

HUGHES ELECTRONICS CORP
Form 425
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Filed by EchoStar Communications Corporation
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Subject Companies: Hughes Electronics Corporation
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General Motors Corporation
Commission File No. 1-00143
Date: March 4, 2002

On the evening of March 4, 2002, the website www.echostarmerger.com was launched. The documents set forth below are available at www.echostarmerger.com.

SITE UNLOCK - SEC LEGEND

To view the content of this site, simply certify that you have read the following:

We at EchoStar maintain this website to tell you about the merger. In connection with the proposed transactions, General Motors Corporation (GM), Hughes Electronics Corporation (Hughes) and EchoStar Communications Corporation (EchoStar) intend to file relevant materials with the Securities and Exchange Commission, including one or more Registration Statement(s) on Form S-4 that contain a prospectus and proxy/consent solicitation statement. Because those documents will contain important information, holders of GM \$1-2/3 and GM Class H common stock are urged to read them, if and when they become available. When filed with the SEC, they will be available for free at the SEC's website, www.sec.gov, and GM stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from GM. Such documents are not currently available.

GM and its directors and executive officers, Hughes and certain of its officers, and EchoStar and certain of its executive officers may be deemed to be participants in GM 's solicitation of proxies or consents from the holders of GM \$1-2/3 common stock and GM Class H common stock in connection with the proposed transactions. Information regarding the participants and their interests in the solicitation was filed pursuant to Rule 425 with the SEC by EchoStar on November 1, 2001 and by each of GM and Hughes on November 16, 2001. Investors may obtain additional information regarding the interests of the participants by reading the prospectus and proxy/consent solicitation statement if and when it becomes available.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Materials included in this document contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. The factors that could cause actual results of GM, EchoStar, Hughes, or a combined EchoStar and Hughes to differ materially, many of which are beyond the control of EchoStar, Hughes or GM include, but are not limited to, the following: (1) the businesses of EchoStar and Hughes may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected benefits and synergies from the combination may not be realized within the expected time frame or at all;

(3) revenues following the transaction may be lower than expected; (4) operating costs, customer loss and business disruption including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the transaction; (5) generating the incremental growth in the subscriber base of the combined company may be more costly or difficult than expected; (6) the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; (7) the effects of legislative and regulatory changes; (8) an inability to obtain certain retransmission consents; (9) an inability to retain necessary authorizations from the FCC; (10) an increase in competition from cable as a result of digital cable or otherwise, direct broadcast satellite, other satellite system operators, and other providers of subscription television services; (11) the introduction of new technologies and competitors into the subscription television business; (12) changes in labor, programming, equipment and capital costs; (13) future acquisitions, strategic partnership and divestitures; (14) general business and economic conditions; and (15) other risks described from time to time in periodic reports filed by EchoStar, Hughes or GM with the Securities and Exchange Commission. You are urged to consider statements that include the words may, will, would, could, should, believes, estimates, projects, expects, plans, anticipates, intends, continues, forecast, designed, goal, or the negative of those words or comparable words to be uncertain and forward-looking. This cautionary statement applies to all forward-looking statements included in this document.

I have read the information above:

Yes No

NAVIGATION

TABLE OF CONTENTS

ABOUT US

LOCAL BENEFITS

TAKE ACTION

NEWS

NEWS

FCC FILINGS

EMAIL SIGNUP

PRIVACY POLICY

CONTACT US

Table of Contents

Table of Contents

about.US

EchoStar-DIRECTV Merger Benefits

The Benefits of the EchoStar/Hughes Merger

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV®, today each transmit a total of more than 500 identical channels. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this duplicative programming. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound in every one of the 210 television markets covering the country.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical and economic feasibility of a "Local Channels, All Americans" plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a technically and commercially feasible plan to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas (DMAs) in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available free of charge to all existing DIRECTV and Dish Network subscribers who may need it in order to receive their local channels.

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., one nation, one rate card, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital "have nots" by serving every household in the country, including every household in every state. Efficiencies from the combined companies will provide the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive "niche" services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all Americans to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

- Local Channels, All Americans
- One Nation, One Rate Card
- Eliminates the "Digital Divide"

True Competition for 107 Million Households

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Local Benefits, All Americans

Consumers throughout America will be able to view their local broadcast stations via satellite.

One Price -- Everywhere

In all 50 states consumers are protected by one uniform price for service -- guaranteed!

Rural Broadband

Satellites can reach every corner of rural America. Broadband via Satellite is the best solution for bringing high speed Internet access to rural Americans.

FCC Filings

View the full application filings to the U.S. Federal Communications Commission (FCC).

Latest Merger News

Merged EchoStar and Hughes Will Deliver Local Broadcast Channels To All 210 U.S. Television Markets
[02/26/2002]

EchoStar and Hughes Comment on FCC Filings
[02/04/2002]

EchoStar, DIRECTV Welcome Farm Bureau Support
[01/09/2002]

Take Action

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[HOME](#) [TOP](#)

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Local Channels, All Americans

The merger is all about efficiency. By eliminating duplicative programming of the two parent companies, significant amounts of the industry's most precious resource - bandwidth - will be freed up for other uses. This is the key to many of the benefits the merger will bring to consumers.

With the increased capacity, DIRECTV and DISH Network engineering teams have developed a system that is technologically feasible and economically viable for the merged company to deliver full local broadcast service, in all 210 television markets, including full compliance with federal must carry provisions. The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative - DBS service with local channels - in EVERY television market in the country, including Alaska and Hawaii.

Bottom line, local channels will be available through DBS - just as they are through cable - in areas where such competition was impractical before.

Table of Contents

one.PRICE

EchoStar-DIRECTV Merger Benefits

One Nation, One Rate Card

Consumers across the country will pay the same price for services delivered by the merged DBS service, i.e., one nation, one rate card, regardless of a subscriber's location. This means that customers in rural America can rest assured that they will continue to pay the same monthly rate as customers in big cities where competition with cable companies is more prevalent. This pricing structure extends the benefits of competing with cable companies in urban areas to those who live in the most remote areas.

Table of Contents

rural.BROADBAND

EchoStar-DIRECTV Merger Benefits

Closing the Digital Divide

The proposed merger will help close the so-called "digital divide" that exists between urban and rural residents by providing a platform that can deliver high speed Internet access to ALL Americans.

The merged company will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The "digital divide" in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

**Merger Effects
Pre-Merger**

EchoStar-DIRECTV Merger Benefits

Merger Effects Post-Merger

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Mouse over the map to see how the merger will affect you. [State information pops up on map.]

STATE INFO SOURCE

TV Households as of January 2001, from Nielson Media Research as published in U.S. Television Household Estimates: September 2000.

Basic Cable Subscribers as of September 2000 from Nielsen Media Research as published in U.S. Television Household Estimates: September 2000. Note: Cable information from system operators and ancillary sources, including Television Factbook, FCC and Television Digest Weekly.

Satellite subscribers - DTH subscription counts are an aggregate total of DIRECTV, ECHOSTAR, and C-Band subscriptions. DTH subscription counts are current to October 1, 2001.

Cable and DSL Broadband Access - Data from the FCC's Third Report on the Deployment of Advanced Telecommunications Capability to All Americans released February 6, 2002, CC Docket 98-146. FCC DATA IS BASED ON ZIP CODES WHERE CABLE AND/OR DSL BROADBAND SERVICE IS AVAILABLE. NOT ALL HOMES WITHIN THOSE ZIP CODES WILL HAVE CABLE AND/OR DSL AVAILABLE.

Alabama

Total TV Households: 1,678,690

Cable Subscribers: 1,153,050 (68.69%)

Satellite Subscribers: 413,379 (24.63%)

Current local broadcast markets served:

·Atlanta, GA

·Birmingham (Anniston and Tuscaloosa), AL

Markets that consumers will see added if the merger is approved:

·Huntsville-Decatur (Florence), AL

·Chattanooga, TN

·Montgomery (Selma), AL

·Columbus et al, MS

·Meridian, MS

· Mobile Pensacola, AL FL

· Dothan, AL

· Columbus, GA

State access to broadband Internet:

pre-merger

80%

post-merger

100%

Alaska

Total TV Households: 184,870

Cable Subscribers: 111,010 (60.05%)

Satellite Subscribers: 28,014 (15.15%)

Current local broadcast markets served:

· None

Markets that consumers will see added if the merger is approved:

· Anchorage, AK

· Fairbanks, AK

· Juneau, AK

State access to broadband Internet:

pre-merger

21%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Arizona

Total TV Households: 1,892,010

Cable Subscribers: 1,129,900 (59.72%)

Satellite Subscribers: 454,191 (24.01%)

Current local broadcast markets served:

- Phoenix, AZ

Markets that consumers will see added if the merger is approved:

- Tucson (Sierra Vista), AZ
- Yuma El Centro, AZ CA
- Albuquerque Santa Fe, NM

State access to broadband Internet:

pre-merger

92%

post-merger

100%

Arkansas

Total TV Households: 976,010

Cable Subscribers: 618,030 (63.32%)

Satellite Subscribers: 307,922 (31.55%)

Current local broadcast markets served:

- Memphis, TN

Markets that consumers will see added if the merger is approved:

- Little Rock-Pine Bluff, AR
- Springfield, MO
- Shreveport, LA
- Ft. Smith-Fayetteville-Springdale-Rogers, AR

· Monroe- El Dorado, LA AR

· Jonesboro, AR

· Greenwood Greenville, MS

State access to broadband Internet:

pre-merger

61%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

California

Total TV Households: 11,561,050

Cable Subscribers: 7,884,780 (68.20%)

Satellite Subscribers: 2,091,150 (18.09%)

Current local broadcast markets served:

- Los Angeles, CA
- San Francisco-Oakland-San Jose, CA
- Phoenix, AZ
- Sacramento-Stockton-Modesto, CA
- San Diego, CA

Markets that consumers will see added if the merger is approved:

- Fresno-Visalia, CA
- Reno, NV
- Monterey-Salinas, CA
- Santa Barbara-Santa Maria-San Luis Obispo, CA
- Eureka, CA
- Medford et al, OR
- Chico Redding, CA
- Bakersfield, CA
- Palm Springs, CA
- San Diego, CA
- Yuma El Centro, AZ CA

State access to broadband Internet:

pre-merger

93%

post-merger

100%

Colorado

Total TV Households: 1,645,010

Cable Subscribers: 1,027,300 (62.45%)

Satellite Subscribers: 400,418 (24.34%)

Current local broadcast markets served:

· Denver, CO

Markets that consumers will see added if the merger is approved:

· Colorado Springs Pueblo, CO

· Albuquerque Santa Fe, NM

· Grand Junction et al, CO

State access to broadband Internet:

pre-merger

85%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Connecticut

Total TV Households: 1,236,050

Cable Subscribers: 1,090,940 (88.26%)

Satellite Subscribers: 103,211 (8.35%)

Current local broadcast markets served:

· New York, NY

Markets that consumers will see added if the merger is approved:

· Hartford & New Haven, CT

State access to broadband Internet:

pre-merger

97%

post-merger

100%

Delaware

Total TV Households: 290,470

Cable Subscribers: 237,120 (81.63%)

Satellite Subscribers: 45,121 (15.53%)

Current local broadcast markets served:

· Philadelphia

Markets that consumers will see added if the merger is approved:

· Salisbury, MD

State access to broadband Internet:

pre-merger

100%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Florida

Total TV Households: 6,170,820

Cable Subscribers: 4,653,790 (75.42%)

Satellite Subscribers: 1,236,359 (20.04%)

Current local broadcast markets served:

- Miami-Ft. Lauderdale, FL
- Orlando-Daytona Beach-Melbourne, FL
- West Palm Beach-Ft. Pierce, FL [DIRECTV Only]

Markets that consumers will see added if the merger is approved:

- Jacksonville, FL
- Mobile, AL-Pensacola (Ft. Walton Beach), FL
- Ft. Myers-Naples, FL
- Tallahassee, FL-Thomasville, GA
- Dothan, AL
- Panama City, FL
- Gainesville, FL
- Tampa St. Pete et al, FL

State access to broadband Internet:

pre-merger

98%

post-merger

100%

Georgia

Total TV Households: 2,936,690

Cable Subscribers: 2,051,910 (69.87%)

Satellite Subscribers: 776,237 (26.43%)

Current local broadcast markets served:

- Atlanta, GA
- Greenville-Spartanburg, SC-Asheville, NC-Anderson, SC

Markets that consumers will see added if the merger is approved:

- Jacksonville, FL
- Chattanooga, TN
- Savannah, GA
- Tallahassee, FL Thomasville, GA
- Augusta, GA
- Macon, GA
- Albany, GA
- Columbus, GA
- Dothan, AL

State access to broadband Internet:

pre-merger

84%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Hawaii

Total TV Households: 382,720

Cable Subscribers: 337,740 (88.25%)

Satellite Subscribers: 9,058 (2.37%)

Current local broadcast markets served:

- None

Markets that consumers will see added if the merger is approved:

- Honolulu

State access to broadband Internet:

pre-merger

80%

post-merger

100%

Idaho

Total TV Households: 457,790

Cable Subscribers: 237,970 (51.98%)

Satellite Subscribers: 139,104 (30.39%)

Current local broadcast markets served:

- Salt Lake City, UT

Markets that consumers will see added if the merger is approved:

- Spokane, WA

- Boise, ID

- Twin Falls, ID

- Idaho Falls et al, ID

State access to broadband Internet:

pre-merger

66%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Illinois

Total TV Households: 4,442,640

Cable Subscribers: 2,888,140 (65.01%)

Satellite Subscribers: 776,408 (17.48%)

Current local broadcast markets served:

· Chicago, IL

· St. Louis, MO

Markets that consumers will see added if the merger is approved:

· Paducah, KY; Cape Girardeau, MO-Harrisburg-Mt Vernon, IL

· Champaign and Springfield-Decatur, IL

· Davenport, IA-Rock Island-Moline, IL

· Evansville, IN

· Peoria-Bloomington, IL

· Rockford, IL

· Terre Haute, IN

· Quincy et al, IL MO IA

State access to broadband Internet:

pre-merger

82%

post-merger

100%

Indiana

Total TV Households: 2,266,720

Cable Subscribers: 1,420,530 (62.67%)

Satellite Subscribers: 591,024 (26.07%)

Current local broadcast markets served:

- Chicago, IL
- Indianapolis, IN
- Cincinnati, OH

Markets that consumers will see added if the merger is approved:

- Louisville, KY
- Dayton, OH
- South Bend-Elkhart, IN
- Evansville, IN
- Ft. Wayne, IN
- Terre Haute, IN
- Lafayette, IN

State access to broadband Internet:

pre-merger

81%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Iowa

Total TV Households: 1,115,900

Cable Subscribers: 714,170 (64.00%)

Satellite Subscribers: 259,739 (23.28%)

Current local broadcast markets served:

· None

Markets that consumers will see added if the merger is approved:

· Des Moines-Ames, IA

· Omaha, NE

· Cedar Rapids-Waterloo-Iowa City Dubuque, IA

· Davenport, IA-Rock Island-Moline, IL

· Sioux Falls (Mitchell), SD

· Mankato, MN

· Rochester et al, MN IA

· Quincy et al, IL MO IA

· Ottumwa et al, IA MO

· Sioux City, IA

State access to broadband Internet:

pre-merger

51%

post-merger

100%

Kansas

Total TV Households: 1,017,970

Cable Subscribers: 703,540 (69.11%)

Satellite Subscribers: 212,615 (20.89%)

Current local broadcast markets served:

- Kansas City, MO

Markets that consumers will see added if the merger is approved:

- Tulsa, OK
- Wichita-Hutchinson, KS Plus
- Lincoln & Hastings-Kearney, NE
- Topeka, KS
- St. Joseph, MO
- Joplin Pittsburg, MO KS
- Amarillo, TX

State access to broadband Internet:

pre-merger

65%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Kentucky

Total TV Households: 1,516,310

Cable Subscribers: 1,003,000 (66.15%)

Satellite Subscribers: 412,482 (27.20%)

Current local broadcast markets served:

· Nashville, TN

· Cincinnati, OH

Markets that consumers will see added if the merger is approved:

· Bowling Green, KY

· Louisville, KY

· Charleston-Huntington, WV

· Knoxville, TN

· Lexington, KY

· Paducah, KY-Cape Girardeau, MO

· Harrisburg-Mt. Vernon, IL

· Tri-Cities, TN-VA

· Evansville, IN

State access to broadband Internet:

pre-merger

60%

post-merger

100%

Louisiana

Total TV Households: 1,587,770

Cable Subscribers: 1,157,490 (72.90%)

Satellite Subscribers: 303,229 (19.10%)

Current local broadcast markets served:

- None

Markets that consumers will see added if the merger is approved:

- New Orleans, LA
- Shreveport, LA
- Baton Rouge, LA
- Lafayette, LA
- Monroe- El Dorado, LA AR
- Greenwood Greenville, MS
- Alexandria, LA
- Lake Charles, LA

State access to broadband Internet:

pre-merger

79%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Maine

Total TV Households: 489,530

Cable Subscribers: 342,690 (70.00%)

Satellite Subscribers: 116,415 (23.78%)

Current local broadcast markets served:

- None

Markets that consumers will see added if the merger is approved:

- Portland-Auburn, ME
- Presque Isle, ME
- Bangor, ME

State access to broadband Internet:

pre-merger

65%

post-merger

100%

Maryland

Total TV Households: 1,921,640

Cable Subscribers: 1,339,970 (69.73%)

Satellite Subscribers: 308,925 (16.08%)

Current local broadcast markets served:

- Washington, DC (Hagerstown, MD)
- Pittsburgh, PA
- Baltimore, MD (DIRECTV Only)

Markets that consumers will see added if the merger is approved:

- Salisbury, MD

State access to broadband Internet:

pre-merger

88%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Massachusetts

Total TV Households: 2,336,260

Cable Subscribers: 1,897,320 (81.21%)

Satellite Subscribers: 200,308 (8.57%)

Current local broadcast markets served:

- Boston, MA (Manchester, NH)

Markets that consumers will see added if the merger is approved:

- Providence, RI-New Bedford, MA
- Albany-Schenectady-Troy, NY
- Springfield-Holyoke, MA

State access to broadband Internet:

pre-merger

99%

post-merger

100%

Michigan

Total TV Households: 3,699,480

Cable Subscribers: 2,440,320 (65.96%)

Satellite Subscribers: 718,480 (19.42%)

Current local broadcast markets served:

- Detroit, MI

Markets that consumers will see added if the merger is approved:

- Grand Rapids-Kalamazoo-Battle Creek, MI
- Flint-Saginaw-Bay City, MI
- Toledo, OH
- Green Bay-Appleton, WI

- South Bend-Elkhart, IN
- Lansing, MI
- Traverse City-Cadillac, MI
- Duluth Superior, MN WI
- Marquette, MI
- Alpena, MI

State access to broadband Internet:

pre-merger

90%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Minnesota

Total TV Households: 1,825,000

Cable Subscribers: 1,039,330 (56.95%)

Satellite Subscribers: 399,138 (21.87%)

Current local broadcast markets served:

- Minneapolis-St. Paul, MN

Markets that consumers will see added if the merger is approved:

- Sioux Falls (Mitchell), SD
- Fargo-Valley City, ND
- Mankato, MN
- Rochester et al, MN IA
- La Crosse Eau Claire, WI
- Duluth Superior, MN WI

State access to broadband Internet:

pre-merger

65%

post-merger

100%

Mississippi

Total TV Households: 1,004,040

Cable Subscribers: 609,040 (60.66%)

Satellite Subscribers: 330,764 (32.94%)

Current local broadcast markets served:

- Memphis, TN

Markets that consumers will see added if the merger is approved:

- New Orleans, LA

- Mobile, AL-Pensacola (Ft. Walton Beach), FL
- Jackson, MS
- Baton Rouge, LA
- Greenwood Greenville, MS
- Columbus et al, MS
- Meridian, MS
- Hattiesburg Laurel, MS
- Baton Rouge, LA
- Biloxi Gulfport, MS

State access to broadband Internet:

pre-merger

72%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Missouri

Total TV Households: 2,113,950

Cable Subscribers: 1,178,570 (55.75%)

Satellite Subscribers: 590,340 (27.93%)

Current local broadcast markets served:

- St. Louis, MO
- Kansas City, MO
- Memphis, TN

Markets that consumers will see added if the merger is approved:

- Des Moines-Ames, IA
- Springfield, MO
- Omaha, NE
- Paducah, KY; Cape Girardeau, MO;
- Harrisburg-Mt. Vernon, IL
- St. Joseph, MO
- Ottumwa et al, IA MO
- Quincy et al, IL MO IA
- Columbia et al, MO
- Joplin Pittsburg, MO KS
- Jonesboro, AR

State access to broadband Internet:

pre-merger

65%

post-merger

100%

Montana

Total TV Households: 336,530

Cable Subscribers: 176,820 (52.54%)

Satellite Subscribers: 131,251 (39.00%)

Current local broadcast markets served:

- None

Markets that consumers will see added if the merger is approved:

- Spokane, WA
- Missoula, MT
- Helena, MT
- Great Falls, MT
- Butte Bozeman, MT
- Billings, MT
- Glendive, MT
- Minot et al, ND
- Rapids City, SD

State access to broadband Internet:

pre-merger

52%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Nebraska

Total TV Households: 640,330

Cable Subscribers: 450,840 (70.41%)

Satellite Subscribers: 140,722 (21.98%)

Current local broadcast markets served:

- Denver, CO

Markets that consumers will see added if the merger is approved:

- Omaha, NE
- Lincoln & Hastings-Kearney, NE
- Sioux Falls (Mitchell), SD
- Cheyenne, WY; Scottsbluff, NE
- North Platte, NE
- Wichita et al, KS
- Sioux City, IA
- Rapids City, SD

State access to broadband Internet:

pre-merger

56%

post-merger

100%

Nevada

Total TV Households: 788,220

Cable Subscribers: 548,080 (69.53%)

Satellite Subscribers: 138,936 (17.63%)

Current local broadcast markets served:

· Salt Lake City, UT

Markets that consumers will see added if the merger is approved:

· Las Vegas, NV

· Reno, NV

State access to broadband Internet:

pre-merger

78%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

New Hampshire

Total TV Households: 459,220

Cable Subscribers: 373,870 (81.41%)

Satellite Subscribers: 78,030 (16.99%)

Current local broadcast markets served:

- Boston, MA (Manchester, NH)

Markets that consumers will see added if the merger is approved:

- Portland-Auburn, ME
- Burlington, VT; Plattsburgh, NY

State access to broadband Internet:

pre-merger

92%

post-merger

100%

New Jersey

Total TV Households: 2,951,700

Cable Subscribers: 2,429,840 (82.32%)

Satellite Subscribers: 354,224 (12.00%)

Current local broadcast markets served:

- New York, NY
- Philadelphia, PA

Markets that consumers will see added if the merger is approved:

State access to broadband Internet:

pre-merger

99%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

New Mexico

Total TV Households: 620,020

Cable Subscribers: 357,740 (57.70%)

Satellite Subscribers: 159,204 (25.68%)

Current local broadcast markets served:

- Albuquerque-Santa Fe, NM (EchoStar Only)

Markets that consumers will see added if the merger is approved:

- Tucson (Sierra Vista), AZ
- Amarillo, TX
- Odessa Midland, TX

State access to broadband Internet:

pre-merger

66%

post-merger

100%

New York

Total TV Households: 6,613,410

Cable Subscribers: 4,757,290 (71.93%)

Satellite Subscribers: 918,661 (13.89%)

Current local broadcast markets served:

- New York, NY

Markets that consumers will see added if the merger is approved:

- Buffalo, NY
- Albany-Schenectady-Troy, NY
- Rochester, NY
- Syracuse, NY

· Burlington, VT; Plattsburgh, NY

· Watertown, NY

· Utica, NY

· Binghamton, NY

· Elmira, NY

State access to broadband Internet:

pre-merger

92%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

North Carolina

Total TV Households: 2,988,960

Cable Subscribers: 1,933,500 (64.69%)

Satellite Subscribers: 859,705 (28.76%)

Current local broadcast markets served:

- Atlanta, GA
- Charlotte, NC
- Raleigh-Durham (Fayetteville), NC
- Greenville-Spartanburg, SC-Asheville, NC; Anderson, SC
- Greensboro-High Point-Winston Salem, NC (DIRECTV Only)

Markets that consumers will see added if the merger is approved:

- Norfolk-Portsmouth-Newport News, VA
- Chattanooga, TN · Greenville-New Bern-Washington, NC
- Florence-Myrtle Beach, SC
- Tri-Cities, TN VA
- Wilmington, NC

State access to broadband Internet:

pre-merger

89%

post-merger

100%

North Dakota

Total TV Households: 246,460

Cable Subscribers: 159,420 (64.68%)

Satellite Subscribers: 68,310 (27.72%)

Current local broadcast markets served:

- None

Markets that consumers will see added if the merger is approved:

- Minot et al, ND
- Fargo Valley City, ND

State access to broadband Internet:

pre-merger

28%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Ohio

Total TV Households: 4,302,770

Cable Subscribers: 3,012,610 (70.02%)

Satellite Subscribers: 754,176 (17.53%)

Current local broadcast markets served:

- Cleveland-Akron (Canton), OH
- Cincinnati, OH
- Columbus, OH (DIRECTV Only)

Markets that consumers will see added if the merger is approved:

- Dayton, OH
- Charleston-Huntington, WV
- Toledo, OH
- Youngstown, OH
- Ft. Wayne, IN
- Lima, OH
- Zanesville, OH
- Wheeling et al, WV OH
- Parkersburg, WV

State access to broadband Internet:

pre-merger

92%

post-merger

100%

Oklahoma

Total TV Households: 1,288,600

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Cable Subscribers: 792,240 (61.48%)

Satellite Subscribers: 311,736 (24.19%)

Current local broadcast markets served:

- None

Markets that consumers will see added if the merger is approved:

- Oklahoma City, OK
- Tulsa, OK
- Shreveport, LA
- Ft. Smith-Fayetteville-Springdale-Rogers, AR
- Amarillo, TX
- Joplin Pittsburg, MO KS
- Sherman Ada, TX OK
- Wichita Falls et al, TX OK

State access to broadband Internet:

pre-merger

71%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Oregon

Total TV Households: 1,276,210

Cable Subscribers: 804,880 (63.07%)

Satellite Subscribers: 276,443 (21.66%)

Current local broadcast markets served:

- Portland, OR

Markets that consumers will see added if the merger is approved:

- Spokane, WA
- Boise, ID
- Eugene, OR
- Yakima-Pasco-Richland-Kennewick, WA
- Bend, OR
- Medford et al, OR

State access to broadband Internet:

pre-merger

91%

post-merger

100%

Pennsylvania

Total TV Households: 4,559,840

Cable Subscribers: 3,548,830 (77.83%)

Satellite Subscribers: 577,754 (12.67%)

Current local broadcast markets served:

- New York, NY
- Philadelphia, PA

· Washington, DC (Hagerstown, MD)

· Pittsburgh, PA

Markets that consumers will see added if the merger is approved:

· Harrisburg-Lancaster-Lebanon-York, PA

· Buffalo, NY

· Wilkes Barre-Scranton, PA

· Johnstown-Altoona, PA

· Youngstown, OH

· Erie, PA

· Elmira, NY

State access to broadband Internet:

pre-merger

78%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Rhode Island

Total TV Households: 375,750

Cable Subscribers: 286,460 (76.24%)

Satellite Subscribers: 38,456 (10.23%)

Current local broadcast markets served:

· None

Markets that consumers will see added if the merger is approved:

· Providence, RI-New Bedford, MA

State access to broadband Internet:

pre-merger

94%

post-merger

100%

South Carolina

Total TV Households: 1,460,980

Cable Subscribers: 922,560 (63.15%)

Satellite Subscribers: 384,661 (26.33%)

Current local broadcast markets served:

· Charlotte, NC

· Greenville-Spartanburg, SC-Asheville, NC-Anderson, SC

Markets that consumers will see added if the merger is approved:

· Columbia, SC

· Savannah, GA · Charleston, SC

· Florence-Myrtle Beach, SC

· Augusta, GA

· Columbia, SC

· Florence et al, SC

· Charleston, SC

· Savannah, GA

State access to broadband Internet:

pre-merger

84%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

South Dakota

Total TV Households: 275,600

Cable Subscribers: 178,910 (64.92%)

Satellite Subscribers: 67,953 (24.66%)

Current local broadcast markets served:

- None

Markets that consumers will see added if the merger is approved:

- Sioux Falls (Mitchell), SD
- Minot et al, ND
- Rapid City, SD
- Sioux City, IA

State access to broadband Internet:

pre-merger

37%

post-merger

100%

Tennessee

Total TV Households: 2,139,070

Cable Subscribers: 1,421,000 (66.43%)

Satellite Subscribers: 540,846 (25.28%)

Current local broadcast markets served:

- Nashville, TN
- Memphis, TN (DIRECTV Only)

Markets that consumers will see added if the merger is approved:

- Jackson, TN
- Knoxville, TN

· Paducah, KY; Cape Girardeau, MO; Harrisburg-Mt. Vernon, IL

· Huntsville-Decatur (Florence), AL

· Chattanooga, TN

· Tri-Cities, TN-VA

State access to broadband Internet:

pre-merger

82%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Texas

Total TV Households: 7,265,760

Cable Subscribers: 4,214,630 (58.01%)

Satellite Subscribers: 1,939,923 (26.70%)

Current local broadcast markets served:

- Dallas-Ft. Worth, TX
- Houston, TX
- San Antonio, TX
- Austin, TX

Markets that consumers will see added if the merger is approved:

- Shreveport, LA
- Waco-Temple-Bryan, TX
- Harlingen-Weslaco-Brownsville-McAllen, TX
- El Paso, TX
- Tyler-Longview (Lufkin & Nacogdoches), TX
- Amarillo, TX
- Lubbock, TX
- Odessa Midland, TX
- San Angelo, TX
- Abilene Sweetwater, TX
- Wichita Falls et al, TX OK
- Sherman Ada, TX OK
- Beaumont Port Arthur, TX
- Corpus Christi, TX
- Laredo, TX

State access to broadband Internet:

pre-merger

83%

post-merger

100%

Utah

Total TV Households: 682,150

Cable Subscribers: 353,460 (51.82%)

Satellite Subscribers: 198,676 (29.12%)

Current local broadcast markets served:

- Salt Lake City, UT

Markets that consumers will see added if the merger is approved:

State access to broadband Internet:

pre-merger

75%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Vermont

Total TV Households: 227,350

Cable Subscribers: 132,070 (58.09%)

Satellite Subscribers: 94,059 (41.37%)

Current local broadcast markets served:

- Boston, MA (Manchester, NH)

Markets that consumers will see added if the merger is approved:

- Albany-Schenectady-Troy, NY
- Portland-Auburn, ME
- Burlington, VT; Plattsburgh, NY

State access to broadband Internet:

pre-merger

75%

post-merger

100%

Virginia

Total TV Households: 2,607,330

Cable Subscribers: 1,850,020 (70.95%)

Satellite Subscribers: 655,491 (25.14%)

Current local broadcast markets served:

- Washington, DC (Hagerstown, MD)
- Raleigh-Durham (Fayetteville), NC
- Greensboro-High Point-Winston Salem, NC

Markets that consumers will see added if the merger is approved:

- Norfolk-Portsmouth-Newport News, VA

- Richmond-Petersburg, VA
- Roanoke-Lynchburg, VA
- Tri-Cities, TN-VA
- Beckley et al, WV
- Harrisonburg, VA
- Charlottesville, VA

State access to broadband Internet:

pre-merger

72%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Washington

Total TV Households: 2,212,180

Cable Subscribers: 1,527,680 (69.06%)

Satellite Subscribers: 418,472 (18.92%)

Current local broadcast markets served:

· Seattle-Tacoma, WA

· Portland, OR

Markets that consumers will see added if the merger is approved:

· Spokane, WA

· Yakima-Pasco-Richland-Kennewick, WA

State access to broadband Internet:

pre-merger

89%

post-merger

100%

Washington, DC

Total TV Households: 216,780

Cable Subscribers: 123,380 (56.91%)

Satellite Subscribers: 20,967 (9.67%)

Current local broadcast markets served:

· Washington, DC

Markets that consumers will likely see added if the merger is approved:

State access to broadband Internet:

pre-merger

93%

post-merger

100%

West Virginia

Total TV Households: 706,080

Cable Subscribers: 513,930 (72.79%)

Satellite Subscribers: 186,305 (26.39%)

Current local broadcast markets served:

· Washington, DC (Hagerstown, MD)

· Pittsburgh, PA

Markets that consumers will see added if the merger is approved:

· Charleston-Huntington, WV

· Roanoke-Lynchburg, VA

· Huntsville Decatur (Florence), AL

· Wheeling et al, WV OH

· Parkersburg, WV

· Clarksburg Weston, WV

· Harrisonburg, VA

· Beckley et al, WV

State access to broadband Internet:

pre-merger

42%

post-merger

100%

Table of Contents

local.BENEFITS

EchoStar-DIRECTV Merger Benefits

Wisconsin

Total TV Households: 2,013,950

Cable Subscribers: 1,202,450 (59.71%)

Satellite Subscribers: 456,600 (22.67%)

Current local broadcast markets served:

- Minneapolis-St. Paul, MN
- Milwaukee, WI (DIRECTV Only)

Markets that consumers will see added if the merger is approved:

- Green Bay-Appleton, WI
- Madison, WI
- Cedar Rapids-Waterloo-Iowa City & Dubuque, IA
- Duluth Superior, MN WI
- Wausau Rhinelander, WI
- Marquette, MI
- La Crosse Eau Claire, WI

State access to broadband Internet:

pre-merger

84%

post-merger

100%

Wyoming

Total TV Households: 180,170

Cable Subscribers: 119,390 (66.27%)

Satellite Subscribers: 63,124 (35.04%)

Current local broadcast markets served:

- Denver, CO
- Salt Lake City, UT

Markets that consumers will see added if the merger is approved:

- Cheyenne, WY; Scottsbluff, NE
- Billings, MT
- Rapids City, SD
- Casper Riverton, WY
- Idaho Falls et al, ID

State access to broadband Internet:

pre-merger

53%

post-merger

100%

Table of Contents

take.ACTION

EchoStar-DIRECTV Merger Benefits

Take Action!

You can take action by writing a letter to the FCC and your elected officials. Just click on the link below to let your voice be heard.

Write a letter to the FCC and your Elected Officials

Table of Contents

write.YOUR_OFFICIAL

EchoStar-DIRECTV Merger Benefits

Write to the FCC and Your Elected Officials

Select a sample letter from below or write your own. Please read it over, make any changes you want, fill in your personal info at the bottom, and click submit.

Dear Member of Congress:		
Write your own letter here.	Subscriber Letter of Support	Retailer Letter of Support
Write your own letter here.	<p>I am writing to you today as a current satellite TV subscriber who would like to add my voice of support to the pending merger of EchoStar and DIRECTV. The combination of these two satellite providers will provide numerous benefits to consumers like me, including more choices in channels, programming, broadband and new television technologies.</p> <p>By merging, the combined company will be a much stronger competitor to cable television and can offer more programming choices and, most importantly, all local TV channels in every market in the U.S. By providing local TV channels everywhere, this merger will make satellite television a strong alternative to cable in our community. Throughout the country, people will now be able to turn to satellite TV to access their local news, weather and community information, in addition to a comprehensive package of national video programming. But just as exciting, the merger will bring the availability of affordable high-speed Internet service by satellite to over 40 million Americans who don't have high-speed Internet access. This is a tremendous benefit to consumers that won't happen without the merger. Satellite-delivered Internet service will bring an affordable and competitive alternative to cable modems and DSL to consumers in big cities, small towns and rural areas alike. This will give me a competitive choice for Internet access and will be especially advantageous to rural communities where cable modems and DSL are not likely to be available anytime in the near future.</p> <p>In the interest of improving our access to competitive television and Internet service, I urge you to lend your support to this merger.</p>	<p>As a small business operator, I urge you to support the pending EchoStar and DirecTV merger. This is an exciting combination because of the clear benefits it will provide for consumers and retail merchants and contractors.</p> <p>Retail merchants will benefit from EchoStar's upgrade plans because it will simplify their inventory and repair process by standardizing the satellite TV equipment platform. The greatest gains for retail merchants will come from EchoStar's plans to carry local broadcast channels in all 210 US television markets once the merger is completed. This means that satellite TV will be a more effective competitor to cable since consumers will now be able to get their local stations by satellite as they can currently from cable. This will put local retailers selling DBS satellite dishes on a more level playing field as they sell services that directly compete with local cable TV companies. This service improvement will mean more business for retailers and a more competitive video service for consumers from satellite television.</p> <p>This merger is an economic gain for the small business community and it needs your support.</p>

Sincerely:

* First Name:

* Last Name:

Company/Organization:

* Address:

* City: * State: * Zip:

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Phone:

Fax:

* E-Mail:

* Required Field

Table of Contents

NEWS

EchoStar-DIRECTV Merger Benefits

Latest News:

02/26/2002 - Merged EchoStar and Hughes Will Deliver Local Broadcast Channels To All 210 U.S. Television Markets

Combined Company Will Also Bridge Digital Divide With Affordable Broadband Satellite Internet Service in Every Market

02/04/2002 - EchoStar and Hughes Comment on FCC Filings

The pending merger of EchoStar Communications Corporation (NASDAQ: DISH) and Hughes Electronics Corporation will benefit consumers through more competition to cable TV...

01/09/2002 - EchoStar, DIRECTV Welcome Farm Bureau Support

The chief executives of EchoStar Communications Corporation and DIRECTV, Inc., today thanked the American Farm Bureau Federation for supporting the pending merger of the two companies...

Press Releases:

10/28/2001 - GM's Hughes Electronics to Merge with EchoStar Communications

Local Channels and Competitive Broadband for All Americans - Report (pdf)

Spot Beam Satellite Map (pdf)

Table of Contents

NEWS

EchoStar-DIRECTV Merger Benefits

Latest News

02/26/2002 - Merged EchoStar and Hughes Will Deliver Local Broadcast Channels To All 210 U.S. Television Markets
Combined Company Will Also Bridge Digital Divide With Affordable Broadband Satellite Internet Service in Every Market

FOR IMMEDIATE RELEASE

Combined Company Will Also Bridge Digital Divide With Affordable Broadband Satellite Internet Service in Every Market

El Segundo, CA and Littleton, CO, February 26, 2002 - EchoStar Communications Corporation (Nasdaq: DISH) and Hughes Electronics Corporation (NYSE: GMH) announced today a new proposal that will enable the combined company to deliver local broadcast TV channels in all 210 Designated Market Areas (DMAs) in the United States.

In their joint satellite application filed with the Federal Communications Commission (FCC) late Monday, the companies detailed a technically and commercially feasible Local Channels, All Americans plan developed by DISH Network and DIRECTV engineers that will allow the merged company to offer every consumer in the continental United States, Alaska, and Hawaii access to satellite-delivered local television signals.

The filing also seeks authority to launch and operate a new spot-beam satellite that when combined with four existing and under-construction EchoStar and DIRECTV spot-beam satellites and spectrum efficiencies achieved by combining frequencies from three of the companies orbital locations, will enable the merged company to broadcast local TV channels in all 210 DMAs, including full compliance with federal must carry requirements. Today, DIRECTV and EchoStar deliver local broadcast channels via satellite to consumers in a total of only 42 metropolitan markets. The merger eliminates carriage of duplicative content - a total of more than 500 identical channels - from the DIRECTV and DISH Network satellites which, when coupled with advanced spot-beam satellites and efficiencies created by the merger, would enable local channel delivery in all U.S. DMAs.

EchoStar and HUGHES filed the satellite application today contemporaneously with their filing of a formal response to comments on the merger previously filed with the FCC on Feb. 4.

While there are numerous consumer and competitive benefits from this pending merger, the ability to offer local channels to every consumer in every television market in the country - including rural and underserved areas - certainly is one of the most compelling aspects of this deal, said Charles Ergen, chairman and CEO of EchoStar. Today, approximately 42 million TV households do not have the option to receive local channels via satellite, and as such, have no choice but to subscribe to cable. Without this merger, many of those will never see local channels on satellite and have no choice of local television providers.

Ergen continued, We have heard the concerns of local, state and federal representatives and officials and we appreciate their feedback and input. Only if this merger is approved by the federal government will millions of consumers in small and rural markets in every state finally have a true, competitive alternative to incumbent cable operators. Clearly, this merger is a win for consumers across all of America.

New set-top boxes and satellite dishes, which will be capable of receiving satellite signals from multiple orbital slots, will be made available free of charge to all existing DIRECTV and EchoStar customers who will require new equipment in order to receive their local channels from the combined company.

Consumers across the country will receive programming from the merged direct broadcast satellite service via one small satellite dish and will pay the same nationwide price for services. We are one nation, and there will be one dish and one rate card, regardless of a subscriber's location, said Ergen.

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This merger will bring to fruition so many tremendous benefits to consumers that it will set a new standard for the delivery of multichannel video and broadband services, said Jack Shaw, CEO of HUGHES. In addition to delivering local channels in all 210 television markets, the combined company will bridge the digital divide by offering affordable high-speed satellite Internet access to consumers in every market, including the most rural areas of the country. We will create a more robust and efficient satellite platform with a larger subscriber base that will enable the merged company to transition existing niche satellite Internet services to a more affordable and accessible next-generation service.

The combined EchoStar-HUGHES will also offer more high definition channels, new interactive services, expanded national programming networks and additional educational, specialty and foreign-language programming.

The ability of the combined company to serve all 210 DMAs with local channels is contingent upon the proposed HUGHES-EchoStar merger receiving the necessary government approvals from the FCC and U.S. Department of Justice, and the successful launch of three new spot-beam satellites. Implementation of the Local Channels, All Americans plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter. The proposed transaction is also subject to review by the Internal Revenue Service, and requires approval by a majority of GM \$1-2/3, GM Class H and EchoStar shareholders.

Table of Contents

NEWS

EchoStar-DIRECTV Merger Benefits

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FOR IMMEDIATE RELEASE

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Marc Lumpkin (303) 723-2020

Communications Manager

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LITTLETON, Colo. - February 4, 2002 - The pending merger of EchoStar Communications Corporation (NASDAQ: DISH) and Hughes Electronics Corporation will benefit consumers through more competition to cable TV, local channels via satellite in more than twice the communities and rapid deployment of high-speed Internet access nationwide, particularly in rural areas, stated EchoStar and Hughes today as the Federal Communications Commission's initial public comment deadline occurred. EchoStar and Hughes will file a formal response to the FCC on Feb. 25, the FCC's deadline for responses to comments and oppositions to petitions to deny.

EchoStar and Hughes are pleased that they have received additional support through the FCC process for the pending merger, including the following:

Independent consumer groups: U.S. Internet Industry Association, Americans for Tax Reform, Small Business Survival Committee, the State of Missouri Chamber of Commerce, Citizens for a Sound Economy, the National Alliance of Medical Researchers & Teaching Physicians, Project 21 (African American business association), the Columbus Education Association in Ohio, and many more.

Rural organizations: Montana World Trade Center, Louisiana Farm Bureau Federation, Frontiers of Freedom, NetExpress of North Dakota, which stated support for expanded rural services such as local TV channels and broadband access.

Government officials: Louisiana Governor Mike Foster, Jr., Wisconsin State Senator Kevin Shibilski, Missouri State Representative Martin Hohulin, Wisconsin State Representative Kitty Rhoades, and Louisiana Senator Noble Ellington.

Major consumer electronics firms: Thomson MultiMedia and Sharp Electronics Corporation, among others, which believe the pending merger will help further the transition of high definition television and strengthen multichannel options for consumers.

After the FCC reviews all the comments they have received and thoroughly examines all the facts involving spectrum efficiencies, rural access to broadband, local channels delivered via satellite and other benefits to the American public, we are confident that the FCC will find that the pending merger is in the public interest, said Charlie Ergen, chairman and CEO of EchoStar. Through the merger of EchoStar and Hughes, we can offer affordable, high-speed Internet access to virtually every community in the United States; more than double the markets in which we offer local channels, including at least one market in every state; and enhance programming and interactive content to the pay-television consumer, said Ergen. The combined company will offer nationwide pricing and will be a competitive force against cable.

EchoStar and Hughes Electronics Corporation, a wholly owned subsidiary of General Motors Corporation (NYSE: GM, GMH) and the parent company of DIRECTV, reached an agreement in October 2001, that provided for the spin-off of Hughes from GM and the merger of Hughes with EchoStar.

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We welcome an open debate on the merits of our merger, said Jack A. Shaw, president and CEO of Hughes. Consumers have the most to benefit from this pending merger because of the vigorous competition it creates to cable companies. Approximately 78 percent of the U.S. pay TV market is controlled by cable companies, which operate as virtual monopolies in most of the communities they serve.

In addition to FCC approval, the merger requires approval by the Department of Justice, which is reviewing antitrust issues under the Hart-Scott-Rodino Act. Also, the transaction is subject to review by the Internal Revenue Service, and requires approval by a majority of GM \$1-2/3, GM Class H, and EchoStar shareholders.

Public comments to the FCC can be found at www.fcc.gov/csb/echodiv.

Table of Contents

NEWS

EchoStar-DIRECTV Merger Benefits

01/09/2002 - EchoStar, DIRECTV Welcome Farm Bureau Support

The chief executives of EchoStar Communications Corporation and DIRECTV, Inc., today thanked the American Farm Bureau Federation for supporting the pending merger of the two companies...

FOR IMMEDIATE RELEASE

Media Contact:
George Jamison
(310) 662-9986
HUGHES Electronics

Judianne Atencio
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EchoStar Communications

LAS VEGAS, NV. - January 9, 2002 - The chief executives of EchoStar Communications Corporation and DIRECTV, Inc., today thanked the American Farm Bureau Federation for supporting the pending merger of the two companies while speaking on a panel at the 2002 Consumer Electronics Show in Las Vegas.

As the nation's largest and most influential farm organization, the Farm Bureau's support is very significant, said Charlie Ergen, chairman and CEO of EchoStar. They clearly recognize the importance of this merger in bringing enhanced satellite television service and local channels to 85 percent of U.S. households to their more than 5 million members and their families. They also recognize that the merger will help close the digital divide between urban and rural America.

The Farm Bureau clearly understands this proposed merger is key to making broadband a reality for millions of rural residents, said Eddy Hartenstein, chairman and CEO of DIRECTV. We share their excitement that the merger will allow us to rapidly develop an affordable satellite-based, two-way, always-on, high speed Internet connection that will serve both rural and urban areas.

The American Farm Bureau believes that the proposed merger is good for rural America, stated Bob Stallman, president of American Farm Bureau Federation, in the letter. It will help revitalize rural communities and small businesses and improve the quality of life for American farm and ranch families. Both EchoStar and DIRECTV started their businesses serving areas of the country not served by cable television. Today, both companies continue to offer uniform, nationwide pricing for television programming and have told Congress that they are willing to commit to continue this practice. This means rural customers benefit from competitive pricing occurring in urban settings.

Text of Dec. 27, 2001, letter from Bob Stallman, president of the American Farm Bureau Federation, to the members of Congress:

The American Farm Bureau Federation believes that the proposed merger between DIRECTV and EchoStar Communications will provide great benefits to rural America, making broadband services available to millions of rural residents and expanding local broadcast coverage.

The proposed merger will help make the first broadband satellite telecommunications system a reality for many rural areas starved for high speed Internet access. As noted in the joint study by the National Telecommunications and Information Administration (NTIA) and the Rural Utility Service (RUS), Advanced Telecommunications in Rural America, April, 2000, less than five percent of small towns and rural communities have access to the two dominate broadband technologies offered by local exchange carriers and cable companies, while each of those technologies are available to more than half of all cities with more than 100,000 in population.

That same report specifically points to the potential of satellite technology as an essential element of bringing broadband to many rural and high-cost areas: Satellites may therefore be an attractive alternative for remote locations that cannot be economically connected via other last-mile technologies. These systems are not constrained by distance and offer the opportunity to leap directly to broadband service without

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upgrading existing terrestrial communications infrastructure. If the merger is approved, the combined entity will have the ability to deliver high speed Internet access via satellite to virtually any rural resident.

Farmers, ranchers, small businesses and rural residents, in general, live in circumstances where weather and news are an essential part of their everyday lives. Rural residents rely upon local broadcasters to keep them informed, especially regarding the weather. This proposal will significantly advance the goal of delivering local-to-local broadcasting to more rural markets. The spectrum efficiencies achieved by combining the capacity of EchoStar Communications and DIRECTV will enable the combined entity to deliver local broadcast signals to more than 100 markets - a significant expansion of today's circumstances where only about 40 local markets are able to receive local-to-local broadcast signals via satellite.

For these reasons, the American Farm Bureau Federation believes that the proposed merger is good for rural America. It will help revitalize rural communities and small businesses and improve the quality of life of American farm and ranch families.

We urge you to support the EchoStar-DIRECTV merger.

Table of Contents

NEWS

EchoStar-DIRECTV Merger Benefits

10/28/2001 - GM's Hughes Electronics to Merge with EchoStar Communications

FOR IMMEDIATE RELEASE

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Stockholders and Consumers Benefit As Combined Hughes-EchoStar Provides Meaningful Competitor To Cable TV Companies

NEW YORK -- General Motors Corp. and its subsidiary Hughes Electronics (NYSE: GM, GMH) together with EchoStar Communications Corporation (NASDAQ: DISH), today announced the signing of definitive agreements that provide for the spin-off of Hughes from GM and the merger of Hughes with EchoStar.

The combined company would use the EchoStar name and adopt the DIRECTV brand for its services and related products. The merger would create the nation's second-largest pay television platform with more than 16.7 million subscribers, of which 1.8 million subscribers are National Rural Telecommunications Cooperative (NRTC) and affiliates, and 14.9 million subscribers are owned-and-operated by the combined company. Cable TV companies presently control more than 80 percent of the U.S. pay television market, while a combined EchoStar-Hughes would provide service to about 17 percent of the market.

The spin-off of Hughes from GM would result in current holders of Class H common stock receiving one share of new Hughes Class C common stock in exchange for each share of Class H stock held prior to the spin-off. The merger of Hughes and EchoStar would result in Hughes being the surviving entity and taking the name EchoStar Communications Corp. Holders of Class A EchoStar common stock prior to the merger would receive 1.3699 shares of the new EchoStar in exchange for each share of Class A EchoStar common stock held prior to the merger. Based on the closing price of EchoStar common stock of \$25.26 on Oct. 26, 2001, the transaction would provide a value of approximately \$18.44 per GMH share, representing a 20-percent premium. As of Oct. 26, 2001, the implied market capitalization of Hughes was approximately \$21.3 billion and the market capitalization of EchoStar was approximately \$12.1 billion.

The transaction is expected to require approximately \$5.5 billion of total financing, which EchoStar expects to fund in the capital markets prior to closing. Completion of this financing has been backstopped by a bridge commitment of approximately \$2.75 billion from Deutsche Bank, and a bridge commitment of approximately \$2.75 billion from General Motors, the latter of which the parties plan to replace with a commitment from one or more other leading financial institutions in the near future. The GM bridge commitment is secured by a pledge of \$2.75 billion of EchoStar stock held by a trust controlled by EchoStar Chairman and Chief Executive Officer Charles Ergen.

The transaction is subject to a number of conditions, including approval by a majority of each class of GM shareholders - GM \$1-2/3 and GM Class H - voting both separately as distinct classes, and also together as a single class. Approval of the majority of EchoStar's voting shares has already been given by written consent. The proposed transaction also is subject to regulatory clearance under the Hart-Scott-Rodino Act and approval by the Federal Communications Commission. The transaction is also contingent upon the receipt of a favorable ruling from the Internal Revenue Service that the separation of Hughes from GM will qualify as a tax-free spin-off for U.S. Federal Income Tax purposes. The

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transaction is currently expected to close in the second half of 2002.

This transaction provides significant benefits to Hughes, EchoStar, millions of present and future DIRECTV customers, and shareholders of both GM and EchoStar, said GM President and Chief Executive Officer Rick Wagoner. We've said all along that we wanted to structure an agreement that would provide continued strong growth at Hughes and maximum value for both GM and GM Class H shareholders. This transaction achieves these objectives.

Strong Growth Prospects and Significant Synergies This is an extremely compelling combination for GM, GMH and EchoStar shareholders, Ergen said. The combination of EchoStar and Hughes is expected to generate very substantial synergies utilizing the advantages of direct-broadcast satellite television, cost savings from the elimination of costly duplicate satellite bandwidth and infrastructure, and strong management offering more effective fundamental business practices. The new company would also have enhanced scale to compete more effectively against the dominant U.S. cable and broadband providers - a critical factor given increasing consolidation in the cable industry.

U.S. consumers also would benefit from the combined company's ability to increase significantly the number of markets served with local channels via satellite, provide additional channel offerings, increase high-definition TV (HDTV) offerings and accelerate the introduction of next-generation high-speed Internet services, Ergen continued. Together, EchoStar's DISH Network and Hughes DIRECTV also can provide a range of services that would bridge the digital divide - providing high-speed broadband solutions to consumers and businesses. Importantly, these services would be available in rural areas otherwise far from the information superhighway at rates which the company is prepared to assure regulators would be competitive.

Hughes and its operating companies would be well positioned to thrive as part of this merged company, said Jack A. Shaw, chief executive officer of Hughes. DIRECTV would enjoy significant cost efficiencies and better use of its assets. Hughes Network Systems would play a key strategic part in the growth of satellite-delivered broadband. PanAmSat would have continued growth opportunities. And DIRECTV Latin America would benefit from the synergies of the larger combined company, Shaw said.

The new company, which would retain the EchoStar name but would use the DIRECTV brand for consumer offerings, would be based in Littleton, Colo., and would employ approximately 20,000 people and serve more than approximately 14.9 million direct-broadcast satellite TV customers. EchoStar and Hughes have pledged that the merger would not cause disruption of service or additional expense to existing customers of either DIRECTV or DISH Network service.

The new EchoStar would be led by Ergen as chairman and chief executive officer. The board of directors would consist of nine members, five of whom would be independent directors.

Ergen added, I think it is significant that EchoStar and Hughes have agreed to a fair and balanced process for identifying the most qualified people from both companies in order to select the best person for every job, regardless where they worked prior to the merger. This is a key provision that Hughes management felt strongly about and to which EchoStar readily agreed.

A transition team made up of Shaw and DIRECTV Chairman and CEO Eddy Hartenstein from Hughes, as well as Ergen and EchoStar President Michael Dugan will assure a smoother and orderly process.

Significant Proceeds for GM

As part of the transaction, General Motors would receive up to \$4.2 billion in cash for redemption of part of its economic interest in Hughes. Pro forma for the cash redemption (assuming illustratively a price of \$18.44 based on the implied deal value), GM Class H shareholder would own approximately 53 percent of the combined company, EchoStar's shareholders would own approximately 36 percent, and GM would own approximately 11 percent. In addition, prior to the transaction, GM would seek to exchange up to 100 million shares of GM Class H common stock (or after the transaction 100 million shares of EchoStar common stock) for GM outstanding debt, which would further improve GM's net liquidity position.

This transaction offers substantial financial benefits now and over the long term for GM \$1-2/3 and GM Class H shareholders, Wagoner said. GM Class H shareholders would receive a significant premium on their investment. For GM \$1-2/3 shareholders, GM expects to receive \$4.2 billion in cash, and would retain a significant investment in the merged company.

GM intends to file a registration statement in connection with the transaction and mail a proxy statement/prospectus to both GM and GM Class H stockholders in connection with the transaction. Investors are urged to read the proxy statement/prospectus when it becomes available because it will contain important information about GM, Hughes and the transaction.

EchoStar Communications Corp. and its DISH Network provide state-of-the-art direct-broadcast satellite TV service that is capable of offering over 500 channels of digital video and CD-quality audio programming, as well as advanced satellite TV receiver hardware and installation.

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EchoStar is included in the Nasdaq-100 Index (NDX). DISH Network currently serves over 6.43 million customers. For more information, visit www.dishnetwork.com.

HUGHES is the world's leading provider of digital television entertainment, broadband services, satellite-based private business networks and global video and data broadcasting.

Hughes Network Systems, a unit of Hughes Electronics Corporation, is the world's leading provider of broadband satellite network solutions for businesses and consumers, with over 400,000 one- and two-way systems installed in more than 85 countries. Headquartered in Germantown, Maryland, USA, HNS maintains sales and support offices worldwide. To learn more about HNS and DIRECWAY, please visit www.hns.com or www.direcway.com.

DIRECTV is the nation's leading digital satellite television service provider with more than 10 million customers. DIRECTV and the Cyclone Design logo are trademarks of DIRECTV, Inc., a unit of Hughes Electronics Corporation. Visit DIRECTV on the World Wide Web at DIRECTV.com.

General Motors, the world's largest vehicle manufacturer, designs, builds and markets cars and trucks worldwide. In 2000, GM earned \$5 billion on sales of \$183.3 billion, excluding special items. It employs about 372,000 people globally. GM also operates one of the largest and most successful financial services companies, General Motors Acceptance Corp. (GMAC), which offers automotive, mortgage and business financing and insurance services to customers worldwide. GM is investing aggressively in digital technology and e-business within its global automotive operations and through such initiatives as e-GM, GM BuyPower, and OnStar. More information on General Motors can be found at www.gm.com.

EchoStar-DIRECTV Merger Benefits

The EchoStar/HUGHES Merger

Local Channels and Competitive Broadband for All Americans

February 2002

Table of Contents

The Benefits of the EchoStar/Hughes Merger

February 26, 2002

EchoStar Communications Corporation, Hughes Electronics and General Motors believe that consumers will reap tremendous benefits from the merger of EchoStar and HUGHES. The companies' two services, DISH Network and DIRECTV®, today each transmit a total of **more than 500 identical channels**. Consumers will benefit from the massive increase in Direct Broadcast Satellite (DBS) satellite capacity that will result from the elimination of this **duplicative programming**. Indeed, as a direct result of the completion of this merger, consumers across the continental United States, Alaska and Hawaii will have access to local broadcast channels with digital-quality television picture and CD-quality sound **in every one of the 210 television markets covering the country**.

Subsequent to the announcement of the merger agreement on October 28, 2001, a series of pre-merger transition meetings between DISH Network and DIRECTV engineers have been held to analyze the technical and economic feasibility of a Local Channels, All Americans plan by which the merged company could offer every U.S. consumer access to satellite-delivered local television signals. After an exhaustive examination of each company's spectrum and satellite assets, the engineers determined that this plan could become a reality. In a satellite application filed yesterday with the Federal Communications Commission, EchoStar and HUGHES detailed a **technically and commercially feasible plan** to build, launch and operate spot-beam spacecraft that will serve all 210 Designated Market Areas (DMAs) in the United States, including full compliance with must carry requirements.

New set-top boxes and satellite dishes will be deployed that will be capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available **free of charge** to all existing DIRECTV and DISH Network subscribers who may need it in order to receive their local channels.

Continued...

2 The EchoStar/HUGHES Merger

Table of Contents

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Consumers across the country will pay the same price for services delivered by the merged DBS service, *i.e.*, **one nation, one rate card**, regardless of a subscriber's location. Implementation of the plan will begin immediately upon regulatory approval of the merger, and the rollout can be completed as soon as 24 months thereafter.

The merged company also will establish itself as a source of meaningful satellite-based broadband competition to cable modem and DSL offerings, fulfilling the mission to provide affordable high-speed Internet access to all of America, including the most rural areas of the country. The digital divide in the United States is real: some 40 million households in the United States do not have access to high-speed Internet and data services, in large part due to the high cost of wiring homes for these services in less densely populated areas.

Combined, EchoStar and HUGHES will create a more robust satellite platform that will liberate these digital have-nots by serving every household in the country, including every household in every state. Efficiencies from the combined companies will provide the subscriber base and financial means to move current Ku-band satellite broadband offerings from their status as expensive niche services to a more competitive price point for consumers, and then ensure that next-generation Ka-band satellite broadband service becomes a reality for consumers everywhere in the United States.

The combined EchoStar-HUGHES will achieve a new level of vigorous competition to incumbent cable operators, and will not have anticompetitive effects in any market. As this booklet illustrates, the benefits from this merger will allow all Americans to receive their full complement of local channels and national entertainment networks, as well as provide a new source of meaningful satellite-based broadband competition.

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3 The EchoStar/HUGHES Merger

Table of Contents

Total Television Viewing Households

In the pages that follow, you will see that the merger of HUGHES and EchoStar benefits consumers and serves the public interest.

4 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, pp. 11, 87

Table of Contents

Cable Franchise Areas

Despite the rapid growth of DBS since 1994, cable television clearly remains the dominant provider of multi-channel pay TV services throughout the country.

Over 104 million of the 107 million TV households are located in a cable franchise area.

5 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, pp. 11, 87; Nielsen Media Research, Sept. 2001

Table of Contents

Households With Access to DBS With Local Channels

Today only 65 million TV households, those within the 42 television markets served by DIRECTV and DISH Network, have a fully competitive multi-channel alternative to cable with local channels.

Competitive alternatives to cable did not seriously take form until the launch of DIRECTV in 1994, later joined by DISH Network in 1996.

DBS offered more channels and superior picture and sound quality compared to cable, with one notable exception: consumers were not able to receive their local channels via satellite.

In 1999, Congress changed the law, allowing satellite carriers to offer local channels. Only at this point did DBS become a viable competitive alternative to cable, at least in those markets in which DIRECTV and DISH Network began delivering local channels.

6 The EchoStar/HUGHES Merger **Source: SkyResearch, Feb. 2002; Nielsen Media Research, Sept. 2001; EchoStar and DIRECTV, Jan. 31, 2002**

Table of Contents

Households With No Competitive Alternative Today

42 million TV households are not served with local channels by DBS. Residents in these markets do not have a true competitive alternative to cable.

Customers who live in markets in which DBS does not provide local channels are forced to either pay additional subscription fees for a basic cable service to receive their local channels, or install an off-air roof-top antenna and hope for good reception.

Neither DIRECTV nor DISH Network have sufficient spectrum, alone, to provide all local channels as well as the national pay cable networks to viewers in every one of the country's 210 local channel markets.

7 The EchoStar/HUGHES Merger **Source: SkyResearch, Feb. 2002; Nielsen Media Research, Sept. 2001; EchoStar and DIRECTV, Jan. 31, 2002**

Table of Contents

TV Households With Competitive Alternative After Merger

DIRECTV and DISH Network engineering teams have developed a system that is technologically feasible and economically viable for the merged company to deliver full local broadcast service, in all 210 television markets, including full compliance with federal must carry provisions.

The merger of DIRECTV and DISH Network will enable a fully competitive cable alternative DBS service with local channels in EVERY television market in the country, including Alaska and Hawaii.

8 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, pp. 11, 87; EchoStar, HUGHES, Feb. 2002

Table of Contents

Without Merger: Inefficient Spectrum Use

The merger will end the inefficient use of spectrum by eliminating the need for each company to transmit more than 500 channels of duplicative programming.

The merger will combine each company's spectrum and advanced satellite assets, making the plan technically achievable.

The merger will combine the companies' subscriber bases, making service to smaller markets commercially feasible.

9 The EchoStar/HUGHES Merger

Source: EchoStar, HUGHES, Feb. 2002

Table of Contents

With Merger: Spectrum Efficiencies Achieved

Implementation could begin immediately following merger approval and the rollout can be completed as soon as 24 months later, allowing delivery of local channels to all Americans.

10 The EchoStar/HUGHES Merger

Source: EchoStar, HUGHES, Feb. 2002

Table of Contents

National Pricing

Consumers across the country will pay the same price for their DBS subscription services, regardless of where they reside. We are one nation, and the combined EchoStar-HUGHES will offer one rate card.

For example: a resident of Milwaukee will pay the same fee for his or her local channel package as a customer in Cedarville, Ohio; a resident of Burlington, Vermont, will pay the same price for HBO as a customer in Salt Lake City; and a resident of Mountlake Terrace, Washington, will pay the same price for a basic 125-channel programming package as a customer in New York City.

11 The EchoStar/HUGHES Merger

Source: EchoStar, HUGHES, Feb. 2002

Table of Contents

Broadband: The Digital Divide

Another benefit of the EchoStar and HUGHES merger comes in the form of competitively priced high-speed Internet access, and the end of the so-called digital divide that exists in the wired world today.

12 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, pp. 11, 22, 87; The Buxton Company, Broadband Deployment, Jan. 2002

Table of Contents

Broadband: The Digital Haves

Approximately 67 million households have access to a terrestrial high-speed Internet service.

These represent the digital haves who are located primarily in the major metropolitan areas.

13 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, p. 22; The Buxton Company, Broadband Deployment, Jan. 2002

Table of Contents

Broadband: The Digital Have Nots

40 million households, located primarily in rural areas, have no access to wired broadband services.

This map clearly shows the number of digital have nots those households with no access to DSL or cable modem service.

The primary reason for this is simply the expense of rolling out wired technologies, such as DSL and cable modem service, to millions of homes, particularly to those beyond the boundaries of urban and suburban markets.

Both EchoStar and HUGHES believe many of the have nots would be interested in fairly-priced, bundled video and high-speed data services.

14 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, p. 22; The Buxton Company, Broadband Deployment, Jan. 2002

Table of Contents

Merger Bridges the Digital Divide

The merger will bridge the digital divide by providing consumers in every community with a competitively priced high-speed broadband solution available to them regardless of their location.

The efficiencies gained from the merged company's combined customer base will enable the offering of a high-speed Internet service that is not only price-competitive with existing providers in urban settings, but also a tremendous benefit for rural customers for whom DSL and cable modem service are unlikely to be available for years to come, if ever.

The merger will provide the technical and economic infrastructure to convert every household in the country to a digital home.

15 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, pp. 11, 22, 87; EchoStar and DIRECTV, Jan. 31, 2002

Table of Contents

One Nation, One Dish

Bringing all local channels and broadband service to all consumers' homes is not a simple endeavor. However, the DIRECTV and DISH Network engineering teams have designed a system that enables the receipt of local channels, other entertainment services **and** high-speed Internet access using one consumer-friendly mini-dish.

An 18 x 22-inch dish will enable the receipt of signals from the merged company's three orbital slots.

New equipment will process signals from existing spacecraft as well as advanced satellites the merged company will launch to deliver the remaining local broadcast channels and high-speed Internet services to consumers in all states.

Equipment will be provided to existing DBS customers **at no charge** including free service call and installation to receive their new local channels.

16 The EchoStar/HUGHES Merger

Source: EchoStar, HUGHES, Feb. 2002

Table of Contents

Cable Industry Remains Dominant Multi-Channel Video Provider

Eight years after the introduction of DBS services, 78% of multi-channel video subscribers still receive their programming from a franchised cable operator.

Cable operators' market dominance has been strengthened by their upgrades to digital video and cable modem services.

The cable industry's market dominance is further evidenced by its continual price increases to consumers: 37% on average since 1996.

The spectrum constraints which exist today will forever keep a separate DIRECTV and DISH Network at a competitive disadvantage to cable for those consumers who live in markets where local channels are not offered by DBS.

17 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, pp. 11, 87; EchoStar and DIRECTV, Jan. 31, 2002; Report on Cable Industry Prices, Federal Communications Commission, Feb. 14, 2001, p. 9, and Dec. 15, 1997, p.

7

Table of Contents

Local Channels and Broadband for All Americans

The merger of spectrum at the three orbital slots eliminates these disadvantages through the addition of an enhanced satellite infrastructure that will enable delivery of local channels in EVERY one of the 210 television markets across the country.

The merger of EchoStar and HUGHES ensures that prices for video and data services will be the same throughout the country, whether the market is rural or urban/suburban: one nation, one rate card.

The merged company will bridge the digital divide by moving satellite high-speed Internet access from its current high-priced niche to being price-competitive with existing providers a tremendous benefit for rural customers where DSL and cable modem service are unlikely to be available for years to come.

The EchoStar and HUGHES merger merits broad scale support for the clear and definitive benefits it will bring to all Americans.

18 The EchoStar/HUGHES Merger

Source: FCC Eighth Annual Report, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Jan. 14, 2002, pp. 11, 87; EchoStar and HUGHES, Jan. 31, 2002

Table of Contents

The EchoStar/HUGHES Merger

Local Channels, All Americans

One Nation, One Rate Card

Eliminates the Digital Divide

True Competition for 107 Million Households

19 The EchoStar/HUGHES Merger

Table of Contents

SEC Legend

In connection with the proposed transactions, General Motors Corporation (GM), Hughes Electronics Corporation (Hughes) and EchoStar Communications Corporation (EchoStar) intend to file relevant materials with the Securities and Exchange Commission, including one or more Registration Statement(s) on Form S-4 that contain a prospectus and proxy/consent solicitation statement. Because those documents will contain important information, holders of GM \$1-2/3 and GM Class H common stock are urged to read them, if and when they become available. When filed with the SEC, they will be available for free at the SEC's website, www.sec.gov, and GM stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from GM. Such documents are not currently available.

GM and its directors and executive officers, Hughes and certain of its officers, and EchoStar and certain of its executive officers may be deemed to be participants in GM's solicitation of proxies or consents from the holders of GM \$1-2/3 common stock and GM Class H common stock in connection with the proposed transactions. Information regarding the participants and their interests in the solicitation was filed pursuant to Rule 425 with the SEC by EchoStar on November 1, 2001 and by each of GM and Hughes on November 16, 2001. Investors may obtain additional information regarding the interests of the participants by reading the prospectus and proxy/consent solicitation statement if and when it becomes available.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Materials included in this document contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. The factors that could cause actual results of GM, EchoStar, Hughes, or a combined EchoStar and Hughes to differ materially, many of which are beyond the control of EchoStar, Hughes or GM include, but are not limited to, the following: (1) the businesses of EchoStar and Hughes may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected benefits and synergies from the combination may not be realized within the expected time frame or at all; (3) revenues following the transaction may be lower than expected; (4) operating costs, customer loss and business disruption including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the transaction; (5) generating the incremental growth in the subscriber base of the combined company may be more costly or difficult than expected; (6) the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; (7) the effects of legislative and regulatory changes; (8) an inability to obtain certain retransmission consents; (9) an inability to retain necessary authorizations from the FCC; (10) an increase in competition from cable as a result of digital cable or otherwise, direct broadcast satellite, other satellite system operators, and other providers of subscription television services; (11) the introduction of new technologies and competitors into the subscription television business; (12) changes in labor, programming, equipment and capital costs; (13) future acquisitions, strategic partnership and divestitures; (14) general business and economic conditions; and (15) other risks described from time to time in periodic reports filed by EchoStar, Hughes or GM with the Securities and Exchange Commission. You are urged to consider statements that include the words may, will, would, could, should, believes, estimate, projects, potential, expects, plans, anticipates, intends, continues, forecast, designed, goal, or the negative of those words or words to be uncertain and forward-looking. This cautionary statement applies to all forward-looking statements included in this document.

20 The EchoStar/HUGHES Merger

EchoStar-DIRECTV Merger Benefits

Table of Contents

fcc.FILINGS

EchoStar-DIRECTV Merger Benefits

EchoStar/HUGHES FCC Filing

The full application filings to the U.S. Federal Communications Commission (FCC) for approval to transfer control of certain licenses to the proposed merged company.

EchoStar/HUGHES FCC Filing - February 25, 2002

Opposition to Petitions to Deny and Reply Comments (pdf)

Attachment A - Willig Declaration (pdf)

Attachment B - Barnett Declaration (pdf)

Attachment C - Friedman Declaration (pdf)

Attachment D - Dear Comcast Customer Letter (pdf)

Satellite Application - February 25, 2002

9c0t14 (pdf)

9DH802 (pdf)

EchoStar/HUGHES FCC Filing - December 3, 2001

Summary (pdf)

Table of Contents (pdf)

Consolidated Application for Authority to Transfer Control (pdf)

Declaration of Dr. Robert D. Willig (pdf)

Joint Engineering Statement (pdf)

Table of Contents

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EchoStar-DIRECTV Merger Benefits

EchoStar/HUGHES FCC Filing

The full application filings to the U.S. Federal Communications Commission (FCC) for approval to transfer control of certain licenses to the proposed merged company.

EchoStar/HUGHES FCC Filing - February 25, 2002

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

<i>Application of</i>)	
)	
)	
ECHOSTAR COMMUNICATIONS CORPORATION,)	
GENERAL MOTORS CORPORATION,)	
HUGHES ELECTRONICS CORPORATION,)	
)	
Transferors,)	CS Docket No. 01-348
)	
and)	
)	
ECHOSTAR COMMUNICATIONS CORPORATION,)	
)	
Transferee,)	
)	
For Authority to Transfer Control.)	
)	

To: The Commission

OPPOSITION TO PETITIONS TO DENY AND REPLY COMMENTS

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February 25, 2002

Table of Contents

OVERVIEW & SUMMARY

Now that the merger's opponents have aired their objections, the Commission may confidently conclude that New EchoStar will provide consumers with numerous benefits, including:

giving *all* Americans access by satellite to their local broadcast stations;

creating a true broadband alternative when in many areas of the country there is no true broadband service whatsoever; and

doubling (or better) the programming choices each company provides today, including moving to 12 or more High Definition Television channels.

These benefits translate directly into effective competition to cable systems, which have continued to raise their prices unrestrained by either EchoStar or DIRECTV standing alone, all to the benefit of consumers. The merger's pro-competitive potential is recognized by the constituency with the most direct stake in matters of competition and consumer choice—the consumers themselves. Under the guise of promoting the public interest, the handful of powerful organizations opposing the merger are pursuing rather obvious agendas that have nothing to do with the public interest: seeking to improve bargains they have struck; trying to preserve their competitive position or ability to continue overcharging rural customers, as they do today; and airing other unrelated grievances.

Many of the merger benefits will flow from the massive increase in Direct Broadcast Satellite (DBS) capacity that will result from the elimination of duplicative

Table of Contents

programming a total of *more than 500 identical channels* from the DIRECTV and EchoStar satellite systems once the companies merge. And as the Applicants announce here for the first time, the merger will bring consumers across the United States access to local broadcast channels via satellite with digital-quality television picture and CD-quality sound *in every one of the 210 television Designated Markets Areas in the United States*.

Subsequent to the announcement of the merger agreement on October 28, 2001, as part of the pre-merger transition process, EchoStar and DIRECTV have been analyzing the technical and economic feasibility of a Local Channels, All Americans plan by which every U.S. consumer can have access to satellite-delivered local television signals. Today, in an Application being filed contemporaneously with this Opposition, New EchoStar will make that plan a reality by applying for Commission authority to launch and operate a new spot-beam satellite that, when combined with other existing and under-construction EchoStar and DIRECTV satellites, will allow the merged company to serve all 210 Designated Market Areas (DMAs), equaling *all* Americans, with local television stations.

New EchoStar will deploy new set-top boxes and satellite dishes capable of receiving satellite signals from multiple orbital positions. The new receiving equipment will be made available, free of charge, to all existing EchoStar and DIRECTV subscribers who will require new equipment in order to receive their local channels. Consumers across the country will pay the same price for this DBS service, *i.e.*, one nation, one rate card, regardless of a subscriber's location. This means that whether for a town of 5 people or a city of 5 million people, the New EchoStar will provide the same

Table of Contents

service for the same rate. And implementation of the plan will begin immediately upon regulatory approval of the merger, becoming fully operational as soon as 24 months thereafter.

This Local Channels, All Americans service vision, however, is premised entirely upon the EchoStar-Hughes merger being successfully consummated. *Neither company standing alone could achieve the tremendous public interest benefit of being able to serve every television market in the country.* Certain Petitioners speculate that each company alone might be able to replicate the merger benefits by building satellites of the Petitioners own design. These proposals suffer from two fundamental defects: (i) they make invalid assumptions about *technical* feasibility, and (ii) they disregard entirely the question of *commercial* feasibility. Even if these super-satellites looked good on paper, no Petitioner has explained why no one in the world has deployed anything like them, or how it could be profitable for each company on a stand-alone basis. As Dr. Robert Willig explains in the attached Declaration, expansion of local channel service to every DMA would not be economically feasible absent the merger.

The merger will also create the first true broadband satellite alternative. For urban areas, this will translate into meaningful satellite-based competition to cable modem and DSL offerings. For tens of millions of other Americans, it will translate into their first affordable advanced service a true move from zero to one provider. The digital divide in the United States is real: as many as 40 million households in the United States today do not have access to high-speed Internet and data services, in large part due to the high cost of delivering these services to homes in less densely populated

Table of Contents

areas. New EchoStar will create a more robust satellite platform that will liberate these digital have nots by offering them a more affordable, viable broadband service.

Here too, the Petitioners are wrong that each company could achieve these benefits on its own. The two companies' current broadband offerings are expensive niche products that are hampered by several constraints, do not even satisfy the Commission's definition of an advanced service, and have attracted fewer than 150,000 subscribers combined. The merger will allow New EchoStar to integrate these products and achieve a more competitive price point. As for the future deployment of satellite service in the Ka-band, neither company standing alone would be able to achieve early and affordable service to consumers. The merger, on the other hand, will give New EchoStar the spectrum capacity, subscriber base and economies of scale needed to ensure that next-generation residential broadband service becomes a reality everywhere in the United States, rapidly and inexpensively enough to matter.

In addition to the consumers, many other parties have supported the EchoStar-Hughes merger. The most vociferous opposition comes from a handful of entities, including the National Rural Telecommunications Cooperative (NRTC), Pegasus Communications (Pegasus), the American Cable Association (ACA) and the National Association of Broadcasters (NAB). The Commission should recognize the narrow self-interests of NRTC and Pegasus, who have been in active litigation against

¹ In contrast, businesses with an interest in greater competition and output in the MVPD market, such as television equipment manufacturers and electronics retailers, strongly support the merger. *See* Comments of Circuit City Stores, Inc. and Thomson Multimedia.

Table of Contents

DIRECTV for years in a contractual dispute over distribution rights. Equally important, while lamenting the future fate of rural consumers, NRTC and Pegasus do not explain why they overcharge rural consumers today: in reselling DIRECTV's service, they charge \$3.00 a month more than DIRECTV charges for the same service in other areas and than EchoStar charges for the equivalent package in the same areas. The sincerity of Pegasus's concerns about competition is further impeached by reported statements of a Pegasus executive to the press that a buy-out of Pegasus by EchoStar would make the most financial sense for both companies.² As for the American Cable Association, it expresses candidly its fear that the merger will result in price competition in rural areas.³ This is the sort of harm to *competitors* that the Commission should not take into account in its analysis, except as a benefit to *competition* and consumers.

The Local Channels, All Americans plan also disposes completely of the concerns expressed by NRTC and NAB with respect to local service. NRTC has alleged that New EchoStar does not contemplate expanding local television service to rural America in DMAs beyond the top 100, which the NRTC states is no consolation to the millions of rural Americans who most need local service. For its part, the NAB's principal stated concern is that competition between the nation's two DBS providers has driven the expansion of local-into-local and will lead to more carriage of local

² See Ted Hearn, Pegasus: Contract Bars Post-Merger Competition, *Multichannel News* (Feb. 18, 2002).

³ See ACA Petition at 14-16 (EchoStar would have every incentive to [set its uniform national price] below small cable systems' costs of providing similar services...)

⁴ NRTC Petition at 60.

Table of Contents

stations.⁵ New EchoStar's commitment to serve all 210 DMAs could not answer those complaints more dispositively, leaving the NAB with no principled basis for continuing its opposition.⁶ The Applicants stand ready to achieve with one stroke what NAB's members have not achieved in decades—extending the coverage of local broadcast stations to all areas of the country.

The Local Channels, All Americans plan will uniquely benefit rural subscribers, who without it might never enjoy digitally-delivered local channels via any distribution medium. And, because of New EchoStar's one nation, one rate card plan, consumers in rural areas will reap an additional benefit—they will take advantage of the increased competition in the most populous areas of the country.⁷ Contrary to the claims of some Petitioners, national pricing makes economic sense. It has been the Applicants' past practice and it is a common practice for other national providers in network industries, such as Internet Service Providers and cellular telephone companies. Local promotions may continue to be a useful tool to the limited extent they have been in the past, and the Applicants are willing to commit to reasonable requirements in that regard.

New EchoStar has every incentive to set its national price at strongly competitive levels instead of extracting additional profits from its existing subscriber

⁵ NAB Petition at iii.

⁶ *Id.* at 7 (opining that if the merger is approved, it would still leave markets 101-210, in which 14 percent of the country's population resides, with *no hope* of receiving local-to-local service.) (emphasis added).

⁷ Pegasus and NRTC vastly exaggerate the number of homes not served by cable operators, in a stilted effort to argue that the merger would harm rural consumers.

Table of Contents

base as some parties allege. New EchoStar would be leaving money on the table if it restricted itself to existing subscribers. Instead, as Dr. Willig shows, New EchoStar will have to set the national price low to compete for new subscribers in the most densely populated and most heavily contested areas of the country. The one nation, one rate card plan will therefore be a more effective constraint on MVPD prices in rural areas than EchoStar is on NRTC's and Pegasus's prices today. Finally, the fears of collusion raised by Petitioners are equally unwarranted: this particular tango would require EchoStar to dance with 9 or 10 cable MSO partners at the same time or forego huge pools of potential subscribers. In the final analysis, the net benefits to consumers from the creation of New EchoStar far outweigh any anticompetitive concerns.

There are other miscellaneous attempts by certain parties to litigate particular disputes or raise parochial concerns that have little bearing on the Commission's public interest inquiry here. The Applicants urge the Commission to restrict its analysis to merger-specific issues and remedies, to the extent applicable, and promptly approve the Application, so that New EchoStar may begin delivering on its promise of dramatic consumer and competitive benefits to all Americans, including the carriage of local broadcast channels in all 210 television markets and true broadband services to all Americans.

Table of Contents**TABLE OF CONTENTS**

	PAGE
I. THE MERGER WILL PROMOTE MORE CHOICES FOR CONSUMERS AND MORE EFFECTIVE COMPETITION AGAINST CABLE BY CREATING EXTRAORDINARY EFFICIENCIES	2
A. New EchoStar Will Expand DBS-Offered Local Channel Service To Every Television Market in the United States	3
1. The Petitioners' Technical Arguments Are Based on Flawed Technical Assumptions and Would Require Quality Sacrifices	6
2. None of the Postulated Super-Satellites Is Commercially Feasible	8
3. Neither Company's Stand-Alone Capabilities Allow Local Service to All Americans	12
B. The Merger Will Increase National Programming Choices and Enhance the Quality of MVPD Service	20
C. The Merger Will Make Broadband Service Available to All U.S. Homes	24
D. The Merger Will Allow New EchoStar to Achieve Extraordinary Efficiencies	26
E. The Commission Has a Unique Competence to Recognize the Extraordinary Spectrum Efficiencies Flowing from the Merger	30
II. THE MERGER WILL HAVE PRO-COMPETITIVE EFFECTS, AND NO ANTI-COMPETITIVE EFFECTS, IN THE MVPD MARKET	33
A. EchoStar and DIRECTV Compete Primarily Against Cable Operators in the MVPD Market	33
1. Cable Dominates the MVPD Market	35
2. NRTC, Pegasus and the NAB Greatly Overstate the Degree of Competition Between DBS Providers Relative to Cable	38
3. The Best Evidence Shows That the Degree of Competition Between EchoStar and DIRECTV Is Modest	41
4. EchoStar and DIRECTV Have Been Unable to Discipline Cable Prices	43
5. The Merger Opponents Wrongfully Ignore Other MVPD Providers and Potential Entrants	48
6. Petitioners Cannot Prove the Existence of a DBS Market from Echostar's Pre-Trial Position in a Dismissed Proceeding	56
B. NRTC, NAB and Pegasus Criticisms Of The FCC's Homes Passed Estimate Are Not Persuasive and Rely on Inaccurate Data Sources	59

Table of Contents

	PAGE
C. Petitioners' Analyses Begin From a False Baseline of Healthy Competition in the MVPD Market	66
D. The Merger Will Result In Lower Prices for MVPD Consumers In Urban And Rural Areas	67
1. The One Nation, One Rate Card Plan Will Be an Effective Constraint on New EchoStar	68
2. One Nation, One Rate Card Will Translate Effective Competition in Urban Areas Into Benefits to All Households and Renders the 3 to 2 and 2 to 1 Arguments Baseless	73
3. There Is No Realistic Possibility of Collusion Among the Cable MSOs and New EchoStar	76
E. Rural Cable Operators Will Continue To Be A Competitive Factor	77
III. THE MERGER WILL MAKE TRUE BROADBAND SERVICES AVAILABLE FOR THE FIRST TIME TO ALL AMERICAN HOMES	79
A. The Merger Will Create The First True Satellite Broadband Service	79
1. The Current State of Deployment of Advanced Telecommunications Capability	83
2. EchoStar's and Hughes' Current Ku-Band Broadband Offerings Are Competitively Inadequate	90
3. Neither Company's Stand-Alone Ka-Band Ventures Would Allow Timely Deployment Of An Affordable Broadband Product to Residential Subscribers	96
B. Efficiencies Flowing From the Merger Will Make Possible Deployment of a Competitive, True Broadband Alternative	106
C. The Merger Does Not Preclude Additional Entry	109
D. The Merger Provides A Market Solution to the Lack of True Broadband Availability While Avoiding the Need for Costly and Contentious Regulatory Measures	115
E. Nationwide Pricing Will Have the Same Beneficial Effect for Broadband as for MVPD Services	118
IV. THE MERGER WILL HAVE PRO-COMPETITIVE EFFECTS IN THE VIDEO PROGRAMMING MARKET	118
A. The Merger Will Promote, Rather Than Impede, Competition In the Market for Video Programming	118
B. The Merger Is Necessary to Promote Competition Among MVPD's For Video Programming, Particularly in Light of Forthcoming Cable Consolidation and Recent Judicial Action	125
C. The Merger Will Not Impair Competition for Local Channel Retransmission	128

Table of Contents

	PAGE
V. MANY PETITIONERS SUPPORT THE MERGER, AND MANY OPPONENTS' MOTIVES ARE UNRELATED TO THE PUBLIC INTEREST	131
VI. THE COMMISSION MAY ADOPT THE ONE NATION, ONE RATE CARD COMMITMENT AS A CONDITION FOR APPROVAL, BUT SHOULD REJECT OPPORTUNISTIC ATTEMPTS TO IMPOSE COSTLY, NON-MERGER SPECIFIC CONDITIONS	135
A. Applicants Accept Their Commitment to One Nation, One Rate Card As a Condition	135
B. The Conditions Proposed By Merger Opponents Are Punitive And Non-Merger Related	136
C. The Remaining Grievances Do Not Belong In These Proceedings	146
VII. CONCLUSION	148

Table of Contents

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

)	
<i>Application of</i>)	
)	
ECHOSTAR COMMUNICATIONS)	
CORPORATION,)	
GENERAL MOTORS CORPORATION,)	
HUGHES ELECTRONICS CORPORATION,)	
)	
Transferors,)	CS Docket No. 01-348
)	
and)	
)	
ECHOSTAR COMMUNICATIONS)	
CORPORATION,)	
)	
Transferee,)	
)	
For Authority to Transfer Control.)	
)	

To the Commission:

OPPOSITION TO PETITIONS TO DENY AND REPLY COMMENTS

EchoStar Communications Corporation (EchoStar), General Motors Corporation (GM) and Hughes Electronics Corporation (Hughes) (collectively, the Applicants) hereby submit this Opposition to Petitions to Deny and Reply Comments (Opposition) in response to the pleadings and comments filed in the above-captioned proceeding. For the reasons set for in their Application and this Opposition, the Applicants respectfully request that the Commission promptly approve the proposed merger.

Table of Contents

I. THE MERGER WILL PROMOTE MORE CHOICES FOR CONSUMERS AND MORE EFFECTIVE COMPETITION AGAINST CABLE BY CREATING EXTRAORDINARY EFFICIENCIES

No party disputes that the merger will free up about half of the spectrum currently used by the two companies through the elimination of duplicative programming. Many commenters from consumer advocates to programming producers recognize the expansion of programming choices and increase in diversity that will result.⁸ These parties recognize that expanded choices can in turn spur more effective competition with cable and help New EchoStar impose some true discipline on the ability of cable operators to continue to raise their prices.

Indeed, as explained in more detail in Section A below, as a direct result of the merger consumers across the United States will have access to local broadcast channels with digital-quality television picture and CD-quality sound *in every one of the 210 television markets in the United States*. The merger will also permit greatly expanded high-definition television (HDTV) programming, pay-per-view and video-on-demand (VOD) services, educational, specialty, and foreign language programming and interactive services.

⁸ See e.g., Comments of Consumers Union, The Consumer Federation of America, and the Media Access Project (Consumer Groups) at 13-14 (The combination of EchoStar and DirecTV would add substantial satellite capacity and would avoid the redundancy of two competitors having to offer the same local signals in the same markets. As a result, these two competitors will be able to offer substantially more local programming as a combined entity than either of them would be able to do alone.); see also Comments of the National Taxpayers Union at 1; Comments of the League of United Latin American Citizens at 1; Comments of Frontiers of Freedom at 1; Comments of Vivendi at ii.

Table of Contents

Unable to attack these benefits directly, some Petitioners set up "straw-men" by arguing that each company could achieve these benefits on its own, without need for the merger.⁹ The Applicants show below that each of these specific arguments must fail. At a general level too, no Petitioner can deny three straightforward truths about this issue. *First*, thanks to the freed-up spectrum, the combined entity can provide roughly twice as many choices as each company standing alone. *Second*, while Petitioners make many unrealistic claims about each party's stand-alone capacity, neither company has had any reason to hold back and not make the fullest feasible use of the resources to which it has had access. *Third*, no matter what each party's stand-alone capacity is, it is the merger and only the merger which will achieve the end result of providing all local stations to all Americans and reclaiming scarce spectrum to increase available capacity.

A. New EchoStar Will Expand DBS-Offered Local Channel Service To Every Television Market in the United States

Subsequent to the announcement of the merger agreement on October 28, 2001, as part of the pre-merger transition process, EchoStar and DIRECTV analyzed the technical and economic feasibility of a "Local Channels, All Americans" plan by which every U.S. consumer can have access to satellite-delivered local television signals. Today, in a satellite application being filed contemporaneously with this Opposition, New EchoStar will make that plan a reality by applying for Commission authority to

⁹ See e.g., NAB Petition at 75-92; NRTC Petition at 56-65; Pegasus Petition at 38-49.

Table of Contents

launch and operate a new spot-beam satellite that, together with the two companies' operational and proposed satellites, will provide local channel service to all 210 Designated Market Areas (DMAs), equaling *all* Americans, and comply fully with mandatory carriage requirements. DIRECTV and EchoStar engineers have designed a system that enables the receipt of local channels, other entertainment services and high-speed Internet access using one consumer-friendly mini-dish. That 18 x 22-inch satellite will be capable of receiving satellite signals from the merged company's multiple orbital positions. New EchoStar will deploy new set-top boxes and satellite dishes that w