



Thomas A. Schatz
President

April 12, 2002

The Honorable Michael Powell
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Mr. Powell:

I am writing on behalf of the more than one million members and supporters of Citizens Against Government Waste to express support of the proposed merger of satellite TV carriers EchoStar and DirecTV.

With the rapid expansion of technology, the government is trying to keep pace in making the latest developments available in all parts of the country. Unfortunately, due to burdensome regulations and other obstacles, the government's methods have proved to be ineffective and costly.

For example, federal funding for programs aimed at closing the so-called "digital divide" reached an all-time high in fiscal 2001. In fiscal 2002, the government continues to spend hundreds of millions of dollars on such programs. For example, Congress appropriated \$700.5 million for the Education Technology Block Grant program, \$32.5 million for Department of Education's Community Technology Centers Program, and \$15 million for the Department of Commerce's Technology Opportunities Program. The merger would help eliminate government interference in this emerging market place.

Through this merger, consumers in the cattle country of Montana or the under-served neighborhoods of our big cities would have immediate access to broadband. It would be provided at the same affordable uniform price available to suburbanites, many of who already have competitive options for broadband services. In addition, the merger will also provide the benefits of a new level of competition in both pay-TV and broadband services. Currently, cable TV companies hold 80 percent of the pay-TV market, while the regional Bell companies control 86 percent of the DSL broadband market. EchoStar and DirecTV would add to their local programming and be able to compete more effectively in both markets.

This is clearly a merger that would actively serve the public interest. I urge you to let the free enterprise system work and approve this merger promptly and without extensive conditions.

Sincerely,