



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

February 5, 2002

The Honorable Chuck Hagel  
United States Senate  
346 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Hagel:

Thank you for your recent letter concerning the proposed transaction involving EchoStar Communications Corporation and General Motors Corporation's subsidiary, Hughes Electronics Corporation, which includes its satellite television unit, DIRECTV. I understand your concerns about the competitive issues raised by the proposed transfer of control of Hughes Electronics, and assure you that any transaction involving DIRECTV will undergo a careful and thorough review by the Commission.

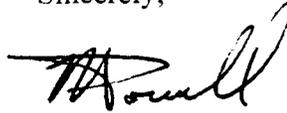
As you are aware, General Motors and Hughes Electronics, along with EchoStar, recently announced that they had entered into definitive agreements that provide for the spin-off of Hughes Electronics from General Motors and the merger of Hughes with EchoStar. The companies indicated that the proposed merger 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 Electronics will qualify as a tax-free event for federal income tax purposes.

Under the Communications Act, the Commission must approve any license transfers related to the proposed EchoStar-Hughes transaction. In order to expedite this process, I 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 to the new EchoStar entity. The Commission issued a Notice seeking public comment on the transfer of control applications. Comments are due to the Commission on February 4, 2002, and responses must be filed by February 25, 2002.

Please be assured that the Commission will consider your views carefully, along with the complete record as it develops during our review of the proposed EchoStar-Hughes transaction. As I have indicated, given the significant concentration that would result from this proposed merger, it will be our intention to examine rigorously the information filed by the applicants and any issues raised by the public.

I appreciate your taking the time to share your concerns in this matter. Please do not hesitate to contact me if you have any further questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Powell". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Michael K. Powell  
Chairman

*Senator -  
Hope you are  
well!*