



Fair Competition  
For Greater Good

**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No.C-2016/11/456)

13<sup>th</sup> February, 2017

**Notice under Section 6 (2) of the Competition Act, 2002 jointly given by AT&T Inc. and  
Time Warner Inc.**

**Coram:**

**Devender Kumar Sikri**  
Chairperson

**S.L. Bunker**  
Member

**Sudhir Mital**  
Member

**Augustine Peter**  
Member

**U. C. Nahta**  
Member

**G.P. Mittal**  
Member

**Legal Representatives of the parties: AZB & Partners**

**Order under Section 31(1) of the Competition Act, 2002**

1. On 21<sup>st</sup> November 2016, the Competition Commission of India (“**Commission**”) received a notice jointly given by AT&T Inc. (“**AT&T**”) and Time Warner Inc. (“**TWI**”), both incorporated in USA, under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) (hereinafter AT& T and TWI are collectively referred to as “**Parties**”).
2. The proposed combination entails acquisition by AT&T of TWI in a 50/50 stock and cash transaction pursuant to execution of an Agreement and Plan of Merger dated 22<sup>nd</sup> October, 2016 (“**Agreement**”), filed, *inter-alia*, between TWI and AT&T. Pursuant to the Agreement, West Merger Sub Inc., a wholly owned subsidiary of AT&T, shall be merged

with and into TWI, with TWI as the surviving entity (“**Initial Merger**”). The separate corporate existence of West Merger Sub Inc., shall thereupon cease to exist and the separate corporate existence of TWI with all the rights, privileges, immunities, powers and franchises shall continue unaffected. Prior to the Initial Merger, AT&T will form West Merger Sub LLC as a wholly owned subsidiary (“**Merger LLC**”), and immediately subsequent to the Initial Merger, TWI will merge with and into Merger LLC as the surviving corporation (hereinafter, referred to as the “**Proposed Combination**”).

3. AT&T, a public listed company incorporated in the US is the ultimate holding company of the AT&T group of companies. Globally, it has operating divisions focussed on Business Solutions, Entertainment, Consumer Mobility, and International. In India, it is stated to have five affiliates, namely, AT&T Global Network Services India Private Limited (“**AGNSI**”), AT&T Communication Services India Private Limited (“**ACSI**”), AT&T Global Business Services India Private Limited (“**AGBSI**”), QuickPlay Media Private Limited (“**QMPL**”), a subsidiary of Quickplay Media Inc. (“**QMI**”), and Goldman Agent Private Limited (“**Goldman**”).
4. The Indian affiliates of AT&T are focussed primarily on its enterprise telecom solutions. AGNSI is, *inter-alia*, engaged in providing VPN telecommunications services (data only services) to Indian corporate customers, which include information technology / information technology enabled companies (**IT/ITeS**), Indian and global multi-national companies and business process outsourcing companies. AGNSI is also a licensed service provider in India and holds four telecom licenses. It has been stated in the notice that AGNSI does not offer any switched voice, mobility or consumer mass market services in India. ACSI provides network management services to support AT&T and its customers under appropriate authorisations from DOT. It has been stated that it substantially provides captive services. AGBSI is stated to provide network management services to support AT&T and its customers under appropriate authorisations from DOT. It has been further stated that it provides only captive services. QMPL is engaged in providing “follow-the-sun”<sup>1</sup> software development, certification, quality assurance and maintenance and support services exclusively for its parent company, QMI. QMI operates managed service business focussed on enabling premium video service providers in the delivery of live and on-demand Television Everywhere, Over-The-Top (“**OTT**”) Video, *etc.* over IP connected and mobile wireless devices. Goldman is stated to be a dormant company that does not have any operations or operating income.
5. It has been stated in the notice that none of the AT&T affiliates in India, individually or collectively, have any broadcast rights, broadcast channels or stations (TV or radio- pay or otherwise), original video content or programming rights. It has also been stated that they do not sell any advertising (spots or solutions) through any media platform in India.

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<sup>1</sup> “Follow-the-sun” refers to a global work stream management method whereby tasks are passed around across worksites that are in multiple time zones to reduce project duration.

None of the above AT&T entities in India provide any service offering in the nature of media, content and entertainment, nor its distribution in any manner.

6. TWI, a public listed company incorporated in the US, is a global media and entertainment company. Globally, TWI has three operating divisions *i.e.*, Turner, consisting principally of pay-TV channels and digital media properties; Warner Bros., consisting principally of television, feature film, home video and videogame production and distribution; and Home Box Office (HBO), consisting principally of premium pay-TV channels and streaming services in the US and premium and basic tier pay-TV and streaming services internationally. In India, TWI is engaged in the wholesale distribution and marketing of audio-visual content through Turner, which operates channels such as Pogo, Cartoon Network, WB, CNN international, *etc.* HBO is engaged in television programming services, licensing certain originally produced programming to third party television broadcasters, programmers, *etc.* Warner Bros. is, *inter-alia*, engaged in import, duplication, marketing and distribution of foreign and locally produced content for cinemas for theatrical and non-theatrical exhibition in India. It is also involved in distribution of local Indian films.
7. The Commission noted that there is no horizontal overlap between the Parties in India. The Commission further noted that, in India, there is a vertical relationship between AT&T's subsidiary QMI and HOOQ Digital Pte Ltd ("**HOOQ**") in which TWI has a stake through Warner Bros. Entertainment Limited. It is noted that HOOQ is a customer of QMI and TWI holds a minority stake in HOOQ. However, this vertical relationship is insignificant to give rise to any competition concern since the market for managed streaming services has a presence of numerous competitors such as Ericsson-Media First Product, MLBAM, Xfinity Platform and Ooyala. Similarly, there are numerous competitors present in the market for distribution of audio-visual content to end users as well as the OTT Viewing space in India, such as Bigfix, BoxTV, Eros Now and Spuul.
8. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and on basis of the assessment of the proposed combination, the Commission is of the opinion that the proposed combination is not likely to have appreciable adverse effect on competition in India and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.
9. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
10. The information provided by the Parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.

11. The Secretary is directed to communicate to the Parties accordingly.