

ARLEN SPECTER
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VETERANS AFFAIRS
ENVIRONMENT AND PUBLIC WORKS

United States Senate

WASHINGTON, DC 20510-3802

April 23, 2002

The Honorable Michael Powell
Chairman
Federal Communications Commission
Washington, D.C. 20554

Desr Mr. Powell,

I am writing on behalf of Digital Broadband Applications Corporation ("DBAC"), a constituent company headquartered in Conshohocken, Pennsylvania. On January 8, 2002, DBAC submitted an application for an earth station license to provide DBS/Internet services in the U.S. using two satellites of the Canadian operator, ExpressVu. DBAC asserts that if its application is approved, it would result in increased deployment of broadband services and would increase competition in the Direct Broadcast Services market.

You have before you a merger proposal from Echostar Communications Corporation to acquire Hughes, which owns DirecTV. In this light, I would like to direct your attention to a *Wall Street Journal* article of March 5, 2002 regarding Echostar's negotiations with SES Global SA, a foreign-owned company headquartered in Luxembourg, to form a joint venture to provide high-speed Internet connections to U.S. consumers. SES Americom, the U.S. subsidiary of SES Global, has petitioned to deny DBAC's application to provide competitive integrated broadband video and data services to U.S. consumers.

I urge in your review of the Echostar proposal, and in your interagency deliberations with the FCC, that you consider moving on pending applications for new entrants into the market prior to approving a merger between the only two DBS providers in the U.S. market. An entity such as DBAC is one of those potential new entrants that has applied to offer a competitive satellite broadband video and data service in the U.S. In this consolidating market, it is critical for U.S. consumers, both in rural and urban areas, that our government facilitate competition in the satellite video and data market.

Thank you for your consideration of this request.

My best.

Sincerely,



Arlen Specter

AS/ss

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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

May 20, 2002

The Honorable Arlen Specter
United States Senate
711 Hart Senate Office Building
Washington, D.C. 205 10

Dear Senator Specter:

Thank you for your letter of April 23, 2002, concerning the application filed by Digital Broadband Applications Corporation ("DBAC") to provide competitive integrated broadband video and data services to U.S. consumers via an advanced hybrid satellite network. In your correspondence, you request that the Commission consider acting on pending applications for new entrants in the satellite broadband video and data service market, such as the DBAC Application, prior to approving the pending transaction involving EchoStar Communications Corporation and General Motors Corporation's subsidiary, Hughes Electronics Corporation, which includes its satellite television unit, DirecTV.

The Commission's International Bureau placed the DBAC Application on Public Notice in January 2002, and established a comment cycle that closed in March 2002. As you note in your letter, parties have filed petitions to deny the DBAC Application. The Commission staff currently is reviewing the DBAC Application and the pleadings filed in the proceeding. I assure that the Commission will act on the DBAC Application as expeditiously as possible.

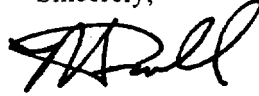
With regard to the EchoStar/DirecTV proceeding that you cite in your letter, I have established a special team of Commission staff to coordinate and oversee the Commission's review of the license transfers applications, which were filed on December 3, 2001. The Commission issued a Public Notice on December 21, 2001, establishing a pleading cycle that closed on February 25, 2002. Parties filed more than 50 pleadings, including petitions to deny, comments, and replies. On April 19, 2002, the Commission's Media Bureau issued a further Public Notice in that proceeding seeking comment on a proposal submitted by EchoStar and Hughes to launch and operate a Direct Broadcast Satellite with spot-beam technology capable of providing local-into-local service. The Bureau found that this application raised issues that are directly relevant to the issues under consideration in the license-transfer proceeding, and thus is treating it as a major amendment to the EchoStar/DirecTV proposed transaction. The pleading cycle for that Public Notice closes on June 4, 2002.

Please be assured that the Commission is committed to providing each proposal a careful and thorough review, and intends to consider fairly the issues involved in applications that may bring benefits, such as new advanced and broadband services, to the U.S. consumer. In that regard, we will include a copy of your letter in the record of each of these proceedings. I

appreciate your views and correspondence on this matter. Please do not hesitate to contact me if you have any further questions or concerns.

*Senator -
hope this letter
finds you well.*

Sincerely,

A handwritten signature in black ink, appearing to read "M. Powell", with a stylized, cursive script.

Michael K. Powell
Chairman