

February 4, 2002

Honorable Michael Powell  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> St. S.W.  
Washington, D.C. 20554

RE: Proceeding # 01-348  
Comments of Aiken Electric Satellite TV, Inc.

Dear Chairman Powell:

Aiken Electric Satellite TV, Inc. serves over 14,300 customers in our five-county service territory in rural South Carolina. There are over 108,000 homes in our service territory and slightly over 30,000 are served by cable companies. This leaves approximately 64,000 homes with either the dish network or the roof antenna.

There's a long-standing adage in the business world that says a lot about competing, the importance of customer service and the value of a quality product. It is, simply, "If we don't take care of the customer, someone else will."

At Aiken Electric Satellite TV Inc. (AESTV), we take this advice to heart because it embodies the basic free-market American tenant of customer choice and the power of competition. That is why AESTV, a DirecTV service provider, is standing against the merger between EchoStar and DirecTV. This proposed joining of these two satellite television-programming competitors effectively eliminates, in one felled swoop, both customer choice and competition

While AESTV might benefit if the merger is approved and a competitor is eliminated, we believe that the proposed merger is bad for consumers and bad for the rural satellite market.

At the risk of pointing out the obvious, the following is a list of the concerns that have caused AESTV to oppose this merger:

- Competitive programming options would be eliminated. EchoStar would determine what is available to consumers. In rural areas, that means consumers would be forced to take what the company chooses to offer. If EchoStar chose not to offer NFL Sunday Ticket as DirecTV does today, rural consumers and, most likely, consumers served by small cable systems would have no option.

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- Quality of service would be reduced. Local, state and federal agencies have, for years, tried a host of ways to improve the quality of service provided by monopoly cable companies. Complaints against cable continue throughout the nation. What would lead anyone think that this wouldn't happen in a monopoly satellite world? Today, with two DBS providers, "If we don't take care of the customer, someone else will."
- Television service options and innovation would be eliminated. Today, if a consumer likes or dislikes the features of either EchoStar or DirecTV, its pricing, its programming or its receiver boxes, they have a choice. They can "shop" one against another. We know our consumers like to shop around. That keeps us competitive and it makes customers happy.
- The non-cabled household would have no choice, no competitive suppliers and only two options—take it or leave it.
- Competitive satellite television pricing and programming packages have historically taken market share from cable companies. Despite what we hear in the press, we believe this would change. A merged EchoStar would become just another big cable company with all its related problems.
- Press reports quote EchoStar as saying that if the merger is approved it will serve the top 100 markets with local channel access. How does this help people living in the other 100 smaller markets when you consider that these are also the people who have been made captive customers by the proposed merger?
- Who actually pays the huge cost of equipment conversion? The ultimate and unavoidable answer is "the customer."
- We've heard many promises. You always hear a lot of promises when big corporate mergers are announced. It is our belief that most of these promises aren't worth the paper they're printed on. Who says rural customers won't suffer? Who says rates will be consistent between urban and rural markets? Who says? A one and only service provider. This is not the way a free market system is built and it is not the way it thrives.
- Bandwidth ownership or a major market position in DBS and future Ka-band spectrum by a single company easily equals "monopoly."

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Today, the nation's two large satellite companies, EchoStar and DirecTV, create at least some competitive friction. There is no doubt that one company creates none. To reiterate our basic point, with two DBS providers, "If we don't take care of the customer, someone else will."

Mr. Chairman, in the interest of the customer, competition, quality service, innovation and a free market system, we strongly recommend that the FCC not approve this proposed merger.

Thank you for this opportunity to comment.

Gary L. Stooksbury  
President & Chief Executive Officer  
Aiken Electric Satellite TV Inc.,  
an Aiken Electric Cooperative Company  
Aiken, South Carolina

Survey of Cable Served customers within  
AESTV's five county area

County Name	# of total households in each county	Cable company name and the number of cable customers (where available)	% of system customers receiving digital cable service	% of system customers receiving analogue cable service	Total # of AESTV active satellite customers
Aiken	55,587	Northland	25%	75%	5318
		Pine Tree Cable	0%	100%	
		Comcast	N/A	N/A	
Edgefield	8,270	No cable svc.			1703
McCormick	3,558	Comcast			112
		Savannah Valley		100%	
Saluda	7,127	Time Warner	30%	70%	1479
		PBT Cable	50%	50%	
Orangeburg	34,118	Time Warner	N/A	N/A	5088
		Mallard Cable	0%	100%	
		Pine Tree Cable	0%	100%	
<b>Totals</b>	<b>108660</b>	<b>30,750</b>			<b>14355</b>
	Total households	Total cable subscribers based on available data			Total AESTV satellite subscribers
* Total number of customers for all counties served by cable company.					

