

United States Senate

WASHINGTON, DC 20510

January 25, 2017

Randall Stephenson
Chief Executive Officer
AT&T
208 S. Akard St.
Dallas, TX 75202

Jeffrey Bewkes
Chief Executive Officer
Time Warner, Inc.
10 Columbus Circle
New York, NY 10019

Dear Mr. Stephenson and Mr. Bewkes:

We are writing regarding AT&T's recent filing with the Securities and Exchange Commission, which signaled that you are structuring AT&T's proposed acquisition of Time Warner in a way that avoids scrutiny by the Federal Communications Commission (FCC). In doing so, AT&T and Time Warner will circumvent the FCC's merger and acquisition review standard, which requires that the parties demonstrate – on the public record – that the proposed deal would serve the public interest by, among other things, improving access and affordability of telecommunications services, promoting the diversity of ideas, and ensuring the free exchange of information. To achieve greater transparency for regulators, lawmakers, and American consumers, we ask that you provide us with a public interest statement detailing how you plan to ensure that the transaction benefits consumers, promotes competition, remedies all potential harms, and further serves the public interest through the broader policy goals of the Communications Act.

Before a company can complete a merger or acquisition involving telecommunications licenses that the FCC has previously granted, it must submit an application seeking the FCC's approval. The Commission will approve such an application only if it determines that the parties seeking approval have demonstrated that the deal would affirmatively benefit consumers and competition and more broadly serve the public interest. Importantly, the parties' application is made available to the public, and consumers, advocacy organizations, and the business community are given a meaningful opportunity to respond with their perspective on how the transaction would impact their individual interests. But by divesting the relevant licenses, AT&T and Time Warner will no longer have the legal burden of proving that the proposal would serve the public interest, and the public is left largely in the dark about how the deal would impact the affordability and quality of their phone, internet, and video services.

While we appreciate your testifying before the Senate Judiciary Committee in December of last year, we remain concerned about how a deal of this size could affect consumers and competition. AT&T is already the world's largest pay TV provider and the largest telecommunications company. Combining it with one of the world's largest producers of content gives AT&T-Time Warner both the incentive and ability to use its platform to harm competitors, and as a result, consumers. The combined company could promote its own programming above that of other content companies' or restrict other distributors' ability to offer its highly-desired content. As a result, the merger could raise prices on consumers, reduce access to independent

programming; and harm small businesses, content distributors, and innovative new business models. Your testimony at the hearing highlighted potential innovative customer offerings that could arise out of the deal, but it was not made clear that those benefits either lessened or outweighed the substantial competitive and consumer harms that were raised by many members of the panel.

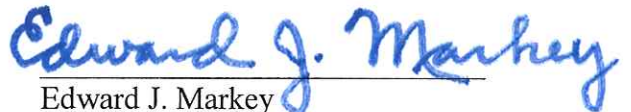
To ensure a greater understanding of the impact of AT&T's proposed acquisition of Time Warner, we respectfully request that by February 17, 2017, you provide us with a public interest statement that includes a comprehensive and detailed explanation of whether and how the proposed transaction would produce consumer benefits, encourage competition, remedy all potential harms, and ultimately serve the public interest. In providing this information, the statement should demonstrate how the deal would further the broader policy goals of the Communications Act, including deploying services, particularly to rural and underserved areas, ensuring non-discriminatory access to communications networks, improving network reliability, promoting diversity of ideas and voices in the marketplace, and encouraging the free flow of information via telecommunications services.

We maintain that further consolidation in the telecommunications and media industries should only be permitted if it results in better and more affordable services for consumers across the nation, and we look forward to working with you to achieve this critical goal. Thank you for your attention to this matter.

Sincerely,



Al Franken
United States Senator



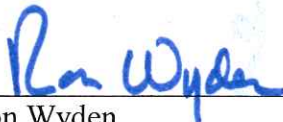
Edward J. Markey
United States Senator



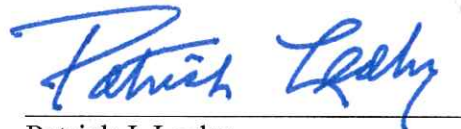
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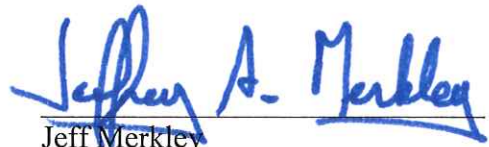

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