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December 12, 2003

ELECTRONICALLY FILED

Ms. Marlene H. Dortch
Secretary, Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20024
USA

Re: Consolidated Application General Motors Corporation and Hughes Electronics Corporation (“Hughes”), Transferors, and The News Corporation Limited, Transferee, For Authority to Transfer Control, MB Docket No. 03-124

Dear Ms. Dortch:

Tectelcom Técnica em Telecomunicações Ltda. (“Tecsat”), a Brazilian company, with registered offices in São José dos Campos, São Paulo, Brazil, by its attorneys, hereby respectfully submits its Comments in the above captioned proceeding of The News Corporation Limited (“News Corp”), General Motors Corporation (“GM”) and Hughes Electronics Corporation (“Hughes”), a subsidiary of GM to transfer control of their satellite, earth station and other related authorizations to News Corp.

Tecsat understands that the proposed merger between News Corp and DirecTV raises substantial competition concerns about the impact the transaction will have not only in the North American hemisphere but also in other geographical locations as well. Tecsat would like to bring to the attention of the Commission that the proposed merger will give News Corp. *de facto* control over Hughes and its subsidiaries, including DirecTV. Moreover, the merger **will create conditions for a quase monopoly** in Brazil where News Corp. provides direct-to-home (“DTH”) satellite subscription services in the Pay TV market in competition with DirecTV.

Tecsat is the third largest provider of DTH services in Brazil with a market share of approximately 5%. Tecsat competes in the DTH market with two other major competitors,

Sky Brasil Serviços Limitada (“Sky”), a subsidiary of NewsCorp., with a market share of approximately 57% and, Galaxy Brasil Ltda. (“Galaxy”), operated by DirecTV, with a 38% market share in the DTH market.

Therefore, we call the Commission’s attention to the fact that in the Brazilian DTH market, News Corp and DirecTV are horizontal competitors.

Due to the geographical dimensions of Brazil, a country larger than continental United States, of the existing 5,500 municipalities, only 495 are serviced by cable operators or Multichannel Multipoint Distribution Service (“MMDS”) providers. The remaining 5,000 municipalities are serviced solely by the three DTH providers, Tecsate, Sky and Galaxy.

Consequently, as a result of the proposed merger, News Corp will acquire approximately 94.84% of the DTH market in Brazil and, more importantly, quasi monopoly power in more than 5,000 municipalities that are not serviced by cable operators or MMDS technology providers!

It is also important to point out that Tecsate has been severely affected by exclusivity agreements implemented in Brazil in the past by Sky and DirecTV. As a result of these restrictive agreements, Tecsate has been prevented from distributing relevant programming and has had its share in the Pay TV market greatly reduced to approximately 1,7%. **The *de facto* control to be exercised by News Corp. over Hughes and its subsidiaries will allow these two competitors in Brazil to act in concert to further prejudice Tecsate in the DTH market by restricting access to programs.**

It is our opinion that the proposed merger will have adverse effects on competition in the DTH segment in Brazil and in the Pay TV market as a whole - which is already highly concentrated. In this regard Tecsate and other relevant parties are taking measures before the Brazilian anti-trust authorities to block the negative effects of the merger in the Brazilian market.

Tecsate urges the Commission to take these factors into consideration when ruling on the matter and places itself at the complete disposal of the Commission to provide any further clarification or information that might be deemed necessary in this regard.

Respectfully yours,

John F. McNaughton
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Ltda. - Tecsate*