

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

MAR 06 2002

IN REPLY REFER TO:
CN-0200679

Mr. Greg A. Groth
Chaparral Cable Company, Inc.
320 McCombs
Chaparral, New Mexico 88021

Dear Mr. Groth:

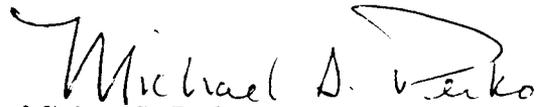
Senator Pete Domenici has asked the Federal Communications Commission to respond to your inquiry concerning the proposed transaction involving EchoStar Communications Corporation ("EchoStar") and General Motors Corporation's subsidiary, Hughes Electronics Corporation ("Hughes Electronics"), which includes its satellite television unit, DIRECTV. You raise a number of competition issues related to the proposed EchoStar-Hughes merger.

As you may know, 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 requesting consent to the transfer of control of licenses and authorizations held by Hughes Electronics and by EchoStar. 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 had to 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 your information and review, I have enclosed a copy of the Commission's *Public Notice*.

Please be assured that the Commission will consider your 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, sweeping initial "M".

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

Enclosure

cc: The Honorable Pete V. Domenici

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IN REPLY REFER TO:
CN-0200679

The Honorable Pete V. Domenici
United States Senate
328 Hart Senate Office Building
Washington, D.C. 20510

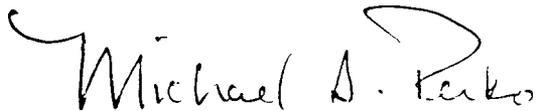
Dear Senator Domenici:

Thank you for your letter on behalf of your constituent, Mr. Greg A. Groth, Secretary/Treasurer of Chaparral Cable Company in Chaparral, New Mexico. Mr. Groth contacted your office regarding the proposed merger between EchoStar Communications Corporation and General Motors Corporation's subsidiary, Hughes Electronics Corporation, which includes its satellite television unit. DirecTV.

As you requested, we have responded directly to your constituent. I have enclosed a copy of our response for your information and review.

I trust that our response will prove both informative and helpful. Please do not hesitate to contact me if you have additional questions.

Sincerely,



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

Enclosure (without attachment)