

01-348

**EDOLPHUS "ED" TOWNS**  
MEMBER OF CONGRESS  
10TH DISTRICT, NEW YORK

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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-3210**

August 13, 2002

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

*MB  
Princip  
merger  
EchoStar  
3044*

The Honorable Michael Powell  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Dear Chairman Powell:

I am writing to express my support for the proposed merger between EchoStar Communications and Hughes Electronics. I believe that this merger has the potential to improve Americans' lives by increasing competition in the pay-TV market and opening the door to high-speed Internet access to all Americans, even those in the most remote areas of the United States.

The merged company will bring increased competition to the pay-TV market, where cable companies today control almost 80% of American households. Today, because of limited spectrum and satellite resources, both EchoStar's DISH Network and HUGHES' DIRECTV are able to offer local channels to customers in about only 40 of the nation's largest markets. Consumers in the rest of the country are left depending on old-fashioned "rabbit ears" or their cable provider if they want to watch local news and weather. After the merger, the companies have promised that they will provide local channels via satellite to all 210 American television markets, providing all Americans with a true alternative to cable. The companies' promise to continue nationwide pricing will be key, as it will extend the benefits of competition with cable in urban areas to those in rural areas of the country where cable is often prohibitively expensive.

The companies have also assured me that by merging they will have the economics of scale necessary to offer affordable, high-speed Internet service via satellite to all Americans. As you know, millions of Americans live beyond the reach of cable or DSL wires, leaving them without an affordable broadband option. While Internet service via satellite is available today, it is very expensive and the companies simply don't have the customer base necessary to drive the prices down. By merging, the new EchoStar/HUGHES would be able to provide satellite broadband at an affordable price, providing added competition in urban/suburban areas, and providing a first connection to Americans in rural areas where cable and phone companies have decided not to go. Affordable high-speed broadband is a "must-have" for schools and businesses across the country, and this merger promises to provide it.

It is my opinion that the benefits of this merger are clear, and that it makes sense for the American consumer. I ask that this be taken into account as your agency conducts its review.

Thank you for your attention to this matter.

Sincerely,

*Ed Towns*

Ed Towns  
Member of Congress

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- cc: The Honorable Charles E. Schumer  
The Honorable Hillary Rodham Clinton  
New York Congressional Delegation  
The Honorable Eddie Bernice-Johnson, Chairperson, Congressional Black Caucus  
The Honorable Marilyn Murrell, President, National Conference of Black Mayors  
The Honorable Wellington Webb  
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