

May 29, 2002

TO: FCC
FROM: DAVID B. ALBO
RE: EchoStar / Hughes Electronics Merger.

Dear FCC:

Below, you will find a copy of a letter to the editor that I recently wrote on the EchoStar / Hughes Electronics merger. It has been published in newspapers in Northern Virginia, Richmond, Tidewater and Southwest Virginia. I understand that the FCC will make such letters a part of the record and publish it on their web site. Would you please do so?

LETTER TO THE EDITOR

The one thing I have learned from being in the House of Delegates for nine years is that Virginia is a huge state. We live different lives here in Northern Virginia than our fellow Virginians do in Southern Virginia. This is most evident by our economies. Here in Fairfax we have a 2-3% unemployment rate, and in some areas of Southern Virginia it is as high as 20%. One of the reasons this disparity exists is that the technology revolution has not moved south. A major reason for this is that the vast expense of laying fiber optic cable for high speed internet access can not be paid for by the too few people in our rural areas. In my Northern Virginia neighborhood, one mile of cable may serve 500 - 1,000 homes, while 1 mile of cable in southwest Virginia may serve 1 - 4 homes. Simply stated, there is no profit in laying high speed internet cable in rural areas, so there will never be private sector high speed internet access in rural areas.

I am excited to learn that recent technology may provide an answer. Instead of laying fiber optic cable, this high speed internet access can be provided by satellite. A fascinating proposal to provide this service has been made by two major satellite television companies, EchoStar's Dish Network and Hughes Electronics' DIRECTV.

These two companies are seeking federal approval to merge. They believe that by combining their resources, they can develop the infrastructure to provide high speed internet access *via* satellite. With a satellite, it costs the same to serve a house in my Northern Virginia neighborhood as it does in Southwest Virginia. The proposed combined company will, of course, continue to offer the services for which we currently recognize them, i.e., satellite television. However, it is the thrilling prospect of high speed internet access to rural areas that makes this merger exciting to me.

The merger's opponents charge that the merger creates a monopoly over satellite TV, because it combines most American satellite viewers under one company. However, the market to consider is not satellite TV, the market is pay-TV in general. Once the

merger is approved, the combined company will account for only 17% of the pay television industry, which is hardly a monopoly.

In order to go through, the merger must get the green light from the Federal Communications Commission and the U.S. Department of Justice, and both agencies are currently studying the proposal. I am hoping this approval is forthcoming so we can start spreading the technology revolution to my friends in Southern and South Western Virginia.

Kind Regards,

DAVID B. ALBO