

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

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

I firmly believe that broadband is the greatest equalizer of our time. The ability to participate in e-commerce, seek employment online, benefit from telemedicine or become an entrepreneur is key to addressing many of the challenges in our Nation's persistent poverty areas. But for our goal of universal broadband access to be realized, we need both deployment of networks and access to affordable services. This merger makes strides in achieving these two goals.

First, approval of this transaction is conditioned on the deployment of fiber-to-the-home to twelve million additional households. This is a laudable result and I look forward to its implementation.

Second, as the Order notes, cost remains a barrier for too many low-income consumers who wish to adopt broadband at home. I am particularly pleased that the commitments in this merger provide an affordable standalone broadband offering based on Supplemental Nutrition Assistance Program (SNAP) eligibility, which means that parents with school-aged children as well as adults, veterans, persons with disabilities and seniors without children, could benefit. This broadband option has the potential to empower consumers by making the Internet available at home for \$10 per month for 10 Mbps, without any hidden or additional costs, fees for installation or equipment, or needless limits on consumers who have been challenged in obtaining or maintaining services before applying. Consumers will have the ability to participate for four years and AT&T will provide the Commission with reports on the success of their efforts every six months.

While I believe that public interest benefits are significant, I do have concerns with the potential impact on smaller MVPDs and independent programming. This merged entity will have over 25 million video subscribers. A larger subscriber base and corresponding ability to leverage efficiencies in order to save programming costs are cited as benefits of this transaction, but a number of parties have expressed concerns regarding potential harms to smaller cable operators (or MVPDs) in accessing certain programming, or gaining access to content at affordable costs. On the other side, we have heard from a number of parties about the impact on independent programmers, particularly those that supply programming for diverse and niche audiences via MVPD or online. While the analysis underlying this transaction does not find that these challenges are made demonstrably worse by this merger, I believe it is now time to reevaluate our program access rules, and to examine barriers to program carriage and distribution, in order to address significant concerns about the impact on small businesses and diverse or independent programmers. Indeed, the transaction itself highlights the need for a reexamination of our rules when a provider as large as AT&T merges with a DIRECTV in part to reduce programming costs.

I therefore call on the Chairman to initiate a proceeding, such as a Notice of Inquiry, in order to take a fresh look at our carriage rules and examine the challenges and barriers to independent and diverse programming. This could include the ability of small and independent programmers to achieve program carriage, as well as the ability of distributors to offer niche content in innovative ways. I also call on the Chairman to initiate (or complete, to the extent necessary) a proceeding regarding our program access rules, to evaluate their effectiveness and identify whether there are ways to reform our rules to provide a level playing field for smaller operators to remain competitive.

In addition, the other conditions included in this Order to address identified harms, including non-discrimination in the application of data caps, the appointment of a Compliance Officer to track and report AT&T's progress in carrying out the commitments enumerated in this Order, and enabling the

Commission to evaluate interconnection practices and performance are necessary to ensure that the transaction is in public interest.

I therefore vote to approve this item, and look forward to working with the Chairman to take a hard look at program carriage, program distribution and the program access rules to ensure we address any industry-wide concerns that our rules may not be working as intended.