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November 24, 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:

Pursuant to the Protective Order for this proceeding,¹ and the instructions set forth in the letter dated October 9, 2015 from William T. Lake, Chief of the Media Bureau of the Federal Communications Commission (the “Commission”), and the Request for Information and Data attached thereto (collectively, the “Request”),² AT&T Inc. (“AT&T”) is submitting the attached redacted supplemental response to the Request.

Separately, AT&T is submitting an unredacted copy of this filing to the Secretary’s office and copies of the unredacted submission and exhibits to the Commission Staff.

¹ *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, Protective Order, FCC 15-110 (rel. Sept. 11, 2015).

² *Id.*, Letter from William T. Lake to Stacy Fuller, AT&T Services, Inc. (Oct. 9, 2015).

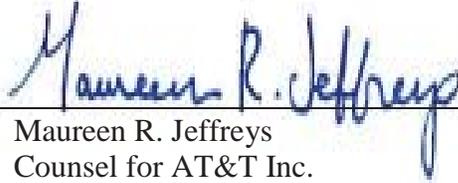
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November 24, 2015

Page 2

Please contact me at (202) 942-6608 or Maureen.Jeffreys@aporter.com if you have any questions.

Respectfully submitted,



Maureen R. Jeffreys

Maureen R. Jeffreys
Counsel for AT&T Inc.

Enclosures

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

November 24, 2015

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

4. REQUEST:

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

RESPONSE:

Based on discussions with Commission staff, AT&T is supplementing its response to this request by providing its current term sheets for the following "Managed Internet Service" ("MIS") customers: **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

[END AT&T HIGHLY CONFIDENTIAL

INFORMATION]

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:

Exhibit 8.9¹ presents certain data on subscribers who discontinued service. Pursuant to discussions with the Commission's staff, AT&T is submitting those data in the same manner and subject to the same modifications as they were presented in AT&T's Exhibit 5.b.1 in response to Request 5 of the Information and Discovery Requests Dated September 9, 2014 in MB Docket No. 14-90² but limited in geographic scope to California and Nevada.³ Specifically, AT&T is providing, by month and zip code, discontinuation data for each MVPD Service tier or programming package,⁴ for each Internet Access Service tier or package,⁵ and for telephony service.⁶ Consistent with the submission in MB Docket No. 14-90, these data do not include information for business subscribers, and AT&T reports data for legacy DSL and telephony to the extent such data are available. Some of the data are not maintained in the requested form in the ordinary course of AT&T's business and

¹ Exhibit 8.10 contains notes and definitions of terms used in Exhibit 8.9.

² *Applications of AT&T Inc. and DIRECTV for Consent To Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90.

³ Hawaii and New York are outside of AT&T's ILEC wireline footprint. Exhibit 5.b.1 was presented by zip code, so AT&T has reproduced the rows for zip codes in California and Nevada. AT&T has omitted the columns and rows from Exhibit 5.b.1 that do not pertain to the disconnect data requested by the Commission staff.

⁴ All MVPD Service tiers and programming packages offered by AT&T are available in each zip code in which AT&T offers MVPD Service; however, the availability of individual channels, such as RSNs and local network affiliates, can vary by location. Data are also reported for MVPD Services in total in order to capture subscribers for whom the MVPD Service tier or programming package is unknown.

⁵ Data are also reported for Internet Access Service in total in order to capture subscribers for whom the Internet Access Service tier or package is unknown.

⁶ Data are provided separately for VoIP services and for legacy telephony services.

may be incomplete or contain inaccuracies. Today, AT&T is providing data from August 2013 through July 2014. In a later submission, AT&T will provide data through August 2015.

9. REQUEST:

Provide AT&T's internet traffic exchange data as specified in AT&T Attachment D.

RESPONSE:

"Settlement-Free Peering Traffic" Table. Exhibit 9.1 is a CSV file that provides information responsive to this Request for each of AT&T's **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]** **[END AT&T HIGHLY CONFIDENTIAL INFORMATION]** peering partners.

- Columns A, B, and C identify the relevant month and the relevant peer.
- Columns D and E identify the total capacity of AT&T's links with its peers in megabits per second, from June 2012 to August 2015. Because all links are bi-directional, the capacity in Column D will be the same as the capacity in Column E.
- Columns F and G, respectively, provide the 95th percentile utilization in Mbps inbound and outbound to and from AT&T's network for each month from June 2012 to August 2015.⁷
- Columns H and I, respectively, provide the amount of money paid (1) by AT&T to peers and (2) by peers to AT&T for penalties or fees. **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

⁷ **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

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- Columns J, K, and L identify the relevant contract, as well as the start and end dates for each contract. **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

[END AT&T HIGHLY

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“Internet Traffic Exchange: Settlement-Free Peering Node” Table. Exhibit 9.2 is a CSV file that provides information responsive to this Request for each of AT&T’s **[BEGIN AT&T HIGHLY**

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INFORMATION] peering partners.

- Columns A identifies the relevant month and year.
- Columns, B, C, D, E, and F provide the name and location where AT&T’s interconnection with each settlement-free peer takes place.
- Column G identifies whether AT&T owns the facility. **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**
[END AT&T HIGHLY CONFIDENTIAL INFORMATION]
- Column H identifies the primary Autonomous System Number for each peer.
- Columns I and J identify the name of the peer.
- Column K identifies total traffic volume capacity in megabits per second that the peer can send/receive at the interconnection location.⁸
- Columns L and M, respectively, provide the 95th percentile utilization in Mbps inbound and outbound to and from AT&T’s network for each node for each month.⁹

⁸ The Exhibit omits months where there is no capacity at a location.

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

Sales of Paid Peering & Paid Peering Nodes Tables. **[BEGIN AT&T HIGHLY**

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[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

“Sales of Transit Service” Table. Exhibit 9.3 is a CSV file that provides information responsive to this Request.

AT&T previously collected and submitted information responsive to this request for the purpose of responding to the Information and Discovery Requests Dated September 9, 2014 in MB Docket No. 14-90.¹⁰ This prior response contained information for AT&T’s 25 largest MIS

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[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

¹⁰ *Applications of AT&T Inc. and DIRECTV for Consent To Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90.

customers¹¹ as measured by purchased capacity of 10 Gigabit Ethernet (10 GigE) circuits as of August 2014,¹² and this prior response included information for the period from June 2012 through June 2014. Pursuant to discussions with the FCC staff, AT&T's response to the current data request supplements this prior request with data from July 2014 through August 2015, except that the current response will include data for 22 of AT&T's *current* 25 largest MIS customers (as of October, 2015 and, again, as measured by purchased capacity of 10 GigE circuits).¹³

- Columns A, B, and C provide the relevant month and the name of each of the 22 MIS customers.
- Column D provides the total capacity of the 10 GigE business Internet access services purchased by each MIS customer in megabits per second for each month.¹⁴

¹¹ **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

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¹² **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

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¹³ As discussed with the Commission staff, this approach means that, for the MIS customers that were on prior top 25 lists and the current top 25 list, data are provided for the period from June 2012 (or the earliest date the customer purchased services from AT&T) through August 2015, because AT&T is able to combine the historical data it previously collected and submitted to the Commission for the period from June 2012 through June 2014 with new data collected for the period from July 2014 through August 2015. For entities that are new to the top 25 list, data are provided for the period from July 2014 through August 2015. In many cases, the new entities on the top 25 list became AT&T customers only within the past year or so. In these cases, the information provided still contains the entire historical data set for those customers.

¹⁴ The capacity reported in the Exhibit is reported for the month in which it was ordered by the customer (not the month it was provisioned). The capacity may have been installed or disconnected at a later date. The Exhibit omits months prior to the time the customer first ordered capacity from AT&T. As noted, this table supplements a previous table AT&T developed and produced to the FCC. The previous table included 10 GigE capacity as well as the capacity of smaller connections these entities may have purchased. The capacity associated with these smaller circuits was typically very small. The updated data provide capacity for only 10 GigE circuits, which explains changes in

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- Columns E and F provide the 95th percentile utilization in Mbps inbound and outbound to and from AT&T's network for each month.¹⁵
- Columns G, H, and I provide total, non-recurring, and recurring revenues (on a billed, not payment received, basis) for each month.¹⁶
- Column J lists the contract document for the MIS customer. Pursuant to discussions with the Commission staff, AT&T is providing its MIS contracts with **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**
[END AT&T HIGHLY CONFIDENTIAL INFORMATION].
- Columns K and L identify the start and end dates for each such current contract.¹⁷

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capacity between June 2014 and July 2014, where the prior data set ends and the supplemental data set begins.

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

[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

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

[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

¹⁷ **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

Purchase of Transit Service Table. [BEGIN AT&T HIGHLY CONFIDENTIAL

INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL

INFORMATION]

12. REQUEST:

For each zip code identified in Request 11(a) and for DIRECTV (excluding AT&T) 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. DIRECTV’s data as specified in DIRECTV 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 DIRECTV’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. DIRECTV’s data as specified in DIRECTV 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 DIRECTV Attachment C, an explanation of the methodology DIRECTV uses to estimate the number of disconnects in each category including a discussion of the extent to which DIRECTV 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 staff, AT&T is providing the data in the same manner and subject to the same modifications as in DIRECTV’s Schedule 14(a)-(d) and the plan data portion of DIRECTV’s Schedule 58 in response to Requests 14 and 58 of the Information and Discovery Requests Dated September 9, 2014 in MB Docket No. 14-90.¹⁸ DIRECTV provided data

¹⁸ *Applications of AT&T Inc. and DIRECTV for Consent To Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90.

that was maintained in the ordinary course of DIRECTV's business. It may contain inaccuracies that had not been corrected during the ordinary course of business. In some cases, data for specific time periods may be estimates where changes in data management systems made older data less reliable. In addition, where DIRECTV pulled data or information from different sources within DIRECTV for different requests, there may be minor discrepancies in the data. Consistent with the submission in MB Docket No. 14-90, these data do not include information for business subscribers. DIRECTV defined "disconnects from the service plan" as subscribers who have disconnected from DIRECTV. Moreover, DIRECTV was not able to provide the subscriber acquisition cost for all of the subscribers on its network. Today, AT&T is providing as Exhibit 12.1 the data from Schedule 14(a)-(d) through July 2014 and as Exhibit 12.2 the data from Schedule 58 through July 2014. In a later submission, AT&T will provide comparable data through August 2015.

13. REQUEST:

In a separate CSV format file, calculate DIRECTV's (excluding AT&T):

- a. monthly residential per subscriber profit margins for Internet access service, MVPD service and telephone service; and**

RESPONSE:

In response to this request, AT&T is providing an Excel file entitled Exhibit 13.a. This Exhibit provides DIRECTV's monthly "pre-SAC"¹⁹ margin per residential subscriber from January 2012 through September 2015. Pre-SAC margin represents the average margin per residential customer excluding SAC.²⁰ To calculate pre-SAC margin, DIRECTV first calculates its total

¹⁹ SAC refers to "Subscriber Acquisition Cost."

²⁰ Pre-SAC margin is not determined in accordance with Generally Accepted Accounting Principles ("GAAP"). DIRECTV management use pre-SAC margin to evaluate the profitability of DIRECTV's current U.S. subscriber base for the purpose of allocating resources to discretionary activities such as adding new subscribers, upgrading and retaining existing subscribers, and for capital expenditures. To compensate for the exclusion of subscriber acquisition costs, DIRECTV's

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monthly Net Residential Subscriber Revenue. From this number, DIRECTV subtracts expenses related to (1) Programming; (2) Non-Programming Cost of Service; (3) Subscriber Services; (4) Upgrade and Retention; (5) Broadcast Operations; and (6) G&A expenses. This yields the company's total monthly pre-SAC residential subscriber margin. To calculate the per subscriber pre-SAC margin, DIRECTV divides this number by the number of residential subscribers. The detailed month-by-month calculations can be found in Exhibit 13.a.

- b. provide a complete and detailed description of the methodology used to calculate subpart (a).**

RESPONSE:

The methodology that AT&T uses to calculate subpart (a) is described in AT&T's responses to Request 13.a, above.

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management also uses operating profit and operating profit before depreciation and amortization expense to measure profitability. DIRECTV believes that pre-SAC margin is useful, along with GAAP measures (such as revenues, operating profit, and net income), to compare DIRECTV's operating performance to other communications, entertainment, and media companies.