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## ***NEWS RELEASE***

### **WISCONSIN JOINS STATE-FEDERAL EFFORT TO BLOCK SATELLITE TV MERGER**

*For Immediate Release*  
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MADISON – Attorney General Jim Doyle announced today that Wisconsin has joined a lawsuit in federal district court in Washington, D.C. to block a proposed merger between the only two nationwide direct broadcast satellite (DBS) television providers.

The lawsuit against EchoStar Communications Corp. and Hughes Electronics Corp. was brought by Doyle, the Antitrust Division of the U.S. Department of Justice, and the Attorneys General of 22 other states, the District of Columbia and Puerto Rico. The Attorneys General and U.S. Department of Justice allege that the merger of EchoStar and Hughes would violate the Clayton Act, a federal law that prohibits anti-competitive practices, by taking away consumer options and placing the market for DBS customers in the hands of one corporation.

“If this merger is allowed to go through, most consumers across the country would have their programming options reduced to one cable company and one satellite provider,” Doyle said. “Those who live in areas not served by cable would be at the mercy of a DBS monopoly. Elimination of competition does not benefit consumers.”

The lawsuit was filed today in U.S. District Court in the District of Columbia and names EchoStar Communications Corp.; General Motors Corp. and its wholly-owned subsidiary, Hughes Electronics Corp.; and Hughes’ wholly-owned subsidiary, DirecTV Enterprises Inc. as defendants. EchoStar offers DBS services through Dish Network.

(more)

“Dish Network and DirecTV compete with each other on many levels to attract consumers to switch from cable, including offering special packages of channels and discounts on services, installation and equipment,” Doyle said. “Without the competition of two DBS providers, that incentive to offer lower prices and better customer service is gone. The court should stop this merger.”

The states and the U.S. Department of Justice assert that it would be extremely difficult and expensive for any new DBS competitors to enter the market, and that there are no DBS frequencies available that cover the entire continental United States so a competitor could offer a nationwide service.

Such a merger has never been allowed by the courts in situations where it is difficult for new competitors to enter the market. There is a substantial risk of higher prices because of the opportunity and incentive to collude to increase prices. Doyle said that this proposed merger could lead to reduced competition in cities as well as rural areas.

Earlier this month, the FCC announced that it would object to the application of EchoStar and Hughes for a license transfer. That objection was based on FCC regulations and is a separate action from the lawsuit using federal antitrust law brought by the Department of Justice and the states.

Joining Wisconsin and the U.S. Department of Justice in the lawsuit opposing the EchoStar/Hughes merger are the states of Arkansas, California, Connecticut, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maine, Massachusetts, Mississippi, Missouri, Montana, Nevada, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Texas, Vermont and Washington, in addition to the District of Columbia and the Commonwealth of Puerto Rico.

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