The DOJ will sue AT&T and Time Warner to block merger

The Justice Department says it's willing to strike a deal, but AT&T leaders refuse to sell assets

Overview of the lawsuit

On Nov. 20, 2017, the DOJ announced it would sue to prevent the merger between AT&T and Time Warner. The DOJ's lawsuit represents the culmination of months of delays and uncertainty.

What does the merger process look like?

Companies are reviewed by either the DOJ or both the DOJ and the Federal Communications Commission, but AT&T has avoided a public interest review by the FCC.

What happens next?

The DOJ is open to dropping the suit if the companies offer a plan to remedy competitive harm, but AT&T leaders say they will not sell assets. AT&T said it was prepared to go to trial in as few as 60 days. If the case goes to court, the decision would rest with a judge. AT&T would likely press for a decision before April 22, when they can leave the merger without penalty.



"This merger would greatly harm American consumers. It would mean higher monthly television bills and fewer of the new, emerging innovative options that consumers are beginning to enjoy."

— Makan Delrahim, US Assistant Attorney General for the Antitrust Division



"This defies logic and is unprecedented. I've done a lot of deals in my career but I've never done one which I've disagreed with the Department of Justice on so many facts."

- AT&T Chairman & CEO Randall Stephenson

The DOJ's concerns about the merger, as outlined in their suit complaint



Consumers would likely face higher prices for cable or satellite television subscriptions because AT&T would be able to charge more for licensing of programming



The merger could stifle innovation from competing online streaming firms if AT&T withheld programs from those online providers



AT&T could use its increased control over programming to force competitors to pay hundreds of millions of dollars more per year for the right to distribute content

Sources: Harper Neidig "AT&T, Time Warner hit bumps on vay to merger," The Hill, July 16, 2017; Cecilia Kang, "How Trump's Pick for Top Antitrust Cop May Shape Competition," NY Times, Apr. 25, 2017; Michael M. Grynbaum, "The Network Against the Leader of the Free World," NY Times, Jul. 5, 2017; "Trump changes his mind on AT&T-Time Warner merger," The European Post, Jan. 20, 2017; Karl Bode, "AT&T Intends To Dodge FCC Review Of Time Warner Merger, But Trump Remains a Wild Cand," Techbirt, Ann. 11, 2017; Marguerite Reardon, "Lawmakers grill AT&T over \$85, billion Time Warner merger," CNET, Dec. 7, 2016, Matt Pressberg, "AT&T CEO Randail Stephenson: DOJ Antitrust Suit "Defies Logic and Is Unprecedented," "The Warner Merger," Now. 20, 2017; Karl Bode, "AT&T Time Warner Merger," NY, Nov. 20, 2017; Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger," Nov. 20, 2017; Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger," Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger," Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger," Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger," Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger," Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger, Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger, Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger, Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger, Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger, Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battle in Court Over Time Warner Merger, Nov. 20, 2017, Sarl Forder et al., "AT&T, U.S. Prepare to Battl

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AT&T and Time Warner merger: background

Telecommunications giant AT&T seeks to acquire media giant Time Warner





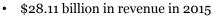
AT&T: world's largest telecommunications company

- US's second-largest provider of mobile phone services & largest provider of fixed phone services
- \$163.8 billion in revenue in 2016



Time Warner: media/entertainment conglomerate







Timeline of the merger



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