



September 16, 2014

Via ECFS

Marlene H. Dortch
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

Dear Ms. Dortch:

As Microsoft has explained in previous filings with the Commission, ubiquitous access to broadband is critical to the nation's economic growth and our continued leadership in innovation. Microsoft urges the Commission, therefore, to approve AT&T's acquisition of DIRECTV as a means of furthering the deployment of critical broadband infrastructure.

The Internet has transformed the way Americans communicate and do business. According to the Pew Research Internet Project, nearly 90 percent of Americans used the Internet as of January 2014 (compared with 14 percent a decade ago).¹ Retail e-commerce is a key driver of the U.S. economy, contributing \$75.0 billion in sales in the second quarter of 2014 alone.² And the innovation spurred by the open Internet has created hundreds of thousands of new, highly-skilled jobs for Americans.³

It is precisely because the Internet has the potential to transform the lives of all Americans for the better that it is so critical that the Commission's policies and decision making promote both its growth and reach to all Americans. The Commission already has taken

¹ Pew Research Internet Project, *Internet Use Over Time*, <http://www.pewinternet.org/data-trend/internet-use/internet-use-over-time>.

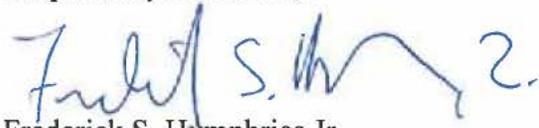
² See U.S. Census Bureau, *Quarterly Retail E-Commerce Sales*, 2nd Quarter 2014, http://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf.

³ See Michael Mandel, "752,000 App Economy Jobs on the 5th Anniversary of the App Store," PROGRESSIVE POLICY INSTITUTE BLOG (July 8, 2013), <http://www.progressivepolicy.org/slider/752000-app-economy-jobs-on-the-5th-anniversary-of-the-app-store/>.

meaningful steps in this direction through recent reforms to its Universal Service⁴ and the E-Rate programs.⁵ These types of regulatory reforms are important, and when industry is willing to implement additional measures to achieve the same public policy objectives of these reforms, it is especially important that the Commission take notice.

In connection with its proposed merger, AT&T has committed to increase broadband deployment by (a) making available enhanced fiber-to-the-premises wireline broadband service to two million additional customer locations, and (b) deploying fixed wireless local loop technology to bring broadband with speeds of 15-20 Mbps to approximately 13 million largely rural customer locations in areas outside AT&T's wireline footprint or within that footprint but that currently do not receive AT&T's U-verse broadband and video bundle.⁶ This commitment clearly advances a critical national broadband objective with respect to investment in and deployment of high-speed broadband access services across the U.S. Because Microsoft believes strongly in these principles, we encourage the Commission to give these commitments appropriate public interest weight and to approve the proposed acquisition.

Respectfully submitted,



Frederick S. Humphries Jr.
Vice President, US Government Affairs
Microsoft

⁴ *In the Matter of Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011), pets. for review denied sub nom. In re: FCC 11-161, 753 F.3d 1015 (10th Cir. 2014).

⁵ *In the Matter of Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Report and Order and Further Notice of Proposed Rulemaking, FCC 14-99, rel. July 23, 2014.

⁶ *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, Description of Transaction, Public Interest Showing, and Related Demonstrations, at 5, 8 (June 11, 2014).