

I write this because I feel that the proposed merger between Echostar and DirecTV should not be allowed. In my opinion, Mr. Ergen of Echostar has skated the real issues involved with the merger and has done his best to have us believe that there will be major benefits resulting from any merger. I am a member of an organization titled DBSInstall.Com. For months now we have talked about the merger issue and all have our opinions. The general consensus is that the merger would not be healthy for the industry. Following, I have listed some of my concerns over the proposed merger. In advance, I would like to thank you for your time and the opportunity to provide my opinion.

One issue is about the serviceability to the satellite systems and what it might cost the consumers should the merger be completed. DTV customers have the advantage of being able to service their own equipment should a problem arise. Such as LNB replacement, inexpensive receiver replacement, etc. There are many times where at no charge I will walk a customer through a service problem over the phone and make recommendations as to what the problem might be and where they can obtain the parts to correct the problem. DTV replacement parts are available everywhere and usually at very reasonable prices. As one example, customers can replace a receiver for as little as \$50. Not some factory refurbished unit or a 2 year old model, but receivers such as the Hughes Director Pack.

For Echostar, if you are a customer with a problem, you might as well take out a loan to get the equipment you need to fix your system. Echostar has created a system in which pretty much nothing is compatible, and you have to go through them or their retailers to get replacement parts. I have a friend who needed a new remote back around Christmas, I didn't have any so he had to buy one from DN; cost was \$57.00. Just recently one of his receivers went bad, what would it cost him to replace it? \$150.00. Needless to say, he decided to switch to DTV because the equipment is less expensive, the customer service was better, and he can always find replacement parts easily and inexpensively. To replace a remote for a Hughes system costs roughly \$25.00 and has the same functions.

Pretty much the only thing that is compatible at a reasonable price are the LNB's, unless of course you have a quad LNB, cost \$120. If a DTV customer needs to replace a 4-way MS the cost is between \$50-\$80. Now of course Echostar offers the lease program with service calls included, but there is a catch. The company that originally installed your system must come do the service work. If they do not, you must pay DN to come do it and the cheapest customers have told me that DN would charge is \$150 [This was to realign a dish!!!!]

With DTV, once the system is installed, a customer can easily upgrade their satellite system just by making a trip to the local Best Buy and for reasonable prices. With Echostar, the cost is out of this world and again, you must go through Echostar or a Dish Network retailer. A DTV customer can upgrade from a 2 room sys to a four room sys for \$180.00[Brand new current model receivers and 4-way MS]. Echostar 301 receivers are \$150.00 ea and a quad LNB is \$120 for a total of \$420.00[That is more than double the cost of a DTV upgrade]. How would this benefit the American consumer?

One of the issues the merger brings up is that local channels would be available nationwide within 5 years. The DirecTV locals programming will reach nearly 65% of households by the end of 2002. [This information was gained through their own press releases] In merger statements, Mr. Ergen is stating that without the merger, they will not be able to offer local channels nationwide, but if the merger is approved, within 5 years [they] will be able to accomplish this feat. I have wondered why no one has questioned this statement? If DirecTV has the ability to reach 65% of households by years end, then why would it not be possible for them to reach the

remaining 35% of households with local channels within 5 years? It seems that Mr. Ergens' statements are attempting to lead us to a false belief that if there is no merger, then there will never be a 100% availability of local channels for the American people. If one were to read between the lines, one interpretation of this statement would be: Without the merger, we will refuse to advance our satellite platforms to accommodate further availability of local channels to the American public.

Another comment made by Mr. Ergen is in reference to the availability of satellite broadband services. Mr. Ergen makes claims that the merger would also allow the new company to offer this technology on a national basis. No one has questioned the fact that there are two platforms that already offer this service on a national basis. The Starband and the DirecWay systems already offer satellite broadband technology nationally.

My biggest concern is the pattern that Echostar is already establishing in the industry at this time. They have created what is called the Dish Network Service Centers [DNSC]. Echostar is setting up these centers nationally and by doing so are beginning to slowly shun the independent satellite technicians, the small satellite installation companies, and are even shunning the independent retailers. By doing so, Echostar is slowly removing from the American people the right to choose a company or person with whom they prefer to do business with. The DNSC locations are quickly gaining a reputation within the industry of poor customer service and satisfaction, improper installations being completed, and of having very low quality work. This is the same reputation that the CATV industry holds. This is the pattern that the American people will be subjugated to should a merger be allowed. Is this fair to the American people?

Our country has been built on free enterprise and freedom of choice. Without fair competition or in this case, 'any competition', where would America be? What if we only had one oil company, one supermarket chain, or one car manufacturer? The people would not have a choice and these companies would control the entire market, set their own prices, and would probably stagnate any industry growth because they would not want to waste money on product research. I believe we have seen this scenario half way around the world. The US Military doesn't depend on just one company to produce their hardware, why? Because without competition, their would be no bidding and research to get the 'bigger bang for a buck'. Don't the American people deserve the same opportunities? Should you allow one company to control the entire satellite market, then you would be denying the American people their freedom of choice and would be allowing one company the ability to stagnate product development within the industry and mold it to suit their needs.

In closing, all I ask is please keep the American peoples' interest close at heart. You hold the position in which the American people have placed their trust to be protected.

James Boone/ JCV Communications

Virginia Beach, Virginia