

# Appendix D

## List of 31 DMAs Where Neither DIRECTV Or EchoStar Provide Satellite LIL Service

DMA Name	DIRECTV March 2007 Residential Active Subscribers	DIRECTV SD LIL Launch Date	EchoStar SD LIL Launch Date
Hattiesburg-Laurel MS	██████████	--	--
Columbus GA	██████████	--	--
Bluefield-Beckley WV WV	██████████	--	--
Biloxi-Gulfport MS	██████████	--	--
Salisbury MD	██████████	--	--
Yuma AZ	██████████	--	--
Binghamton NY	██████████	--	--
Wheeling WV-Steubenville OH	██████████	--	--
Alexandria LA	██████████	--	--
Lake Charles LA	██████████	--	--
Marquette MI	██████████	--	--
Watertown NY	██████████	--	--
Elmira NY	██████████	--	--
Utica NY	██████████	--	--
Greenwood-Greenville MS	██████████	--	--
Jonesboro AR	██████████	--	--
Jackson TN	██████████	--	--
Bowling Green KY	██████████	--	--
St Joseph MO	██████████	--	--
Eureka CA	██████████	--	--
Parkersburg WV	██████████	--	--
Ottumwa IA-Kirksville MO	██████████	--	--
Bend OR	██████████	--	--
Presque Isle ME	██████████	--	--
Helena MT	██████████	--	--
Lafayette IN	██████████	--	--
Lima OH	██████████	--	--
Victoria TX	██████████	--	--
Alpena MI	██████████	--	--
North Platte NE	██████████	--	--
Glendive MT	██████	--	--

## **Appendix E:**

List of 52 DMAs Where EchoStar Launched Satellite LIL  
Service at least 6 Months Before DIRECTV

## Appendix E

### List of 52 DMAs Where EchoStar Launched Satellite LIL Service at Least 6 Months Before DIRECTV

DMA Name	DIRECTV March 2007 Residential Active Subscribers	DIRECTV SD LIL Launch Date	EchoStar SD LIL Launch Date
Albuquerque-Santa Fe NM	████████	6/4/2004	11/16/2000
Mobile AL-Pensacola FL	████████	6/10/2004	11/20/2003
Charleston-Huntington WV	████████	6/24/2004	12/18/2003
Fresno-Visalia CA	████████	6/24/2004	9/26/2002
Little Rock-Pine Bluff AR	████████	6/10/2004	7/2/2003
Tucson AZ	████████	6/18/2003	7/31/2002
Des Moines-Ames IA	████████	6/13/2003	11/21/2002
Paducah KY-Cape Girardeau MO	████████	6/17/2004	4/30/2003
Harrisburg-Lancaster PA	████████	6/10/2004	9/26/2002
Tulsa OK	████████	6/10/2004	7/31/2002
Lexington KY	████████	6/4/2004	2/20/2003
Fort Myers-Naples FL	████████	6/10/2004	3/6/2003
Springfield MO	████████	10/26/2004	11/13/2003
Spokane WA	████████	6/4/2004	12/12/2002
Dayton OH	████████	6/4/2004	12/3/2003
Tyler-Longview TX	████████	6/17/2004	3/6/2003
Burlington VT-Plattsburgh NY	████████	11/2/2004	7/24/2002
Albany-Schenectady-Troy NY	████████	6/4/2004	11/6/2003
Chattanooga TN	████████	10/26/2004	11/25/2003
Tri-Cities TN-VA	████████	10/12/2004	2/19/2004
Boise ID	████████	10/19/2004	11/13/2003
Madison WI	████████	6/10/2004	11/6/2003
Evansville IN	████████	10/26/2004	12/11/2003
Waco-Temple-Bryan TX	████████	11/2/2004	9/19/2002
Traverse City-Cadillac MI	████████	11/9/2004	2/5/2004
Champaign-Springfield-Decatur IL	████████	10/12/2004	12/17/2003
Reno NV	████████	6/4/2004	9/18/2002
Augusta GA	████████	3/16/2005	6/17/2004
Florence-Myrtle Beach SC	████████	9/29/2005	7/8/2004
Omaha NE	████████	6/4/2004	1/16/2003
Wichita-Hutchinson KS	████████	6/10/2004	11/20/2003
Tallahassee FL	████████	6/17/2004	5/29/2003
Davenport IA-Rock Island IL-Moline IL	████████	11/11/2004	2/26/2004
Macon GA	████████	4/6/2005	7/15/2004
Fort Wayne IN	████████	10/19/2004	2/12/2004
Cedar Rapids-Waterloo IA	████████	10/26/2004	1/30/2003
Chico-Redding CA	████████	6/17/2004	2/6/2003
Monterey-Salinas CA	████████	6/4/2004	2/20/2003
Yakima-Pasco-Richland WA	████████	6/24/2004	10/9/2003
Fort Smith AR	████████	11/2/2004	12/11/2003
Lincoln-Hastings NE	████████	10/19/2004	4/1/2004
Santa Barbara-San Luis Obispo CA	████████	6/10/2004	11/6/2003
Lansing MI	████████	6/24/2004	12/17/2003
Columbia-Jefferson City MO	████████	11/2/2004	4/13/2004

## Appendix E

### List of 52 DMAs Where EchoStar Launched Satellite LIL Service at Least 6 Months Before DIRECTV

<b>DMA Name</b>	<b>DIRECTV March 2007 Residential Active Subscribers</b>	<b>DIRECTV SD LIL Launch Date</b>	<b>EchoStar SD LIL Launch Date</b>
Bakersfield CA	██████████	6/10/2004	12/5/2003
Johnstown-Altoona PA	██████████	10/12/2004	1/29/2004
Eugene OR	██████████	6/10/2004	10/2/2003
Sioux Falls SD	██████████	11/11/2004	4/11/2003
La Crosse-Eau Claire WI	██████████	5/25/2005	4/29/2004
Rockford IL	██████████	12/28/2005	5/20/2004
Honolulu HI	██████████	1/8/2005	6/28/2002
Anchorage AK	██████████	1/8/2005	8/26/2003

## **Appendix F:**

List of 12 DMAs Where DIRECTV Launched Satellite LIL  
Service at least 6 Months Before EchoStar

## Appendix F

### List of 12 DMAs Where DIRECTV Launched Satellite LIL Service at least 6 Months Before EchoStar

<b>DMA Name</b>	<b>DIRECTV March 2007 Residential Active Subscribers</b>	<b>DIRECTV SD LIL Launch Date</b>	<b>EchoStar SD LIL Launch Date</b>
Richmond-Petersburg VA	117911	1/16/2003	11/6/2003
Columbus-Tupelo-West Point MS	58076	7/2/2003	5/6/2004
Green Bay-Appleton WI	57033	5/21/2003	2/26/2004
Lafayette LA	50084	6/4/2004	6/14/2006
Baton Rouge LA	45792	6/4/2004	6/14/2006
Wilmington NC	31174	6/17/2004	--
Corpus Christi TX	28184	6/24/2004	6/14/2006
Springfield-Holyoke MA	26722	6/24/2004	1/0/1900
Rochester MN-Mason City IA-Austin MN	15347	12/28/2005	9/21/2006
Zanesville OH	5096	1/8/2005	--
Mankato MN	4452	3/22/2006	--
Juneau AK	3339	1/8/2005	7/27/2005

Note: Data reflects DMAs where DIRECTV has Provided LIL Service for at least 1 Year.

## **Appendix G-1:**

**DIRECTV Gross Additions Regression Results**

# Appendix G-1

## DIRECTV Gross Additions Regression Results

Variable	Coefficient	Standard Error	T-Statistic
<b>Dependent Variable</b>			
DIRECTV Monthly Gross Additions as a percent of DIRECTV Subscribers			
<b>Independent Variables</b>			
DTV in ES out BUMP	██████████	██████████	██████████
DTV in ES out	██████████	██████████	██████████
DTV in ES in BUMP	██████████	██████████	██████████
DTV in ES in	██████████	██████████	██████████
ES in DTV in	██████████	██████████	██████████
ES in DTV out	██████████	██████████	██████████
Unconditional Mean of Dependent Variable	██████████		
R-Squared	██████████		
Observations	██████████		
Cross-sectional units: DMAs	██████████		
Time-series units: Months	██████████		

Note: Gross Additions does not include Reconnects.

## **Appendix G-2:**

DIRECTV Disconnects Regression Results

## Appendix G-2

### DIRECTV Disconnects Regression Results

Variable	Coefficient	Standard Error	T-Statistic
<b>Dependent Variable</b>			
DIRECTV Monthly Disconnects as a percent of DIRECTV Subscribers			
<b>Independent Variables</b>			
DTV in ES out BUMP	██████████	██████████	██████████
DTV in ES out	██████████	██████████	██████████
DTV in ES in BUMP	██████████	██████████	██████████
DTV in ES in	██████████	██████████	██████████
ES in DTV in	██████████	██████████	██████████
ES in DTV out	██████████	██████████	██████████
<hr/>			
Unconditional Mean of Dependent Variable	██████████		
R-Squared	██████████		
Observations	██████████		
Cross-sectional units: DMAs	██████████		
Time-series units: Months	██████████		

## **Appendix H:**

### Summary of Methodology and Results of Regression Model

# Appendix H

## Summary of Methodology and Results of Regression Model

### Assume EchoStar Does Not Offer Satellite LIL in any Additional DMAs

		29 DMAs in Which EchoStar Offers Satellite LIL	31 DMAs in Which EchoStar Does Not Offer Satellite LIL
<b>Market Impact</b>	<b>Gross Adds</b>	Extend historical 12-month average gross add rate in DMA	Extend historical 12-month average gross add rate in DMA
	<b>Disconnects</b>	Extend historical 12-month average disconnect rate in DMA	Extend historical 12-month average disconnect rate in DMA
<b>DTV Does Not Provide LIL in Remaining 60 DMAs</b>	<b>Gross Adds</b>	Adjust historical 12-month average gross add rate by coefficients on <i>DTVinESin</i> and <i>DTVinESinBUMP</i> from Gross Adds regression	Adjust historical 12-month average gross adds by coefficients on <i>DTVinESout</i> and <i>DTVinESoutBUMP</i> from Gross Adds regression
	<b>Disconnects</b>	Adjust historical 12-month average disconnect rate by coefficients on <i>DTVinESin</i> and <i>DTVinESinBUMP</i> * from Disconnects regression	Adjust historical 12-month average disconnect rate by coefficients on <i>DTVinESout</i> and <i>DTVinESoutBUMP</i> * from Disconnects regression

Regression variables marked with an asterisk (\*) are not statistically significant and are not applied to model.

## Appendix H

### Notes

ds: <i>DTVinESin</i>	Coefficient from Gross Adds regression (Appendix D) on the dummy variable that takes a value of one (1) in the first and all subsequent months when DIRECTV offers local-into-local via satellite by the first day of the first month, and EchoStar does offer local-into-local by the first day of the first month, and takes a value of zero (0) otherwise.
ds: <i>DTVinESinBUMP</i>	Coefficient from Gross Adds regression (Appendix D) on the dummy variable that takes a value of one (1) in the first and subsequent 11 months when DIRECTV offers local-into-local via satellite by the first day of the first month, and EchoStar does offer local-into-local by the first day of the first month, and takes a value of zero (0) otherwise.
ds: <i>DTVinESout</i>	Coefficient from Gross Adds regression (Appendix D) on the dummy variable that takes a value of one (1) in the first and all subsequent months when DIRECTV offers local-into-local via satellite by the first day of the first month, and EchoStar does not offer local-into-local by the first day of the first month, and takes a value of zero (0) otherwise.
ds: <i>DTVinESoutBUMP</i>	Coefficient from Gross Adds regression (Appendix D) on the dummy variable that takes a value of one (1) in the first and subsequent 11 months when DIRECTV offers local-into-local via satellite by the first day of the first month, and EchoStar does not offer local-into-local by the first day of the first month, and takes a value of zero (0) otherwise.
cts: <i>DTVinESin</i>	Coefficient from Disconnects regression (Appendix E) on the dummy variable that takes a value of one (1) in the first and all subsequent months when DIRECTV offers local-into-local via satellite by the first day of the first month, and EchoStar does offer local-into-local by the first day of the first month, and takes a value of zero (0) otherwise.
cts: <i>DTVinESout</i>	Coefficient from Disconnects regression (Appendix E) on the dummy variable that takes a value of one (1) in the first and all subsequent months when DIRECTV offers local-into-local via satellite by the first day of the first month, and EchoStar does not offer local-into-local by the first day of the first month, and takes a value of zero (0) otherwise.
cts: <i>DTVinESinBUMP*</i>	Coefficient from Disconnects regression (Appendix E) on the dummy variable that takes a value of one (1) in the first and subsequent 11 months when DIRECTV offers local-into-local via satellite by the first day of the first month, and EchoStar does offer local-into-local by the first day of the first month, and takes a value of zero (0) otherwise.
cts: <i>DTVinESoutBUMP*</i>	Coefficient from Disconnects regression (Appendix E) on the dummy variable that takes a value of one (1) in the first and subsequent 11 months when DIRECTV offers local-into-local via satellite by the first day of the first month, and EchoStar does not offer local-into-local by the first day of the first month, and takes a value of zero (0) otherwise.

## **Appendix I:**

Percentage of Existing DIRECTV Customers  
Signing up for LIL Service

## Appendix I

### Percentage of Existing DIRECTV Customers Signing up for LIL Service

DMA #	DMA Name	Percent of Existing Subscribers Signing up for LIL	Percent of New Subscribers Signing up for LIL
716	Baton Rouge LA	████████	████████
686	Mobile AL-Pensacola FL	████████	████████
600	Corpus Christi TX	████████	████████
642	Lafayette LA	████████	████████
571	Fort Myers-Naples FL	████████	████████
811	Reno NV	████████	████████
800	Bakersfield CA	████████	████████
828	Monterey-Salinas CA	████████	████████
866	Fresno-Visalia CA	████████	████████
693	Little Rock-Pine Bluff AR	████████	████████
709	Tyler-Longview TX	████████	████████
765	El Paso TX	████████	████████
790	Albuquerque-Santa Fe NM	████████	████████
550	Wilmington NC	████████	████████
564	Charleston-Huntington WV	████████	████████
507	Savannah GA	████████	████████
881	Spokane WA	████████	████████
541	Lexington KY	████████	████████
855	Santa Barbara-San Luis Obispo CA	████████	████████
632	Paducah KY-Cape Girardeau MO	████████	████████
543	Springfield-Holyoke MA	████████	████████
801	Eugene OR	████████	████████
500	Portland-Auburn ME	████████	████████
530	Tallahassee FL	████████	████████
542	Dayton OH	████████	████████
636	Harlingen-Brownsville TX	████████	████████
868	Chico-Redding CA	████████	████████
813	Medford-Klamath Falls OR	████████	████████
810	Yakima-Pasco-Richland WA	████████	████████
671	Tulsa OK	████████	████████
724	Fargo-Valley City ND	████████	████████
605	Topeka KS	████████	████████
513	Flint-Saginaw-Bay City MI	████████	████████
652	Omaha NE	████████	████████
669	Madison WI	████████	████████
538	Rochester NY	████████	████████
532	Albany-Schenectady-Troy NY	████████	████████
676	Duluth MN-Superior WI	████████	████████
678	Wichita-Hutchinson KS	████████	████████
588	South Bend-Elkhart IN	████████	████████
551	Lansing MI	████████	████████
<b>Overall Percent of Customers (Weighted Average)</b>		<b>65.15%</b>	<b>95.19%</b>

Note: Reflects data as of May 31, 2006 for customers who signed up for LIL within 2 years of the service being offered. "Existing Subscribers" had DIRECTV service before DIRECTV launched satellite LIL. "New Subscribers" signed up for DIRECTV service after DIRECTV launched satellite LIL.

## **Appendix J:**

Subscriber Acquisition Costs – Ka vs. Ku

## Appendix J

### Subscriber Acquisition Costs Ka vs Ku

	Yr 2-3	Yr 4-6	Ka	Ku	Incr/(Decr)	Yr 2-3 % Cust	Yr 4-6 % Cust	Yr 2-3 Incr Sac	Yr 4-6 Incr Sac
<b>Difference between Ka and non-Ka installs</b>									
Effective rate for multi-switch			█	█	█	█	█	█	█
Effective rate for ODU			█	█	█	█	█	█	█
Effective rate for Install			█	█	█	█	█	█	█
<hr/> <b>Ku Only</b>									
Set-top box	█	█				█	█	█	█
DVR	█	█				█	█	█	█
(HR21)	█	█				█	█	█	█
DVR (HR21)	█	█				█	█	█	█
Set-top Box Costs (SAC)						█	█	█	█
<hr/> <b>Ka Only</b>									
Set-top box						█	█	█	█
DVR						█	█	█	█
(HR21)	█	█				█	█	█	█
DVR (HR21)	█	█				█	█	█	█
Set-top Box Costs (SAC)						█	█	█	█
Incremental SAC Ka								█	█
Incremental SAC Ku								█	█
<b>Incremental SAC Ka vs Ku</b>								█	█
								(\$309.92)	(\$240.00)

Set-top Box Pricing includes Access card, Middleware and DVR royalties.



## **Appendix K:**

### Local Collection Facility Costs

## Appendix K

### Local Collection Facility Costs

(\$k) Type of Cost	Total	Allocated Per Site	Cost Per/Channel
<b>Fixed Costs:</b>			
Contract Labor	█	█	
Internal Labor	█	█	
Travel	█		
<b>Total Labor/Travel</b>	█	█	
<b>Integration:</b>			
CRBC/CRDF	█	█	
NEUF/NEDF	█	█	
NWUF/NWDF	█	█	
<b>Total Integration</b>	█	█	
<b>Backhaul Network</b>	█	█	
<b>ABMS</b>			
LCF	█	█	
Primary RUF	█		
Diverse RUF	█		
<b>Total ABMS</b>	█	█	
<b>Digital Systems: Fixed Components</b>	█	█	
<b>LCF's - Fixed Components</b>	█	█	
<b>Fixed Costs Sub-Total</b>	█	█	
█	█	█	
<b>Total Fixed Costs</b>	█	█	

: Fixed costs are defined as costs that are not driven by the number of channels.

## Appendix K

### Local Collection Facility Costs

(\$k) Type of Cost	Total	Allocated Per Site	Cost Per/Channel
<b>Variable Costs:</b>			
<b>Digital Systems</b>			
Number of Encoders	█	█	█
<b>LCF's</b>			
Number of Demodulators	█	█	\$9
Proc Amps	█	█	█
<b>Variable Costs - Sub-Total</b>	█	█	█
█	█	█	█
<b>Total Variable Costs</b>	█	█	█
<b>Total Costs</b>	█	█	█

: Fixed costs are defined as costs that are not driven by the number of channels.

# Appendix K

## Local Collection Facility Costs

Type of Cost	Number of Channels in Market									
	1	2	3	4	5	6	7	8	9	10
<b>Fixed Costs:</b>										
Contract Labor	■	■	■	■	■	■	■	■	■	■
Internal Labor	■	■	■	■	■	■	■	■	■	■
Travel	■	■	■	■	■	■	■	■	■	■
<b>Total Labor/Travel</b>	■	■	■	■	■	■	■	■	■	■
<b>Integration:</b>										
CRBC/CRDF	■	■	■	■	■	■	■	■	■	■
NEUF/NEDF	■	■	■	■	■	■	■	■	■	■
NWUF/NWDF	■	■	■	■	■	■	■	■	■	■
<b>Total Integration</b>	■	■	■	■	■	■	■	■	■	■
<b>Backhaul Network</b>	■	■	■	■	■	■	■	■	■	■
<b>ABMS</b>										
LCF	■	■	■	■	■	■	■	■	■	■
Primary RUF	■	■	■	■	■	■	■	■	■	■
Diverse RUF	■	■	■	■	■	■	■	■	■	■
<b>Total ABMS</b>	■	■	■	■	■	■	■	■	■	■
<b>Digital Systems: Fixed Components</b>										
<b>LCF's - Fixed Components</b>										
<b>Fixed Costs Sub-Total</b>	■	■	■	■	■	■	■	■	■	■
<b>Total Fixed Costs</b>	■	■	■	■	■	■	■	■	■	■

Note: Fixed costs are defined as costs that are not driven by the number of channels.

# Appendix K

## Local Collection Facility Costs

Type of Cost	Number of Channels in Market									
	1	2	3	4	5	6	7	8	9	10
(\$k)										
<b>Variable Costs:</b>										
<b>Digital Systems</b>										
Number of Encoders										
<b>LCF's</b>										
Number of Demodulators										
Proc Amps										
<b>Variable Costs - Sub-Total</b>										
<b>Total Variable Costs</b>										
<b>Total Costs</b>										

Note: Fixed costs are defined as costs that are not driven by the number of channels.

## Appendix K

### Local Collection Facility Costs

(\$k) Type of Cost	Number of Channels in Market						
	11	12	13	14	15	16	17
<b>Fixed Costs:</b>							
Contract Labor	█	█	█	█	█	█	█
Internal Labor	█	█	█	█	█	█	█
Travel	\$5	\$5	\$5	\$5	\$5	\$5	\$5
<b>Total Labor/Travel</b>	█	█	█	█	█	█	█
<b>Integration:</b>							
CRBC/CRDF	█	█	█	█	█	█	█
NEUF/NEDF	█	█	█	█	█	█	█
NWUF/NWDF	█	█	█	█	█	█	█
<b>Total Integration</b>	█	█	█	█	█	█	█
<b>Backhaul Network</b>	█	█	█	█	█	█	█
<b>ABMS</b>							
LCF	█	█	█	█	█	█	█
Primary RUF	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Diverse RUF	\$6	\$6	\$6	\$6	\$6	\$6	\$6
<b>Total ABMS</b>	█	█	█	█	█	█	█
<b>Digital Systems: Fixed Components</b>	█	█	█	█	█	█	█
<b>LCF's - Fixed Components</b>	█	█	█	█	█	█	█
<b>Fixed Costs Sub-Total</b>	█	█	█	█	█	█	█
█	█	█	█	█	█	█	█
<b>Total Fixed Costs</b>	█	█	█	█	█	█	█

Fixed costs are defined as costs that are not driven by the number of channels.

## Appendix K

### Local Collection Facility Costs

(\$k) Type of Cost	Number of Channels in Market						
	11	12	13	14	15	16	17
<b>Variable Costs:</b>							
<b>Digital Systems</b>							
Number of Encoders	■	■	■	■	■	■	■
<b>LCF's</b>							
Number of Demodulators	■	■	■	■	■	■	■
Proc Amps	■	■	■	■	■	■	■
<b>Variable Costs - Sub-Total</b>	■	■	■	■	■	■	■
■	■	■	■	■	■	■	■
<b>Total Variable Costs</b>	■	■	■	■	■	■	■
<b>Total Costs</b>	■	■	■	■	■	■	■

: Fixed costs are defined as costs that are not driven by the number of channels.