

Pantelis Michalopoulos  
202.429.6494  
pmichalo@steptoelaw.com

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**ELECTRONICALLY FILED**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW – Room TW-A325  
Washington, D.C. 20554

**Re: Ex Parte Notice – Consolidated Application of EchoStar Communications Corporation, General Motors Corporation and Hughes Electronics Corporation for Authority to Transfer Control, CS Docket No. 01-348**

Dear Ms. Dortch:

In accordance with Section 1.1206 of the Commission's Rules, 47 C.F.R. §1.1206, EchoStar Communications Corporation ("EchoStar"), applicant in the above-referenced merger proceeding, submits this letter to report that representatives of EchoStar, including Tom Stingley, National Vice President of Target Marketing, had a telephone conference with Commission staff on April 25, 2002. Participants from the Commission included Marcia Glauberman and Timothy May of the Media Bureau, C. Anthony Bush of the Office of General Counsel, FCC Chief Economist David Sappington, and Alex Belinfante and Tracy Waldon of the Wireline Competition Bureau.

The participants from the Commission asked a variety of questions concerning EchoStar's program package offerings and promotional practices. They also asked questions concerning EchoStar's retail distribution channels and pricing practices.

Mr. Stingley first noted that EchoStar typically does not conduct local promotions, and that customers gained through such promotions amount to a very small percentage of new subscribers, which he estimated at approximately 1.5% of new customers. Mr. Stingley explained that while EchoStar has conducted local promotions in the past, these have been limited in scope, and a number of them have been done to test whether a specific promotion should be rolled-out nationwide. In any event, all of the local promotions together in

any given year have amounted to a very small percentage of subscribers gained in that year.<sup>1</sup> EchoStar typically does not conduct promotions on a local level because, among other reasons, it is not practical to retrain EchoStar's thousands of customer service representatives to manage a constantly changing mix of promotions that vary by geographic region.<sup>2</sup> Pursuant to EchoStar's national pricing strategy, most of its promotions are national – available to all consumers throughout the United States regardless of geographic location.

Mr. Stingley confirmed that EchoStar advertises its national promotions primarily on a nationwide basis. Even when EchoStar or EchoStar retailers run additional targeted advertising in a particular geographic region, the advertisements generally describe national promotions that are available to all potential customers nationwide and are generally consistent with the nationwide message. He also clarified that potential customers do not need to know about a particular promotion to participate because EchoStar customer service representatives inquire about each potential customer's specific requirements and provide information concerning current promotions when the potential customer calls to inquire about and/or activate service.

During the course of the discussion, Mr. Stingley explained that there are three primary components of the package that a consumer purchases when obtaining DBS service from EchoStar: programming, equipment and installation. With respect to programming, Mr. Stingley stated that the price for each available programming package is established only by EchoStar, and that programming promotions are generally conducted on a nationwide scale because, among other reasons, any adjustment to the national programming price paid by an individual subscriber must be made manually by an EchoStar customer service representative on an individual account-by-account basis. He also clarified that EchoStar, not an equipment retailer, is responsible for billing customers for programming on an ongoing basis.

With respect to equipment, Mr. Stingley explained that EchoStar establishes a manufacturer's suggested retail price for equipment. While it cannot legally dictate the retail price for equipment at each retail outlet, EchoStar provides its retailers with incentives to maintain the suggested low promotional price, for example by withholding certain benefits such as participation in cooperative advertising programs. While the price at which a subscriber purchases equipment is typically subsidized (less than the actual cost of the equipment), each subsidy is available pursuant to a national promotion or pricing plan, EchoStar makes each retailer whole based on that nationally available subsidy amount. Mr. Stingley also described EchoStar's equipment lease program, the Digital Home Plan (which is available nationally),

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<sup>1</sup> Under separate cover, EchoStar is submitting today an updated chart setting forth its promotions and also including specific numbers of subscribers gained through each promotion. This chart corrects certain estimates that Mr. Stingley made on the call (without the benefit of the specific numbers at his disposal) about subscribers gained through specific promotions.

<sup>2</sup> EchoStar has been able to conduct local promotions on a limited basis only by dedicating a pool of customer service representatives to managing that promotion.

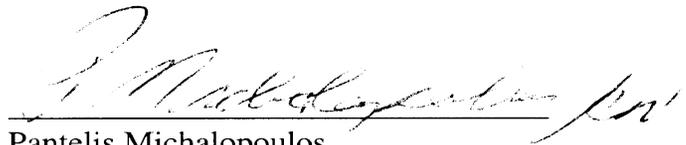
whereby customers lease equipment directly from EchoStar even if they sign up through a local retailer. In this way, EchoStar endeavors to ensure that equipment pricing remains uniform nationwide.

With respect to installation, Mr. Stingley stated that installation now typically is provided free of charge to new customers.

Finally, Mr. Stingley described EchoStar's retail distribution channels and the process by which retailers are compensated for signing up new customers.

One copy of this *ex parte* notice is being filed electronically with the Commission. If you have questions concerning this meeting or this notice, please do not hesitate to contact the undersigned.

Respectfully submitted,



Pantelis Michalopoulos  
Carlos M. Nalda  
Steptoe & Johnson LLP  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 429-6494

*Counsel for EchoStar Communications  
Corporation*

cc: Marcia Glauberman  
Barbara Esbin  
JoAnn Lucanik  
David Sappington  
James Bird  
Linda Senecal  
Julius Knapp  
Royce Sherlock  
Douglas Webbink  
Qualex International