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United States Senate RECEIVED

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AUG 13 2002

May 28, 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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EchoStar
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8/13/02

Honorable John Ashcroft
Attorney General
Department of Justice
950 Pennsylvania Avenue, NW.
Washington, D.C. 20530

Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Dear Attorney General Ashcroft and Chairman Powell:

As Senators who represent significant rural areas, we are writing today to ask you to consider the impact of the proposed merger of EchoStar (the DISH Network) and Hughes Electronics (DirectTV) on rural consumers.

Currently, EchoStar and Hughes are the only two providers of Direct Broadcast Satellite service (both video and high-speed Internet) in the U.S. market. As you are well aware, millions of consumers in rural America have no access to cable or digital subscriber line services and rely on satellite television both for their multi-channel video programming and broadband internet service. The rural consumers who presently have a choice between two very competitive satellite providers could be subjected to monopolistic practices if the merger is approved.

We believe that enforced consumer safeguards regarding price, service quality and access to vital communication services in rural America need to be established before granting Echostar and Hughes merger approval. We are also concerned that a national pricing plan that permits special promotions and discounts in large cities with multi-channel video competition will only benefit those customers in urban areas while disenfranchising rural consumers who will not benefit from these competitive activities.

While we are glad to see the merger applicants finally recognize the importance of serving all 210 television markets, even this pledge causes concern in light of the applicants' legal efforts to overturn the law requiring carriage of all local channels in a market.

Accordingly, we urge the Department of Justice and Federal Communications Commission to scrutinize this proposed merger to ensure that millions of rural consumers do not suffer the consequences of higher prices, fewer choices and reduced services.

Thank you for your consideration of our views.

Sincerely,
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Max Baucus
Senator Max Baucus

Jim Inhofe
Senator Jim Inhofe

Chuck Grassley

[Signature]

Tom Sunning
Nunell D. Temple

Pat Wellstone

[Signature]

Jeff Bond

E. Benjamin Jelenc

Rou Wyden