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From: "Cliff Stokes" <lewiscs@peoplepc.com>
To: <mpowell@fcc.gov>
Date: 8/1/02 7:41PM
Subject: FW: DBS Merger

Mr.. Powell,

In a recent letter to you from Rep Sam Graves of Missouri he indicated that the merger of Hughes and EchoStar would result in leaving most of rural America at the mercy of an unregulated monopoly. What he fails to acknowledge in his letter is that the majority of his state does not have local station availability by any reasonable means, and those that do outside of the St Louis and Kansas City DMAs are at the mercy of an unregulated monopoly for those locals in the form of cable companies. At present most of rural Americas choice is limited to no locals via satellite or no TV at all, after the merger, while they will only one satellite provider to choose from, they will have the following choices; no service, satellite and forgo locals, or satellite with locals. In the case of electing any level of satellite service. their prices today would still be lower than their urban/suburban cousins will pay for the same level of service from the cable companies. I would also point out that both DBS providers have a 24/7 trouble line, while cable might respond to your complaint message sometime between 9-4 local time Monday through Friday.

I myself am originally from a part of Wyoming that must have off air antennas positioned on a rotor to aim the antenna for best reception, or pay extortion to AT&T. This city typically has two or three television sets per household requiring no less than two antennas on rotators to get a decent signal. I say this because one of the stations blasts its signal up and down over a three-channel bandwidth, so an omni-directional antenna will not work. There are only three cities in Wyoming that have television service off air available to them, so two of these cities will provide weather alerts for the entire state. The third city is a PBS affiliate station only. Only one of these cities has more than one channel, and it only has three, and only two of these are clear channels. The rest of the state is totally unserved by local television broadcast and since it is mostly rural is also not served by cable, except in larger population centers. These people, because of the current interpretation of the SHVIA. are not permitted to get distant stations via satellite.

Some who oppose the merger claim that Dish Network and DirecTV could carry all 210 DMAs without merging: this is simply not possible, barring allegation of market price collusion by the two companies. Current technology does not provide for enough compression without digital artifacts to provide coverage of all DMAs while continuing to provide the nationwide programming that all customers want, given the current spectrum that the two providers each hold independent of each other. Post merger, there will be a single standard set, duplication of programming can be eliminated, freeing

spectrum for additional programming including locals and more nationwide programming.

As to the rollout of broadband services, the ILECs have no compulsion to bring DSL to areas that they consider to be rural. In my own neighborhood, the telephone company has no plans to provide DSL and I am within city limits. Some ILECs and others have attempted to bring broadband to rural areas via terrestrial wireless means, but the target consumers are not willing to pay the price demanded, so the ventures are folded. Satellite is the only technology that has the infrastructure in place, and the motivation to deliver broadband to rural America, but they too charge more than the target consumer is willing to pay. The reason for the high costs is lean production of equipment, desire of the companies to recoup R&D, implementation costs, and still show a profit. One must also take into account the requirement for and cost of professional uplink capable earth station equipment for two-way satellite broadband.

A merged DBS provider in the US will gain synergies in Bandwidth utilization, teleport operations, and its own internal network infrastructure.

Satellite is the only promise for true universal service that can be made to rural America without placing another government mandated fee on the already overtaxed, over charged, and underserved citizens of the US. Cable and ILECs will only bring their service to rural America if they get money out of the government coffers and continue to be permitted to charge their customers what ever price they wish, and raise those prices at the drop of a freshly purchased hat, the hat too would be purchased just to drop as an excuse to make each customer pay the full price for the one new hat, every month until the next price hike.

Here is a list of the population centers served by cable in Wyoming: Cheyenne, Casper, Laramie, Thermopolis, Cody, Sheridan, Gillette, Wheatland. That account for 8 of 23 counties. The rest are considered too small to make any money by any MSO.

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