

February 4, 2002

Honorable Michael Powell  
Chairman  
Federal Communications Commission  
445 12th Street S.W.  
Washington, D.C. 20554

Dear Chairman Powell:

I write briefly about the lack of high-speed Internet for rural communities. You have been a champion of bringing the much-needed notoriety to rural states like ours who fall on the wrong side of the digital divide.

As one who works with the USDA Rural Economic Area Partnership (REAP) zones and Champion Communities, I am very interested in ensuring that our rural areas continue to grow and flourish. But the lack of broadband Internet access is still a hindrance to economic development in many rural areas.

In a joint study by the National Telecommunications and Information Administration (NTIA) and the Rural Utility Service (RUS), *Advanced Telecommunications in Rural America, April 2000*, it was noted that less than 5% of small towns and rural communities have access to the two most predominate types of high-speed Internet (offered by telephone companies or cable companies). But in cities with more than 100,000 residents, over 50% of the households have access to these same types of broadband Internet access.

As one solution to help close the “digital divide”, high-speed Internet access by way of satellite is a technology capable of delivering broadband services to rural areas. That’s why, under the terms of the letter of concern signed by many Congressional Rural Caucus members, I am supporting the merger of Hughes and EchoStar – so that one company, EchoStar, can provide high-speed Internet to our rural communities.

Right now, each company provides the service, but do not have the full capacities needed to be able to provide broadband on a large scale. But, by removing the inefficiencies of duplicative programming, one company will be able to efficiently deliver more local channels, more educational programming, and broadband Internet access.

Charles Ergen, Chairman and CEO of EchoStar Communications Corporation announced publicly at the House Judiciary Committee on December 4, 2001 that, “DBS service is, by necessity, a nationwide product and will continue to be offered at nationwide prices. All of the benefits of the merger will be available across the country regardless of their community’s telecommunications infrastructure. Accordingly, the new company’s pricing and programming decisions will be driven by competition with the most competitive cable firms, including those that face significant competition from cable overbuilders of local MMDS systems, allowing consumers nationwide to reap the rewards.”

According to his comments, Mr. Ergen acknowledges the Congressional Rural Caucus concern, and as a result I hope you will support the merger of Hughes and EchoStar – because this merger will be good for rural America.

Sincerely,

Jeff Hoffmann  
Champion REAP Alliance Director