



## DEPARTMENT OF THE ATTORNEY GENERAL

### News Release

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#### **Hawaii Joins State-Federal Effort to Block Proposed Satellite TV Merger With Lawsuit Filed Today in D.C.**

(DATELINE) - Attorney General Earl I. Anzai announced today that Hawaii has joined a lawsuit filed today 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 Electronic Corp. was brought by Anzai, 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, Missouri is the lead state on the lawsuit. Anzai said 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.

"Most consumers would be left at best with a choice of one cable and one satellite provider," Anzai said. "A merger to a duopoly--which is what would occur here--has never been allowed by the courts in situations where it is difficult for new competitors to enter the market. The courts recognize that duopolies create an environment where there is a substantial risk of higher prices because of opportunity and incentive to collude to increase prices."

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.

The group of states named in the lawsuit who are opposing the Echostar/Hughes merger includes Arkansas, California, Connecticut, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maine, Massachusetts, Mississippi, Missouri, Montana, Nevada, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Texas, Vermont, Washington and Wisconsin, in addition to the District of Columbia and the Commonwealth of Puerto Rico.

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