

**DESCRIPTION OF TRANSACTION,
PUBLIC INTEREST SHOWING,
AND RELATED DEMONSTRATIONS**

I. INTRODUCTION

AT&T Inc. (“AT&T”) has agreed to sell its Latin American and Caribbean satellite television business, VRIO Corp. (“Vrio”), to Open Plaza Corp. (“Open Plaza”), which is affiliated with Grupo Werthein (together with AT&T, Vrio, and Open Plaza, “Applicants”). Applicants are seeking Commission approval of the transfer of control of Vrio’s non-common carrier satellite space station and earth station licenses from AT&T to Open Plaza. From a U.S. perspective, this transaction is a routine transfer of control of licenses for internal operations from one qualified party to another. That should begin and end the analysis. Yet, the transaction also promises both to advance Vrio’s services abroad and to support AT&T’s commitment to invest in and focus on its domestic 5G wireless and fiber broadband businesses. While delivering these benefits, the transaction presents no concerns, so the Commission should grant these applications swiftly.

II. DESCRIPTION OF APPLICANTS AND THEIR QUALIFICATIONS

A. AT&T and Vrio

AT&T is a diversified, global leader in telecommunications, media and entertainment, and technology, and the Commission has repeatedly concluded that AT&T has the qualifications to control Commission licenses.¹ AT&T’s high-speed fiber and wireless broadband networks connect people and businesses across the United States.

¹ *E.g., Applications of AT&T Inc. and DIRECTV for Consent To Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9142 ¶ 24 (2015) (“*AT&T/DIRECTV Order*”); *Applications of Liberty Latin America Ltd. and AT&T Inc. for Consent to the Transfer of Control of the Licenses, Authorizations, and Spectrum Lease Held by AT&T Mobility Puerto Rico Inc. and AT&T Mobility USVI Inc. to Liberty Latin American*

Vrio delivers best-in-class entertainment including world-class sporting events, international content, and exclusive programming to 10.3 million subscribers in 11 countries in Latin America and the Caribbean.² Vrio *does not* serve subscribers in the United States (nor in Puerto Rico and the U.S. Virgin Islands).

To provide its services, Vrio owns the SKY B-1 satellite and leases capacity on various Intelsat satellites. In addition, Vrio operates production and satellite uplink facilities in Long Beach.

B. Open Plaza and Grupo Werthein

Open Plaza, a Delaware corporation, is owned indirectly by two individuals from the Werthein family of Argentina. The Werthein family owns various holding companies that collectively are known in the marketplace as “Grupo Werthein.”

Latam Investments Holdco Corp. is the sole shareholder of Open Plaza. That intermediate holding company is wholly owned by Latam Investment Ventures Corp. The only shareholders of Latam Investment Ventures Corp. are Mr. Darío Werthein and Mr. Lucas Werthein, who are Argentinian citizens. No foreign government or representative of a foreign government has an interest in Grupo Werthein.

Ltd., Memorandum Opinion and Order and Declaratory Ruling, 36 FCC Rcd 2328, 2333-34 ¶¶ 13-15 (WTB/WCB/IB 2020) (“*AT&T/LLA Order*”).

² Argentina, Barbados, Brazil, Chile, Colombia, Curaçao, Ecuador, Mexico, Peru, Trinidad and Tobago, and Uruguay. AT&T closed Vrio’s operations in Venezuela in May 2020 to comply with U.S. government sanctions, AT&T, Press Release, AT&T Announces Closing of DIRECTV Latin America Operations in Venezuela (May 19, 2020), https://about.att.com/story/2020/directv_latin_america_venezuela.html, and subsequently sold them to Scale Capital, *Venezuela DirecTV Resumes Service After Govt-Backed Deal*, Reuters (Aug. 14, 2020), <https://www.reuters.com/article/att-venezuela/venezuela-directv-resumes-service-after-govt-backed-deal-idUSL1N2FG1BJ>.

Grupo Werthein has been doing business in Latin America and internationally for more than 100 years. It has extensive experience in telecommunications, finance, insurance, healthcare, agribusiness, energy, food and beverage, and real estate.

In particular, Grupo Werthein has demonstrated capacity to own and manage substantial communications businesses. From 2003 to 2017, the Werthein family co-controlled and co-managed Telecom Argentina in partnership with Telecom Italia. Grupo Werthein's co-stewardship of Telecom Argentina was transformational. Telecom Argentina successfully restructured its debt³ while significantly upgrading its deployed technology.⁴ At the same time, Grupo Werthein reorganized the company's management structure,⁵ created training and

³ Telecom Argentina S.A., Annual Report (Form 20-F) at F-37 (June 29, 2010) ("Telecom Argentina fully cancelled its financial debt. The debt was prepaid 5 years in advance of the repayment schedule originally agreed upon [with] the financial creditors."); Telecom Argentina S.A., Annual Report (Form 20-F) at 48-49 (June 30, 2006) (describing history of debt restructuring and stating, "On August 31, 2005 Telecom Argentina completed the restructuring of its financial indebtedness pursuant to an APE by issuing debt with new payment terms and by paying cash consideration and making partial cash interest payments.").

⁴ See Telecom Argentina S.A., Annual Report (Form 20-F) at 32 (Apr. 30, 2012); Telecom Argentina S.A., Estados Contables al 31 de Diciembre de 2006, 2005 y 2004 [Financial Statements Through December 31 of 2006, 2005 and 2004], at 211, <http://mepriv.mecon.gov.ar/entel/memybce04ad/Telecom/memybce2006.pdf> ("2004-2006 Financial Statements") (listing various upgrades, including an increase in transmitters, installation of new GSM client database nodes, and packet-switching network updates).

⁵ See Telecom Argentina S.A., Annual Report (Form 20-F) at 102 (Apr. 24, 2015) (discussing 2012 "restructuring plan aimed at improving the efficiency of the Telecom group's organizational structures," including "the removal and/or merger of management structures"); Telecom Argentina S.A., Annual Report (Form 20-F) at 112-13 (June 22, 2007) (discussing approval of "a new organizational model for Telecom Group in order to increase synergy among the Voice, Data and Internet, and Wireless business segments").

learning programs for Telecom Argentina’s employees,⁶ grew subscribership eightfold,⁷ launched Argentina’s first 3G network,⁸ introduced Android smartphones and Blackberries,⁹ and fostered digital inclusion.¹⁰

III. DESCRIPTION OF THE TRANSACTION

On July 21, 2021, AT&T Services, Inc. (a wholly owned subsidiary of AT&T) and Open Plaza entered into an agreement under which Open Plaza will purchase 100 percent of Vrio’s capital stock.¹¹ Vrio will become a direct subsidiary of Open Plaza and indirect subsidiaries of

⁶ See, e.g., Grupo Telecom, *Reporte de Responsabilidad Social Empresaria [Report on Corporate Social Responsibility]* at 17-20 (2014), https://institucional.telecom.com.ar/prensa/notas/2015-06-10/documentos/anexo_14.pdf (describing various Telecom Corporate University educational programs); Telecom Argentina S.A., Annual Report (Form 20-F) at 128 (June 27, 2008) (noting “a range of opportunities for learning, including attendance and e-learning courses 146,517 student hours were taught, of which 70% were devoted functional activities, such as new technologies and mobile technology update, 3G technology and commercial programs”).

⁷ Compare Telecom Argentina S.A., Annual Report (Form 20-F) at 37 (Apr. 20, 2018) (approximately 19 million mobile subscribers in Argentina) with Telecom Argentina S.A., Annual Report (Form 20-F) at 28 (June 30, 2003) (about 2.2 million).

⁸ See Telecom Argentina S.A., Current Report (Form 6-K) at II (Nov. 9, 2007) (first outside Buenos Aires); Telecom Argentina S.A., Current Report (Form 6-K) at II (Aug. 28, 2007) (first in Argentina); Patricia Li, *El Negocio 3G en el Mercado Argentino [The 3G Business in the Argentinian Market]*, 2 Palermo Bus. Rev. 45, 46 (2008), <https://www.palermo.edu/economicas/cbrs/pdf/3g.pdf> (same).

⁹ See *Llega a la Argentina el Primer Móvil con Android, el Sistema Operativo de Google [The First Mobile with Android, Google’s Operating System, Arrives in Argentina]*, iProfessional, <https://www.iprofesional.com/tecnologia/89649-llega-a-la-argentina-el-primer-movil-con-android-el-sistema-operativo-de-google> (Mar. 11, 2009); 2004-2006 Financial Statements at 211 (Blackberry).

¹⁰ See *Telecom, a Favor de la Inclusión Digital [Telecom, in Favor of Digital Inclusion]*, La Capital (May 30, 2011), <https://www.lacapital.com.ar/edicion-impresas/telecom-favor-la-inclusioacuten-digital-n727783.html> (emphasizing that corporate social responsibility “is an integral strategy to [Telecom’s] business” and describing its investment in digital literacy projects like the “Educating on Wheels” program).

¹¹ AT&T Inc., Press Release, AT&T Selling Vrio Operations to Grupo Wertheim, <https://about.att.com/story/2021/vrio.html> (July 21, 2021) (“Transaction Announcement Release”).

Latam Investments Holdco Corp. (“Holdco”) and Latam Investment Ventures Corp. (“Ventures”); Vrio’s subsidiaries will become indirect subsidiaries of Open Plaza, Holdco, and Ventures. Additionally, there will be a transfer of control of two indirect Vrio subsidiaries DIRECTV Latin America, LLC and California Broadcast Center, LLC, which together hold the one satellite space station license and six satellite earth station licenses listed on Attachment 1. These subsidiaries will continue under Open Plaza’s control to transmit programming from the United States to subscribers in Latin America and the Caribbean. The pre- and post-closing ownership structures of these two licensees are depicted in charts appended as Attachment 2.¹²

IV. STANDARD OF REVIEW

Pursuant to Section 310(d) of the Communications Act, the Commission must determine whether the proposed transaction will serve the public interest, convenience, and necessity.¹³ The Commission begins by assessing whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission’s rules.¹⁴ The

¹² Ancillary to Vrio’s uplink operations for serving Latin American and Caribbean customers, Vrio’s Long Beach earth stations will continue providing limited uplink services to Alascom, DIRECTV’s U.S. service, and SKY Mexico. Vrio personnel supporting these uplink services will provide solely first-tier local technical maintenance support for the earth station antennas and have no access to customer or sensitive business data associated with U.S. services.

¹³ 47 U.S.C. § 310(d). Section 310(d) of the Act requires the Commission to consider applications for transfer of Title III licenses under the same standard as if the proposed transferee were applying for licenses directly under Section 308 of the Act, 47 U.S.C. § 308. *See, e.g., Applications of T-Mobile US, Inc., and Sprint Corporation for Consent To Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10595 ¶ 39 n.121 (2019) (“*T-Mobile/Sprint Order*”); *AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5672 ¶ 19 n.64 (2007) (“*AT&T/BellSouth Order*”).

¹⁴ *See, e.g., T-Mobile/Sprint Order*, 34 FCC Rcd at 10595 ¶ 39; *Applications of AT&T Inc. and DIRECTV Entertainment Holdings LLC for Transfer of Control of DIRECTV Enterprises*, Memorandum Opinion and Order, DA 21-838, at 3 ¶ 7 (IB/WTB rel. July 16, 2021) (“*AT&T/TPG Order*”).

Commission then considers whether the transaction could result in public interest harms by “substantially frustrating or impairing the objectives of the Act or related statutes.”¹⁵ The Commission confines its review to those harms that may “arise from the transaction (*i.e.*, transaction-specific harms)” and “will not impose conditions to remedy pre-existing harms or harms that are unrelated to the transaction.”¹⁶

The Commission has long recognized that there is a clear public interest benefit in allowing a licensee to assign or transfer control of its license freely.¹⁷ The Commission also will review other public interest benefits of a transaction.¹⁸ Where potential public interest harms appear unlikely, the Commission will accept a lesser showing of public interest benefits.¹⁹

¹⁵ See, e.g., *T-Mobile/Sprint Order*, 34 FCC Rcd at 10595 ¶ 40; *AT&T/DIRECTV Order*, 30 FCC Rcd at 9139 ¶ 18; *AT&T/TPG Order* at 3 ¶ 7; *AT&T/LLA Order*, 36 FCC Rcd at 2332 ¶ 10.

¹⁶ *T-Mobile/Sprint Order*, 34 FCC Rcd at 10596 ¶ 40; *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent To Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9585-86 ¶ 9 (2017) (“*CenturyLink/Level 3 Order*”).

¹⁷ *T-Mobile/Sprint Order*, 34 FCC Rcd at 10596 ¶ 41; *CenturyLink/Level 3 Order*, 32 FCC Rcd at 9585 ¶ 10; *AT&T/LLA Order*, 36 FCC Rcd at 2333 ¶ 11; see also *Amendment of Section 73.3596 of the Commission’s Rules (Applications for Voluntary Assignments or Transfers of Control)*, Memorandum Opinion and Order, 4 FCC Rcd 1710 (1989) (citing *Amendment of the Commission’s Rules Regarding Applications for Voluntary Assignments or Transfers of Control*, 47 Fed. Reg. 55924-01 (1982) (eliminating three-year holding requirement for broadcast licenses and acknowledging public interest and interests of the listening public are usually served best by freely allowing sales to qualified new owners)); *Amendment of the Commission’s Space Station Licensing Rules and Policies*, First Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 10760, 10841-44 ¶¶ 215-20 (2003) (eliminating anti-trafficking policy for satellite licenses, and facilitating transfers to parties with the greatest incentive and ability to construct a satellite system expedites service, enables the highest and best use of satellite spectrum and helps licensees mitigate risk, encouraging additional investment).

¹⁸ 47 U.S.C. § 309(e); *T-Mobile/Sprint Order*, 34 FCC Rcd at 10596 ¶ 41; *CenturyLink/Level 3 Order*, 32 FCC Rcd at 9586 ¶ 11 n.36.

¹⁹ *Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corp. for Consent To Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642, 9682 ¶ 102 (2013) (“*SoftBank/Sprint Order*”); *AT&T/TPG Order* at 3 ¶ 7.

This transaction does not violate the Communications Act or any other statute; it does not violate or require any waiver of the Commission's rules; and it does not otherwise create any public interest harms. To the contrary, this transaction will benefit the public. The Commission thus should approve the applications promptly and without conditions.

V. THE TRANSACTION WILL BENEFIT THE PUBLIC WHILE RAISING NO CONCERNS

From a U.S. perspective, this transaction is a routine transfer of control of licenses for internal operations from one qualified party to another. The Communications Act requires nothing more for approval.²⁰

Open Plaza and its ultimate owners are eminently qualified to control Vrio's FCC licenses and, more generally, to operate Vrio. Grupo Wertheim's successful ownership and operation of Telecom Argentina over 15 years demonstrates its *bona fides* in the communications business. Moreover, Grupo Wertheim will be supported by the talent of Vrio's roughly 9,000 current employees.²¹ Grupo Wertheim's substantial financial resources and focus on Latin America and the Caribbean will strengthen Vrio and improve its offerings.

Messrs. Wertheim's Argentinian citizenship requires no special finding by the Commission for approval of the applications. As the FCC observed in 2002:

The Commission has taken foreign ownership into account in determining that there may be potential public interest benefits resulting from foreign investment in private satellite systems. The Commission has found that such investment may

²⁰ See, e.g., *T-Mobile/Sprint Order*, 34 FCC Rcd at 10596 ¶ 41; *CenturyLink/Level 3 Order*, 32 FCC Rcd at 9586 ¶ 10; *AT&T/LLA Order*, 36 FCC Rcd at 2333 ¶ 11.

²¹ Transaction Announcement Release at 2 ("AT&T and Grupo Wertheim expect that when the transaction closes, substantially all employees who support Vrio's operations today will transition to Grupo Wertheim.").

enable prospective licensees to obtain necessary equity capital investment, as well as aid in gaining commercially successful entry into key markets.²²

Vrio's new direct parent, Open Plaza, is a domestic corporation, and its two FCC licensees will remain domestic companies. Their FCC licenses are all non-common carrier satellite space and earth station licenses. The transaction involves no transfer of control of a broadcast, common carrier, or aeronautical radio station license for which 100-percent indirect foreign ownership would require a declaratory ruling.²³

Beyond being qualified, Grupo Werthein is committed to improving Vrio's services in the region the Werthein family calls home. Grupo Werthein will seek to "increase[e Vrio's] value proposition by investing in technology and content aligned with the viewing habits of each one of the subscribers, including the next generation of consumers."²⁴

U.S. customers will be unaffected because Vrio has none. Indeed, AT&T's U.S. customers will benefit from AT&T's deliberate capital allocation commitment to invest in and focus on connectivity and growing its customer relationships across 5G wireless and fiber.

U.S. media companies will continue to garner revenues from rights to the programming that Open Plaza-controlled Vrio will transmit to its Latin American and Caribbean subscribers using its FCC-licensed facilities.

This transaction does not raise issues of national security, law enforcement, foreign policy, or trade policy. Vrio does not produce, design, test, manufacture, fabricate, or develop

²² *Application of Orbital Communications Corporation and ORBCOMM Global, L.P. (Assignors) for Consent To Assign Non-Common Carrier Earth and Space Station Authorizations, Experimental Licenses, and VSAT Network to ORBCOMM License Corp. and ORBCOMM LLC (Assignees)*, Order and Authorization, 17 FCC Rcd 4496, 4505-06 ¶ 18 (IB 2002) (footnotes omitted).

²³ See 47 U.S.C. § 310(b)(3)-(4).

²⁴ Transaction Announcement Release at 1 (quoting Darío Werthein).

any critical technologies (as defined at 31 C.F.R. § 800.215), nor does it possess any non-public information useful for the production or development of any critical technologies. None of the satellite facilities or related systems controlled by Open Plaza will provide services to the United States; Open Plaza will not obtain data on U.S. customers or the services they receive. No foreign government will have an interest in or influence the operations of Open Plaza.

VI. MISCELLANEOUS REGULATORY ISSUES

A. Related Filings

The Department of Justice will conduct its own review of the competitive aspects of this transaction pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976²⁵ and the rules promulgated thereunder. Applicants are submitting a notification form and an associated documentary appendix to the Department of Justice and the Federal Trade Commission. In addition, the transaction will be reviewed by competition or regulatory authorities in certain of the countries where Vrio provides service. Applicants fully expect that all these reviews will confirm that the transaction warrants approval or clearance, as the case may be.

B. After-Acquired Authorizations

The list of call signs included in each application is intended to include all of the licenses and authorizations used by Vrio. However, Vrio entities may now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities that may be granted before the Commission acts on these applications. Accordingly, Applicants request that any Commission approval of the applications filed for this transaction include authority for Grupo Wertheim to acquire control of: (1) any licenses and authorizations issued to a Vrio entity while this transaction is pending before the Commission and the period required for

²⁵ 15 U.S.C. § 18a.

consummation of the transaction, and (2) any applications that have been filed by a Vrio entity that are pending at the time of consummation of the proposed transaction. Such action would be consistent with prior decisions of the Commission.²⁶ Moreover, Applicants request that Commission approval include any such licenses and authorizations that may have been inadvertently omitted from the applications and exclude any licenses that terminate during the pendency of the applications.

C. Blanket Exception to Cut-Off Rules

The public notice announcing this transaction will provide adequate notice to the public with respect to the licenses involved, including any for which license modifications are now pending. Therefore, no waiver needs to be sought from Sections 25.116(b)-(d) and 25.151(a)(4) of the Commission's rules²⁷ to the extent needed to provide a blanket exemption from any applicable cutoff rules in cases where Applicants file amendments to pending applications to reflect the consummation of the proposed transfers of control.²⁸

VII. CONCLUSION

For the foregoing reasons, the Commission should conclude that the proposed transaction serves the public interest, convenience, and necessity and should expeditiously and unconditionally grant these applications.

²⁶ See, e.g., *SoftBank/Sprint Order*, 28 FCC Rcd at 9705 ¶ 157; *AT&T/Verizon Order*, 25 FCC Rcd at 8773 ¶ 165; *AT&T/TPG Order* at 5 ¶ 15.

²⁷ 47 C.F.R. §§ 25.116(b)-(d), 25.151(a)(4).

²⁸ See, e.g., *News Corporation and the DIRECTV Group, Inc., Transferors, and Liberty Media Corporation, Transferee, for Authority To Transfer Control*, Memorandum Opinion and Order, 23 FCC Rcd 3265, 3336 ¶ 159 (2008); *Applications of NYNEX Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent To Transfer Control of NYNEX Corporation and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19985, 20092 ¶ 234 (1997).

ATTACHMENT 1

FCC LICENSES

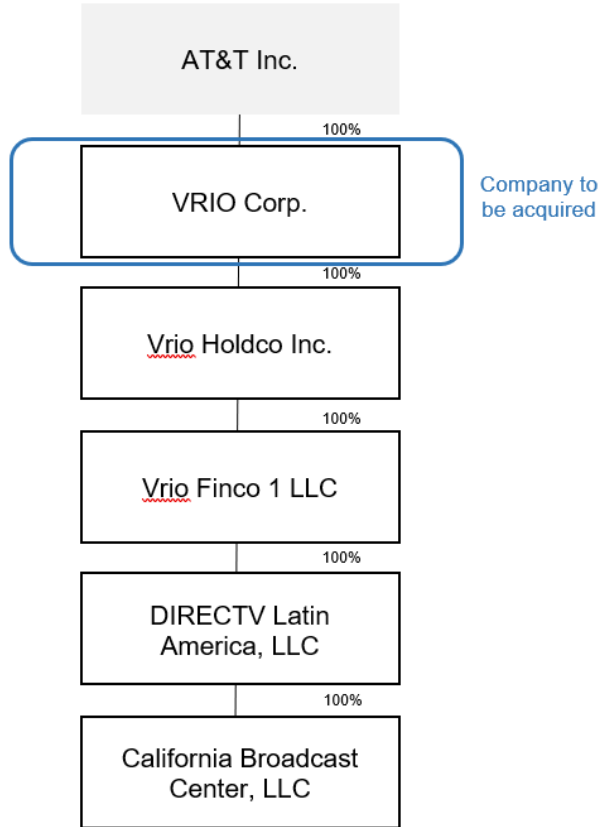
CALL SIGN	LICENSE HOLDER	SERVICE	LICENSE	ORBITAL SLOT/ LOCATION	FREQUENCIES (MHz)	EXPIRATION
S2922	DIRECTV Latin America, LLC	Geostationary Space Station	SAT-RPL-20140221-00026	43.1° W.L. (+-0.05° east-west)	10700-10950 (space-to-Earth) 10950-11200 (space-to-Earth) 11200-11450 (space-to-Earth) 11450-11700 (space-to-Earth) 11700-12200 (space-to-Earth) 18850-20200 (space-to-Earth) ²⁹ 12750-13250 (Earth-to-space) 13750-14000 (Earth-to-space) 14000-14500 (Earth-to-space) 28650-30000 (Earth-to-space) ²⁹ 11443 and 11443.5 or 11446.5 and 11447 (space-to-Earth) (telemetry & tracking) 13249.5 and 14498 (Earth-to-space) (command)	15 years from placing satellite into orbit (granted 5/11/2016)
E010237	California Broadcast Center, LLC	Fixed Satellite Service	SES-LIC-20010905-01638	Long Beach, Los Angeles, CA	14000-14500 11700-12200	10/30/2026

²⁹ Operations in these frequencies are subject to the authority of the Telecommunications Regulatory Authority of the United Arab Emirates, and the FCC has not provided market access to the United States in this frequency band.

CALL SIGN	LICENSE HOLDER	SERVICE	LICENSE	ORBITAL SLOT/ LOCATION	FREQUENCIES (MHz)	EXPIRATION
E120148	California Broadcast Center, LLC	Fixed Satellite Service	SES-LIC-20120731-00705	Long Beach, Los Angeles, CA	14000-14500 13750-14000 11700-12200 6425-6675 5925-6425 3700-4200	6/20/2028
E950349	California Broadcast Center, LLC	Fixed Satellite Service	SES-RWL-20210614-00934	Long Beach, Los Angeles, CA	14000-14500 13750-14000 11700-12200 11450-11700	8/20/2036
E090107	California Broadcast Center, LLC	Fixed Satellite Service	SES-LIC-20090612-00730	Long Beach, Los Angeles, CA	13750-14500 11700-12200	3/25/2025
E070123	California Broadcast Center, LLC	Fixed Satellite Service	SES-LIC-20070625-00860	Long Beach, Los Angeles, CA	29525-29535 29500-29515 29250-30000 28350-28600 19700-20200 19700-19710 18300-18800	8/31/2022
E020091	California Broadcast Center, LLC	Fixed Satellite Service	SES-RWL-20170615-00656	Long Beach, Los Angeles, CA	6425-6675 6425-6525 5925-6425 3700-4200	8/26/2032

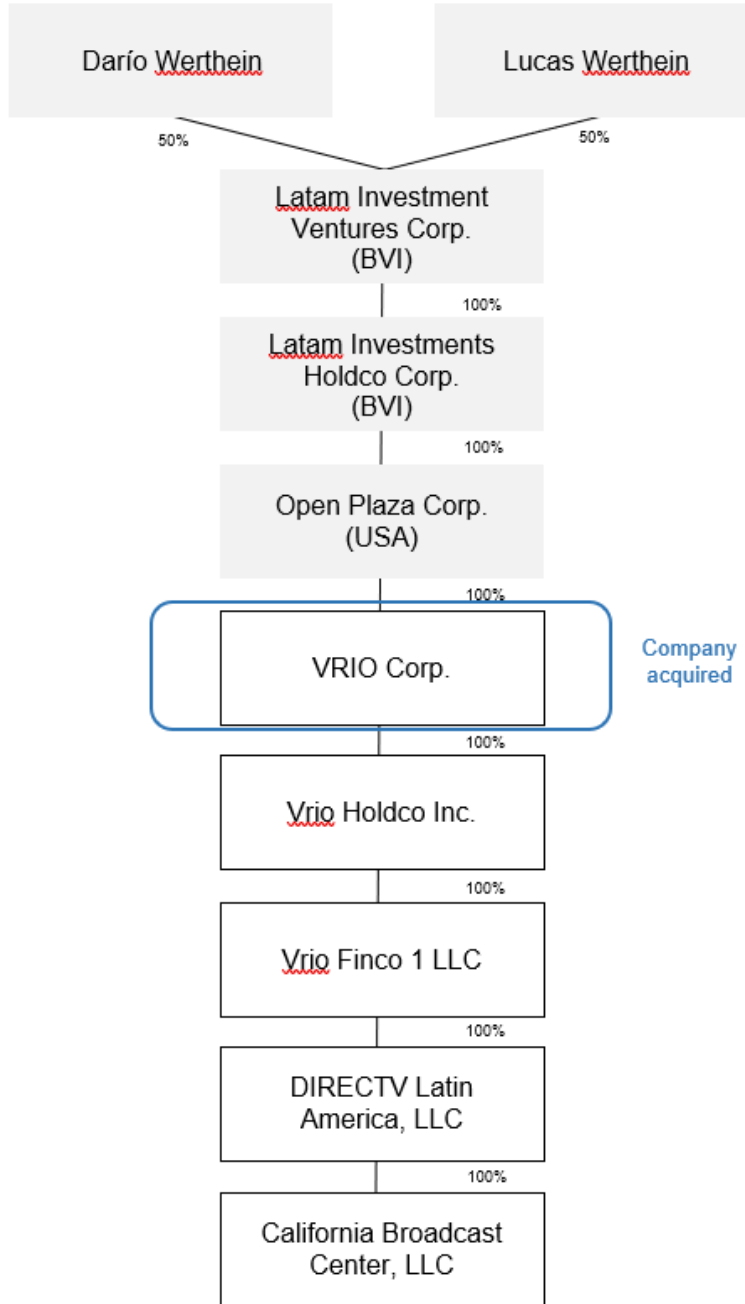
ATTACHMENT 2
ORGANIZATIONAL CHARTS

Pre-Closing Ownership Structure*



* This simplified structure chart does not reflect all entities owned by VRIO Corp.

Post-Closing Ownership Structure*



* This simplified structure chart does not reflect all entities owned by VRIO Corp.