



October 28, 2003

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *In the Matter of General Motors Corporation, Hughes Electronics Corporation, And The News Corporation Limited Application To Transfer Control Of FCC Authorizations And Licenses Held By Hughes Electronics Corporation To The News Corporation Limited, MB*
Docket No. 03-124
Ex Parte Communication

Dear Ms. Dortch:

On October 28, 2003, Gene Kimmelman, Chris Murray and Kenneth DeGraff of Consumers Union (CU) met with Barbara Esbin, Tracy Waldon, Marcia Glauber, Erin Dozier, Priya Shrinivason, and Thomas Horan of the Media Bureau, Donald Stockdale and Simon Wilkie of the Office of Strategic Planning, Neil Dellar, Joel Rabinovitz, and Jim Bird of the Office of the General Counsel and JoAnn Lucanik and Marilyn Simon of the International Bureau to explain the need for changes in the DirecTV/News Corp merger.

In particular, the parties discussed that the DirecTV/News Corp is likely to create upward pressure on cable television rates, because of the increased leverage that a nationwide satellite system (combined with Must Carry and Retransmission Consent guarantees for News Corp. broadcast properties) will generate for the combined entity. Though this merger is unique, it shares commonalities with the Time Warner-Turner merger of 1996. In that instance, the Commission established a cable programming price index mechanism to evaluate whether the merging companies were raising programming prices at a more accelerated pace than their historic pattern. A similar mechanism here would help ensure that the alleged efficiencies of this transaction will not merely accrue to the merged entities in the form of bloated market power, resulting in bulging cable bills for consumers.

The parties also discussed the substance from the July 1 comments by Consumers Union, Consumer Federation of America, Center for Digital Democracy and Media Access Project, and the September 23 reply-to comments by Consumers Union that explained in detail how the transaction will likely increase MVPD rates.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Kimmelman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gene Kimmelman, Senior Director of Advocacy and Public Policy
Consumers Union