

for concern in this case than there might have been in *AT&T/MediaOne*, where the Commission found no threat to competition. Moreover, in practice, Gemstar has not been the default EPG for the DTH systems in which News Corp. holds an interest – for example, BSkyB uses a different EPG product. Thus, as in *AT&T/MediaOne*, there is no basis for concern over an EPG/MVPD affiliation in this case.

D. Other Issues

Finally, there are no competitive harms arising from the transfer of control over the non-DBS businesses that Hughes controls. News Corp., which will be Hughes' largest shareholder once the transaction is consummated, does not provide the types of services that either PanAmSat or HNS provides. Indeed, in *EchoStar/Hughes*, the Commission concluded with respect to PanAmSat that the transfer of control of PanAmSat to New EchoStar was “unlikely” to “create any harms in the FSS and MVPD markets”:

First, because EchoStar today does not own any FSS satellites, the transaction does not increase the concentration in the FSS market. Second, PanAmSat is already under common control with a DBS provider – DirecTV – and the proposed transaction would not change that situation.¹¹²

This same reasoning applies to the transaction proposed in this case as well. PanAmSat's new ownership structure will neither increase FSS concentration, nor will it raise any prospect of competitive harm in the MVPD market.¹¹³

For similar reasons, the transfer of control of HNS raises no specter of competitive harm. News Corp., which is acquiring the most significant portion of new

¹¹² *EchoStar/Hughes*, 17 FCC Rcd. at 20660.

¹¹³ As discussed in footnote 66, *supra*, any potential effects of the transaction outside the United States are not relevant to the Commission's analysis.

ownership in Hughes, does not directly compete in the same manufacturing or satellite-service sectors as HNS. But the complementary nature of the News Corp.'s satellite and technological expertise, as well as the energy and capital access that News Corp. will bring to bear on the Hughes businesses, will yield only more and enhanced public benefits for the businesses and consumers that HNS serves.

VI. REQUEST FOR WAIVER OF THE APPLICATION CUT-OFF RULES

In connection with the approval of this transaction, the parties respectfully request that the Commission waive the application of its "cut-off" rules with respect to all pending applications filed by Hughes or its subsidiaries (including PanAmSat) for additional space station authorizations, to the extent that those applications have been the subject of an FCC cut-off notice prior to the closing date.¹¹⁴

Section 25.116 of the Commission's rules provides that any pending application will be considered "newly filed" and therefore may lose its place in a processing round if it is modified by a "major amendment" – including an amendment that specifies a substantial change in beneficial ownership or control of the applicant.¹¹⁵ An amendment will not be deemed a major amendment, however, if it reflects a change in ownership or control that the Commission determines is in the public interest and the Commission grants an exemption from the cut-off date.¹¹⁶ The Commission has traditionally granted

¹¹⁴ Attachment H hereto provides a consolidated list of pending applications filed by the Hughes and its subsidiaries.

¹¹⁵ See 47 C.F.R. § 25.116(b).

¹¹⁶ *Id.* at § 25.116(c)(2).

such exemptions where the proposed transaction will serve a legitimate business purpose and will serve the public interest.¹¹⁷

As described throughout this Application, the proposed transaction serves a legitimate business purpose. By adding authorizations to provide DBS service in the U.S. market and telecommunications services around the world to the subscription television platforms in which News Corp. has an interest, the transaction will enhance the combined enterprise's global service capabilities, allowing it to compete more effectively and efficiently with other MVPD service providers. The transaction involves – indeed, it is primarily focused on – operational satellites. Moreover, the applications currently pending are an integral part of Hughes' expansion plans that were announced well before this proposed transaction and are essential to the continued competitiveness of its businesses. Under these circumstances, there can be no question that the transaction serves an independent business purpose and was not entered into for the purpose of acquiring the pending applications.¹¹⁸ For these reasons, the Commission should exempt all currently pending applications filed by Hughes and its subsidiaries from any applicable cut-off rules.

In addition, the parties to this Application may hereafter file additional applications, or have currently pending applications granted, during the Commission's consideration of these applications and the period required for consummation of the transaction following approval (the "Interim Period"). Accordingly, the parties request that the grant of the transfer applications include authority for News Corp. to acquire

¹¹⁷ See, e.g., *GE/SES*, 17 FCC Rcd. at 17597-98; *DirectCom Networks, Inc.*, 16 FCC Rcd. 14287, 14292 (Int'l Bur. 2001).

¹¹⁸ *GE/SES*, 17 FCC Rcd. at 17598; *Loral Space and Comm. and Orion Network Systems*, 13 FCC Rcd. 4592, 4599 (Int'l Bur. 1998).

control over all: (1) authorizations issued to Hughes or any of its subsidiaries during the Interim Period; (2) construction permits held by such companies that mature into licenses during the Interim Period; and (3) applications that are filed after the date of this application and are pending at the time of consummation of the proposed transfer. The grant of such authority would be consistent with prior Commission precedent.¹¹⁹

VII. CONCLUSION

The proposed transaction will enhance the ability of Hughes and its subsidiaries to meet the needs of American consumers, thereby increasing the company's ability to compete effectively with incumbent MVPDs. It will serve the public interest and promote the pro-competitive policies embodied in the Communications Act and the Commission's rules, without creating any public interest harms. For the foregoing reasons, the parties respectfully request that the Commission grant this Application promptly and provide for any other authority that the Commission finds necessary or appropriate to enable the parties to consummate the proposed transaction. The parties also request that the Commission designate this Application as a permit-but-disclose proceeding under 47 C.F.R. § 1.1206.

¹¹⁹ See, e.g., *AOL/Time Warner*, 16 FCC Rcd. at 6678; *AT&T/TCI*, 14 FCC Rcd. at 3234-35. Following closing, Hughes and its subsidiaries will amend all then-pending applications filed by them to reflect the new ownership structure.

Respectfully submitted,

THE NEWS CORPORATION LIMITED

By: /s/ _____
William M. Wiltshire
Scott Blake Harris

HARRIS, WILTSHIRE & GRANNIS LLP
1200 Eighteenth Street, N.W.
Washington, DC 20036
202-730-1300

Counsel for The News Corporation Limited

**GENERAL MOTORS CORPORATION AND
HUGHES ELECTRONICS CORPORATION**

By: /s/ _____
Gary M. Epstein
James H. Barker
John P. Janka

LATHAM & WATKINS LLP
555 11th Street, N.W.
Suite 1000
Washington, DC 20004
202-637-2200

Richard E. Wiley
Lawrence W. Secrest III
Todd M. Stansbury
WILEY REIN & FIELDING
1776 K Street, N.W.
Washington, DC 20006
202-719-7000

*Counsel for General Motors Corporation
and Hughes Electronics Corporation*

Dated: May 2, 2003

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

_____)
Application of)
)
GENERAL MOTORS CORPORATION AND)
HUGHES ELECTRONICS CORPORATION,)
)
 Transferors,)
)
 and)
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THE NEWS CORPORATION LIMITED,)
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 Transferee)
)
 For Authority to Transfer Control)
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RECEIVED

MAY 15 2003

Federal Communications Commission
Office of Secretary

MB Docket No 03-___

**CONSOLIDATED APPLICATION FOR
AUTHORITY TO TRANSFER CONTROL**

ATTACHMENTS—VOLUME I

ATTACHMENTS TO NARRATIVE APPLICATION

ATTACHMENT A

CONSOLIDATED APPLICATION FOR AUTHORITY TO TRANSFER CONTROL *List of FCC Licenses and Authorizations Controlled by Hughes Electronics Corporation*

The following table lists all of the satellite space station authorizations controlled by Hughes Electronics Corporation by licensee, service, and call sign.

SATELLITE SPACE STATION AUTHORIZATIONS			
LICENSEE	SERVICE	CALL SIGN	LOCATION
DIRECTV Enterprises, LLC	DBS	DBS8402 (DIRECTV 1)	110° WL
		S2369 (DIRECTV 1R)	101° WL
		DBS8402 (DIRECTV 2)	101° WL
		DBS8402 (DIRECTV 3)	Storage Orbit*
		S2430 (DIRECTV 4S)	101° WL
		S2417 (DIRECTV 5)	119° WL
		DBS8804 (DIRECTV 6)	119° WL
Hughes Network Systems, Inc.	FSS	S2132 (Spaceway)	101° WL
		S2133 (Spaceway)	99° WL
		S2185 (Spaceway)	49° WL
		S2187 (Spaceway)	101° EL
		S2188 (Spaceway)	111° EL
		S2190 (Spaceway)	25° EL
		S2191 (Spaceway)	103° WL
PanAmSat Licensee Corp.	FSS	S2368 (a/k/a PAS-1R)	45° WL
		PAS-2R	43° WL
		PAS-4	169° EL
		CS91004 (a/k/a PAS-5)	166° EL*
		PAS-6	72° EL
		PAS-8	43.4° WL
		S2359 (a/k/a PAS-8B)	43° WL
		PAS-9	26.15° EL*
		S2229 (a/k/a PAS-21)	68.5° EL**
		S2380 (a/k/a PAS-23)	58° WL
		S2382 (a/k/a PAS-24)	68.5° EL
		S2131 (a/k/a GALAXY I-R(S))	133° WL
		S2128 (a/k/a GALAXY III-R)	74° WL*
		S2381 (a/k/a GALAXY III-C)	95° WL
		S2377 (a/k/a GALAXY IV-R)	99° WL
		GALAXY V	125° WL**
GALAXY VIII(i)	95° WL		

SATELLITE SPACE STATION AUTHORIZATIONS			
LICENSEE	SERVICE	CALL SIGN	LOCATION
		S2146 (a/k/a GALAXY IX)	127° WL
		S2378 (a/k/a GALAXY X-R)	123° WL
		S2253 (a/k/a GALAXY XI)	91° WL
		S2422 (a/k/a GALAXY XII)	74° WL
		KS39 (HGS-5, f/k/a SBS-4)	77° WL***
		SBS-6	74° WL**
USSB II, Inc.	DBS	DBS8107	101° WL
		DBS8107	110° WL

The following table lists all of the satellite earth station authorizations controlled by Hughes Electronics Corporation by licensee, type, class, and call sign.

SATELLITE EARTH STATION AUTHORIZATIONS			
LICENSEE	TYPE	CLASS	CALL SIGN
California Broadcast Center, LLC	Transmit/Receive	Fixed	E010237
			E020091
DIRECTV Enterprises, LLC	Transmit/Receive	Fixed	E010129
			E010130
			E020172
			E930191
			E950349
			E980285
			E980338
			E980340
			E980473
			E990159
	Transmit/Receive	Temporary	E990545
	Transmit Only	Fixed	E930229
			E930304
	Receive Only	Fixed	E950423
E950424			
E980170			
E980341			
DIRECTV Latin America, LLC, Debtor-in-Possession	Transmit/Receive	Fixed	E990232
Hughes Communications Satellite Services, Inc.	Receive Only	Fixed	E960001
			E970079
			E970094

SATELLITE EARTH STATION AUTHORIZATIONS			
LICENSEE	TYPE	CLASS	CALL SIGN
Hughes Network Systems, Inc.	Transmit/Receive	VSAT	E000166*
			E030007
			E880787*
			E880788*
			E880789
			E881110*
			E881111*
			E881112
			E890426
			E890427*
			E890428*
			E890628*
			E890629*
			E890630
			E891001
			E891002
			E900192*
			E900682
			E940455
			E940460
			E950471*
			E950472*
			E950473*
	E970067		
	E990170*		
	Transmit/Receive	Fixed	E020241
			E020242
			E030004
			E030005
			E030006
			E880970
			E881109
			E890627
E900013			
E910612			
E940478			
SES-STA-20021101-01942**			

SATELLITE EARTH STATION AUTHORIZATIONS			
LICENSEE	TYPE	CLASS	CALL SIGN
	Transmit/Receive	Temporary	E861092
			E873438
Hughes Network Systems Limited	Transmit/Receive	Fixed	E000362
			E010187
			E020195
			E020205
			E020206
			E020207
			E020208
PanAmSat Licensee Corp.	Transmit/Receive	Fixed	E000048
			E000049
			E000063
			E000274
			E000363
			E000364
			E000488
			E010019
			E010112
			E010113
			E010131
			E010133
			E020309
			E030012
			E4132
			E7465
			E881286
			E881304
			E890530
			E900089
			E920340
			E920377
			E930088
			E940333
			E940368
			E940532
			E950267
			E950307
			E950502
			E950508

SATELLITE EARTH STATION AUTHORIZATIONS			
LICENSEE	TYPE	CLASS	CALL SIGN
			E970352
			E970391
			E970392
			E980460
			E980467
			E980501
			E980502
			E980503
			E990024
			E990091
			E990092
			E990093
			E990214
			E990223
			E990224
			E990323
			E990334
			E990363
			E990364
			E990365
			E990433
			KA244
			KA245
			KA391
			KA450
			KA71
	Transmit/Receive	Fixed	E2178 ^{***}
			E3943 ^{***}
			E860175 ^{***}
			E900621 ^{***}
			E900757 ^{***}
			KL92 ^{***}
	Transmit/Receive	Temporary	E010118
			E010280
			E990055
	Transmit Only	Fixed	E950067
			E970051
	Receive Only	Fixed	E010334
			E970080

SATELLITE EARTH STATION AUTHORIZATIONS			
LICENSEE	TYPE	CLASS	CALL SIGN
USSB II, Inc.	Transmit Only	Fixed	E930485
	Receive Only	Fixed	E930437

The following table lists all of the terrestrial wireless authorizations controlled by Hughes Electronics Corporation by licensee, service, and call sign.

TERRESTRIAL WIRELESS AUTHORIZATIONS		
LICENSEE	SERVICE	CALL SIGN
DIRECTV, Inc.	IG	WPTZ691
Hughes Electronics Corporation	AC	21AM [†]
	MG	WNEU909
Hughes Network Systems, Inc.	IG	WPVW320

Hughes Electronics Corporation no longer controls any Section 214 authorizations. PanAmSat Carrier Services, Inc. previously held inactive Section 214 authorizations under file numbers ITC-214-19980102-00004/ITC-98-052, I-T-C-93-236, and I-T-C-95-579, and PanAmSat Communications Carrier Services, Inc. previously held authorizations under file numbers I-T-C-85-221 and I-T-C-85-069. However, on April 23, 2003, these entities notified the Commission of discontinuance of service under those authorizations.

* The Commission has granted an STA to operate these stations at modified parameters or orbital locations.

** These stations are operating pursuant to STA.

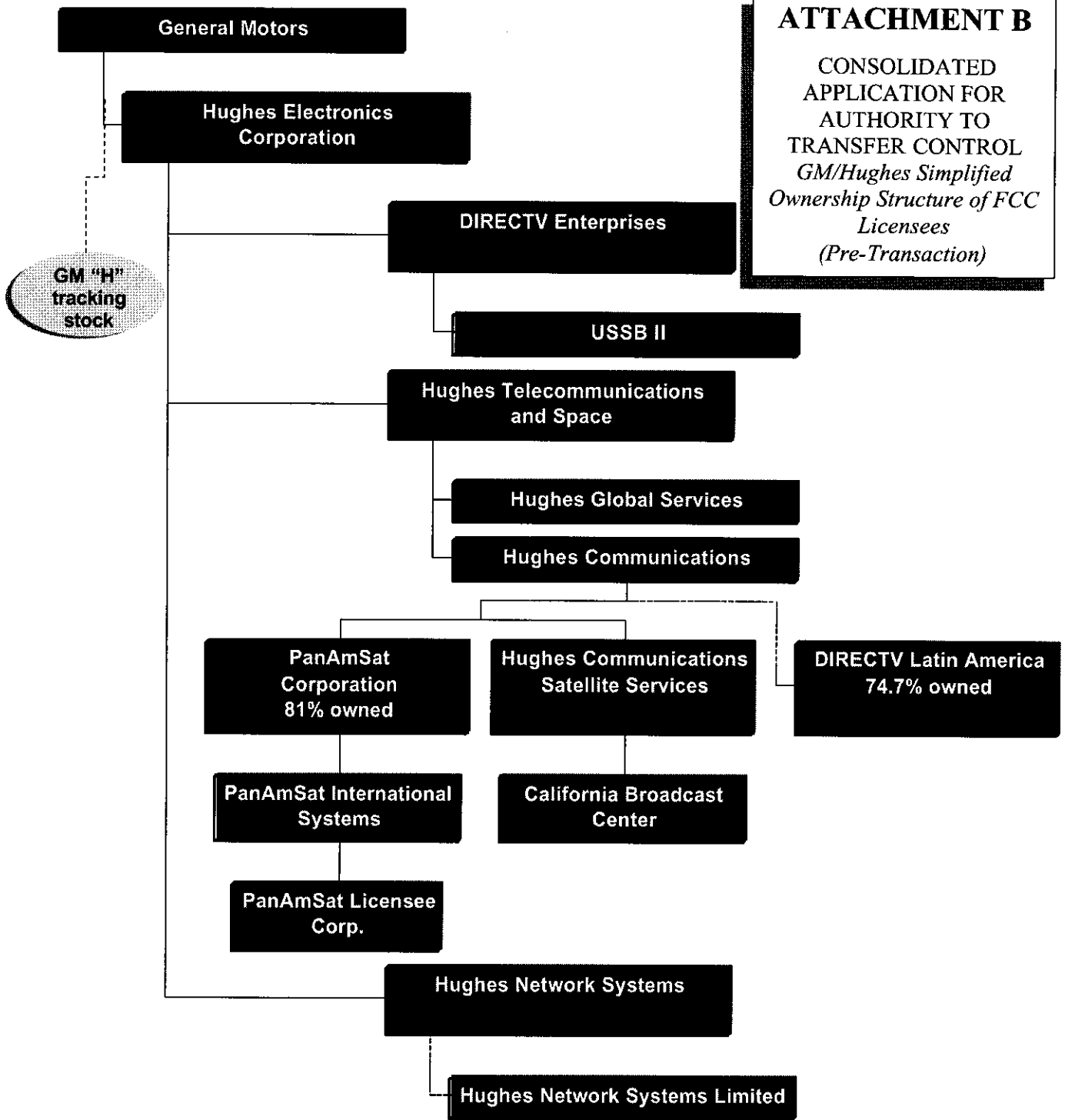
*** Denotes common carrier status. On April 17, 2003, PanAmSat Licensee Corp. filed applications for modification to convert these licenses from common carrier status to non-common carrier status. See IB File Nos. SES-MOD-20030425-00533 through SES-MOD-20030425-00537.

* An application is pending for *pro forma* assignment of this authorization from Hughes Global Services, Inc.

† A new application is being submitted for this call sign because aviation licenses do not transfer.

ATTACHMENT B

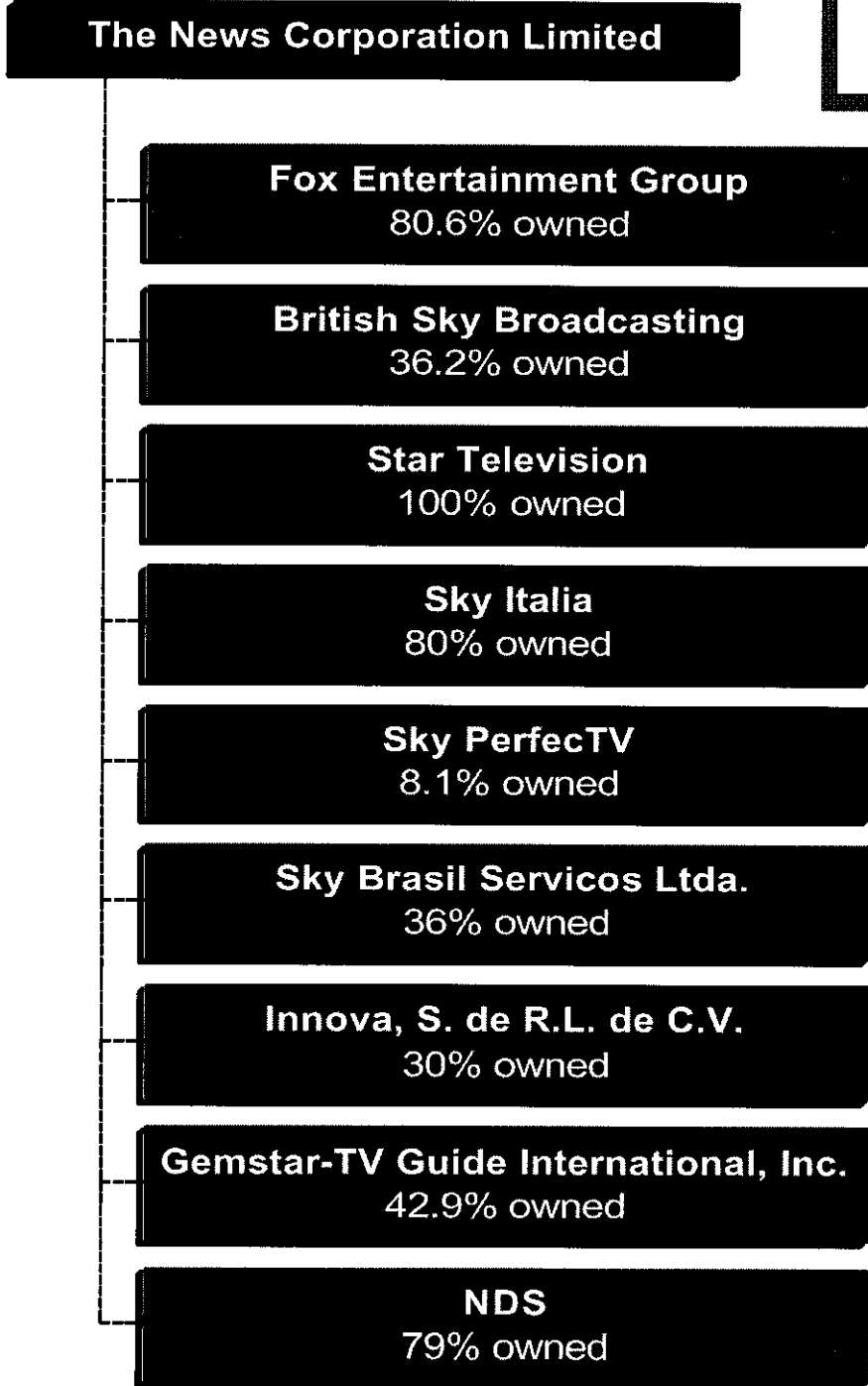
CONSOLIDATED
APPLICATION FOR
AUTHORITY TO
TRANSFER CONTROL
*GM/Hughes Simplified
Ownership Structure of FCC
Licensees
(Pre-Transaction)*



- Blue denotes holders of authorizations for which transfer of control is sought.
- Certain intermediate entities have been omitted

ATTACHMENT C

CONSOLIDATED
APPLICATION FOR
AUTHORITY TO
TRANSFER CONTROL
*The News Corporation
Limited Simplified
Ownership Structure
(Pre-Transaction)*



• Certain intermediate entities have been omitted.

The News Corporation Limited Principal Ownership List

The following table lists the names, address, and citizenship of stockholders owning of record and/or voting 10 percent or more of The News Corporation Limited's stock and the percentages so held.

PRINCIPAL OWNERSHIP OF THE NEWS CORPORATION LIMITED			
OWNERS	ADDRESS	CITIZENSHIP	%
K. Rupert Murdoch	1211 Avenue of the Americas New York, NY 10036	United States	16% equity 30% voting*
Liberty Media Corporation	12300 Liberty Boulevard Englewood, CO 80112	Delaware Corporation	17.6% equity**

* This approximate percentage is calculated based on 2,095,999,003 ordinary shares outstanding on December 31, 2002, and includes ordinary shares owned by (1) Mr. K. Rupert Murdoch, (2) Cruden Investments Pty. Limited, a private Australian investment company owned by Mr. K. Rupert Murdoch, members of his family and various corporations and trusts, the beneficiaries of which include Mr. K. Rupert Murdoch, members of his family and certain charities, and (3) corporations which are controlled by trustees of settlements and trusts set up for the benefit of the Murdoch family, certain charities and other persons. In addition, Mr. K. Rupert Murdoch, Cruden Investments Pty. Limited and such other entities beneficially own 220,076,801 preferred ordinary shares.

** Liberty Media Corporation holds only non-voting shares of The News Corporation Limited. Upon consummation of the proposed transaction, Liberty's ownership interest in the News Corporation Limited will be no more than 17.1%.

The News Corporation Limited Officers and Board of Directors*

Directors:

K. Rupert Murdoch: Chairman
Geoffrey C. Bible
Chase Carey
Peter Chernin
Kenneth E. Cowley
David F. DeVoe
Roderick Eddington
Aatos Erkko
Andrew S. B. Knight
Graham Kraehe
James Murdoch
Lachlan K. Murdoch
Thomas J. Perkins
Stanley Shuman
Arthur M. Siskind

Officers:

K. Rupert Murdoch: Chief Executive
Peter Chernin: President & Chief Operating Officer
David F. DeVoe: Senior Executive Vice President and Chief Financial Officer
James Murdoch: Executive Vice President
Lachlan K. Murdoch: Deputy Chief Operating Officer
Arthur M. Siskind: Senior Executive Vice President and Group General Counsel

Company Secretaries:

Keith Brodie
Robert Moon
Laura O'Leary

* All of the Directors and Officers listed herein can be contacted at the following address: The News Corporation Limited, 1211 Avenue of the Americas, New York, NY 10036-8799.

Fox Entertainment Group, Inc. Officers and Board of Directors*

Directors:

K. Rupert Murdoch
Peter Chernin
Lachlan K. Murdoch
Christos Cotsakos
David F. DeVoe
Thomas W. Jones
Arthur M. Siskind
Peter J. Powers

Officers:

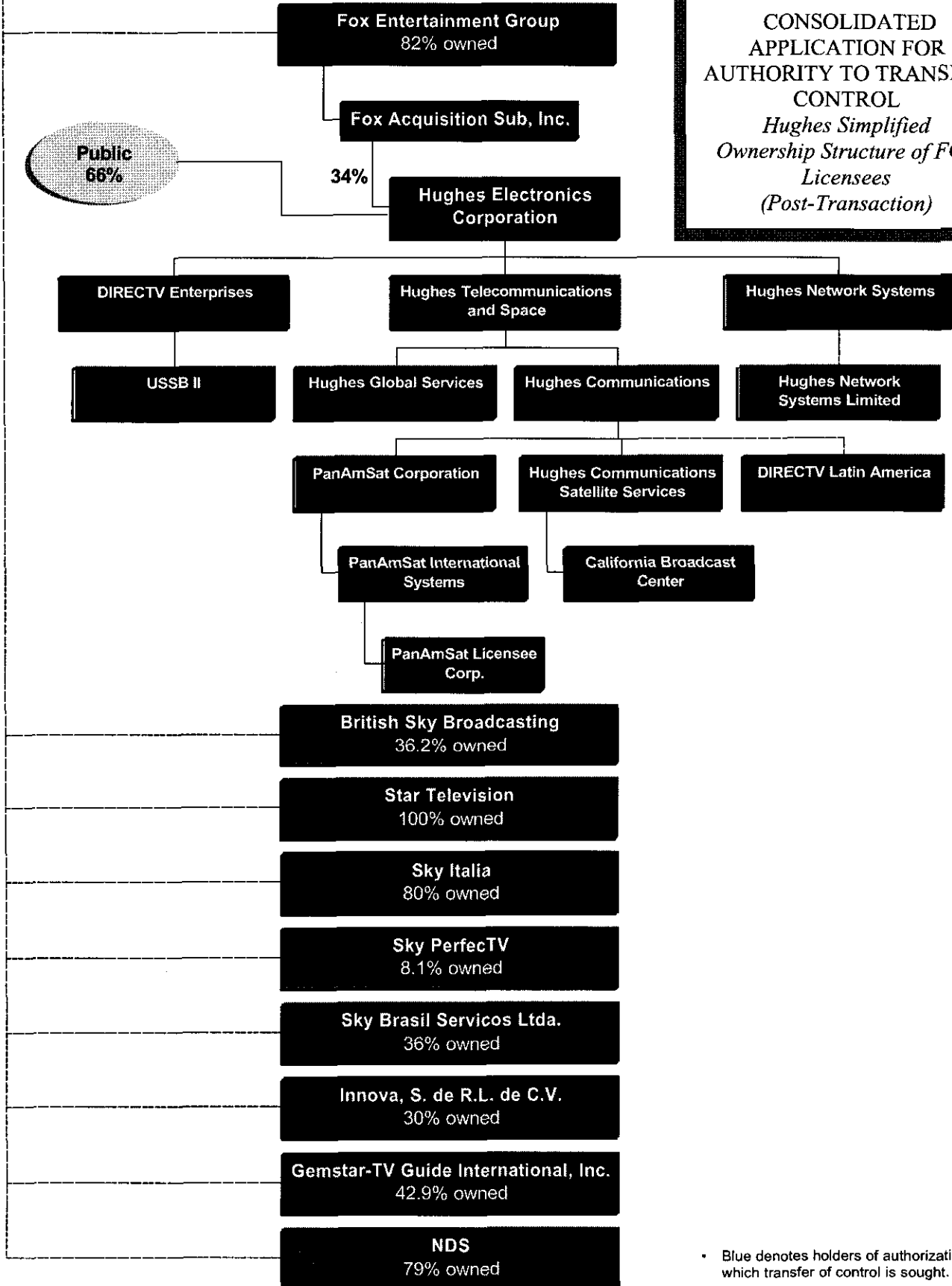
K. Rupert Murdoch: Chairman and Chief Executive Officer
Peter Chernin: President and Chief Operating Officer
David F. DeVoe: Senior Executive Vice President, Chief Financial Officer
Arthur M. Siskind: Senior Executive Vice President, General Counsel
Mitchell Stern: Executive Vice President
David Hill: Executive Vice President
David DeVoe Jr.: Executive Vice President and Deputy Chief Financial Officer
Jan Constantine: Senior Vice President
Lawrence A. Jacobs: Senior Vice President and Secretary
Greg Gelfan: Senior Vice President
Gary Ginsberg: Senior Vice President
Paul Haggerty: Senior Vice President
John Nallen: Senior Vice President
Ellen Agress: Senior Vice President
Bonnie Bogin: Vice President, Assistant Secretary
Laura Cook: Vice President
Robert P. Gannon: Vice President, Controller, Assistant Secretary
Peter Giacalone: Vice President, Finance
Randy Kender: Vice President, Assistant Secretary
Paula Wardysnki: Vice President, Treasurer and Assistant Secretary
Janet Nova: Vice President, Assistant Secretary
Raymond Parrish: Vice President
Gary Roberts: Vice President, Assistant Secretary
Rita Tuzon: Vice President, Assistant Secretary
Rodney Parnter: Assistant Controller
Laura O'Leary: Assistant Secretary

* All of the Directors and Officers listed herein can be contacted at the following address: The News Corporation Limited, 1211 Avenue of the Americas, New York, NY 10036-8799.

The News Corporation Limited

ATTACHMENT D

CONSOLIDATED
APPLICATION FOR
AUTHORITY TO TRANSFER
CONTROL
*Hughes Simplified
Ownership Structure of FCC
Licensees
(Post-Transaction)*



- Blue denotes holders of authorizations for which transfer of control is sought.
- Certain intermediate entities have been omitted

Hughes Electronics Corporation Principal Ownership List (Post Transaction)

The following table lists the names, address, and citizenship of stockholders that will own of record and/or vote 10 percent or more of Hughes Electronics Corporation's stock and the percentages they will hold after the proposed transaction is consummated.

PRINCIPAL OWNERSHIP OF HUGHES ELECTRONICS CORPORATION			
OWNERS	ADDRESS	CITIZENSHIP	%
Fox Entertainment Group, Inc.	1211 Avenue of the Americas New York, NY 10036	United States	34% equity and voting*
United States Trust Company of New York, as trustee	114 West 47th Street New York, NY 10036	New York	19.7% voting**

* The News Corporation Limited will indirectly own 82% of Fox Entertainment Group, Inc. The remaining 18% will be publicly held. For ownership of The News Corporation Limited, see Attachment C.

** There are three separate trusts established under certain General Motors Corporation employee benefit plans that currently own GMH shares. Upon consummation of the proposed exchange of GMH shares for Hughes Electronics Corporation common shares, and the subsequent merger of Hughes Electronics (all as described more fully in the narrative) those trusts instead will hold the following approximate percentages of the issued and outstanding Hughes Electronics Corporation common shares: (i) The General Motors Special Hourly Employees Pension Trust---10.2%; (ii) The General Motors Special Salaried Employees Pension Trust--5.8%; and (iii) The Sub-Trust of the General Motors Welfare Benefit Trust--3.7%. The United States Trust Company of New York serves as the independent trustee under each of these trusts, and will have the right to vote the Hughes shares to be held by each trust. Subject to its fiduciary duties as trustee, US Trust will have sole discretion in exercising those voting rights.

Hughes Electronics Corporation Board Officers and Board of Directors*

Directors:

K. Rupert Murdoch
Chase Carey
Eddy Hartenstein
Peter Chernin
Dave Devoe
John Thornton**
Charles Lee**
Neal Austrian**
Peter Lund**
Jim Cornelius**
To be determined**

Officers:

K. Rupert Murdoch: Chairman
Chase Carey: Chief Executive Officer
Eddy Hartenstein: Vice Chairman

* All of the Directors and Officers listed herein can be contacted at the following address: Hughes Electronics Corporation, 200 N. Sepulveda Blvd., P.O. Box 956, El Segundo, CA 90245.

** These are independent directors.

ATTACHMENT E

CONSOLIDATED APPLICATION FOR AUTHORITY TO TRANSFER CONTROL
Declaration of Peter Giacalone

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

_____)
Application of)
)
GENERAL MOTORS CORPORATION AND)
HUGHES ELECTRONICS CORPORATION,)
)
Transferors,)
)
and)
)
THE NEWS CORPORATION LIMITED,)
)
Transferee,)
)
For Authority to Transfer Control)
_____)

DECLARATION OF PETER GIACALONE

1. My name is Peter Giacalone. I am the Vice President, Finance of The News Corporation Limited (“News Corp.” or the “Company”). I have been in this position for the past six years and participate in the financial operations of the Company, including merger and acquisition related activity, and the financial analysis of News Corp.’s direct-to-home satellite broadcast operations (“DTH”) affiliates, such as British Sky Broadcasting Group plc (“BSkyB”) in the U.K., Sky Italia S.r.l. (“Sky Italia”) in Italy, Sky Brasil Servicos Ltda in Brazil and Innova, S. de R.L. de C.V. in Mexico, as well as smaller DTH operations in Colombia, Chile, Australia and New Zealand. In addition, I regularly review the financial performance of Gemstar-TV Guide International, Inc. and NDS Group plc, two other News Corp. affiliates involved in the

business of, among other things, electronic programming guides and conditional access technologies, respectively. In connection with these responsibilities, I evaluate for News Corp., among other things, the financial aspects of investments and acquisitions and the potential these investments and acquisitions have to generate synergies and efficiencies. In addition, when News Corp. management determines that the Company should pursue a potential investment or transaction, I am typically the person responsible for conducting the business/financial due diligence of the target.

2. Since approximately October 2002, I have been directly involved in evaluating the U.S. DTH industry and, since January 2003, in estimating the synergies and efficiencies that will result from the announced transaction (the "Transaction") among General Motors Corporation ("GM"), Hughes Electronics Corporation ("Hughes"), and News Corp.

SUMMARY OF SYNERGIES AND EFFICIENCIES ANALYSIS

3. The purpose of this declaration is to describe the major categories of synergies and efficiencies that my staff and I identified in the course of evaluating the Transaction. These benefits will stem from a number of sources and include the following: (A) increased operating efficiencies; (B) increased customer satisfaction; and (C) new product development and launch.

4. In our analysis, my staff and I relied upon a number of sources of data, including (a) publicly available data concerning Hughes and its subsidiaries; (b) information concerning Hughes and its subsidiaries obtained in the course of due diligence; (c) publicly available and internal performance information concerning News Corp.'s DTH affiliates; and (d) publicly available data concerning DIRECTV's

multichannel video programming distribution (“MVPD”) competitors, including EchoStar Communications Corporation (“EchoStar”). We also relied upon our experience in evaluating synergies and efficiencies resulting from prior News Corp. investments in DTH. We will continue to refine our analysis of the synergies and efficiencies as we continue with our planning process.

5. Some of the matters discussed in this declaration were developed for a presentation to the board of directors of News Corp. that occurred on April 9, 2003. In addition, other items that were not included in that presentation are described below.

6. Based on my experience in evaluating prior acquisitions, the information that I obtained in connection with this transaction, my familiarity with News Corp.’s experiences with other satellite DTH systems, discussions with members of News Corp.’s DTH engineering department and certain assumptions described below, I have concluded that the Transaction should facilitate and accelerate the launch and continued roll-out of a number of innovative programming options at DIRECTV, including interactive television (“ITV”) applications, utilization of digital video recorders (“DVRs”), high definition television (“HDTV”) programming, and the economical development and introduction of state-of-the-art set-top boxes (“STBs”), including STB configurations (such as wireless) that will make multi-set operations in the home easier to use and more economical. The Transaction should also result in improved customer service as we implement “best practices” in the critical areas of call center/subscriber management, billing and customer retention activities. The combination of these factors should result in a more compelling video product with new features and functionalities, which we expect to enhance the

subscriber's viewing experience and satisfaction level and increase competition in the MVPD marketplace.

7. In addition, based on the sources cited above, we estimate that, within three years, the Transaction should result in synergies and efficiencies worth approximately \$610 million to \$765 million per year in cost savings and increased operating earnings, with attendant benefits to consumers of a more cost-efficient competitor in the MVPD market. Significantly, the largest components of these benefits arise as a direct result of the increased subscriber appeal of more innovative products and services, coupled with a better customer relationship that DIRECTV will be able to achieve under the new ownership structure.

8. We note that the projections and estimates summarized in paragraphs 6 and 7 and discussed below are necessarily based on incomplete data and are inherently inexact. Moreover, in the course of calculating potential synergies and efficiencies, it was necessary to rely upon the accuracy of data supplied to us and to make certain simplifying assumptions and estimates, which inevitably inject a level of uncertainty into the analysis. Within these constraints, we attempted to calculate synergies and efficiencies likely to result from the Transaction as reasonably as possible. With access to more or better data, we may modify some of our value estimates for particular categories of synergies and efficiencies. We may also identify additional sources of cost savings and efficiencies – in fact, we anticipate that we will identify such items after the Transaction is consummated.