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December 2, 1996

Mr. Thomas Tycz
Chief, Satellite and Radiocommunication Division
International Bureau
Federal Communications Commission
2000 M Street, N.W.
Washington, D.C. 20554

Received

DEC 02 1996

Satellite Policy Branch
International Bureau

**Re: EchoStar Satellite Corporation Application For Special
Temporary Authority to Operate a Direct Broadcast
Satellite, File No. 139-SAT-STA-96**

Dear Tom:

On behalf of EchoStar Satellite Corporation ("EchoStar"), I am writing to confirm or clarify EchoStar's understanding of the Order released on November 26, 1996 in the above-captioned proceeding. EchoStar understands this Order in light of an earlier oral 90-day extension of its Special Temporary Authority.^{1/} EchoStar reads the November 26, 1996 Order as denying an extension of EchoStar's STA with respect to channels 23, 25, 27, 29 and 31 beyond December 26, 1996.

EchoStar has consistently recognized the temporary nature of its authority. It has further recognized the possibility that it might have to cease operations on these five channels, and is fully capable of doing so.^{2/}

^{1/} Telephone conversation between Fern Jarmulnek and William Wiltshire, counsel for EchoStar, on or about September 26, 1996.

^{2/} At the same time, EchoStar believes that the November 26 Orders in this and a companion proceeding (Directsat Corporation, File No. 138-SAT-STA-96) threaten to have an unwarranted adverse effect on its business and its ability to satisfy the substantial U.S. demand for DBS service to the fullest extent possible. Accordingly, EchoStar reserves the right to request that the Bureau reconsider its STA denials.

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Channels 23, 25, 27, 29 and 31 on EchoStar I currently carry network and other important programming. EchoStar is fully capable of moving this programming to other authorized transponders. Indeed, EchoStar has already made contingency plans to ensure a smooth transition for EchoStar's subscribers. While this transition can be easily accomplished, an orderly transfer will nevertheless take a period of several weeks to effectuate without disrupting service. Specifically, the transition is more complex than a mere flip of a switch or simple computer commands to move to different frequencies. It entails changes to the set-top box, which maps out the programs depending on the transponders that carry them. It will also require adjustments to EchoStar's compression, conditional access and electronic program guide systems.

EchoStar had planned the move based on the STA expiration time of late December. The personnel and system resources are in place for an orderly transition on or before December 26, 1996.

Accordingly, this letter is simply intended to advise that EchoStar will need the intervening weeks until the expiration of its orally extended STA to comply with the November 26, 1996 Order, but that compliance within that time frame will occur.

Please notify me immediately if your interpretation of the November 26, 1996 Order is not consistent with the understanding reflected in this letter. Thank you for your attention to this important matter.

Very truly yours,



Pantelis Michalopoulos
Attorney for EchoStar Satellite Corporation

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cc: Fern Jarmulnek
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