I am writing you about my concern with the proposed merger between DISH (EchoStar) and GMH (Hughes). My concerns are:

This merger will create a definite monopoly; DISH two-year lawsuit charging GMH with Monopolistic Practice is best evidence. Lawsuit was dropped only after merger.

Cost of merger to consumers
Consumers have invested in equipment and installations. Consumers of one company (at least 7 million consumers) will have to throw away their investment and purchase new equipment to benefit from the merger.

How can the Merged Companies promise to cover the entire US with Satellite Broadband Service (two way) using Spot Beam Satellite but can not deliver local broadcast TV (one way) with the same Spot Beam Technology over the same area.

Access to Internet Service Providers (ISP) through the merged entity Satellite Broadband service will be controlled by the merged company, denying consumers the choice.

How will the merged company pricing be regulated? GMH dropped their lowest rate entry package "Select Choice" after the merger was announced. A merged entity will have a stronger hold on consumers.

Charter Communications, a cable company, last quarter dropped 120,000 consumers it labeled “slow payers”. What provisions will be put in place for protecting consumers in areas where the merged DISH/GMH Company is a monopoly. What standards are placed on providing of service?

The created Monopoly will deprive the areas not served by cable, or which have smaller cable companies from competition. Smaller cable companies which serve mostly rural areas will not be able to compete with the merged entity.

The “One Price for all” promise was repeatedly revised by DISH/GMH Executives since the congressional hearing. Executives admitted, “They will have to make special offers to compete with Cable”. As a result rural consumers will end up subsidizing competition in cable areas.

DISH just made two separate deals with Earthlink and SBC Communication where consumers get a discount on DISH programming if they subscribe to DSL service. Such bundled deals simply bypass the merged companies promise of “One Price for all” affecting the rural consumer who does not have access to DSL.

This merger will consolidate the Satellite Industry into one company. The merged companies will have current DISH, GMH and PanAmerican Satellite companies.

With a national footprint the merged companies will have high leverage over programmers. With its current size DISH was able to force ABC on two popular channels; ABC Family and ESPN Classic. As a result of the settlement between DISH and ABC, ABC withdrew from lawsuit against DISH.

Recognizing the possible control this merger yields over programming Viviendi/Universal invested $1.5 Billion in cash for 5% of DISH and right to 5 channels. Timer Warner, a cable company owns 10% of GMH. Other programming companies will be forced to buy minority interest in the Merged companies just to insure carry of their programming.

DISH manufactures their proprietary settop boxes and proprietary Interactive recording systems. The merged company will most likely keep the proprietary equipment and control their production and licensing. Consumers will lose on price competition and innovation.

DISH is a public company and their charter dictates They maximize shareholder value and increase their profit. However the company executives present their mission and this merger as to serve consumers.

The merged companies will not be truly public entities, but rather controlled by one person. Mr. Ergen controls the vote with his Class C shares. He will have the power to veto any change, and control the Board of Directors.

At the same time Executive offer plan to cover 210 local markets they are challenging the same “Must Carry Law” in the Supreme Court. There is no guarantee that the merged companies will not formulate new challenges in court for any regulations imposed as conditions on the merger.

Broadband Satellite

Listen to Mr. Ergen statement in Congressional Hearing: Without a merger he is not interested in launching Satellite Broadband Service. Mr. Ergen is leveraging the future dominance of the merged companies over the Satellite market to discourage new entries in Satellite Broadband Service and lead to the creation of a virtual monopoly for DISH/GMH in Satellite Broadband service.

DISH just abandoned two future competitors in the Satellite Broadband service whereby DISH broke a distribution agreement and withdrew from investments in two companies that provide Broadband Satellite Service; WildBlue and Starband. DISH invested over $200 million in these two companies.

Anti Trust Laws

The merged companies argue that Anti Trust laws should be over-looked because the merger is good for consumers. This merger will eliminate a programming provider from national presence, and will give the merged company better leverage to keep prices just below cable company prices and maximize their profits.

If this merger is approved over Anti-Trust laws, then one can argue that Cell Phone companies can ask to merge into a single company, claiming it is good for consumers, and consumers have an option in their local Telephone companies.

FUTURE COMPETITION
SES plans for service are tentative, and not in the same type of General broadcast service that is currently being offered by either of the merged companies. SES could fold their plans if they can not get backing.

Northpoint plan approval is a healthy progress. Northpoint will most likely deploy first in high consumer concentration areas in metro areas where cable is likely to exist, thus providing the needed competition without creating a monopoly in DBS.

The merger violates Anti-Trust laws and should be denied at the present time, or delayed for at least two years to allow the development of some type of competition from possible SES or Northpoint entries