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March 6, 2002

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BY HAND

William F. Caton
Acting Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20054

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MAR - 6 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: **Ex Parte** - Consolidated Application of EchoStar Communications Corporation, Hughes Electronics Corporation, and General Motors Corporation for Authority to Transfer of Control (CB Docket No. 01-348) /

Dear Mr. Caton:

Hughes Electronics Corporation ("Hughes") and General Motors Corporation ("GM") hereby submit documents in response to the Commission's February 4, 2002 Initial Information and Document Request (the "Request"). The documents are being provided pursuant to the Request, as clarified in our February 21, 2002 procedural meeting, in the manner set forth in our letter dated February 28, 2002 and in the joint letter from EchoStar Communications Corporation ("EchoStar"), Hughes and GM dated March 5, 2002.

In this filing, GM and Hughes are providing documents responsive to FCC document requests numbers I.M., X.D., X.G., XIII.D., XIV.D., XIV.E., and XV. Since we have received the Request, we have reviewed over 70 boxes of materials for responsiveness. Because of the breadth of our collection, many of these documents are not responsive to the Commission's request. The material deemed responsive to the Request is being provided by person and organized by folder into public documents that are responsive to a specific FCC request and confidential documents that are responsive to the specific request. We are continuing to review the collected documents from the sources identified to the Commission and will produce responsive documents on a rolling basis as quickly as possible. In response to FCC request I.M., we are providing copies of DIRECTV's public filings in the EchoStar-DIRECTV

litigation. In addition, attached hereto is a list of comments and reply comments filed with the FCC by DIRECTV in response to the Commission's Competition Report. If the Commission would like copies of these filings, we would be happy to provide them. In response to requests I.A-L, we refer the Commission to EchoStar's responses set forth in their letter to the Commission dated March 6, 2002.

Two copies of all non-confidential documents are included with the version of this cover letter marked "For Public Inspection" for inclusion in the public record in this proceeding. One copy of certain confidential documents is being submitted with the version of this cover letter marked "Confidential Filing: Not for Public Inspection" and is being filed under seal with the FCC Secretary's Office and should not be placed in the public record in this proceeding. Copies of confidential documents are also being delivered under seal to Marcia Glauberman and Linda Senecal. The confidential documents submitted by GM and Hughes are marked "CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN CS DOCKET NO. 01-348" and "Copying Prohibited" in accordance with the Protective Order adopted in this proceeding on January 7, 2002. Because almost all of the documents submitted are confidential in their entirety, we are not submitting redacted copies of the documents. Further, we are not producing privileged documents (e.g. subject to attorney-client privilege). Other confidential documents are being supplied directly to the Department of Justice as set forth in our letter of March 5, 2002.

As noted above, we have reviewed over 70 boxes of material. Unfortunately, we have had significant production problems with the documents over the last 24 hours. Therefore, we are producing a smaller number of documents than we had anticipated today. We intend to follow up with a subsequent production within 24 hours and, as indicated above, will continue with additional documents on a "rolling basis." We regret that this problem occurred.

Hughes and GM have exercised good faith in the review of documents to determine responsiveness to the Commission's request and will continue to do so. Should there be any questions regarding this matter, please contact the undersigned.

Respectfully Submitted,



Gary M. Epstein
Counsel for General Motors Corporation
and Hughes Electronics Corporation

Enclosures

cc: Marcia Glauberman
Linda Senecal

Attachment A

Document Responsive to Request I.M.

1. Comments of DIRECTV, Inc., filed in CS Docket No. 01-129 (Aug. 3, 2001)
 2. Reply Comments of DIRECTV, Inc., filed in CS Docket No. 01-129 (Sept. 5, 2001)
 3. Comments of DIRECTV, Inc., filed in CS Docket 00-132 (Sept. 8, 2000)
 4. Reply Comments of DIRECTV, Inc., filed in CS Docket No. 00-132 (Sept. 29, 2000)
 5. Comments of DIRECTV, Inc., filed in CS Docket No. 99-230 (August 6, 1999)
 6. Reply Comments of DIRECTV, Inc., filed in CS Docket No. 99-230 (Sept. 1, 1999)
 7. Comments of DIRECTV, Inc., filed in CS Docket No. 98-102 (July 31, 1998)
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**Hughes Electronics Corporation Response to
FCC Initial Request for Information dated February 4, 2002**

Box #: FCC 1

Production #s: FCC000000001 – FCC000000668

FCC Request Responsive to: I.M.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No. 00-K-212

ECHOSTAR COMMUNICATIONS CORPORATION, *et al.*
Plaintiffs,

v.

DIRECTV ENTERPRISES, INC., *et al.*
Defendants.

DIRECTV, INC., a California corporation;
HUGHES ELECTRONICS CORPORATION,
a Delaware corporation;
Counterclaimants,

v.

ECHOSTAR COMMUNICATIONS CORPORATION, a
Nevada corporation; ECHOSTAR SATELLITE
CORPORATION, a Colorado corporation; ECHOSTAR
TECHNOLOGIES CORPORATION, a Texas corporation,
Counterdefendants.

ANSWER TO AMENDED COMPLAINT, AFFIRMATIVE
AND OTHER DEFENSES, AND COUNTERCLAIM

ANSWER

Defendants DIRECTV Enterprises, Inc., DIRECTV, Inc., DIRECTV Merchandising, Inc., and DIRECTV Operations, Inc. (collectively "DIRECTV") and Hughes Electronics Corporation ("Hughes") (incorrectly identified as Hughes Network Systems) answer the Amended Complaint ("Complaint") of Plaintiffs EchoStar Communications Corporation, EchoStar Satellite Corporation, and EchoStar Technologies Corporation (collectively "EchoStar") as follows.

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U.S. DISTRICT COURT
DISTRICT OF COLORADO
2001 JUN -7 PM 3:25
JAMES R. HANSPEAKER
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OFFICE OF THE SECRETARY

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Plaintiff EchoStar is, in its own words, "a multichannel video programming distributor ('MVPD') providing Direct Broadcast Satellite ('DBS') service to subscribers throughout the United States." Comments of EchoStar Satellite Corp., In the Matter of Annual Assessment of the Status of Competition in Markets for the Delivery of Video Programming, FCC CS Docket No. 99-320 (Aug. 6, 1999) p. 1. As such, it competes with many other MVPD providers, principally cable companies. EchoStar acknowledges it is "pursuing a pure strategy of head-on, direct competition against cable

... Ever since it commenced DBS service in the spring of 1996, EchoStar has viewed cable subscribers as its primary market. Accordingly, EchoStar has priced and structured its offering with the primary purpose of attracting cable subscribers." Comments of EchoStar Satellite Corp., In the Matter of Annual Assessment of the Status of Competition in Markets for the Delivery of Video Programming, FCC CS Docket No. 97-141 (July 23, 1997) p. 2. EchoStar has also proclaimed, loudly and boldly on many occasions, that "CABLE OPERATORS POSSESS MARKET POWER IN THE MVPD MARKET." *Id.*; see also, *id.* at p. 17 ("EchoStar believes the MVPD market is still dominated by cable operators"). Indeed, EchoStar has publicly stated that no satellite carrier has market power. Comments of EchoStar Satellite Corp., In the Matter of Implementation of the Satellite Home Viewer Improvement Act of 1999, FCC CS Docket No. 99-363 (February 1, 2000) p. 2 ("broadcast stations do not need to be protected from the market power of satellite carriers for the simple reason that satellite carriers do not have market power").

DBS is a technology designed to compete with cable in the MVPD market. DIRECTV and Hughes pioneered high-power Direct-to-Home satellite service, also known as DBS service - the precursor to what EchoStar touts in its Complaint as "the hottest consumer product in history." Beginning in 1991, DIRECTV and Hughes conceived of, designed and developed the equipment

and software necessary to deliver DBS video programming to consumers. They created and fostered consumer awareness and consumer demand for DBS service, and they created and fostered interest and demand on the part of manufacturers and retailers. Consumers view DBS programming as a competitive alternative to programming from cable television providers, C-Band satellite delivery systems, Multi-Point Microwave Distribution Systems ("MMDS"), terrestrial broadcasters and other sources.

EchoStar, originally a distributor of C-Band satellite systems and later a distributor for DIRECTV, followed with its own DBS service in 1996, years after DIRECTV. Since then, EchoStar has "drafted" in the wake of DIRECTV's hard work and success, capitalizing on the consumer awareness and demand that DIRECTV created. EchoStar has chosen to market its satellite dishes and receiving/decoding equipment largely directly to consumers and through thousands of local and regional retailers, and at very low prices. Its strategy has been successful. EchoStar has publicly stated that it has 3.4 million subscribers, and, in little more than a year, its stock price has risen 1,000%.

Despite its enormous success in the market and on Wall Street, and despite its continued strategy of trading on DIRECTV's early efforts and success, EchoStar brings the current lawsuit, claiming that it cannot fairly compete in the marketplace. But its own conduct and statements belie its entire case. While in its Complaint EchoStar adopts for its litigation purposes the pretense that the consumer "market" in which it competes is a satellite broadcast market dominated by DIRECTV, for years EchoStar has more honestly affirmed, repeatedly and consistently, that the real consumer "market" here is the entire market for multi-channel video programming distribution and that cable television companies (with their 69 million customers), not DIRECTV, dominate that market. DIRECTV agrees. Thus, EchoStar's claims have no basis

in fact or law and should be dismissed.

Finally, in the amended complaint, EchoStar adds for the first time allegations that DIRECTV and three major retailers, Circuit City, Best Buy and Radio Shack, conspired among themselves to exclude EchoStar from being sold in their stores. No such conspiracy exists, nor has any ever existed, between or among those parties. Moreover, such a conspiracy among retail competitors makes no economic sense, particularly in light of EchoStar's allegations that it makes a superior product. These new conspiracy claims likewise have no basis in fact and should be dismissed.

RESPONSE TO PARAGRAPH NO. 1:

DIRECTV and Hughes admit that for a period of approximately eighteen months DIRECTV was the sole provider of high-power DBS service in the United States, but at that time, DIRECTV directly competed for multi-channel video programming subscribers with C-band satellite service providers as well as PrimeStar and cable service providers. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 2:

Denied.

RESPONSE TO PARAGRAPH NO. 3:

DIRECTV and Hughes admit that retailers have natural incentives to offer the highest quality products. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 4:

Denied.

RESPONSE TO PARAGRAPH NO. 5:

DIRECTV and Hughes admit that ECHOSTAR has grown "remarkably" since launching

its DISH Network in March 1996. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 6:

Denied.

PARTIES

RESPONSE TO PARAGRAPH NO. 7:

DIRECTV and Hughes admit, on information and belief, that ECHOSTAR COMMUNICATIONS CORPORATION is a Nevada corporation. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 8:

Admitted, upon information and belief.

RESPONSE TO PARAGRAPH NO. 9:

Admitted, upon information and belief.

RESPONSE TO PARAGRAPH NO. 10:

DIRECTV and Hughes admit, on information and belief, that ECHOSTAR TECHNOLOGIES CORPORATION is a Texas corporation, a wholly owned subsidiary of ECC and has its principal place of business in Englewood, Colorado. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 11:

Admitted.

RESPONSE TO PARAGRAPH NO. 12:

Admitted.

RESPONSE TO PARAGRAPH NO. 13:

Admitted.

RESPONSE TO PARAGRAPH NO. 14:

DIRECTV and Hughes admit that Hughes Network Systems is a business unit of Hughes Electronics Corporation and that Hughes Electronics Corporation is a Delaware corporation. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 15:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 16:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 17:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 18:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 19:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph, and therefore deny same.

JURISDICTION AND VENUE

RESPONSE TO PARAGRAPH NO. 20:

DIRECTV and Hughes admit that Plaintiffs have brought this action pursuant to various statutory and common law doctrines identified in this paragraph of Plaintiffs' amended complaint, but deny that Plaintiffs have pled or can prove any valid cause of action, and deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 21:

DIRECTV and Hughes admit that Plaintiffs purport to base subject matter jurisdiction on 28 U.S.C. §§ 1331, 1337(a) and 1367. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 22:

DIRECTV and Hughes admit that they are authorized to transact and in fact have transacted business within the State of Colorado and that they own, use or possess real property within the state of Colorado. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of the first two clauses of this paragraph as they pertain to the other defendants, and therefore deny same. EchoStar' assertion that the defendants have sufficient minimum contacts with the State of Colorado is an assertion of law that requires no response, so DIRECTV and Hughes neither admit nor deny this allegation. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 23:

DIRECTV and Hughes admit that DIRECTV provides multi-channel video programming to thousands of Colorado consumers and operates a Broadcast Center in Castle Rock, Colorado. DIRECTV and Hughes admit that DIRECTV derives revenue from the sale of multi-channel video

programming to consumers, and that Hughes derives revenue from the sale of equipment to consumers in Colorado and nationwide. DIRECTV and Hughes admit that Thomson sells receiver/decoder equipment throughout the United States. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph as they pertain to defendants other than DIRECTV and Hughes, and therefore deny same. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 24:

DIRECTV and Hughes admit that they are authorized to transact and in fact have transacted business within the State of Colorado and that they own, use or possess real property within the state of Colorado. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph as they pertain to the other defendants, and therefore deny same. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 25:

DIRECTV and Hughes admit that DIRECTV's sale of multi-channel video programming to consumers and Hughes' sale of equipment are, in part, within interstate commerce and have, in part, a direct, substantial and reasonably foreseeable effect on interstate commerce. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in this paragraph (including but not limited to all allegations as they regard the other defendants) and therefore deny same.

STATEMENT OF FACTS

RESPONSE TO PARAGRAPH NO. 26:

DIRECTV and Hughes admit that high-power DBS has changed the way many consumers

access multi-channel video programming. DIRECTV and Hughes also admit that high-power DBS provides hundreds of channels of digital-crisp picture and sound to multi-channel video programming consumers. DIRECTV and Hughes deny the remaining allegations of this paragraph.

The Limits of Broadcast and Cable Television Service

RESPONSE TO PARAGRAPH NO. 27:

DIRECTV and Hughes deny the allegation contained in the first sentence of this paragraph to the extent that it suggests that television signals have ceased to be transmitted via broadcast or cable since the advent of DBS. DIRECTV and Hughes admit that over the past thirty years, cable service has gained prominence in the market for multi-channel video programming. On information and belief, DIRECTV and Hughes admit that currently the number of cable subscribers is in the tens of millions. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 28:

DIRECTV and Hughes admit that DBS providers are able to compete in the market for multi-channel video programming consumers because they are able to provide a product that is attractive to some MVPD consumers. DIRECTV and Hughes admit that rising cable subscription costs have enabled DBS subscribers to more effectively compete for multi-channel video programming customers. DIRECTV and Hughes further admit, on information and belief, that cable MVPD providers have chosen for competitive reasons to not pursue certain segments of the multi-channel video programming consumer population. DIRECTV and Hughes also admit that geographic limitations can limit the ability of MVPD providers, including DBS providers, to

deliver programming to MVPD consumers. DIRECTV and Hughes deny the remaining allegations of this paragraph.

**Direct-to-Home Satellite Service Emerges
To Serve Customers Beyond the Cable Infrastructure**

RESPONSE TO PARAGRAPH NO. 29:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 30:

DIRECTV and Hughes admit that direct-to-home satellite service was first delivered via C-band frequencies, and also admit that subscribers to C-Band commonly utilize a dish four or more feet in diameter. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 31:

Admitted.

RESPONSE TO PARAGRAPH NO. 32:

DIRECTV and Hughes admit that PrimeStar used medium-power DBS to provide its customers with multi-channel video programming service. DIRECTV and Hughes also admit that PrimeStar was acquired by DIRECTV in 1999. But DIRECTV and Hughes deny the implied allegation that DIRECTV has been able to convert all or substantially all of former PrimeStar customers to DIRECTV service. Rather, as explained further in DIRECTV's and Hughes' counterclaims below, ECHOSTAR and its agents engaged in an illegal campaign to "upgrade" former PrimeStar customers to DISH Network service by misrepresenting to former PrimeStar customers that PrimeStar was associated with ECHOSTAR. DIRECTV and Hughes are without

knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

High-Power DBS Makes Direct-to-Home Satellite Service Available with a Small Dish Antenna and at a Lower Cost

RESPONSE TO PARAGRAPH NO. 33:

DIRECTV and Hughes admit the first two sentences of this paragraph. DIRECTV and Hughes admit that a smaller dish antenna size may make installation more convenient. DIRECTV and Hughes deny the remaining allegations in this paragraph.

RESPONSE TO PARAGRAPH NO. 34:

DIRECTV and Hughes admit that digital compression allows an MVPD provider to offer to its customers a greater variety of programming choices. DIRECTV and Hughes admit that this may include movie channels, sports programming, news and information programming, family and educational programming, pay-per-view programming, foreign language programming, religious programming, other special interest programming, HDTV broadcasts, and in some instances local independent and network-affiliated channels. DIRECTV and Hughes deny the remaining allegations of this paragraph (including but not limited to the extent that they suggest that digital compression formatting is only available via high-power DBS service; indeed, on information and belief, DIRECTV and Hughes allege that cable providers have developed digital cable technology to better compete with satellite service in the multi-channel video programming market).

RESPONSE TO PARAGRAPH NO. 35:

DIRECTV and Hughes admit the first two sentences of this paragraph. On information and belief, DIRECTV and Hughes admit that ECHOSTAR launched its high-power DBS service,

DISH Network, in March of 1996. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 36:

DIRECTV and Hughes admit that EchoStar's DISH Network (followed closely by DIRECTV) was ranked #1 by I.D. Power and Associates in 1999 for customer satisfaction among satellite/cable television subscribers. DIRECTV and Hughes deny that EchoStar legally offers more local broadcast channels than DIRECTV, and DIRECTV notes EchoStar was recently enjoined from violating the Satellite Home Viewer's Act for offering channels illegally. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

DEFENDANT'S ALLEGED ANTI-COMPETITIVE CONDUCT

RESPONSE TO PARAGRAPH NO. 37:

Denied.

RESPONSE TO PARAGRAPH NO. 38:

Denied.

RESPONSE TO PARAGRAPH NO. 39:

Denied.

DIRECTV Allegedly Coerces and Improperly Induces Electronics Retailers to Exclude ECHOSTAR Products and Services

RESPONSE TO PARAGRAPH NO. 40:

DIRECTV and Hughes admit that a substantial amount of DIRECTV-compatible DBS equipment is sold through consumer electronics retailers. Further, the allegations in Paragraph 40 purport to describe contracts, and rights that allegedly arise out of such contracts, which speak for themselves; DIRECTV and Hughes deny each and every allegation that is inconsistent therewith. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 41:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 42:

The allegations in Paragraph 42 purport to describe contracts with National Exclusive Retailers, and rights that allegedly arise out of such contracts, which speak for themselves; DIRECTV and Hughes deny each and every allegation that is inconsistent therewith. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 43:

Denied.

RESPONSE TO PARAGRAPH NO. 44:

Denied.

RESPONSE TO PARAGRAPH NO. 45:

Denied.

RESPONSE TO PARAGRAPH NO. 46:

Denied.

RESPONSE TO PARAGRAPH NO. 47:

Denied.

RESPONSE TO PARAGRAPH NO. 48:

Denied.

**DIRECTV Allegedly Enters into Exclusive
Contracts with HDTV Manufacturers**

RESPONSE TO PARAGRAPH NO. 49:

The allegations in this paragraph purport to describe contracts, and rights that allegedly arise out of such contracts, which speak for themselves; DIRECTV and Hughes deny each and every allegation that is inconsistent therewith. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 50:

DIRECTV and Hughes admit that federal legislation has established HDTV as a future standard. DIRECTV and Hughes deny that anyone in the industry or the federal government has defined HDTV or has established what the "standard" entails. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 51:

DIRECTV and Hughes admit that HDTV set currently cost more than comparably-sized non-high-definition sets. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 52:

DIRECTV and Hughes admit that DBS and other digital multi-channel video

programming, including digital cable, are suited for the improved capabilities of HDTV. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 53:

The allegations in this paragraph purport to describe contracts, and rights that allegedly arise out of such contracts, which speak for themselves; DIRECTV and Hughes deny each and every allegation that is inconsistent therewith. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 54:

Denied.

RESPONSE TO PARAGRAPH NO. 55:

Denied.

DIRECTV Allegedly Signs Exclusive Agreements with Major Sports Leagues, Including the NFL, That Preclude Competition by ECHOSTAR

RESPONSE TO PARAGRAPH NO. 56:

DIRECTV and Hughes admit that, each Sunday during the football season, ten or more NFL games are distributed on network television. DIRECTV and Hughes further admit, on information and belief, that a network television viewer in any particular market generally is limited to viewing a smaller number of games made available in that local market. DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph, and therefore deny same.

RESPONSE TO PARAGRAPH NO. 57:

DIRECTV and Hughes admit that DIRECTV's contract with the NFL permits DIRECTV to offer real-time broadcasts of most distant NFL games. DIRECTV and Hughes further state that

consumers are able to watch distant NFL games through various distribution channels, including cable television, C-Band satellite, DBS, Multi-Point Microwave Distribution Systems, and television broadcasting over the airwaves. DIRECTV and Hughes admit that DIRECTV's NFL package is an attractive programming option for some existing or potential customers that helps DIRECTV compete in the multi-channel video programming distribution market. DIRECTV and Hughes admit that television networks and, on information and belief, some cable companies currently do not offer a customer in a particular market as many NFL games as DIRECTV does. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 58:

DIRECTV and Hughes admit that DIRECTV generally offers real-time broadcasts of most distant NFL games as part of a single package at a set price for the entire football season. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 59:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to what EchoStar asked the NFL and what the NFL told EchoStar, and therefore deny same. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 60:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to what EchoStar told the NFL, and therefore deny same. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 61:

Denied.

RESPONSE TO PARAGRAPH NO. 62:

The allegations in this paragraph purport to describe contracts, and rights that allegedly arise out of such contracts, which speak for themselves; DIRECTV and Hughes deny each and every allegation that is inconsistent therewith. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 63:

The allegations in this paragraph purport to describe contracts, and rights that allegedly arise out of such contracts, which speak for themselves; DIRECTV and Hughes deny each and every allegation that is inconsistent therewith. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 64:

Denied.

RESPONSE TO PARAGRAPH NO. 65:

DIRECTV and Hughes admit that sports packages are an attractive programming option to some existing or potential customers. DIRECTV and Hughes further admit that multi-channel video programming that includes sports packages may be more attractive to some customers than multi-channel video programming that does not include such packages. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 66:

Denied.

RESPONSE TO PARAGRAPH NO. 67:

DIRECTV and Hughes are without knowledge or information sufficient to form a belief as to the motivation of the NFL or the other sports leagues use of their rules for blacking out games, and therefore deny same. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 68:

Denied.

DIRECTV Allegedly Falsely Advertises Its High-Power DBS Equipment and Service, and Allegedly Falsely Disparages ECHOSTAR, to Retailers and Consumers

RESPONSE TO PARAGRAPH NO. 69:

Denied.

RESPONSE TO PARAGRAPH NO. 70:

Denied.

RESPONSE TO PARAGRAPH NO. 71:

Denied.

RESPONSE TO PARAGRAPH NO. 72:

DIRECTV and Hughes deny making any false and/or misleading statements or material omissions. DIRECTV and Hughes admit that DIRECTV placed on its website, beneath a chart entitled "DIRECTV vs. Avg. Digital Cable," a chart entitled "DIRECTV vs. EchoStar," which Plaintiffs retyped in Paragraph 74 of their original complaint (though not verbatim). DIRECTV and Hughes deny all remaining allegations in this paragraph including the allegations contained in subparagraphs (a) and (b).

RESPONSE TO PARAGRAPH NO. 73:

Denied.

RESPONSE TO PARAGRAPH NO. 74:

Denied.

RESPONSE TO PARAGRAPH NO. 75:

Denied.

THE ALLEGED RELEVANT MARKETS

The Alleged High-Power DBS Market

RESPONSE TO PARAGRAPH NO. 76:

Denied.

RESPONSE TO PARAGRAPH NO. 77:

Denied.

RESPONSE TO PARAGRAPH NO. 78

DIRECTV and Hughes admit that DBS equipment commonly consists of dish antennas, receivers, and switches, which are sold through retailers. DIRECTV and Hughes further admit that DBS subscription service consists of television programming, offered in various packages with monthly subscription fees that vary according the package chosen. The allegations in this paragraph regarding licensing agreements purport to describe contracts, and rights that allegedly arise out of such contracts, which speak for themselves; DIRECTV and Hughes deny each and every allegation that is inconsistent therewith. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 79:

Denied.

RESPONSE TO PARAGRAPH NO. 80:

Denied.

RESPONSE TO PARAGRAPH NO. 81:

DIRECTV and Hughes admit that, under current technology and current regulations, there is a finite number of geosynchronous orbital slots assigned or assignable to satellites serving consumers in the United States and that regulatory approval is required to obtain such orbital slots. DIRECTV and Hughes deny the remaining allegations of this paragraph.

RESPONSE TO PARAGRAPH NO. 82:

DIRECTV and Hughes admit that authorizations and permits from the FCC are necessary to construct, launch and operate satellites. DIRECTV and Hughes also admit that the initial capital investments required to put in place a high-power DBS satellite infrastructure could potentially amount to hundreds of millions of dollars. DIRECTV and Hughes admit that it is also necessary to build and maintain an infrastructure on land, to uplink signals to the satellite for rebroadcast to consumers and to maintain the satellite in orbit. DIRECTV and Hughes deny the remaining allegations of this paragraph.

The Alleged HDTV/ High-Power DBS Market

RESPONSE TO PARAGRAPH NO. 83:

Denied.

RESPONSE TO PARAGRAPH NO. 84:

DIRECTV and Hughes admit that HDTV units are sold, among other places, throughout the continental United States. DIRECTV and Hughes deny the remaining allegations of this paragraph.