

Blog » Both houses of Congress tackle AT&T-DirecTV merger

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In [separate hearings](#), the U.S. House and Senate antitrust subcommittees

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examined the proposed AT&T/DirecTV deal. AT&T has offered \$48.5 billion for the direct broadcast satellite provider.

At a time of looming mega-mergers, this one stands a good chance of passing regulators. That's because AT&T and DirecTV offer different services, and combining the telecom and TV services would make the resulting company a stronger competitor to Comcast and Time Warner. And especially to a possible merger of the two cable giants.

For these reasons and others, CWA supports this merger. The [union said in letters](#) to House and Senate subcommittee chairs:

"The Communications Workers of America supports the proposed merger of AT&T and DirecTV. We believe that it will expand high road labor standards and create substantive video competition."

CWA emphasized that an AT&T/DirecTV combination presents few anti-trust concerns. "AT&T and DirecTV primarily serve different markets. AT&T is primarily a broadband and wireless carrier, whereas DirecTV is a satellite video provider. AT&T is a new entrant in the video market, serving 5.7 million customers."

With its larger customer base, a merged AT&T/DirecTV will be able to negotiate lower programming costs, driving price pressure and quality improvements for video consumers. "With video the major driver of broadband expansion," CWA says: "a merged AT&T/DIRECTV will be more likely to expand its high-speed broadband network to more places."

"For eight years, CWA's 'Speed Matters' campaign has sought investment in high speed networks for underserved rural and urban communities. We are confident that industry regulators will secure those public interest benefits as part of their regulatory review."

And lastly, "AT&T has the largest full-time union workforce of any company in America. From experience, we know that AT&T respects the rights of employees to make their own choice about union representation and engage in collective bargaining to establish their wages and benefits."

In his opening statement Ranking Member of the anti-trust subcommittee Hank Johnson addressed the House Judiciary Committee in support of the merger:

"As a strong advocate of digital inclusion, I commend this commitment to close the digital divide by bringing



us measurably closer to the universal adoption of affordable, high-speed internet.

"It is critical that people of color remain competitive in the Internet economy, which starts with a fast and affordable Internet connection.

"Additionally, this merger would benefit the public by expanding AT&T's industry-leading standards for labor and corporate diversity to DirecTV's employees and suppliers."

In the end, both hearings appeared to sanction the merger. Executives from AT&T and DirecTV made their cases with little apparent challenge. According to [The Hill](#):

"The mild treatment stands in stark contrast to the more hostile reception given to Comcast when it recently testified about its \$45 billion proposal to buy Time Warner Cable. The lack of pushback from lawmakers could signal a relatively smooth ride to approval for AT&T and DirecTV in the coming months."

Links:

[Congress to Tackle Merger of AT&T and DirecTV](#) (NY Times, Jun. 24, 2014)

[CWA letter to Sen. Klobuchar](#) (Jun. 20, 2014)

[AT&T's merger bid unscathed by hearings](#) (The Hill, Jun. 24, 2014)