Report: AT&T Looking to Buy DirecTV

Ben Munson

In a deal that would give Comcast a run for its money, AT&T and DirecTV have reportedly been in talks about a possible merger.

According to the Wall Street Journal's unnamed sources [1], AT&T approached DirecTV about the acquisition. As the report points out, combining DirecTV's 20 million customers with AT&T's 5.7 million TV subscribers would get them nearer to the 30 million customers Comcast will have if its Time Warner Cable acquisition is approved.

According to the report, DirecTV would be open to an acquisition, which would give the satellite-TV provider a better chance at offering wireless and wireline broadband services to its customers.

The Journal said both AT&T and Verizon declined to comment.

Verizon competes with AT&T on the triple play front. The company last year announced it had hit the five million subscriber mark for its FiOS TV service.

The potential deal would make AT&T a giant in the triple-play space and put it well ahead of competitors like Sprint and Dish Network. Dish has spectrum that it could use at some point to deploy a wireless broadband network. But in the meantime, Dish is participating in a pilot program with Sprint to bring fixed mobile broadband to homes, using Sprint's spectrum and Dish's rooftop installation expertise.

While rumors of an AT&T and DirecTV merger swirl, AT&T is pushing forward with other video options. After the carrier and the Chernin Group unsuccessfully bid for VOD service Hulu, the two companies announced a $500 million joint venture to go after the Internet video space [2].

"Combining our expertise in network infrastructure, mobile, broadband and video with The Chernin Group's management and expertise in content, distribution, and monetization models in online video creates the opportunity for us to develop a compelling offering in the OTT space," AT&T Chief Strategy Officer John Stankey said in a statement.

Source URL (retrieved on *08/04/2015 - 3:31am*):
http://www.wirelessweek.com/news/2014/05/report-t-looking-buy-directv

Links:
[1] http://online.wsj.com/news/articles/SB10001424052702304178104579534673724368360?mg=reno64-wsj

[2] http://www.wirelessweek.com/news/2014/04/t-plans-500m-ott-video-venture-crunchyroll-majority-owner