

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

FEB 21 2002

IN REPLY REFER TO:  
CN-0200438

CN0200651

The Honorable Sonny Callahan  
United States House of Representatives  
1141 Montlimar Drive  
Suite 3010  
Mobile, Alabama 36609

Dear Congressman Callahan:

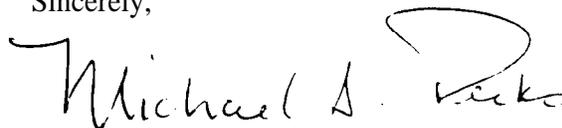
Thank you for your recent letter on behalf of your constituent, Mr. Kenneth G. Dombroski of Summerdale, Alabama. Mr. Dombroski contacted your office regarding the proposed transaction involving EchoStar Communications Corporation ("EchoStar") and General Motors Corporation's subsidiary, Hughes Electronics Corporation ("Hughes Electronics"), which includes its satellite television unit, DIRECTV. Mr. Dombroski has raised a number of competition issues related to the proposed EchoStar-Hughes merger, and believes the Commission should carefully review the transaction.

As you are aware, General Motors Corporation and Hughes Electronics, along with EchoStar Communications Corporation, recently announced that they had entered into definitive agreements that provide for the spin-off of Hughes from General Motors and the merger of Hughes with EchoStar Communications. At the same time, the companies indicated that the proposed merger is subject to a number of conditions, including approval by the majority of each class of General Motors shareholders, and a favorable ruling from the Internal Revenue Service that the divestiture of Hughes will qualify as a tax-free event for federal income tax purposes.

The proposed EchoStar-Hughes transaction also is subject to regulatory review under the Hart-Scott-Rodino Act (conducted in this instance by the Department of Justice), as well as review by this Commission. Under the Communications Act, the Commission must approve any license transfers related to transactions involving our licensees. In order to expedite this process, the Chairman of the Commission recently established a special team of Commission staff to coordinate and oversee the Commission's review of the EchoStar-Hughes transaction. On December 3, 2001, the Commission received applications from Hughes Electronics and EchoStar requesting consent to the transfer of control of licenses and authorizations to a newly incorporated EchoStar Communications. On December 21, 2001, the Commission issued a notice seeking public comment on the proposed transfer of control filed by Hughes Electronics and EchoStar. Comments or petitions to deny the applications had to be filed with the Commission by February 4, 2002, and oppositions or responses may be filed with the Commission no later than February 25, 2002. More recently, the Commission also asked the applicants to supply additional information concerning a number of issues related to their application. For Mr. Dombroski's information and review, I have enclosed a copy of the Commission's *Public Notice*.

Please be assured that the Commission will consider Mr. Dombroski's views carefully, along with the complete record as it develops during our review process. Given the significant concentration that would result from this proposed merger, the Commission intends to examine closely the information filed by the applicants and any issues raised by the public.

Sincerely,

A handwritten signature in black ink that reads "Michael S. Perko". The signature is written in a cursive style with a large, looping initial "M".

Michael S. Perko  
Director, Office of Government Outreach  
Cable Services Bureau

Enclosure