Department of Justice
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Justice Department Settles Civil Antitrust Claim Against AT&T and DIRECTV for Orchestrating Information Sharing Agreements with Competitors

Settlement Bars Anticompetitive Information Sharing Between Competitors

The Department of Justice announced today that it has reached a settlement that will prohibit DIRECTV and its parent corporation, AT&T, from illegally sharing confidential, forward-looking information with competitors.

The department’s Antitrust Division filed suit on Nov. 2, 2016, alleging that DIRECTV was the ringleader of a series of unlawful information exchanges between DIRECTV and three of its competitors – Cox Communications Inc., Charter Communications Inc. and AT&T (before it acquired DIRECTV) – during the companies’ negotiations to carry the SportsNet LA “Dodgers Channel.” SportsNet LA holds the exclusive rights to telecast almost all live Dodgers games in the Los Angeles area.

The settlement, which will obtain all of the relief sought by the department in its lawsuit, will ensure that when DIRECTV and AT&T negotiate with providers of video programming, including negotiations to telecast the Dodgers Channel, they will not illegally share competitively-sensitive information with their rivals. The settlement also requires the companies to monitor certain communications their programming executives have with their rivals, and to implement antitrust training and compliance programs.

“When competitors email, text, or otherwise share confidential and strategically sensitive information with each other to avoid competing, consumers lose,” said Acting Assistant Attorney General Brent Snyder of the Justice Department’s Antitrust Division. “Today’s settlement promotes competition among pay-television providers and prevents AT&T and DIRECTV from engaging in illegal conduct that thwarts the competitive process.”

According to the Complaint, DIRECTV’s Chief Content Officer, Daniel York, unlawfully exchanged competitively-sensitive information with his counterparts at Cox, Charter and AT&T while they were each negotiating for the right to telecast the Dodgers Channel. The companies engaged in these unlawful information exchanges to decrease the risk that any individual company would lose subscribers by not carrying the Dodgers Channel while others did. Eliminating this threat corrupted the competitive bargaining process and likely contributed to the lengthy blackout.

DIRECTV Group Holdings, LLC is a subsidiary of AT&T Inc., a Delaware corporation with headquarters in Dallas. As of 2014, DIRECTV had approximately 1.25 million video subscribers in the Los Angeles area. AT&T is a Delaware corporation with headquarters located in Dallas. As of 2014, AT&T had approximately 400,000 video subscribers in the Los Angeles area.

The proposed settlement agreement, along with the department’s competitive impact statement, will be published in the Federal Register as required by the Antitrust Penalties and Procedures Act. Any person may submit written comments concerning the proposed settlement within 60 days of its publication to Scott Scheele, Chief, Telecommunications and Media Enforcement Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 7000, Washington, DC 20530. At the conclusion of the 60-day comment period, the court may
enter the final judgment upon finding that it serves the public interest.

Anyone with information related to anticompetitive conduct should contact the Antitrust Division’s Citizen Complaint Center at 1-888-647-3258 or visit www.justice.gov/atr/contact/newcase.html.

Dodgers CIS

Dodgers Explanation

Dodgers Proposed Final Judgement

Dodgers Stipulation & Order

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**Topic:** Antitrust

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Antitrust Division

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