

AT&T joins crowded field with online video plans

April 22 2014, by Barbara Ortutay

AT&T and an investment firm run by former News Corp. executive Peter Chernin have formed an online video venture that could rival Netflix and Hulu.

AT&T Inc. and Chernin Group said Tuesday that they have committed more than \$500 million in funding toward the venture. They are not saying how much each company is investing.

The move comes amid rapid growth in online [video](#) services. AT&T, a telecoms giant, already offers TV content through its U-Verse service, which competes with more traditional cable TV providers. With online video, though, it could attract customers of Netflix, Hulu, YouTube and other services—including people who've stopped paying for traditional broadcast, cable or satellite TV.

The companies said the venture will invest in advertising and subscription-based video-on-demand services, as well as online streaming.

AT&T rival Verizon Communications Inc. is planning similar services. The telecommunications giant bought Intel Media earlier this year. The onetime division of chip maker Intel Corp. had been preparing to launch a service that streams TV channels over the Internet.

Dish Network Corp., meanwhile, struck a deal with Disney last month that paves the way for the satellite TV service to live-stream Disney-

owned channels like ESPN and ABC over the Internet to customers' smartphones, tablets, video game consoles and other devices.

None of companies have announced start dates for the planned online video services.

The Chernin Group, run by former News Corp. Chief Operating Officer Peter Chernin, is contributing its assets to the [venture](#), including its majority stake in Crunchyroll, a subscription-based provider of anime videos.

Shares of Dallas-based AT&T rose 23 cents to \$36.29 in late morning trading.

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