



EchoStar Offers Reaction to NAB/DirecTV Agreement; Statement of Charlie Ergen, CEO and Chairman of EchoStar Communications Corp.

LITTLETON, Colo.--(BUSINESS WIRE)--July 1, 1999--In the wake of cable deregulation, it is particularly important that any legislation emerging from the 106th Congress bolster competition to cable and protect the rights of consumers.

EchoStar Communications Corporation (Nasdaq/NMS:DISH) will continue its efforts to fight for the rights of consumers and for true competition to cable. We are confident that the conferees, who have yet to even hold their first formal meeting, will recognize that the pressures which led to the pact between the National Association of Broadcasters and DirecTV have nothing to do with the creation of competition or consumer rights.

Rather, this agreement is a theatrical ploy which, under the guise of a private agreement, was intended to upstage the serious policy deliberations of the House and Senate Conference. We are confident that the conferees will develop a national competition policy that benefits all Americans, not just the special interests of two private parties.

While there are a few helpful provisions in the NAB/DirecTV agreement, those provisions were previously agreed upon by virtually all of the members of the committees. For example, the NAB pact touts elimination of the 90-day waiting period for cable subscribers before they can purchase network channels by satellite.

But over the past year, not even the cable special interest groups have tried to defend that anti-competitive provision, already slated for elimination in both the House and Senate versions of the bill. Plus, the NAB pact would replace immediate action for consumers who need signal strength tests before buying network channels with an expensive newly created bureaucracy that substantially delays service to the consumer.

On the other hand, many of the elements outlined in the NAB/DirecTV agreement reduce the ability of satellite to compete against cable and are contrary to the interests of consumers.

For example, codification of the Grade B standard, which was created in the 1950s when any signal was a good signal, would result in the termination of service to hundreds of thousands of current satellite customers and would deny network channels to millions of consumers who will be looking to satellite in the future as an alternative to rising cable rates and poor cable service.

Instead, the legislation should direct the FCC to protect consumers and balance the interests of all by expeditiously creating a reasonable signal reception standard appropriate to the digital age.

Similarly, while cable is currently permitted to sell distant network channels to customers located more than 35 miles from the local station, the NAB/DirecTV pact would prohibit satellite from offering those same channels to those same consumers. This seriously undermines the legislative goal of fostering competition to cable. DBS should be able to offer the same programming that cable can.

Likewise, if satellite has to pay more than cable for the same programming, consumers won't have a real alternative to rising cable rates. DBS needs simple protections like the anti-discrimination language in the proposed legislation. Under the NAB/DirecTV pact, the non-discrimination language would be eliminated and consumers will lose. Anti-discrimination language is key to any final law that seeks to make direct broadcast satellite competitive to cable.

Despite the anti-consumer agreement between DirecTV and the NAB, EchoStar will continue to encourage Congress and the Senate and House Conferees to fight for the rights of consumers and for a true alternative to cable. It is unfortunate that DirecTV capitulated to the pressures of the powerful network broadcast lobby.

EchoStar strongly believes that a reasonable signal reception standard and elimination of must-carry and other issues are important measures that must be included in any final law in order for consumers to have a true choice against the rising costs and poor customer service of cable television.

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