Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In the Matter of	)	
	)	
Applications of AT&T Inc. and	)	MB Docket No. 14-90
DirecTV to for Consent to	)	
Assign or Transfer Control of	)	
Licenses and Authorizations	)	

PETITION TO DENY OF WRITERS GUILD OF AMERICA WEST, INC.

Laura Blum-Smith
Research Analyst

Emily Sokolski
Senior Research & Policy Analyst

Writers Guild of America, West, Inc.
7000 West Third Street
Los Angeles, CA 90048
(323) 951-4000

September 16, 2014

Table of Contents

I. INTRODUCTION AND SUMMARY 3

II. WGAW HAS STANDING IN THIS PROCEEDING 6

III. PUBLIC INTEREST REVIEW 8

IV. INCREASED HORIZONTAL CONCENTRATION WILL HARM VIDEO PROGRAMMERS 9

V. APPROVAL OF THE MERGER WILL FORECLOSE INNOVATION 14

VI. PROPOSED MERGER WILL ENHANCE APPLICANTS' INCENTIVE AND ABILITY TO HARM OVD MARKET 19

VII. ALLEGED BENEFITS ARE NOT MERGER-SPECIFIC, NOT QUANTIFIABLE AND DO NOT OUTWEIGH PUBLIC INTEREST HARMS 25

A. Broadband Expansion 25

B. Pricing 27

C. Net Neutrality 27

D. Bundles 28

VIII. CONCLUSION 29

DECLARATION 31

I. INTRODUCTION AND SUMMARY

Writers Guild of America, West, Inc. ("WGAW") respectfully petitions the Federal Communications Commission ("FCC" or "Commission") to deny the proposed acquisition of DirecTV by AT&T (together, "Applicants").[1] This merger is an anticompetitive reaction to other proposed consolidation, namely, Comcast-Time Warner Cable ("Comcast-TWC"), and is not in the public interest. If approved, the merger will reduce competition and consumer choice, foreclose innovation by either Applicant and give the merged entity significant control over traditional and online video distribution. The creation of a multichannel video programming distributor ("MVPD") and Internet service provider ("ISP") second in size only to a merged Comcast-TWC will enhance Applicants' ability and incentive to limit the growth of the burgeoning online video market, which now offers original programming in direct competition with content offered by traditional television networks, and distributed by both AT&T and DirecTV.

It has only been three years since AT&T's last attempt to purchase a major competitor, but at the time the Commission appropriately recognized the harm such action posed to the public interest. Once again, AT&T asks the Commission to bless its acquisition of a direct competitor, citing the need to bundle video and Internet services.[2] In claiming that the ability to bundle is necessary for effective competition, AT&T fails to acknowledge that its most competitive wired Internet service, which is its fiber to the node ("FTTN") service, is only available in its U-verse service footprint. This footprint, however, is where AT&T *already* offers

---

[1] *In the Matter of Applications of AT&T Inc. and DirecTV for Consent to Assign or Transfer Control of Licenses*, MB Docket No. 14-90, June 11, 2014, pp. 4, 23-24. *(Application).*
[2] *Application*, pp. 62-65.

bundled service. The merger does not, therefore, increase Applicants' ability to develop competitive bundles. It merely eliminates the competition.

This proposed merger of direct competitors will combine the assets of the second largest MVPD[3] with those of the second largest fixed ISP[4] and second largest wireless provider.[5] Through this combination, consumers in 129 designated market areas ("DMAs") will lose a competing MVPD if this merger is approved.[6] Applicants, as a result of this merger, will gain significant control over three video distribution platforms: cable television, fixed Internet and mobile broadband. With 26 million MVPD subscribers,[7] Applicants will become a crucial distributor for programmers. AT&T's enhanced leverage as a distributor will allow it to negotiate supra-competitive rates with programmers. AT&T has explicitly stated that reducing content costs is a primary goal of this merger.[8] The proposed combination will also harm online video distributors ("OVDs"), because Applicants' control of one-quarter of MVPD subscribers significantly enhances their incentives to limit the development of competing online video services on both wired and mobile Internet platforms.

---

[3] SNL Kagan, U.S. Multichannel Operator Comparison by Market, Multichannel Video Subscribers for 2nd Quarter 2014.

[4] Leichtman Research Group, Press Release, "Major Multi-Channel Video Providers Lost About 105,000 Subscribers in 2013," March 14, 2014, http://www.leichtmanresearch.com/press /031414release.html.

[5] SNL Kagan, Big Four Wireless Carrier Total, Postpaid, Prepaid, Wholesale and Connected Device Subscribers and Net Adds, Quarterly Figures for Q1 2010 to Q2 2014, September 5, 2014. In the second quarter of 2014, AT&T had 116.6 million subscribers and Verizon had 117.5 million subscribers.

[6] WGAW analysis of SNL Kagan Multichannel Operator Data, subscriber information as 2nd Quarter 2014, Accessed September 2, 2014.

[7] *Declaration of Patrick T. Doyle, Executive Vice President and Chief Financial Officer DirecTV*, p. 3; and *Application* p. 2. DirecTV has over 20 million subscribers in the United States and AT&T has 5.7 million video subscribers.

[8] *Application*, pp. 2, 67.

This transaction represents a strategic choice by AT&T and DirecTV to forego innovation, and to instead rely on size, rather than differentiation, to compete. AT&T's development of U-verse Internet and video service using, in part, its existing infrastructure, was an innovative and pro-competitive way to expand its business by entering a new market. AT&T, as a result, has become the nation's fifth largest MVPD, doubling its subscribers over the last five years. U-verse subscriber growth has occurred during a period when cable operators such as Comcast and Time Warner are losing customers. Eleven years before telephone providers began offering TV service, DirecTV's use of satellite service to deliver television networks to homes was an important innovation that introduced competition in cable television distribution. However, Applicants now seek to replicate the strategy of the industry leader, Comcast, and compete on the basis of size, rather than innovation. DirecTV, which was exploring new ways to compete in the online market, has now simply chosen to *buy* Internet distribution. If AT&T and DirecTV are prohibited from merging, both parties will be forced to develop different strategies to adapt to a mature MVPD market where video consumption is moving online.

The commitments offered by Applicants do not mitigate the harms presented by this merger and AT&T's commitments to broadband expansion are largely not specific to this transaction. In addition, while plans to offer service in rural areas are commendable, wireless local loop ("WLL") is an inferior broadband technology when compared to cable or fiber. Although WLL can reach speeds of 15 to 20 Mbps, service plans are based on data consumption and have comparatively low data limits, making this offering an expensive option for consumers.[9]

This transaction should not be assessed in isolation. Applicants' acknowledge that Comcast's proposed acquisition of Time Warner Cable was a motivating factor behind AT&T's proposed acquisition of DirecTV.[10] As the distribution industry consolidates into a few large corporations, the content industry has shown signs of consolidation as well, evidenced by 21st Century Fox's failed attempt to acquire Time Warner. The tendency towards consolidation limits consumer choice and diverts capital that would otherwise be invested in innovative services, devices or content. This trend, and this transaction in particular, will not benefit the public. The merger of AT&T and DirecTV will harm content and content creators, inhibit innovation and expansion in high-speed broadband, and threaten the burgeoning online video market. WGAW does not believe that these myriad harms are outweighed by the minimal commitments and promises offered by the Applicants, and respectfully requests that the Commission deny this transaction.

II. WGAW HAS STANDING IN THIS PROCEEDING

WGAW is a labor organization that represents more than 8,000 professional writers of film, television, online video programming, local news and documentaries. Virtually all of the entertainment programming and a significant portion of news programming seen on television

---

[9] Jeff Baumgartner, "AT&T's Fixed Wireless Service Goes Nationwide," *Multichannel News*, May 23, 2014, http://www.multichannel.com/news/technology/att-fixed-wireless-service-goes-nationwide/374744; and *The AT&T/DIRECTV Merger: The Impact on Consumers in the Video Market and Beyond: Hearing Before the S. Comm. On the Judiciary, Subcomm. on Antitrust, Competition Policy and Consumer Rights,* 113th Cong. (2014) (written response of Matt Wood, Policy Dir., Free Press).

[10] *Application,* pp. 4, 24.

and in theaters are written by WGAW members and the members of our affiliate, Writers Guild of America, East (jointly, "WGA").

WGAW has standing in this proceeding because Guild members create much of the television programming that is distributed through Applicants' terrestrial and satellite facilities. Each year, more than 3,000 WGAW members are employed on television projects.[11] WGA members are also the creators of original video programs now offered by OVDs such as Netflix, Amazon, Hulu and Crackle, and distributed online to consumers by AT&T. More than two hundred professional writers have worked on original online video programs, generating almost $10 million in income.

WGAW members will be harmed by the consolidation of buyers in the market for video programming, which, for broadcast, cable and pay TV networks, is a national market. Writers will also be harmed by the increased incentive and ability of Applicants to reduce affiliate and retransmission fees paid to television networks, which support original television programming, and by Applicants' increased ability and incentive to limit the growth of a robust OVD market. Post-merger, Applicants will be able to leverage their 26 million video subscribers to negotiate programming rates below competitive levels. AT&T reports that this transaction will lower its programming costs by an estimated 20% per subscriber.[12] Such action will reduce an important revenue source that has fueled the rise of original programming across basic cable networks. This outcome will harm writers, who will face fewer creative and economic opportunities, and ultimately consumers, who will have fewer content options. The acquisition of 20 million

[11] Writers Guild of America West, "Annual Financial Report," June 6, 2014, http://www.wga.org/uploadedFiles/who_we_are/annual_reports/annualreport14.pdf, p. 2.
[12] *Application*, p. 36.

satellite customers, in addition, will give AT&T considerable incentive to protect its expanded MVPD business from the competitive threat of online video. AT&T's control of fixed and wireless broadband distribution gives it the ability to limit the development of the OVD market, which is an important growth area for WGAW members' creative and economic opportunities.

III. PUBLIC INTEREST REVIEW

FCC review and approval of proposed mergers and license transfers is contingent on Applicants' showing that the transaction will "serve the public interest, convenience, and necessity."[13] The Commission's initial assessment determines whether the transaction violates any statute or rule. The Commission then analyzes whether the transaction would result in public interest harms by frustrating or impairing the objectives of the Communications Act or related statutes.[14]

Applicants must demonstrate that benefits claimed in their public interest filing are transaction-specific. Alleged benefits must be likely to occur as a result of the transaction and unlikely to occur by other means.[15] Benefits must also be verifiable, flow to the consumer, and not "inure solely to the benefit of the company."[16] The Commission must then weigh the potential public interest harms against the potential public interest benefits to determine if, on

---

[13] 47 U.S.C. § 310 (d).

[14] *Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. For Consent to Assign Licenses and Transfer Control of Licenses*, Memorandum Opinion and Order, MB Docket No. 10-56, January 20, 2011, ¶ 22. (*Comcast-NBCU Order*).

[15] *Comcast-NBCU Order*, ¶ 226.

[16] *Ibid*; and see discussion in News Corp.-Hughes which holds that speculative benefits and benefits that occur in the distant future must be discounted in the Commission's analysis. *In the Matter of General Motors Corporation and Hughes Electronics Corporation, Transferors, and The News Corporation Limited, Transferees, For Authority to Transfer Control*, MB Docket No. 03-124, January 14, 2004, ¶ 317. (*News Corp-Hughes Order).*

balance, the transaction serves the public interest, convenience or necessity. This broad evaluation includes a preference for preserving and enhancing competition in relevant markets and ensuring diversity in the information and services available to the public.[17]

The Commission may consider and impose transaction-related conditions to mitigate harmful consequences and ensure the public interest is served. Most importantly, in this process, Applicants bear the burden of demonstrating, by a preponderance of evidence, that the proposed transaction will serve the public interest.[18]

IV. INCREASED HORIZONTAL CONCENTRATION WILL HARM VIDEO PROGRAMMERS

Applicants propose a merger of direct competitors that will eliminate an MVPD competitor in 129 DMAs. In the market for video programming, the merger represents a combination of competing buyers. AT&T, the fifth largest MVPD, has argued that this merger is necessary to reduce its programming costs.[19] The goal of this merger is, therefore, to use increased power as a major buyer of video programming to reduce payments to television

---

[17] *Comcast-NBCU Order*, ¶ 23; *Applications for Consent to Transfer of Control of Licenses, XM Satellite Radio Holdings Inc., Transferor, to Sirius Satellite Radio Inc., Transferee,* Memorandum Opinion and Order, MB Docket No. 07-57, August 5, 2008, ¶ 31. (*Sirius-XM Order*); *Application for Consent to Transfer of Control of Licenses from Comcast Corporation and AT&T Corp., Transferors, to AT&T Comcast Corporation, Transferee,* Memorandum Opinion and Order, MB Docket No. 02-70, November 14, 2002, ¶ 27. (*Comcast-AT&T Order*).

[18] *Sirius-XM Order,* ¶ 30; *News Corp. and DIRECTV Group, Inc. and Liberty Media Corp. for Authority to Transfer Control*, Memorandum Opinion and Order, MB Docket No. 07-18, February 26, 2008, ¶ 22, (*Liberty Media-DIRECTV Order*); *Comcast-AT&T Order,* ¶ 26; *News Corp-Hughes Order*, ¶¶ 316, 317.

[19] *Application,* pp. 21-22, 24-25, 34-36; and *The AT&T/DIRECTV Merger: The Impact on Consumers in the Video Market and Beyond: Hearing Before the S. Comm. On the Judiciary, Subcomm. on Antitrust, Competition Policy and Consumer Rights,* 113th Cong. 3 (2014) (testimony of Randall Stephenson, Chairman, CEO, and President, AT&T). (*Stephenson Testimony*).

networks. AT&T projects a reduction in its "per-subscriber costs as a standalone company by at least 20%."[20]

Applicants claim that the lower programming fees that larger distributors are able to negotiate are "volume discounts,"[21] but as the WGAW recently outlined in its Petition to Deny in the Comcast-TWC proceeding, volume discounts are "more accurately described as an exercise of monopsony power."[22] The expert economist employed by the WGAW to analyze the effects of consolidation among video programming buyers writes of volume discounts, "There are few cost savings associated with servicing a larger number of viewers particularly since production costs are the same regardless of the number of viewers, and furthermore all transmission services are covered by the MVPD buyers."[23] Under the guise of volume discounts, Applicants intend to use their enhanced buyer power to cut fees paid to programmers. With control over 25% of the MVPD market, Applicants can threaten temporary or permanent foreclosure to force television networks to agree to lower rates.

Applicants fail to acknowledge that affiliate fees have fueled a dramatic rise in original programming offered by basic cable networks. Likewise, programmers have granted MVPDs expanded content distribution rights, which allow MVPDs to offer their customers access to content through online and "video on demand" ("VOD") platforms. These developments have increased creative opportunities for writers, choice for consumers and demand for Applicants'

---

[20] *Application,* p. 36; and *Stephenson Testimony,* p. 4.
[21] *Application,* p. 2.
[22] *Joint Petition to Deny of Future of Music Coalition and Writers Guild of America West, Inc., In the Matter of Applications of Comcast Corp. and Time Warner Cable Inc. For Consent to Transfer Control of Licenses and Authorizations,* MB Docket No. 14-57, August 25, 2014, p. 36. (*FMC-WGAW Petition to Deny*).
[23] *FMC-WGAW Petition to Deny,* Exhibit 1. Testimony of Dr. William S. Comanor, *Competitive and Economic Consequences of the Comcast—Time Warner Cable Merger*, p. 17.

MVPD service. A comparison of basic cable network programming costs and affiliate fees confirms that programmers have been using affiliate revenues to invest in programming, which benefits MVPDs, including Applicants. Affiliate fees and programming costs have each grown approximately 9% per year since 2008.

Table 1. Basic Cable Network Affiliate Fees and Programming Costs[24]

($ in bil.)	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**CAGR**
Affiliate Fees	$20.4	$22.7	$24.8	$27.0	$28.7	$31.5	9.1%
Programming Costs	$17.3	$18.4	$19.9	$21.7	$24.0	$26.4	8.8%

A calculation of the average annual growth rate, however, obscures the underlying trend. The table below examines the actual yearly growth rate of both affiliate fees and programming costs. Only in 2013, after four years of a declining rate of affiliate fee growth and an increasing rate of programming cost growth, did affiliate fee growth match the annual increase in investment in programming by basic cable networks. In other words, the rate of growth for the fees paid by MVPDs to programmers has decreased while the rate of growth in programming investment has increased.

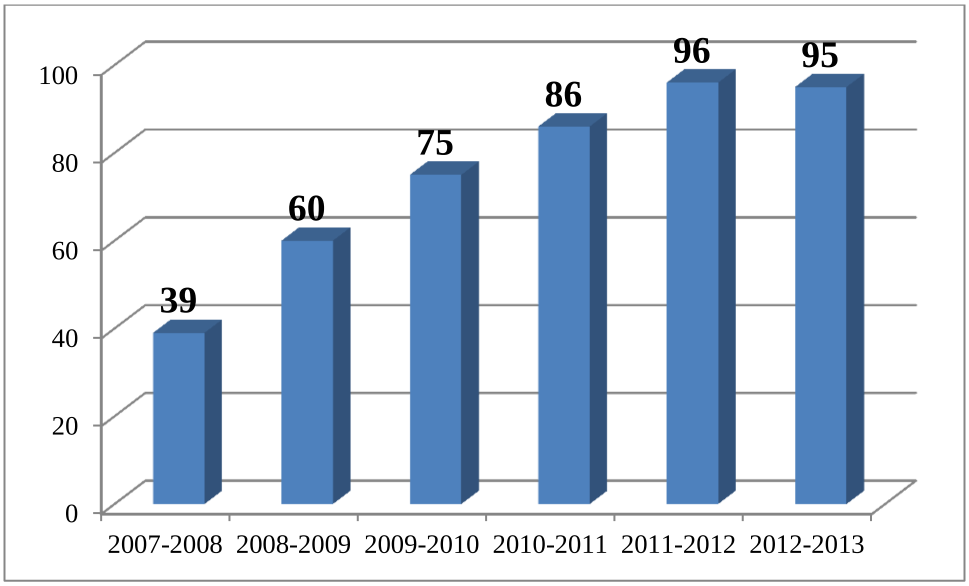
Table 2. Basic Cable Network Affiliate Fees and Programming Cost Annual Growth Rates[25]

	2008	**2009**	**2010**	**2011**	**2012**	**2013**
Affiliate Fee Annual Increase	12%	11%	9%	9%	6%	10%
Programming Cost Annual Increase	8%	7%	8%	9%	10%	10%

[24] SNL Kagan, TV Network Industry Benchmarks: Basic Cable, Accessed August 17, 2014.
[25] *Ibid.*

Basic cable networks have invested affiliate revenue in the development of original programming, a strategy that benefits Applicants and other MVPDs. Between 2007 and 2011, the number of comedies and dramas airing on basic cable more than doubled and has continued to grow since then. The number of original, scripted basic cable series now rivals the amount of scripted programming airing on broadcast networks.

Chart 1: Original Comedy & Drama Series Airing on Basic Cable Networks



The growth of original scripted programming on basic cable has been a positive development for consumers, content creators and MVPDs. Affiliate fees, however, are necessary to fund original programming in this market because basic cable networks attract much smaller audiences, and as a result, less advertising revenue than the broadcast networks that have traditionally programmed such content.[26] The model of differentiation has proven attractive to

[26] For example, according to SNL Kagan estimates, the top 4 broadcast networks earned $13 billion in net advertising revenue in 2013, or an average of $3.3 billion. The largest basic cable network by net advertising revenue, ESPN, earned $1.9 billion in 2013, or less than 60% of the average of the top 4 broadcast networks. Only four basic cable networks earned more than $1

consumers; basic cable networks now account for 70% of primetime adult (18-49) viewers.[27] The growth of this new market has produced some of the most critically acclaimed programming on television, including *Breaking Bad, Mad Men* and *Louie.* Niche networks IFC and the Sundance Channel are now able to offer original scripted series such as *Maron* and *Rectify,* despite having primetime audiences that are only a fraction of the broadcast networks and many basic cable networks.[28] The rise of original scripted programming on basic cable is widely considered to have ushered in a new Golden Age of television.

Programmers provide the key value of an MVPD service, and in recent years have offered more original programming, expanded on demand access to content, and granted online distribution rights for MVPD initiatives such as TV Everywhere. Applicants use these rights-enabled TV Everywhere offerings to increase the value of their MVPD services to consumers.[29] The information outlined in this petition demonstrates that the affiliate fees networks receive for carriage have not increased faster than their investment in content. Programmers provide significant value to MVPDs, creators and consumers by investing affiliate revenue back into original programming. Applicants have made clear that the intent of this merger is to reduce their payments for such programming. The result will be harm to both content creators and consumers

---

billion in net advertising revenues in 2013. Collectively, the top 17 basic cable networks by net advertising revenue captured roughly the same advertising revenue as the top 4 broadcast networks. SNL Kagan, Broadcast Networks by Net Advertising Revenue, and Basic Cable Networks by Net Advertising Revenue, Accessed September 14, 2014.

[27] Toni Fitzgerald, "The year in cable, by the numbers," *Media Life Magazine*, December 18, 2013, http://www.medialifemagazine.com/year-cable-numbers/.

[28] WGAW analysis of Nielsen Data, Average P2+ viewers in primetime. IFC averaged 155,000 viewers aged 2 and older in primetime in 2013. Sundance TV ratings are only available beginning March 2014. Sundance TV averaged 129,000 P2+ viewers in primetime from March through August 2014.

[29] DirecTV website, "DirecTV Everywhere," http://www.directv.com/technology/directv_everywhere, Accessed September 12, 2014; and AT&T U-verse website, "U-verse TV everywhere," http://uverse.com/uverse/members_only, Accessed September 12, 2014.

as investment, innovation and choice in programming will be reduced. In addition, smaller MVPDs and the customers they serve could suffer, as television programmers may attempt to raise programming rates elsewhere in order to compensate for the reduced payments from Applicants.

Finally, there is no evidence to suggest that anyone other than the Applicants will benefit from the programming cost savings that will result from the increased leverage over content creators. Applicants suggest that "competitive market forces" will ensure that savings from the deal will flow to consumers in the form of reduced prices or improvements of some kind,[30] but none of their proffered commitments include definitive price reductions or service enhancements. Consumers are likely to suffer as the reduction in affiliate fees diminishes the quality of the content and as MVPD customers see their bills continue to rise due to reduced competition.

V. APPROVAL OF THE MERGER WILL FORECLOSE INNOVATION

Television is a communications medium that has existed for 75 years. Cable television has been offered for more than three decades, and satellite service has been offered for over twenty years. SNL Kagan estimates that more than 101 million households, out of 118 million occupied households, have MVPD service.[31] The MVPD market, as a result, is mature, and the total number of subscribers declined for the first time in 2013.[32] Growth in video consumption is now largely occurring online, through OVD services that are not controlled by traditional video

[30] *Application,* pp. 33-34.
[31] SNL Kagan, US Cable Industry Benchmarks, Accessed September 11, 2014.
[32] *Ibid.*

providers.[33] Applicants readily admit they must adapt to the changing market,[34] but the choice to merge eliminates competition, diverts significant resources that would otherwise be spent developing services and reduces incentives to develop innovative, pro-consumer strategies.

AT&T offers MVPD service, but only to 27 million homes.[35] The company has a much wider network of fixed and wireless Internet service that collectively covers the country. AT&T argues that, because it lacks scale as an MVPD, it has little incentive to invest in further broadband expansion beyond the already-announced Project VIP.[36] However, as Free Press noted in its recent testimony on the merger, AT&T could use the money it is spending on DirecTV to pass 71 million new homes with gigabit fiber, adding an estimated 21 million new broadband subscribers and a corresponding increase in video customers where the upgraded technology will allow for delivery of MVPD service through the same pipe.[37] Expansion of fiber-based technology would provide additional competition in both the broadband and the

[33] Sandvine, *Global Internet Phenomena Snapshot: 2H 2013: North America, Fixed Access*, p. 4, "Top Peak Period Applications." Sandvine data shows that Netflix and YouTube account for 50% of peak Internet traffic as measured by bandwidth. See also Gfk Media & Entertainment, *Original Digital Video Consumer Survey*, April 2014, prepared for the Interactive Advertising Bureau, pp. 17-18. Gfk finds that television consumption has dropped from an average of 5 hours 27 minutes in 2010 to 5 hours 3 minutes in 2013. Online video consumption increased from an average of 10 minutes a day in 2010 to 23 minutes a day in 2013, with video comprising 12% of all time spent on the Internet.
[34] *Application*, p. 18.
[35] *Application*, p. 53.
[36] *Application*, pp. 24-25, 48.
[37] Assuming a 30% sign-up rate consistent with the industry average. *The AT&T/DIRECTV Merger: The Impact on Consumers in the Video Market and Beyond: Hearing Before the S. Comm. On the Judiciary, Subcomm. on Antitrust, Competition Policy and Consumer Rights,* 113th Cong. 14 (2014) (testimony of Matt Wood, Policy Dir., Free Press), http://www.freepress.net/sites/default/files/resources/Free_Press_Action_Fund_ATT_DIRECTV_Written_Testimony_6-24-2014.pdf.

MVPD market. It could spur other providers to upgrade, as fiber has been shown to be the only technology to "give the local cable company a competitive run for its money."[38]

Instead, the combined company's proclaimed benefit from the proposed merger is that, within four years, it will provide a scant 2 million more customers with fiber to the premise ("FTTP") broadband Internet service, and 13 million with WLL technology,[39] which is deployed using LTE technology and which has many of the same limitations of mobile broadband, such as restrictions in speed and data usage. This technology also shares many of the drawbacks of DSL; speeds will be significantly slower further from the cell tower (possibly as low as 10 Mbps)[40] making for a product that is highly variable in quality. WLL will also be deployed primarily in rural areas, where 27% of consumers are served by only one broadband provider and 20% are completely unserved.[41] Applicants will have little incentive to innovate or improve service because customers will have few, if any, other choice of provider.[42] Further, the data limitations of WLL will foreclose the possibility that consumers will have the option to substitute their satellite subscription with online video. AT&T's expert economist, Dr. Katz, confirms this finding, writing that WLL technology "will not provide enough capacity to offer a service that is a good substitute for DirecTV's video service."[43]

---

[38] Tom Wheeler, "The Facts and Future of Broadband Competition," Prepared Remarks of FCC Chairman Tom Wheeler, September 4, 2014, p. 5, http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0904/DOC-329161A1.pdf.
[39] *Application,* p. 5.
[40] *Application,* Declaration of John T. Stankey, ¶ 49. (*Stankey Declaration*).
[41] *Stephenson Testimony,* pp. 4-5.
[42] *Stankey Declaration,* ¶ 55.
[43] Testimony of Dr. Katz, ¶ 135 and footnote 235 explaining that deployment of WLL will not cannibalize DirecTV subscribers.

DirecTV, as Applicants note, is a “one-way video delivery service” and “lacks broadband capabilities.”[44] DirecTV’s service is undeniably popular, demonstrated by its ascendance to the position of second-largest MVPD, but its popularity is in a mature video market. Satellite disrupted the video industry in the 1990s, providing important competition to expensive cable services, but standalone MVPDs, such as DirecTV, must develop new strategies to adapt to a changing market that is increasingly online and interactive.

The proposed merger is a departure from DirecTV’s previous strategies that built competitive advantage through innovation and content differentiation. These strategies have been successful; DirecTV continued to increase subscribers through 2013. While the thirteen largest MVPDs in the US lost 105,000 subscribers in 2013, DirecTV gained 169,000.[45] This growth has been credited to DirecTV’s investment in its exclusive sports programming, the NFL Sunday Ticket.[46] In addition, DirecTV has rolled out an innovative online version of Sunday Ticket for customers who are unable to access DirecTV using a satellite dish.[47] Applicants have emphasized the necessity of this transaction to compete in the changing video marketplace, but investment in content and new online services represent alternative paths.

---

[44] *Application,* p. 3.
[45] *Supra* note 4.
[46] Trefis Team, “Q1 Earnings Preview: DirecTV’s U.S. And Latin America Pay-TV Subscriber Trends In Focus,” *Forbes,* May 6, 2014, http://www.forbes.com/sites/greatspeculations/2014/05/06/q1-earnings-preview-directvs-u-s-and-latin-america-pay-tv-subscriber-trends-in-focus/.
[47] Janko Roettgers, “DirecTV is cutting the cord on NFL Sunday Ticket with online only subscriptions,” *GigaOM,* July 16, 2014, http://gigaom.com/2014/07/16/directv-is-cutting-the-cord-on-nfl-sunday-ticket-with-online-only-subscriptions/.

Applicants portray this merger as the only viable option for both parties to adapt to the changing market, but the rise of online video services that do not require facilities ownership[48] makes clear that buying distribution is not the only way to compete. In contrast to the MVPD market, where the requirement of capital-intensive facilities has limited competition, the separation between OVDs and ISPs has resulted in the emergence of innovative new services that are attracting audiences and ad revenue. YouTube, Netflix and Amazon Prime, already extremely popular, are just the beginning of what is to come from online video distribution. Sony, which does not own distribution facilities, is in the process of negotiating content rights for its Internet connected devices and has, already, reached a distribution agreement with Viacom.[49] Verizon, a major provider of MVPD and ISP services, and AT&T's closest competitor, is also in the process of readying an OVD service, after purchasing Intel's OnCue.[50] Dish, DirecTV's nationwide satellite competitor, has publicized its plans to offer a virtual MVPD service by the end of 2014, a strategic choice that positions the company to compete in the future video marketplace given the maturation of satellite as a distribution platform.[51] Most notably, Dish is attempting to do this without its own broadband distribution. Dish's route represents a viable, pro-competitive alternative that will be foreclosed if the merger is approved.

---

[48] Comments of the Writers Guild of America, West, Inc, *In the Matter of Interpretation of the Terms Multichannel Video Programming Distributor and Channel as Raised in the Pending Program Access Complaint*, MB Docket No. 12-83, May 14, 2012.

[49] Brian Stelter, "Sony and Viacom Reach Tentative Deal to Stream Cable Channels," *The New York Times,* August 15, 2013, http://www.nytimes.com/2013/08/16/business/media/sony-and-viacom-reach-tentative-internet-tv-deal.html; and Todd Spangler, "Viacom Inks Pact with Sony for Internet TV Service," *Variety,* September 10, 2014, http://variety.com/2014/digital/news /viacom-inks-pact-with-sony-for-internet-tv-service-1201302566/.

[50] Chloe Albanesius, "Verizon Tips a La Carte Internet Service in 2015," *PC Magazine,* September 12, 2014, http://www.pcmag.com/article2/0,2817,2468402,00.asp.

[51] Todd Spangler, "Dish's Ergen Says Satcaster Has Critical Mass of OTT Deals, Eyes Launch by End of 2014," *Variety,* May 8, 2014, http://variety.com/2014/biz/news/dishs-ergen-says-satcaster-has-critical-mass-of-ott-deals-eyes-launch-by-end-of-2014-1201175489/#.

Future growth for these companies does not have to be constrained by geographic boundaries, and Dish has demonstrated that an MVPD can negotiate with television programmers to offer a virtual MVPD service.

All of these developments represent viable, pro-competitive, pro-consumer strategies to adapt to the changing video marketplace. In sharp contrast, Applicants' proposed solution is to merge, but it is not a solution that serves the public interest. Rather, this transaction will eliminate the incentive to develop innovative products and services and reduce the available resources for competitive broadband build-out by allowing AT&T to spend significant capital to purchase DirecTV's subscribers instead of forcing AT&T to win consumers on the merits of its best products. If the Commission approves this merger, Applicants' incentives will be to protect their legacy MVPD business by using control over broadband facilities to extend the MVPD model of video distribution to the online marketplace.

VI. PROPOSED MERGER WILL ENHANCE APPLICANTS' INCENTIVE AND ABILITY TO HARM OVD MARKET

A key function of this transaction is to enhance the Applicants' national control of video distribution across multiple platforms. The merger will make AT&T, already the second largest provider of fixed and wireless Internet service, the nation's second largest MVPD. The merged entity, as a result, will have increased ability and incentive to limit the growth of the OVD market. Post-merger, Applicants will have enhanced incentives to protect their MVPD segment from the threat of the OVD market, and will have the ability to do so because of AT&T's size and power as a fixed and wireless Internet provider.

Applicants can harm the OVD market through a number of anticompetitive practices that discourage the use of online video services as a substitute for MVPD service, or that discriminate against unaffiliated OVDs, including bundling of video and Internet service, interconnection fees and implementation of data usage caps or thresholds. Applicants can, through such strategies, make OVD services unattractive to consumers or steer consumers to OVD services that Applicants control, such as the U-verse Live TV app, or those in development through AT&T's $500 million joint venture with the Chernin Group.[52] The merger, therefore, will cause significant harm to the OVD market, which has enhanced competition and choice in video programming and encouraged investment in broadband, but which is highly susceptible to ISP interference because it relies on ISPs to reach the public. Conditions offered by Applicants, which include temporary offers to provide standalone Internet service and abide by weak Net Neutrality rules, will be insufficient to protect this market from harm.

As Applicants discuss in their public interest statement, the way that the public consumes video has changed radically in recent years, with online video services becoming a substitute for linear television networks and a competitive threat to the traditional video market.[53] Most of the major MVPDs, including AT&T, are also ISPs that have both ability and incentive to influence the development of the online video market to ensure that it only complements, rather than competes with, MVPD service. Applicants claim that the ability to bundle video and Internet service will be a benefit of this merger, but bundling is also an effective strategy to discourage

---

[52] These services include YouTube MCN Fullscreen and Crunchyroll, an anime OVD. Janko Roettgers, "AT&T's $500M online video pact with the Chernin Group: it's all about the niche," *GigaOM*, April 22, 2014, https://gigaom.com/2014/04/22/atts-500m-online-video-pact-with-the-chernin-group-its-all-about-the-niche/; and Sam Gutelle, "Report: Chernin Group, AT&T Buy Majority Stake in Fullscreen," *Tubefilter*, July 23, 2014, http://www.tubefilter.com/2014/07/23/chernin-group-att-majority-stake-fullscreen/.

[53] *Application*, pp. 74-75.

video substitution. The Commission has recognized that bundling creates the opportunity for anticompetitive tactics that harm OVDs. In the *Comcast-NBCU Order,* the Commission found that a provider offering both video and Internet services could use bundling to hinder competition by requiring cable and Internet to be purchased together, or by making it economically impractical to purchase standalone broadband.[54] Even Applicants acknowledge this harm, writing "in theory, there may be a potential incentive for the combined company to raise prices for standalone broadband in order to incentivize customers to purchase the bundle of services."[55] Bundles also have the effect of tying a consumer to a single provider, which discourages innovation and competition between providers offering Internet and video service.

In a pre-emptive response to critiques of bundling, Applicants voluntarily offer a standalone broadband commitment and standalone satellite video service commitment to address the potential anticompetitive effects of bundling, but protections are offered for only three years.[56]

Applicants will also have the incentive and ability to institute practices that would harm upstream OVDs, through their control of fixed and wireless Internet distribution. Internet distribution has enabled the development of new video programming services outside of the traditional MVPD market, which has given rise to new competition for writers' creative works and increased content choices for consumers. Services such as Netflix and Amazon Prime are now offering original series in direct competition with programming offered by television networks. Netflix and Amazon alone are projected to spend close to $1 billion on original series

[54] *Comcast-NBCU Order,* ¶ 102.
[55] *Application,* p. 80.
[56] *Application,* pp. 50-51.

in 2014.[57] The creators of television series including *Friends, Weeds, Treme* and *The X-Files* are now writing and producing original television-length series for initial distribution online. WGAW estimates that 27 television-length series will be released on the Internet in 2014.[58]

Continued progress in the OVD market is dependent upon the ability of OVDs to reach consumers and on consumer access to affordable broadband service. Unfortunately, OVDs must rely on gatekeeper Internet service providers, such as AT&T, to reach the public. Because these online services represent a competitive threat, Applicants have both ability and incentive to institute practices to harm OVDs. AT&T has already engaged in practices such as requiring interconnection fees, Internet data usage caps and prioritization programs that require edge providers to buy exemption from wireless data caps, suggesting the company already has sufficient market power to engage in strategies to harm the OVD market. This merger increases the incentives for AT&T to continue to employ such practices.

Data caps, for instance, increase the cost of online video consumption, restricting consumers' ability to substitute a more flexible combination of Internet services and online video subscriptions for the ever-escalating monthly cable bill. Caps, therefore, are an effective restraint on the development of online video and ensure that consumers continue to subscribe to MVPD service.[59] This is because the amount of data consumed by a customer who would substitute all of his or her cable TV viewing with online video would make a capped Internet service prohibitively expensive. Nielsen reports that Americans spend 155 hours a month watching

[57] Samantha Bookman, "A closer look at the billions of dollars Netflix, Amazon and Hulu are spending on original content," *FierceOnlineVideo,* June 4, 2014, http://www.fierceonlinevideo.com/special-reports/closer-look-billions-dollars-netflix-amazon-and-hulu-are-spending-original.
[58] Comments of WGAW *In the Matter of Protecting and Promoting the Open Internet,* GN Docket No. 14-28, July 15, 2014, p. 8.
[59] *FMC-WGAW Petition to Deny*, pp. 56-57.

traditional television.[60] Netflix approximates that an hour of HD video requires 3 GB of data, signifying that a household of two would need at least 930 GB of data to completely substitute online video for television viewing.[61] AT&T currently has usage caps of 250 GB for U-verse and 150 GB for DSL, with an overage fee of $10 per 50 GB in place across its service,[62] meaning that AT&T U-verse customers would have to pay an additional $140 per month for two average viewers to substitute television viewing with online video. Most of the broadband "build-out" that AT&T offers as a benefit of this merger will be capped as well.[63]

AT&T's behavior as a wireless provider also demonstrates a propensity for using distributor power to harm competitors in upstream markets. In 2012, AT&T said that it would block FaceTime for iPhone users unless they subscribed to a more expensive text-and-voice plan.[64] They backed away from this practice only following outcry and the threat of investigation from the FCC.[65] In 2013, AT&T blocked Google Hangouts and Skype unless the user had a shared data plan.[66] AT&T has also offered "Sponsored Data" services, which requires edge providers to pay AT&T in order to have their service exempted from AT&T data caps.[67]

---

[60] Nielsen, *An Era of Growth: The Cross-Platform Report, March 2014,* Table 3—Monthly Time Spent by Medium, p. 11. Data from 4th Quarter of 2013.
[61] Netflix, "How can I control how much data Netflix uses?" https://help.netflix.com/en /node/87, Accessed August 4, 2014.
[62] Stacey Higginbotham, "Want to know if your ISP is capping data? Check our updated chart," *GigaOM*, November 15, 2013, https://gigaom.com/2013/11 /15/data-cap-2013/.
[63] *Application*, p. 43. WLL service "will have a usage allowance."
[64] Ina Fried, "AT&T: We're Not Violating Net Neutrality by Limiting FaceTime Over Cellular, *AllThingsD*, August 22, 2012, http://allthingsd.com/20120822/att-were-not-violating-net-neutrality-by-limiting-facetime-over-cellular/.
[65] Brendan Sasso, "AT&T backs down from FaceTime restriction following net-neutrality complaints," *The Hill*, November 8, 2012, http://thehill.com/policy/technology/266937-atat-backs-down-from-facetime-restriction-following-net-neutrality-complaints.
[66] William Neilson Jr, "AT&T reiterates they are for Net Neutrality, except they're not," *Android Authority*, June 9, 2014, http://www.androidauthority.com/att-reiterates-net-neutrality-except-

AT&T has also joined Comcast in the anticompetitive practice of requiring Netflix to pay for interconnection and, therefore, access to AT&T customers.[68] Like Comcast, AT&T can and will use its terminating access monopoly to raise OVD costs, despite the fact that a consumer has already paid for a certain level of access to the content of his or her choice. To the extent that edge providers pass interconnection fees on to consumers, the consumer essentially pays for Internet service twice.

Applicants' increased incentive to protect their MVPD business will result in practices that harm the OVD market. That AT&T has also been investing in developing its own complementary online video offerings further enhances the incentive to use distributor power to harm unaffiliated providers. The recent formation of a $500 million venture with the Chernin Group, "to acquire, invest in and launch over-the-top (OTT) video services" will incentivize the company to grant preferential treatment (such as superior streaming quality) to services it owns over unaffiliated offerings.[69] Applicants' three-year commitment to Net Neutrality[70] is an insufficient safeguard against these threats, because Open Internet rules do not address interconnection, do not fully apply to wireless Internet service and allow for data caps to be used

---

theyre-390682/; and Mike Masnick, "AT&T Continues to Mock The Concept of Net Neutrality; This Time With Google Hangouts Block," *techdirt,* May 16, 2013, https://www.techdirt.com /blog/wireless/articles/20130516/10513523106/att-continues-to-mock-concept-net-neutrality-this-time-with-google-hangouts-block.shtml.

[67] Jon Brodkin, "AT&T turns data caps into profits with new fees for content providers," *Ars Technica,* January 6, 2014, http://arstechnica.com/business/2014/01/att-turns-data-caps-into-profits-with-new-fees-for-content-providers/.

[68] Jon Brodkin, "AT&T and Verizon finally giving customers decent Netflix quality," *Ars Technica,* September 8, 2014, http://arstechnica.com/information-technology/2014/09/att-and-verizon-finally-giving-customers-decent-netflix-quality/.

[69] AT&T, Press Release, "The Chernin Group and AT&T Create New Venture to Acquire, Invest In and Launch Online Video Business," April 22, 2014, http://about.att.com/story/the_chernin _group_and_att_create_new_venture_to_acquire_invest_in_and_launch_online_video_businesse s.html.

[70] *Application,* p. 51.

by incumbent MVPDs to strategically limit online video consumption or discriminate against unaffiliated OVDs.

VII. ALLEGED BENEFITS ARE NOT MERGER-SPECIFIC, NOT QUANTIFIABLE AND DO NOT OUTWEIGH PUBLIC INTEREST HARMS

The Commission's public interest review of the proposed merger requires Applicants to demonstrate that the benefits claimed are unlikely to occur absent the transaction, and that such benefits are verifiable.[71] Applicants have not met this requirement. Rather, an analysis of the Application reveals that most of the alleged benefits are not merger-specific and present little in measurable value to consumers. In addition, merger conditions offered by Applicants to mitigate public interest harms cannot be considered benefits resulting from this merger, and are not sufficient to mitigate the public interest harms generated.

A. Broadband Expansion

Applicants offer to expand broadband Internet service to 15 million customer locations, 13 million of which will be offered wireless-only service to the home, through a fixed wireless service called wireless local loop ("WLL"). However, AT&T had already announced plans to bring wired broadband to 57 million customer locations and wireless service to 19 million customer locations, indicating that this expansion would happen regardless of whether the merger is approved.[72] Applicants fail to offer information that would quantify the benefits of fixed wireless service, but available information suggests that WLL may not be competitive with

[71] *Comcast-NBCU Order*, ¶¶ 226-227; *News Corp-Hughes Order*, ¶ 317; *Adelphia Order* ¶ *244.*
[72] AT&T, Press Release, "AT&T to Invest $14 Billion to Significantly Expand Wireless and Wireline Broadband Networks, Support Future IP Data Growth and New Services," November 7, 2012, http://www.att.com/gen/press-room?pid=23506&cdvn=news&newsarticleid =35661&mapcode=.

fixed broadband offerings. For instance, although AT&T notes that 20% of planned locations are currently unserved by wireline Internet providers, a majority of these new WLL locations will be in places where consumers have another fixed Internet choice.[73] AT&T reports that its WLL service will be offered at speeds of 15-20 Mbps, which is faster than legacy DSL offerings but slower than cable or fiber broadband.[74] Applicants report that the WLL service will also have a data usage allowance. AT&T also admits that this technology is untested, but estimates that customers at the edge of cellular area will still be able to access download speeds of 10 Mbps at least 90% of the time, varying during peak hours.[75] This service will hardly offer the fastest speeds and, if data usage is priced similar to AT&T's wireless data plans, will be prohibitively expensive to use for online video consumption. This, in turn, will protect Applicants' satellite business. As such, it seems questionable that such a service is a quantifiable benefit for consumers.

The remaining 2 million locations will receive fiber-to-the-premise Internet service. FTTP is a superior Internet service, but AT&T is only engaging in this upgrade within its U-verse footprint by replacing the copper plant, which connects the node to the home, with fiber. As Public Knowledge has noted, this is an upgrade, not an expansion of service, and it was already planned prior to the merger announcement.[76]

---

[73] *Stephenson Testimony*, pp. 4-5; and *Stankey Declaration*, ¶¶ 54-55.
[74] *Application*, pp. 5, 43; and *Stankey Declaration*, ¶ 49. WLL uses 20 MHz mobile spectrum and AT&T's existing LTE infrastructure. AT&T does not specify what, if any, new costs deployment of this technology will incur.
[75] *Stankey Declaration*, ¶ 49.
[76] *The AT&T/DIRECTV Merger: The Impact on Consumers in the Video Market and Beyond: Hearing Before the S. Comm. On the Judiciary, Subcomm. on Antitrust, Competition Policy and Consumer Rights*, 113th Cong. 14 (2014) (testimony of John Bergmayer, Sr. Staff Attorney, Public Knowledge), https://www.publicknowledge.org/assets/uploads/blog/Bergmayer_ATT

B. Pricing

Applicants mention several segments where the post-merger entity will realize operating efficiencies. For instance, AT&T estimates that its content costs will be reduced by 20% per subscriber. Applicants describe efficiencies resulting from combined operations, such as a single billing department, a single installation and unified technical support.[77] Applicants also assert that savings will be realized by the consumer due to the elimination of double marginalization, which is the result of the markup of two firms that offer a combined product.[78] While it is clear that Applicants will enjoy savings from this transaction, it is not clear that consumers will derive comparable savings or see advanced products and services as a result, because Applicants make no measurable commitment. Further, Applicants claim "[a]s a matter of economic theory and business reality, when complimentary products join forces, the net result is *downward* pressure on prices and increased incentives to invest in innovation, integration, and infrastructure."[79] Because Applicants only offer consumer cost savings as a theoretical outcome of the merger, the Commission should discount these claims as not verifiable.

C. Net Neutrality

Applicants' offer to abide by Open Internet principles for three years[80] does not represent a lasting commitment to an open and neutral Internet. The rules that they offer to follow, in addition, are not strong enough to protect the upstream OVD market and consumers from harm. Comcast has repeatedly highlighted that it is the only ISP required to abide by these rules, yet

_DirecTV_testimony.pdf.

77 *Application*, pp. 37-38.

78 *Application*, p. 66.

79 *Stephenson Testimony*, p. 5.

80 *Application*, p. 79.

has found ways to institute discriminatory practices that harm competition without necessarily violating the rules. For instance, because Comcast cannot discriminate in treatment of Internet traffic on its network, it has moved discrimination to interconnection points or ports, where its network connects with other networks.[81] AT&T has engaged in the same behavior with Netflix. The rules, in addition, do not fully apply to wireless broadband service, where AT&T is the second largest provider. On this platform, AT&T, under Open Internet principles, would be able to block certain services and discriminate in treatment of mobile Internet traffic.

D. Bundles

Applicants' claim that the ability to bundle Internet, video and potentially mobile service is a benefit in and of itself.[82] DirecTV may have a legitimate interest in offering an integrated service, because satellite communication is one-directional, but AT&T already offers bundled service in every U-verse market. Although AT&T claims that this transaction is about offering consumers a "compelling bundle of video and broadband services"[83] new service markets will get bundles of the least attractive technologies, combining satellite and DSL, or satellite and WLL. In addition, the Commission has recognized that providers may tie bundled services together to raise costs for consumers or make it economically impractical for consumers to purchase a standalone service.

---

[81] Comments of Netflix, Inc., *In the Matter of Protecting and Promoting the Open Internet*, GN Docket No. 14-28, GN Docket No. 10-127, July 15, 2014, pp. 14-15; and Letter from Christopher Libertelli, Vice President, Comcast Inc. to Senator Al Franken, April 23, 2014, pp. 2-3.

[82] *Application*, pp. 1, 4.

[83] *Application*, p. 4.

VIII. CONCLUSION

This transaction proposes a combination of direct competitors that would create a company with significant control over video distribution through cable television and fixed and mobile broadband Internet service. It forecloses innovation, poses harm to content creators, consumers and online video distributors, and offers little in return. It fails every measure set forth by the Commission's public interest standard, and must be denied.

It is clear from WGAW's analysis of Applicants' claims that this merger is primarily driven by AT&T's desire to reduce programming costs and compete through size alone. It is not, contrary to Applicants' assertions, designed to enable broadband or OTT expansion, as most of the promised benefits are not merger-specific and are more likely to occur absent this transaction. Rather than support the competitive development of infrastructure and technology, this merger will harm video programmers by reducing affiliate fees, which are a vital revenue stream for content development, remove the incentive for either company to innovate in order to gain new subscribers, and hinder the development of a competitive OVD market.

Applicants are required to demonstrate, "by a preponderance of the evidence that the proposed transaction, on balance, serves the public interest."[84] They have not done so. The benefits offered do not outweigh the harms outlined in this petition. There is no evidence that this transaction will serve the Commission's preference for "preserving and enhancing competition in relevant markets," or "ensuring a diversity of information sources and services to

---

[84] *Comcast-NBCU Order,* ¶ 251; and *News Corp-Hughes Order,* ¶ 15.

the public."[85] Instead, competition will be reduced, innovation foreclosed, and the services and content available to the public will suffer. WGAW does not believe that merger conditions could mitigate the harms posed by this transaction, and respectfully requests that the Commission deny Applicants' merger application and license transfers.

Respectfully submitted,

___________/s/_________________
Laura-Blum Smith
Research Analyst

___________/s/_________________
Emily Sokolski
Senior Research & Policy Analyst

September 16, 2014

Writers Guild of America, West, Inc.
7000 West Third Street
Los Angeles, CA 90048
(323) 951-4000

[85] "FCC Transaction review: Competition and the Public Interest," *National Journal*, August 13, 2014, http://www.nationaljournal.com/library/178364; and *News Corp-Hughes Order* ¶ 16; *Adelphia Order*, ¶ 24.

DECLARATION

I, Laura Blum-Smith, declare under penalty of perjury that:

1. I have read the foregoing "Petition to Deny of Writers Guild of America, West, Inc."
2. I am the Research Analyst for the Writers Guild of America, West (WGAW), a labor organization representing writers of feature films, television series and online video programs, who, to the best of my knowledge and belief will be adversely affected if the Commission approves the merger.
3. WGAW members create a majority of the original scripted television programming distributed by Applicants through their MVPD services as well as original series available online through OVDs, who rely on Applicants to reach viewers.
4. In my best knowledge and belief, WGAW members will be directly and adversely affected if the Commission allows the proposed merger of AT&T and DirecTV to proceed. They will face fewer creative and economic opportunities if this merger is approved.
5. The allegations of fact contained in the petition are true to the best of my personal knowledge and belief.

/s/
Laura Blum-Smith
Research Analyst
Writers Guild of America, West

CERTIFICATE OF SERVICE

I, Laura Blum-Smith, Research Analyst for the Writers Guild of America, West, Inc., certify on this 16th day of September, 2014, I caused true and correct copies of the foregoing letter and Petition to Deny to be served via electronic mail and mail on the following parties listed below:

Best Copy and Printing, Inc.
fcc@bcpiweb.com

Vanessa Lemmé
Federal Communications Commission
Industry Analysis Division
Media Bureau
445 Twelfth Street, SW
Washington, DC 20554
Vanessa.Lemme@fcc.gov

Brendan Holland
Federal Communications Commission
Industry Analysis Division
Media Bureau
445 Twelfth Street, SW
Washington, DC 20554
Brendan.Holland@fcc.gov

Christopher Sova
Federal Communications Commission
Competition Policy Division
Wireline Competition Bureau
445 Twelfth Street, SW
Washington, DC 20554
Christopher.Sova@fcc.gov

Daniel Ball
Federal Communications Commission
Spectrum and Competition Policy Division
Wireless Telecommunications Bureau
445 Twelfth Street, SW
Washington, DC 20554
Daniel.Ball@fcc.gov

Jim Bird
Federal Communications Commission
Office of General Counsel
445 Twelfth Street, SW
Washington, DC 20554
TransactionTeam@fcc.gov

Maureen R. Jeffreys
Arnold & Porter LLP
555 Twelfth Street NW
Washington, DC 20004
Maureen.Jeffreys@aporter.com
Counsel to AT&T Inc.

William M. Miltshire
Harris, Wiltshire & Grannis LLP
1200 18th Street, NW, Suite 1200
Washington, DC 20036
wwiltshire@wiltshiregrannis.com
Counsel to DIRECTV

____________/s/__________
Laura Blum-Smith