

DISCUSSION

A. Increased Operating Efficiencies (\$65 Million to \$135 Million Annually)

9. Because the Transaction is not a horizontal merger of two MVPD competitors in the U.S. market, it will not result in the kind of operating efficiencies that traditionally arise in such a situation – *i.e.*, eliminating duplicative functions in merging two operations into one. Nonetheless, the Transaction should lead to increased operating efficiencies as News Corp. will bring its experience and expertise in working with other DTH operators and apply a “best practices” process to DIRECTV.

10. In assessing the potential magnitude of these savings, we have relied primarily upon publicly available information regarding DIRECTV’s MVPD competitors in the United States and News Corp.’s experience with its affiliated DTH platforms in other countries. Based on these considerations, we believe that News Corp. will be able to improve DIRECTV’s cost structure even further once the transaction is consummated, Hughes separates from GM, and News Corp. acquires significant ownership of Hughes.

11. For example, we believe that DIRECTV may have the opportunity to lower its customer service costs by scaling back its reliance on third-party customer service centers rather than performing that function in-house. DIRECTV currently has 10 customer service centers, all but one of which is outsourced. News Corp.’s experience with in-house customer service centers throughout its affiliated DTH platforms shows that in-house customer service centers can be managed to deliver higher subscriber satisfaction at a lower cost when compared with third-party customer service centers. We estimate that making this change could save Hughes approximately \$40 million to \$80 million annually. I am aware that DIRECTV recently announced cost saving initiatives

designed to reduce customer service costs, but I believe that additional cost reductions will be realized by bringing more DIRECTV customer service activity in-house and by applying News Corp.'s "best practices." Accordingly, of the \$40 million to \$80 million in savings discussed above, I have assumed that half would be achieved by DIRECTV before the transaction is consummated and half – *i.e.*, \$20 million to \$40 million – would be achieved based on expertise that News Corp. applies post-consummation.

12. Similarly, we believe that News Corp. will be able to help Hughes lower its general and administrative expenses to a point where Hughes would save approximately \$40 million to \$80 million per year. Another area that can be improved is the expense for satellite and other transmission facilities and services. Hughes should be able to capture some efficiencies by sharing facilities and personnel with News Corp. subsidiaries, as in the case of the sharing of national distribution facilities discussed below. By drawing on News Corp.'s experience with other DTH systems and rationalizing operational areas that overlap with News Corp.'s subsidiaries, we estimate that Hughes could save \$7 million to \$15 million annually.

13. Moreover, while the Transaction will not consolidate two U.S.-based MVPD companies into one, the parties will be able to capture some efficiencies by streamlining overlapping functions performed by both DIRECTV and News Corp.'s U.S. subsidiaries, such as Fox Television Stations and Fox Cable Networks. For example, it appears likely that one of the national distribution centers operated by Fox Cable Networks could be combined with one of the national distribution centers operated by DIRECTV. Since all of these facilities cost in the aggregate upwards of \$200 million per year to operate, decreasing the number of facilities will result in substantial savings.

Nonetheless, because the magnitude of these savings for DIRECTV will depend upon a number of factors, including negotiations between the companies over the allocation of operating costs, I have not included any component of these savings in my estimate of overall cost savings.

14. In total, I believe that the savings associated with lowering Hughes' overhead costs and increasing operating efficiencies will have an operating impact of approximately \$65 million to \$135 million a year after one to three years. Certain efficiencies will take somewhat longer to realize than others and the value of these increased operating efficiencies should increase from the first year after the Transaction through the end of the third year.

**B. The Benefits of Customer Satisfaction
(\$450 to \$525 Million Annually)**

15. A number of the items discussed herein will enhance the consumer's video entertainment experience and overall level of satisfaction with the DIRECTV service. Simply put, the more compelling the video product, the more likely it is to attract a new subscriber and the less likely an existing subscriber is to discontinue the service. Thus, increasing customer satisfaction through innovation will have the twin benefits of driving incremental subscriber growth while reducing subscriber "churn," as discussed below.

16. Innovation has a proven ability to attract subscribers to an MVPD platform. DIRECTV itself is evidence of this phenomenon, as at the time it launched the first all-digital MVPD service in the United States, offering many more channels of programming than its terrestrial competitors, its STBs were the fastest selling consumer electronics product ever. More recently, the use of DBS spot beam satellites to provide local stations in local markets has increased DBS penetration in those markets. BSkyB

had a similar experience in 1999 when it transitioned from analog to digital DTH technology and acquired 1.2 million gross subscribers in just 10 months. We anticipate that the previously discussed innovations that News Corp. will be able to help introduce, accelerate or enhance at DIRECTV will make its video service significantly more attractive to consumers.

17. By offering the public an increasingly compelling product, DIRECTV will increase its incremental growth in new subscribers. We estimate that advancements in ITV, DVR, and HDTV technology offered by DIRECTV after the Transaction, coupled with improved customer service practices, will enable DIRECTV to realize incremental growth of approximately 750,000 to 1,000,000 additional subscribers by 2006. Moreover, increased innovation and improved customer service will result in satisfied existing customers that are less likely to terminate their subscriptions and “churn” to another MVPD’s service. Recently, DIRECTV’s annual churn rate has run at approximately 18%. By comparison, BSkyB’s annual churn rate has generally been between 9.5% and 10%, and currently is approximately 9.4%. A decrease in an MVPD’s churn rate translates to an increase in operating earnings as more subscribers contribute to the revenue of the business. In DIRECTV’s case, for every 1% reduction in churn, the company will increase its earnings by \$33 million per year. This additional revenue will be available to finance continued research and development to improve the DIRECTV service still further. We anticipate that, by using the expertise News Corp. has gained through its affiliated DTH platforms to improve customer service and satisfaction with the DIRECTV service, annual subscriber churn at DIRECTV can be lowered by 2% to 3% by 2006. Specifically, we estimate that DIRECTV’s churn can be decreased by 1%

in 2004, 2% in 2005, and 3% in 2006, preventing the loss of a total of 600,000 subscribers by 2006. The increase in operating earnings from these two effects of increased customer satisfaction total approximately \$450 million to \$525 million per year by 2006.

**C. Development of Innovative Products and Services
(\$90 Million to \$100 Million Annually)**

18. The Transaction should enhance Hughes' capabilities for developing, marketing and introducing innovative products and services to consumers in at least two important respects. First, Hughes will be able to draw upon the experience and expertise of News Corp. and its affiliated DTH platforms. Second, it will also benefit from economies of scale as one of News Corp.'s DTH affiliates.

19. For example, News Corp. has gained significant experience with ITV services through BSkyB. These offerings combine traditional video programming with interactive functionalities, such as the ability to engage in banking and advanced home shopping, or to choose from among multiple camera angles during the broadcast of sporting events, or to choose among multiple segments being broadcast simultaneously on a news channel. A robust ITV offering requires three elements. First, customers must be aware of and excited about the capabilities of the system. Second, vendors must be aware of the ways in which their products and services can be offered over an ITV system and the advantages of doing so. Third, the ITV platform must enter into agreements with vendors, market their services to subscribers, and create back-office systems to clear the resulting transactions. BSkyB has over three years of experience in these areas, and currently provides access to ITV to over six million subscribers, a majority of whom have used these enhanced capabilities.

20. After the Transaction is consummated, Hughes will be able to take advantage of the expertise and operational experience with ITV that News Corp. has gained through BSkyB in order to develop and market its own ITV offering. This new capability will increase the appeal of DIRECTV's service and the investment of the customer in the satellite television experience, and thereby increase the customer's satisfaction and tenure with the service. Moreover, assuming that half of the current DIRECTV subscriber base uses these ITV offerings (approximately 5.7 million subscribers), and further assuming that these ITV offerings result in an increase of \$10 to \$15 per subscriber per year, DIRECTV's revenue should increase by \$57 million to \$86 million annually after a two to three year ramping-up period. Assuming a 50% profit sharing arrangement with its partners in providing ITV services, this translates to an increase in operating earnings of approximately \$29 million to \$43 million. Neither Hughes nor its current corporate parent, General Motors, offers a level of expertise and experience comparable to News Corp. in establishing, marketing, and operating the extensive range of ITV products and services that will significantly increase customer satisfaction and the appeal of DIRECTV's service.

21. The Transaction will also enable Hughes to benefit where possible from economies of scale as part of News Corp.'s global family of DTH affiliates. Scale is significant in this context both because it offers many opportunities for spreading the costs of research and development of technology as well as the costs of content development across a larger subscriber base, and because of volume discounts in the production of STBs, subscriber management technologies, electronic programming guides and conditional access systems. In particular, News Corp.'s practice of placing

equipment orders with a high level of technical specificity will ensure the maximum amount of commonality across STBs. These advantages will enhance the ability of News Corp. and Hughes to play a leading role in developing, refining, and disseminating the technological standards for new services. Such innovations will provide consumers with more capabilities and options with which to enhance their viewing experience.

Moreover, Hughes will also benefit from News Corp.'s vast experience in marketing on a worldwide basis, which will promote a more accelerated, efficient and effective deployment of these new technologies.

22. As a result of the factors described above, we estimate that there will be cost savings of at least \$10 on each additional STB shipped within two years. Since payments from DIRECTV to retailers could therefore be lowered, this savings will directly reduce DIRECTV's subscriber acquisition costs. DIRECTV had over 2.8 million gross subscriber additions in 2002, with an average of approximately 1.8 STBs per subscriber. In addition, subscribers continue to purchase additional and upgraded STBs for use in their homes. In 2002, over six million DIRECTV STBs were sold to new and current subscribers. Assuming a similar number of gross sales annually going forward – a conservative assumption given our expectation for increased subscriber growth – the synergies and cost savings achievable through the Transaction would reduce subscriber acquisition costs by approximately \$60 million per year within two years.

23. In light of the foregoing analysis, I estimate that by developing these new products and capabilities and achieving economies of scale, DIRECTV should realize cost savings of approximately \$60 million and increased operating earnings of approximately between \$29 million and \$43 million per year, for a total of approximately

\$90 million to \$100 million per year which can be used to fund further innovation. This estimate depends, of course, upon the actual performance of various new products and capabilities in the marketplace, as well as broader economic trends.

I, Peter Giacalone, declare under penalty of perjury that the foregoing declaration is true and correct.

Executed on May 2, 2003

/s/ Peter Giacalone
Peter Giacalone

ATTACHMENT F

CONSOLIDATED APPLICATION FOR AUTHORITY TO TRANSFER CONTROL *News Corporation National and Regional Programming Interests*

Fox Cable Networks*

National Programming Networks

Fox News Channel

FX

National Geographic Channel (66 2/3%; remaining 33 1/3% National Geographic Society)**

Speed Channel

Fox Movie Channel

Fox Sports World

Fox Sports en Espanol (37.8%; remaining 62% Liberty Media (10.6%) and Hicks Muse (51.6%))

Fox Sports Digital Networks

TV Guide Channel (42.9% indirectly owned through Gemstar, which owns 100%)

TV Games Network (42.9% indirectly owned through Gemstar, which owns 100%)

Regional Sports Programming Networks

Fox Sports Net Arizona

Fox Sports Net Bay Area (40%; remaining 60% Rainbow)***

Fox Sports Net Chicago (40%; remaining 60% Rainbow)***

Fox Sports Net Detroit

Fox Sports Net Florida (40%; remaining 60% Rainbow)***

Fox Sports Net Midwest

Fox Sports Net New England (20%; remaining 80%: 50% Comcast, 30% Rainbow)***

Fox Sports Net New York (40%; remaining 60% Rainbow)***

Fox Sports Net North

Fox Sports Net Northwest

Fox Sports Net Ohio (40%; remaining 60% Rainbow)***

Fox Sports Net Pittsburgh

Fox Sports Net Rocky Mountain

Fox Sports Net South (88%; remaining 12% Scripps-Howard)

Fox Sport Net Southwest

Fox Sports West

Fox Sports West 2

Madison Square Garden Network (40%; remaining 60% Rainbow)***

Sunshine Network (93.7%; remaining 6.3% Adelphia and Cox)

Regional Programming Networks

MSG Metro Guide (40%; remaining 60% Rainbow)^{***}

MSG Metro Learning (40%; remaining 60% Rainbow)^{***}

MSG Traffic and Weather (40%; remaining 60% Rainbow)^{***}

* Unless otherwise noted, each programming service is 100% owned by Fox Cable Networks.

** National Geographic Channel is jointly managed by Fox and the National Geographic Society.

*** Fox does not manage these networks.

ATTACHMENT G

CONSOLIDATED APPLICATION FOR AUTHORITY TO TRANSFER CONTROL *Program Access Commitments*

News Corp. and DIRECTV will be bound by the FCC's program access rules (otherwise applicable to vertically-integrated satellite cable programming services) regardless of whether News Corp., DIRECTV or any of their program services is deemed to be a vertically integrated satellite cable programming vendor under such rules.

In addition, News Corp. and DIRECTV will make the following commitments, above and beyond those contained in the FCC's program access rules.

- News Corp. will not offer any of its existing or future national and regional programming services on an exclusive basis to any MVPD and will continue to make such services available to all MVPDs on a non-exclusive basis and non-discriminatory terms and conditions.
- Neither News Corp. nor DIRECTV will discriminate against unaffiliated programming services in the selection, price, terms or conditions of carriage.
- DIRECTV will not enter into an exclusive distribution arrangement with any Affiliated Program Rights Holder. "Affiliated Program Rights Holder" includes (i) a program rights holder in which News Corp. or DIRECTV holds a non-controlling "Attributable Interest" (as determined by the FCC's program access attribution rules); and (ii) a program rights holder in which an entity holding an non-controlling Attributable Interest in News Corp. or DIRECTV holds an Attributable Interest, provided that News Corp. or DIRECTV has actual knowledge of such entity's Attributable Interest in such program rights holder.
- Liberty Media owns approximately 18% of the non-voting equity of News Corp. Liberty Media currently is considered a vertically integrated programmer under the FCC's program access rules and, as such, is restricted in its ability to enter into exclusive or discriminatory agreements with respect to satellite-delivered cable programming services in which it has an Attributable Interest. In the event Liberty Media is no longer deemed a vertically integrated programmer (including by reason of the sale of its Puerto Rican cable interests) and so long as Liberty Media holds an Attributable Interest in News Corp., DIRECTV will deal with Liberty Media with respect to programming services it controls as if it continued as a vertically integrated programmer subject to the program access rules.
- DIRECTV may continue to compete for programming that is lawfully offered on an exclusive basis by an unaffiliated program rights holder (e.g., NFL Sunday Ticket).
- Neither News Corp. nor DIRECTV (including any entity over which either exercises control) shall unduly or improperly influence: (i) the decision of any Affiliated

Program Rights Holder to sell programming to an unaffiliated MVPD; or (ii) the prices, terms and conditions of sale of programming by any Affiliated Program Rights Holder to an unaffiliated MVPD.

These commitments will apply to News Corp. and DIRECTV for the later of (1) as long as the FCC deems News Corp. to have an Attributable Interest in DIRECTV and the FCC's program access rules are in effect (provided that if the program access rules are modified these commitments shall be modified to conform to any revised rules adopted by the FCC) or (2) if these commitments are embodied in a consent decree or other appropriate order issued by or agreement with the DOJ, FTC or FCC, for the term specified by such consent decree, order or agreement.

ATTACHMENT H

CONSOLIDATED APPLICATION FOR AUTHORITY TO TRANSFER CONTROL *List of Pending Hughes FCC Applications*

The following table lists all of Hughes' pending satellite space station applications by licensee, file number, call sign, and description.

PENDING SATELLITE SPACE STATION APPLICATIONS			
LICENSEE	FILE NUMBER	CALL SIGN	DESCRIPTION
DIRECTV Enterprises, Inc.	SAT-LOA-19970605-00049/50/51	S2242 S2243 S2244	Application for authority to construct, launch and operate an expansion system of direct broadcast satellites in the 17/24 GHz bands
	SAT-MOD-20030205-00032	DBS8402	Application for modification of DIRECTV 3 authorization to reflect relocation of satellite into storage orbit
Horizons Satellite LLC	SAT-PDR-20030210-00015	N/A	Petition for declaratory ruling to add Horizons I to the Permitted Space Station List
Hughes Global Services, Inc.	Unknown – Application filed 04/28/2003	KS39 (SBS-4)	Application for authority for pro forma assignment to PanAmSat Licensee Corp.
	Unknown – Application filed 04/28/2003		Application for STA to extend existing authority (SAT-STA-20021024-0002341)
Hughes Network Systems, Inc.	SAT-LOA-19970924-00087/88/89/90/91/92/93/94/95/96	S2247 S2259 S2260 S2261	Application for authority to launch and operate a GSO system in the V- and Ku-bands
	SAT-AMD-20020722-00136/37/38/39/40/41/42/43/44/45	S2262 S2263 S2264 S2265 S2266 S2267	

PENDING SATELLITE SPACE STATION APPLICATIONS			
LICENSEE	FILE NUMBER	CALL SIGN	DESCRIPTION
	SAT-LOA-19970925-00119/120/121/122	S2287 22288 S2289	Application for authority to launch and operate a GSO system in the V- and Ku-bands
	SAT-AMD-20020722-00131/32/33/34	S2290	
	SAT-LOA-19970926-00126; SAT-LOA-19970926-00140/41	S2296 S2297 S2298	Application for authority to launch and operate a GSO/NGSO FSS/MSS system in the V-band
	SAT-AMD-20020722-00127/28/29		
	SAT-LOA-19971222-00210	S2337	Application for authority to launch and operate an NGSO system in the Ka-band
	SAT-AMD-20020722-00125		
	SAT-MOD-20011221-00135	S2133	Application for minor modification of technical parameters
	SAT-AMD-20020722-00130		
	SAT-MOD-20011221-00136	S2132	Application for minor modification of technical parameters
	SAT-AMD-20020722-00124		
	SAT-MOD-20021018-00191	S2188	Application for minor modification of technical parameters
	SAT-MOD-20021018-00192	S2187	Application for minor modification of technical parameters
	SAT-MOD-20021023-00193	S2190	Application for minor modification of technical parameters
	SAT-MOD-20021023-00194	S2185	Application for minor modification of technical parameters
	SAT-MOD-20030401-00060	S2191	Application for minor modification of technical parameters

PENDING SATELLITE SPACE STATION APPLICATIONS			
LICENSEE	FILE NUMBER	CALL SIGN	DESCRIPTION
	SAT-MOD-20030401-00059	S2185	Application for orbital reassignment from 49° WL to 30° EL
PanAmSat Corporation	174-181-SAT-P/LA-95; 34-SAT-AMEND-96	N/A	Application for authority to launch and operate a BSS system in the Ku-band at 11 orbital locations, 49° WL, 67° WL, 164° EL, 54° E.L., 101° EL, 132° EL, 149° EL, 173° EL, 36° EL, 40° EL, and 48° EL
	SAT-LOA-19970926-00129/30/31/32/33/34/35/36/37/38/39	S2300 S2301 S2302 S2303 S2304 S2305 S2306 S2307 S2308 S2309 S2310	Application for authority to launch and operate a GSO system in the V-band
PanAmSat Licensee Corp.	SAT-LOA-19991207-00117	S2385	Application for authority to launch and operate a C/Ku-band satellite at 125° WL to replace Galaxy V
	SAT-AMD-20021029-00198		
	SAT-LOA-19991207-00118	S2386	Application for authority to launch and operate a C-band satellite at 127° WL to replace Galaxy IX
	SAT-AMD-20030228-00020		
	SAT-LOA-19991207-00119	S2387	Application for authority to launch and operate a C/Ku-band satellite at 133° WL to replace Galaxy I-R
	SAT-AMD-20021029-00199		
SAT-LOA-20000929-00137	S2423	Application for authority to launch and operate a Ku-band satellite at 74° WL to replace SBS-6	
SAT-AMD-20021029-00200			

PENDING SATELLITE SPACE STATION APPLICATIONS			
LICENSEE	FILE NUMBER	CALL SIGN	DESCRIPTION
	SAT-MOD-20001003-00133 SAT-AMD-20021029-00202	SBS-6	Application for modification of SBS-6 authorization to extend license for 5 years or until replacement is in operation
	SAT-STA-20001003-00141	SBS-6	Application for STA to operate SBS-6 for 180 days
	SAT-LOA-19960419-00059 SAT-AMD-19971119-00188	S2237	Application for authority to launch and operate a Ku-band satellite at 91° WL
	SAT-LOA-19951012-00165 SAT-AMD-19960202-00016; SAT-AMD-19960411-00054; SAT-AMD-19971119-00185	S2214	Application for authority to launch and operate a C/Ku-band satellite at 93° WL
	SAT-LOA-19951012-00166 SAT-AMD-19960411-00053; SAT-AMD-19971119-00186; SAT-AMD-19990323-00032	S2213	Application for authority to launch and operate a C-band satellite at 83° WL
	SAT-MOD-19980928-00078 SAT-AMD-19990222-00024; SAT-AMD-20020326-00055	CS91004	Application for modification of PAS-5 authorization to reflect certain technical changes
	SAT-MOD-20020425-00070	GALAXY V	Application for modification of Galaxy V authorization to extend license for 5 years
	SAT-STA-20020425-00069	GALAXY V	Application for STA to operate Galaxy V for up to 180 days

PENDING SATELLITE SPACE STATION APPLICATIONS			
LICENSEE	FILE NUMBER	CALL SIGN	DESCRIPTION
	SAT-STA-20030324-00038	GALAXY III-R	Application for STA to extend C band operation of Galaxy III-R at 74° WL
	SAT-LOA-199660202-00017 SAT-AMD-19960411-00055; SAT-AMD-19971119-00187; SAT-AMD-19991217-00129	S2229	Application to operate PAS-21 at 68.5° EL
	SAT-MOD-19970814-00073	PAS-9	Application for modification of PAS-9 authorization to provide domestic service using two spot beams
	SAT-MOD-20021226-00240	PAS-9	Application for modification of PAS-9 authorization to operate in the C-band at 26.15° EL
	SAT-STA-19990609-00065	PAS-8	Application for STA to locate PAS-8 at 43.4° WL and operate the TT&C payload at that location
	SAT-STA-20001115-00162	S2229	Application for STA to extend existing authority (SAT-STA-19990315-00028) to operate PAS-21 at 68.5° WL
	SAT-STA-20020705-00097	CS91004	Application for STA to extend existing authority (SAT-STA-2002040400046) for PAS-5 to operate a downlink beam in Napa, CA

The following table lists all of Hughes' pending satellite earth station applications by licensee, file number, call sign, and description.

PENDING SATELLITE EARTH STATION APPLICATIONS			
LICENSEE	FILE NUMBER	CALL SIGN	DESCRIPTION
California Broadcast Center, LLC	SES-MOD-20030318-00351	E020091	Application for modification of earth station authorization
Hughes Network Systems, Inc.	SES-LIC-20021211-02201 SES-AMD-20030203-00154	E030008	Application for VSAT network using the 20/30 GHz band
	SES-MOD-20030409-00485	E000166	Application for modification of earth station authorization
PanAmSat Licensee Corp.	SES-MOD-20011017-01924 SES-AMD-20020531-00870; SES-AMD-20020624-00998; SES-AMD-20021115-02002	E010133	Application for modification to add the Galaxy III(C), Galaxy XI, and Galaxy VIII(i)(R) satellites as points of communication and to reduce EIRP level associated with one Ku-band carrier
	SES-LIC-20030113-00042	E030020	Application for fixed, transmit/receive earth station to operate in the Ku-band
	SES-LIC-20030403-00422	E030072	Application for fixed, transmit/receive earth station to operate in the Ku-band
	SES-LIC-20030403-00423	E030073	Application for fixed, transmit/receive earth station to operate in the C-band
	SES-MOD-20030425-00532	E3943	Application for modification to convert to non-common carrier status
	SES-MOD-20030425-00533	E900757	Application for modification to convert to non-common carrier status

PENDING SATELLITE EARTH STATION APPLICATIONS			
LICENSEE	FILE NUMBER	CALL SIGN	DESCRIPTION
	SES-MOD-20030425-00534	E900621	Application for modification to convert to non-common carrier status
	SES-MOD-20030425-00535	KL92	Application for modification to convert to non-common carrier status
	SES-MOD-20030425-00536	E860175	Application for modification to convert to non-common carrier status
	SES-MOD-20030425-00537	E2178	Application for modification to convert to non-common carrier status

The following table lists all of Hughes' pending terrestrial wireless applications by licensee, file number, call sign, and description.

PENDING TERRESTRIAL WIRELESS APPLICATIONS			
LICENSEE	FILE NUMBER	CALL SIGN	DESCRIPTION
Hughes Electronics Corporation	Unknown	21AM	This call sign is currently licensed to Hughes Electronics Corporation. However, a new application is being submitted for this call sign because aviation licenses do not transfer.
Hughes Network Systems, Inc.	ULS No. 0001284076	Unknown	Application for authority to operate a private land mobile radio

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

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MAY 15 2003

Federal Communications Commission
Office of the Secretary

Application of)

**GENERAL MOTORS CORPORATION AND
HUGHES ELECTRONICS CORPORATION,**)

Transferors,)

and)

THE NEWS CORPORATION LIMITED,)

Transferee)

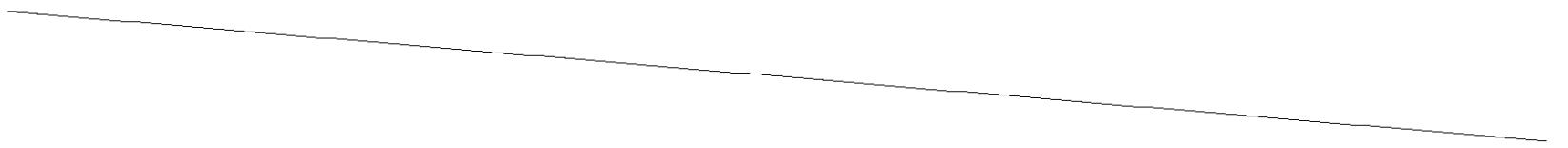
For Authority to Transfer Control)

MB Docket No 03-___

**CONSOLIDATED APPLICATION FOR
AUTHORITY TO TRANSFER CONTROL**

ATTACHMENTS—VOLUME II

TRANSACTIONAL DOCUMENTS



A

SEPARATION AGREEMENT

by and between

GENERAL MOTORS CORPORATION

and

HUGHES ELECTRONICS CORPORATION

Dated as of April 9, 2003

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EXHIBITS

- Exhibit A-1 Amended and Restated Agreement for the Allocation of United States Income Taxes
- Exhibit A-2 Agreement for the Allocation of United States Income Taxes, effective as of December 29, 1985, by and among General Motors Corporation, Hughes Electronics Corporation (formerly GM Hughes Electronics Corporation), HE Holdings, Inc. (formerly Hughes Aircraft Company), and Delco Electronics Corporation, as amended
- Exhibit A-3 Tax Sharing Agreement, dated as of December 17, 1997, by and among General Motors Corporation, Hughes Electronics Corporation and HE Holdings, Inc. (subsequently renamed Raytheon Company), as amended
- Exhibit B Form of Special Employee Items Agreement
- Exhibit C Intellectual Property Agreement, effective as of September 25, 2001, by and among General Motors Corporation and Hughes Electronics Corporation