3) the Content Interconnection Platform (“CIP”).

Peering. Large ISPs and Internet backbone providers can often interconnect with AT&T through peering. Peering is a private commercial arrangement under which two “peer” ISPs or Internet backbone providers connect and exchange traffic. Each peer provides the other with access only to its own customers – not to the entire Internet.

AT&T’s peering policy is publicly available at <http://www.corp.att.com/peering/>. AT&T’s peering policy describes in general terms the criteria that AT&T evaluates when asked by a CDN, Internet backbone provider, Internet access provider, or any other person to engage in Internet traffic exchange. AT&T’s peering policy is typical of those in the industry (and more generous than some). AT&T’s policy allows a peer to transmit up to two times more traffic to AT&T than it receives from AT&T. It thus allows peering even where there is a substantial traffic imbalance in favor of AT&T’s peer.

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MIS and CIP. AT&T's MIS service allows customers to choose and pay for the capacity of their connections and to deliver as much traffic to AT&T's network as those connections will permit.

AT&T's MIS service is used by large content providers **[BEGIN AT&T HIGHLY**

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**AT&T HIGHLY CONFIDENTIAL INFORMATION]** content delivery networks **[BEGIN**

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**HIGHLY CONFIDENTIAL INFORMATION]** enterprises, and large and small businesses.

AT&T's MIS service can be "on-net" services or transit services. An on-net service provides access only to AT&T's customers. Transit services are Internet Access Services in which AT&T will

deliver traffic to virtually any point on the Internet (directly or through its peering arrangements with other ISPs or Internet backbone providers).

AT&T's CIP service allows customers to collocate servers in AT&T's network at locations closer to the AT&T end users who will be accessing the content on those servers. CIP customers purchase the space, power, cooling, transport, and other capabilities needed to operate their servers in AT&T's network. **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

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**3. REQUEST:**

**Explain AT&T's use of data caps or usage allowances and describe your data cap or usage allowance plan in each of your service areas, including a description of how the company selected the service area for implementing or trialing data caps or usage allowances. In your answer, describe the factors you used to determine whether to implement data caps or usage.**

**RESPONSE:**

Pursuant to the modifications to the Requests, this Response is limited to wireline consumer broadband data usage allowances across AT&T's wireline footprint. In May 2011, AT&T first implemented a usage-based pricing allowance on Digital Subscriber Line ("DSL") services or "High Speed Internet Service." The first bills reflecting this policy were sent on or about October 2011, and the data allowance for DSL subscribers under this policy currently is 150 Gigabytes ("GB") per month. Under this policy, the overage fee is \$10 per each 50 GB of data usage in excess of the data plan.<sup>1</sup>

Note that, as part of this policy, a DSL customer typically receives up to seven email notifications prior to billing. The first time a subscriber's usage exceeds the data plan, he or she receives a notice and is not billed. In subsequent months, AT&T sends additional notices any time usage exceeds 65 percent and 90 percent of the data plan, and, the second time usage exceeds 150 GB, the subscriber will again be notified but not billed. In subsequent billing periods, in addition to

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<sup>1</sup> See AT&T, U-verse Internet Support, <http://www.att.com/esupport/article.jsp?sid=KB409045>.

notices regarding 65 percent and 90 percent usage, AT&T will provide an additional 50 GB of data for \$10, and the subscriber is charged \$10 for every incremental 50 GB of usage beyond the plan.

AT&T currently offers its U-verse high-speed Internet access (“HSIA”) subscribers a data allowance of 250 GB/month for the lowest-price data plan option; that allowance increases with the speed of the service the customer buys.<sup>2</sup> Although AT&T currently describes the allowance under the various HSIA plans on its website and incorporates the allowance as part of its standard terms and conditions, **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

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**4. REQUEST:**

**Produce one copy of each agreement between AT&T and any other persons that contain provisions relating to peering, paid peering or settlement-free interconnection.**

**RESPONSE:**

In response to this request, AT&T is providing its current contracts with each of its **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

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

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<sup>2</sup> *See id.*

**5. REQUEST:**

**Describe, and provide and identify documents sufficient to show, how AT&T responds to competitors' pricing behavior and product offerings for each relevant service.**

**RESPONSE:**

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**[END AT&T CONFIDENTIAL INFORMATION]** Documents responsive to this

Request are appended as Exhibits 5.1-5.18.

**8. REQUEST:**

**For each zip code identified in Request 7(a) and for AT&T (excluding DIRECTV) as a whole, separately for residential subscribers, bulk residential, and non-residential subscribers, and for each month for the period beginning June 2012, through August 2015 in the states of California, Nevada, Hawaii and New York provide the following:**

- a. AT&T's data as specified in AT&T Attachment B, which seeks subscriber data relating to each of the Company's service plans;**
- b. a complete description of all services that were included in AT&T's response to the "Marginal Recurring Revenue", "Recurring Core Service Plan Revenue", and "Recurring and Non-Recurring Revenue Per Subscriber" fields in the "Service Plan" table mentioned in subpart (a);**
- c. AT&T's data as specified in AT&T Attachment C, which seeks data relating to disconnects; and**
- d. a description of the main types of disconnects that are included in each of the four categories of disconnects - mover, voluntary, non-payment, and all other - reported in AT&T Attachment C, an explanation of the methodology AT&T uses to estimate the number of disconnects in each category including a discussion of the extent to which AT&T is unable to obtain information on the reason for the disconnect and how the disconnect is classified in such cases.**

**RESPONSE:**

Pursuant to discussions with the Commission's staff, AT&T is providing the data in the same manner and subject to the same modifications as in AT&T's response to Requests 15 and 81(e) of the Information and Discovery Requests Dated September 9, 2014 in MB Docket No. 14-90<sup>3</sup> but limited in geographic scope to California and Nevada.<sup>4</sup> Consistent with the submission in MB Docket No. 14-90, these data do not include information for business subscribers, and AT&T may rely on service-level subscriber billing information rather than line-item subscriber billing information in preparing its Response as it relates to DSL and legacy telephone services. Some of the data are not maintained in the requested form in the ordinary course of AT&T's business and may be incomplete or contain inaccuracies. For the staff's convenience, AT&T is substantially restating the narrative explanations of these data that AT&T provided in MB Docket No. 14-90. Today, AT&T is providing data through July 2014. In a later submission, AT&T will provide data through August 2015.

Exhibit 8.1<sup>5</sup> provides responsive data on the number of subscribers to each of the Company's Standalone Services and Bundled Services, on a monthly basis from January 2014 to July 2014. The data in Exhibit 8.1 are provided by the customers' month of tenure on their current plan, where a plan is defined as a particular combination of MVPD Service programming package, Internet Access Service speed tier (for HSIA only) or technology (for DSL), and/or

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<sup>3</sup> *Applications of AT&T Inc. and DIRECTV for Consent To Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90.

<sup>4</sup> Hawaii and New York are outside of AT&T's ILEC wireline footprint. The response to Request 81.e was presented by zip code, so AT&T has reproduced the rows for zip codes in California and Nevada. In contrast, the response to Request 15 was not geographically segregated, so AT&T has recalculated the results after endeavoring to exclude data for customers outside California and Nevada.

<sup>5</sup> Exhibit 8.2 contains notes and definitions of terms used in Exhibit 8.1.

VoIP or legacy telephony service. For those customers who purchased DSL and legacy telephony services, data on when each customer first purchased DSL service or first purchased legacy telephony service have been used to calculate the customer's month of tenure.

Exhibit 8.1 also provides responsive data on average revenue per subscriber for each of the Company's Standalone Services and Bundled Services and tenure month, on a monthly basis from January 2014 to July 2014. The data on average revenue per subscriber are based on billing information rather than booked revenue, and therefore do not reflect certain accounting adjustments that do not appear on customers' bills.<sup>6</sup> Exhibit 8.1 provides these data by the customer's month of tenure on his/her current plan as of the end of the month indicated, where a plan is defined as a particular combination of MVPD Service programming package, Internet Access Service speed tier (for HSIA only) or technology (for DSL), and/or VoIP or legacy telephony service.

In addition, Exhibit 8.1 provides responsive data for disconnects to each of the Company's Standalone Services and Bundled Services, on a monthly basis from January 2014 to

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<sup>6</sup> For example, if a customer receives a promotion that includes a cash-back offer, **[BEGIN AT&T CONFIDENTIAL INFORMATION]**

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While AT&T bills subscribers on a monthly basis, the ordinary course of processing bills sometimes results in AT&T sending no bill to a subscriber in a particular calendar month but two bills in another. For example, AT&T might send bills to a subscriber on January 30, March 2, and March 30. This may result in fluctuations from month to month in the billed revenue data AT&T is providing.

July 2014.<sup>7</sup> Data are provided both for total disconnects and separately for Company-initiated disconnects, mover disconnects, and other subscriber-initiated disconnects.<sup>8</sup> Exhibit 8.1 provides data by the customer's month of tenure on his/her current plan as of the end of the month indicated, where a plan is defined as a particular combination of MVPD Service programming package, Internet Access Service speed tier (for HSIA only) or technology (for DSL), and/or VoIP or legacy telephony service.

AT&T has provided data about its plans in Exhibits 8.3 and 8.4,<sup>9</sup> subject to certain limitations as follows: AT&T defines plans for standalone products only. Bundles are accounted for as a promotional discount for customers who purchase a service plan of their choice for two or more different services. Notwithstanding this, AT&T has provided information in Exhibits 8.3 and 8.4 for all unique combinations of standalone products. Pursuant to discussions with the Commission's staff in MB Docket No. 14-90, AT&T has not provided plan or package names for legacy telephony services but does indicate whether legacy telephony service is included in the unique combination of standalone products. Further, pursuant to discussions with the staff in MB Docket No. 14-90, AT&T has responded with data at the service level for legacy telephony service.

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<sup>7</sup> A customer is considered to have disconnected if the customer subscribed to a service in the previous month but did not subscribe to any package or tier of that service in the following month. Disconnects do not include customers who change their service package or tier.

<sup>8</sup> The sum of Company-initiated disconnects, mover disconnects, and other subscriber-initiated disconnects may not equal the total disconnects reported because, in the ordinary course of business, the Company does not maintain data on the type of disconnect for all disconnecting subscribers. Exhibit 8.1 contains an additional column that reports disconnecting subscribers for whom the type of disconnect is unknown.

<sup>9</sup> Exhibit 8.5 contains notes and definitions of terms used in Exhibits 8.3-8.4. Exhibit 8.6 contains descriptions of each MVPD package listed. Exhibit 8.7 contains descriptions of each Internet Access tier listed. Exhibit 8.8 contains descriptions of each VoIP package listed.

As such, AT&T has not provided information for legacy telephony for the variable

“unlimited\_voice.”

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**[END AT&T CONFIDENTIAL INFORMATION]** Exhibit 8.3 reports variables including

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U-verse plans and packages. Exhibit 8.4 reports those variables except for the data related to

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**[END AT&T CONFIDENTIAL INFORMATION]** Exhibit 8.4

includes both U-verse and legacy plans and packages, as well as combinations of U-verse and legacy plans and packages.

AT&T provides the requested data on a monthly basis from July 2013 to July 2014.

Disconnects data are provided on a monthly basis from August 2013 to July 2014 for IP

products, and from September 2013 to July 2014 for DSL.

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<sup>10</sup> **[BEGIN AT&T CONFIDENTIAL INFORMATION]**

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**[END AT&T**