

**PRESS STATEMENT OF
CHAIRMAN MICHAEL K. POWELL**

Re: General Motors Corporation and Hughes Electronics Corporation, Transferors and The News Corporation Limited, Transferee, For Authority to Transfer Control, Order (MB Docket No. 03-124)

This merger with strict conditions ultimately benefits the American public. News Corporation has a history of taking significant risks and introducing new and innovative media services. Enhanced competition will increase pressure to improve service and lower prices for both cable and satellite television subscribers. This is a particularly compelling public interest benefit in light of continued cable rate hikes. Increased availability of local channels over satellite in rural America means access to more local programming in an additional 30 markets by year end 2004. Consumers are the winners.

It should be noted that the Commission has now reviewed two separate license transfer applications involving DirecTV. Unlike the proposed transaction with EchoStar—the first major transaction blocked by the Commission in decades—this transaction between the News Corporation and General Motors as conditioned will yield significant benefits to the public.

As originally proposed, however, this transfer did raise legitimate concerns about market power. Our strict conditions address these concerns. For instance, the Order creates an arbitration mechanism to prevent exorbitant consumer prices or loss of access to valuable programming – such as regional sports coverage – during arguments between programmers and News. Parties will now have the incentive to reach a mutually beneficial agreement while consumers' interests in continuing to see their favorite programming will be protected.

The Order also adopts conditions to ensure that the merged entity does not discriminate against unaffiliated programmers and ensures that News' other programming is offered on a non-discriminatory basis. Cable and satellite customers will continue to have access to programming from a diverse source of media outlets. With these conditions, I believe the transaction serves the public interest.

Facilities-based competition among satellite and cable providers has led to more innovation, more programming and more subscribers. As a result of this transaction, those trends, competitive prices and better quality of service will continue for the American public.