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For Immediate Release**FCC GRANTS APPROVAL OF AT&T-DIRECTV TRANSACTION**

WASHINGTON, July 24, 2015 – Today, the Federal Communications Commission grants – with conditions – approval of the transfer of control of licenses and authorizations from DIRECTV to AT&T Inc. (AT&T). The approval will allow AT&T to acquire DIRECTV and merge the two companies into one combined entity. An Order detailing the Commission’s reasoning and the conditions will be issued shortly.

The Commission’s decision is based on a careful, thorough review of the record, which includes extensive economic analysis and documentary data from the applicants, as well as comments from interested parties. Based on this review, the Commission has determined that granting the application, subject to certain conditions, is in the public interest.

As part of the merger, AT&T-DIRECTV will be required to expand its deployment of high-speed, fiber optic broadband Internet access service to 12.5 million customer locations as well as to E-rate eligible schools and libraries. In addition, AT&T-DIRECTV is prohibited from using discriminatory practices to disadvantage online video distribution services and will submit its Internet interconnection agreements for Commission review. Finally, AT&T-DIRECTV will offer broadband services to low-income consumers at discounted rates.

The conditions imposed by the Commission address potential harms presented by the combination of AT&T, one of the nation’s largest telephone and Internet service providers, and DIRECTV, the nation’s largest satellite video provider. The conditions also ensure that the benefits of the merger will be realized. These targeted conditions, which generally will remain in effect for four years after the merger closes, include:

- *Fiber to the Premises (FTTP) Deployment.* Recognizing that the merger reduces AT&T-DIRECTV’s incentive to deploy FTTP service, the Commission adopts as a condition of this merger the expansion of FTTP service to 12.5 million customer locations. This condition also responds to the harm of the loss of a video competitor in areas where AT&T and DIRECTV had directly competed before the merger by providing a pathway for increased competition from services that rely on broadband Internet to deliver video.
- *Gigabit Service to E-rate Eligible Schools and Libraries.* In addition, to ensure that schools and libraries also benefit from expanded fiber deployment to consumers and institutions, the Commission is also requiring AT&T-DIRECTV to offer gigabit service to any E-rate eligible school or library where AT&T-DIRECTV deploys FTTP service.
- *Non-Discriminatory Usage-Based Practices.* Recognizing that AT&T is the only

major ISP that applies “data caps” across the board to all of its fixed broadband customers and that this merger increases the incentive of AT&T-DIRECTV to use strategies that limit consumers’ access to online video distribution services in order to favor its own video services, the Commission requires AT&T-DIRECTV, as a condition of this merger, to refrain from imposing discriminatory usage-based allowances or other discriminatory retail terms and conditions on its broadband Internet service.

- *Internet Interconnection Disclosure Requirements.* Recognizing the importance of interconnection to the operation of online video services, the Commission also requires as a condition of this merger that AT&T-DIRECTV submit its Internet interconnection agreements so that the Commission may monitor the terms of such agreements to determine whether AT&T-DIRECTV is denying or impeding access to its networks in anticompetitive ways through the terms of these agreements.
- *Discounted Broadband Services for Low-Income Subscribers.* While finding that the availability of better and lower priced bundles of video and broadband service is a potential benefit of the merger, the Commission also concludes that the public interest requires us to ensure that a bundle of video and broadband services is not the only competitive choice for low-income subscribers who may not be able to afford bundled services. The Commission accordingly requires as a condition of the merger that AT&T-DIRECTV make available an affordable, low-price standalone broadband service to low-income consumers in its broadband service area.
- *Compliance Program and Reporting.* Given the important role that these conditions serve in securing the public interest benefits of the merger, the Commission requires that AT&T-DIRECTV retain both an internal company compliance officer and an independent, external compliance officer that will report and monitor, respectively, the combined entity’s compliance with all conditions of the merger.

Action by the Commission July 24, 2015 by: Memorandum Opinion and Order (FCC No. 15-94). Chairman Wheeler and Commissioner Clyburn and Commissioner Rosenworcel, with Commissioner O’Rielly concurring in part, and Commissioner Pai dissenting in part. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O’Rielly issuing statements.

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