

June 19, 2002

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S. W., TW-B204  
Washington, D. C. 20554

RE: EX PARTE Comments in Proceeding 01-348

Dear Secretary Salas:

The Wisconsin Federation of Cooperatives submits the attached comments in the above-referenced proceeding.

Thank you for your consideration.

Sincerely,

Warren. J. Day  
Attorney for WFC

Attachment: 3 pages

**Before the  
Federal Communications Commission  
Washington, D. C.**

<b>In The Matter of</b>	)	
	)	
<b>EchoStar Communications Corporation, General Motors Corporation and Hughes Electronic Corporation</b>	)	
	)	
<b>Transferors</b>	)	<b>CS Docket No. 01-348</b>
	)	
<b>and</b>	)	<b><u>EX PARTE</u></b>
	)	
<b>EchoStar Communications Corporation</b>	)	
	)	
<b>Transferee</b>	)	
	)	
<b>For Authority to Transfer Control</b>	)	

**To: The Commission**

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***EX PARTE* COMMENTS OF THE WISCONSIN FEDERATION OF  
COOPERATIVES REGARDING MERGER APPLICATION**

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The Wisconsin Federation of Cooperatives (WFC) hereby submits the following comments on the application of EchoStar Communications Corporation (EchoStar) , General Motors Corporation (GM) and Hughes Electronics Corporation (Hughes), a subsidiary of GM (collectively, the Applicants), to transfer control of their satellite, earth station and other related authorizations to New EchoStar (the Merger).<sup>1</sup> WFC endorses

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<sup>1</sup> Application of EchoStar Communications Corporation, General Motors Corporation and Hughes Electronics Corporation, Transferor; and EchoStar Communications Corporation, Transferee, for Authority to Transfer Control, File Number 01-348 (filed December 6, 2001 (the Application)).

the comprehensive and well-reasoned position of the National Rural Telecommunications Cooperative (NRTC) in opposition to the application.

WFC is a statewide trade association of over 450 cooperatives in the State of Wisconsin. Among WFC's members are twenty-three rural electric distribution cooperatives and eleven rural telephone cooperatives which serve a significant geographic share of Wisconsin. Since cable television does not reach the vast majority of Wisconsin's geographic area, several of the cooperatives provide their members with direct broadband service (DBS), either directly from DIRECTV or through their membership in NRTC. In providing this essential service to their rural members, the cooperatives have only two sources of satellite programming from which to choose: DIRECTV (a subsidiary of Hughes) and EchoStar, the two fiercely competitive firms which now seek to merge their ownership and control of vital, competitive broadband services. These two firms hold a combined market share of 100 percent of the high-powered DBS market serving the entire Continental United States (CONUS), including the Wisconsin market.

WFC shares the view of many that a merger of the two competitors will lead to a classic monopoly situation in rural areas of the country where cable television systems do not offer service to consumers. In these areas of Wisconsin, consumer choice will be eliminated and prices will rise. This will injure Wisconsin's rural residents and the rural economy through higher prices and the retardation of the information infrastructure that is vital to Wisconsin's rural, agricultural economy. A broadband satellite monopoly will also control accessibility, quality and price of internet service which is a vital part of the

state's modern farm economy, rural access to libraries and other common access to data over the internet.

From a broader standpoint, WFC believes that amassing of the nation's broadband satellite services under the control of a single corporation will create uncontrollable market power, even in (and possibly because of) the national market for these services. Monopoly ownership of this industry cannot be effectively regulated or controlled by any agency of the federal government given the unique complexity and extreme costs which form the primary barriers to entry.

For the forgoing reasons, and based upon the detailed analysis of economic and market effects, and the technological analysis of the National Rural Telecommunications Cooperative filed in this case, WFC urges denial of the application.

All communications with WFC in this matter may be addressed as follows:

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Respectfully submitted, this 19th day of June, 2002

Warren J. Day

Attorney for the Wisconsin Federation of Cooperatives