June 19, 2014

Via ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Ex Parte* Filing of the American Cable Association (ACA) on Proposed Transfer of Control of DIRECTV to AT&T Inc., MB Docket No. 14-90; Connect America Fund; WC Docket No. 10-90

Dear Ms. Dortch:

On June 17, 2014, Ross Lieberman, Senior Vice President of Government Affairs, ACA, and the undersigned, Thomas Cohen, counsel to ACA, met with Carol Mattey, Alex Minard, and Ryan Yates of the Wireline Competition Bureau. The purpose of the meeting was to discuss: (1) AT&T’s statement that it will greatly expand its rural broadband deployments as a result of its acquisition of DIRECTV,\(^1\) and (2) continuing concerns with select inputs into the Connect America Cost Model (“CAM”).

As part of its June 11, 2014 filing, AT&T stated that, as a result of its acquisition of DIRECTV, it has committed within four years “to offer fixed [Wireless Local Loop] broadband service to approximately 13 million largely rural customer locations that otherwise would not have been reached by its wireline broadband services.”\(^2\) Mr. Lieberman noted AT&T’s voluntary commitment precedes any election it might make to access Connect America Fund Phase II support to make broadband service available in high cost areas. Because some of the locations included in the merger commitment might also be high cost areas where AT&T is

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\(^1\) *See* AT&T/DIRECTV Description of Transaction, Public Interest Showing and Related Demonstrations, MB Docket No. 14-90 at 42-45 (June 11, 2014).

\(^2\) *Id.* at 45.
eligible to receive support, he suggested the FCC consider the issues that arise in this situation as it proceeds with reviewing the transaction and as it continues implementing the Phase II program.

As for ACA’s continuing concerns with the CAM, Mr. Cohen explained that, while the Bureau had made great strides in developing a cost model that accurately estimates the cost of a modern network, two of the inputs for the model – the cost of money and the take rate used to estimate revenues – were not sufficiently precise and resulted in the provision of excessive (inefficient) support. He noted that ACA is considering filing an Application for Review to ask the Commission to address those concerns.

This letter is being filed electronically pursuant to Section 1.1206 of the Commission’s rules.

Sincerely,

Thomas Cohen
Kelley Drye & Warren, LLP
3050 K Street N.W.
Washington, DC 20007
202-342-8518
tcohen@kelleydrye.com
Counsel for the American Cable Association

cc: Carol Mattey
Alex Minard
Ryan Yates
Vanessa Lemme
Brendan Holland
Christopher Sova
Jim Bird
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