

# AT&T Promises More Fiber if DirecTV Deal Approved

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NEW YORK (AP) — In an attempt to curry favor with regulators, AT&T Inc. said Tuesday that if it's allowed to buy satellite broadcaster DirecTV, it will be able to afford an expansion of fiber connections into more homes to boost their Internet connection speeds.

DirecTV's board of directors agreed last month to sell to AT&T for \$48.5 billion, but the deal needs approval from regulators. Expanding broadband access and raising speeds is a federal policy goal, so AT&T's offer could interest regulators at the Federal Communications Commission.

AT&T said in a regulatory filing Tuesday that the DirecTV deal would enable it to upgrade 2 million additional locations to "Gigapower" fiber connections, and expand high speed broadband coverage overall to 13 million locations.

AT&T announced in April that it could build out Gigapower in 25 cities in its local-phone operating territory, depending on discussions with local authorities and projections of demand. It hasn't said how many homes and businesses that involves, making it difficult to assess the relative size of the newly proposed 2-million-location increase.

Today, AT&T supplies 16.5 million homes and businesses with fixed broadband connections.

In Tuesday's regulatory filing, AT&T said it expects to save \$1.6 billion a year by linking up with DirecTV. The biggest savings would come from lower costs for TV programming, since AT&T would get volume discounts when combining its own 5.7 million TV customers with DirecTV's 20.3 million.

It's these cost savings, along with the ability to offer "bundles" of broadband and video service that would enable AT&T to expand its broadband coverage, the Dallas-based company said in the filing.

Both AT&T and DirecTV compete with cable companies, which can offer both broadband and TV service. Combined with DirecTV, AT&T would be better able to compete with cable, it said in the filing.

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