

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

JAN 23 2002

IN REPLY REFER TO:
CN-0200018

Mr. Gary Thomas
1913 Hampton Drive
Lebanon, Tennessee 37087

Dear Mr. Thomas:

Senator Fred Thompson has asked the Federal Communications Commission to respond to your inquiry concerning the proposed transaction involving EchoStar Communications Corporation ("EchoStar") and General Motors Corporation's subsidiary, Hughes Electronics Corporation ("Hughes Electronics"), which includes its satellite television unit, DIRECTV. You raised a number of competition issues related to the proposed EchoStar-Hughes merger and we appreciate the opportunity to respond.

As you may know, General Motors Corporation and Hughes Electronics, along with EchoStar Communications Corporation, recently announced that they had entered into definitive agreements that provide for the spin-off of Hughes from General Motors and the merger of Hughes with EchoStar Communications. At the same time, 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 will qualify as a tax-free event for federal income tax purposes.

The proposed EchoStar-Hughes transaction also is subject to regulatory review under the Hart-Scott-Rodino Act (conducted in this instance by the Department of Justice), as well as review by this Commission. Under the Communications Act, the Commission must approve any license transfers related to transactions involving our licensees. In order to expedite this process, the Chairman of the Commission recently 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 held by Hughes Electronics and by EchoStar. On December 21, 2001, the Commission issued a notice seeking public comment on the proposed transfer of control filed by Hughes Electronics and EchoStar. Interested parties may file comments or petitions to deny the applications no later than February 4, 2002, and oppositions or responses may be filed with the Commission no later than February 25, 2002. For your information and review, I have enclosed a copy of the Commission's *Public Notice*.

Mr. Gary Thomas

Page 2

Please be assured that the Commission will consider your views carefully, along with the complete record as it develops during our review process. Given the significant concentration that would result from this proposed merger, the Commission intends to examine closely the information tiled by the applicants and any issues raised by the public.

Sincerely,

A handwritten signature in black ink that reads "Michael S. Perko". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Michael S. Perko
Director, Office of Government Outreach
Cable Services Bureau

Enclosure

CC: The Honorable Fred Thompson