



Robert W. Quinn, Jr.
Senior Vice President
Federal Regulatory and
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AT&T Services, Inc.
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November 25, 2014

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*
REDACTED – FOR PUBLIC INSPECTION

Dear Ms. Dortch:

AT&T Inc. (“AT&T”) hereby responds to the Commission letter dated November 14, 2014.¹

When AT&T announced its acquisition of DIRECTV in May 2014, we also announced our commitment to enhance and expand high-speed broadband service to at least 15 million customer locations, mostly in rural areas, utilizing a combination of technologies such as fiber to the premises (“FTTP”) and fixed wireless local loop capabilities. “This new commitment, to be completed within four years after close, is on top of the fiber and Project VIP broadband expansion plans” that we had announced prior to the DIRECTV transaction.²

The premise of the Commission’s November 14 Letter is incorrect. AT&T is not limiting our FTTP deployment to 2 million homes. To the contrary, AT&T still plans to complete the major initiative we announced in April to expand our ultra-fast GigaPower fiber network in 25 major metropolitan areas nationwide, including 21 new major metropolitan areas.³ In addition, as AT&T has described to the Commission in this proceeding,⁴ the

¹ Letter to Robert W. Quinn, Jr., Senior Vice President, AT&T Services, Inc. from Jamillia Ferris, Office of the General Counsel, Federal Communications Commission, MB Docket No. 14-90 (Nov. 14, 2014) (“November 14 Letter”).

² Press Release, AT&T, AT&T to Acquire DIRECTV (May 18, 2014), http://about.att.com/story/att_to_acquire_directv.html.

³ Press Release, AT&T, AT&T Eyes 100 U.S. Cities and Municipalities for its Ultra-Fast Fiber Network (Apr. 21, 2014), http://about.att.com/story/att_eyes_100_u_s_cities_and_municipalities_for_its_ultra_fast_fiber_network.html.

synergies created by our DIRECTV transaction will allow us to extend our GigaPower service to at least 2 million additional customer locations, beyond those announced in April, within four years after close.

At the same time, President Obama's proposal in early November to regulate the entire Internet under rules from the 1930s injects significant uncertainty into the economics underlying our investment decisions. While we have reiterated that we will stand by the commitments described above, this uncertainty makes it prudent to pause consideration of any further investments – beyond those discussed above – to bring advanced broadband networks to even more customer locations, including additional upgrades of existing DSL and IPDSL lines, that might be feasible in the future under a more stable and predictable regulatory regime. To be clear, AT&T has not stated that the President's proposal would render all of these locations unprofitable. Rather, AT&T simply cannot evaluate additional investment beyond its existing commitments until the regulatory treatment of broadband service is clarified.

Accordingly, AT&T responds to Requests (a)-(c) of the Commission's November 14 Letter as follows:

- With respect to Requests (a) and (b), we refer the Commission to our response to FCC Information Request Nos. 61 and 56.n.⁵ These responses describe the total number of customer locations to which AT&T currently plans to deploy FTTP based on pre-transaction economics, as well as the additional customer locations to which AT&T has determined it will be economically viable to reach as a result of the merger-specific cost savings and synergies described in these proceedings.
- In further response to Request (a), the attached chart provides, by DMA^{®6} within AT&T's 21-state wireline footprint, the number of customer locations to which AT&T has deployed FTTP and Fiber-to-the-Node ("FTTN") technologies as of October 2014 and the number of additional customer locations to which AT&T currently plans to deploy FTTN.⁷

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⁴ Description of the Transaction, Public Interest Showing, and Related Demonstrations at 41 (filed June 11, 2014).

⁵ See Response of AT&T Inc. to Information and Discovery Requests dated September 9, 2014, MB Docket No. 14-90, at Response Nos. 61 & 56.n (filed Oct. 7, 2014); see also Joint Opposition of AT&T Inc. and DIRECTV to Petitions to Deny and Condition Reply to Comments at 21-22 & n.62 (filed Oct. 16, 2014); Declaration of John T. Stankey, Group President and Chief Strategy Officer AT&T Inc. ¶¶ 43- 44 (filed June 11, 2014).

⁶ DMA® is a registered trademark of The Nielsen Company. Used under license.

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

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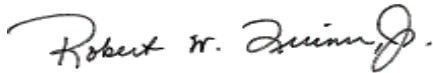
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November 25, 2014

- Because Request (c) incorrectly assumes that AT&T is limiting its deployment of fiber to 2 million homes, there are no documents responsive to Request (c).

Pursuant to the *Second Amended Modified Joint Protective Order*⁸ and the instructions set forth in the November 14 Letter and the FCC's Information and Data Requests dated September 9, 2014 in this proceeding, AT&T is filing herewith, via ECFS, this *redacted* public version. An unredacted Stamped Highly Confidential copy of this submission is being delivered to your office. Additional copies of the unredacted submission are being delivered to the Commission staff under separate cover.

Please contact me at (202) 457-3851 if you have any questions. Thank you for your assistance.

Respectfully submitted,



Robert W. Quinn, Jr.
Sr. VP-Federal Regulatory and Chief Privacy Officer

Enclosure

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

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[END AT&T HIGHLY

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⁸ *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations, Second Amended Modified Joint Protective Order, DA 14-1640 (MB rel. Nov. 12, 2014).*

**AT&T FTTP and FTTN Customer Locations¹
by Designated Market Area (“DMA[®]”)
as of October 2014**

DMA [®]	Customer Locations with FTTP	Customer Locations with FTTN	FTTN Deployment Planned ²
[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]			

¹ Customer locations represent the count of living units (consumer and business) to which AT&T is technically capable of providing service, including occupied and unoccupied locations. The customer location figures set forth herein reflect the consummated transfer of SNET and SNET America in Connecticut to Frontier Communications. With AT&T’s ongoing buildout, the number of customer locations served by a given technology will continue to change. As previously described, the planned FTTP deployment will include customer locations currently served by various technologies, including FTTN. See Response of AT&T Inc. to Information and Discovery Requests dated September 9, 2014, MB Docket No. 14-90, at Response Nos. 61(e) & 61(f) (filed Oct. 7, 2014).

² **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**
[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

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DMA[®]	Customer Locations with FTTN	Customer Locations with FTTN	FTTN Deployment Planned²

DMA®	Customer Locations with FTTP	Customer Locations with FTTN	FTTN Deployment Planned ²

DMA[®]	Customer Locations with FTTP	Customer Locations with FTTN	FTTN Deployment Planned²
TOTAL			[END AT&T HIGHLY CONFIDENTIAL INFORMATION]

³ [BEGIN AT&T CONFIDENTIAL INFORMATION]

[END AT&T

CONFIDENTIAL INFORMATION]

⁴ [BEGIN AT&T CONFIDENTIAL INFORMATION]

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