

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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	)	
In the Matter of	)	
	)	
Hughes Communications, Inc., Transferor, and EchoStar Corporation, Transferee	)	IB Docket No. 11-55
	)	
Consolidated Application for Authority to Transfer Control	)	
	)	
	)	

**SECOND SUPPLEMENT**

**I. INTRODUCTION AND SUMMARY**

EchoStar Corporation (“EchoStar”), through its counsel, files this supplement to the applications seeking the transfer of control over the authorizations held by Hughes Network Systems, LLC (“HNS”).<sup>1</sup> Specifically, in response to a request by Federal Communications Commission (“Commission”) staff, EchoStar provides certain additional information regarding EchoStar’s and HNS’ contractual obligations and financial ability to complete construction of, and to launch, HNS’ Jupiter 1 satellite upon consummation of EchoStar’s merger with Hughes Communications, Inc. (“Hughes”).

In brief, while EchoStar naturally cannot foreclose the possibility of delays due to events beyond its control, it has every intention, and is very likely, to launch Jupiter 1 by or in advance

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<sup>1</sup> Hughes Communications, Inc., Transferor, and EchoStar Corporation, Transferee, Consolidated Application for Authority to Transfer Control, IB Docket No. 11-55; File Nos. SAT-T/C-20110228-00041 and -00042; SES-T/C-20110228-00221, -00222, -00223, and -00224; File Nos. 0001-EX-TC-2011, 0002-EX-TC-2011, and 0003-EX-TC-2011 (filed Feb. 28, 2011), as corrected by Erratum (filed Mar. 2, 2011).

of Commission milestones. And EchoStar has more than sufficient resources to provide any necessary additional funding to facilitate the completion and launch of Jupiter 1 in accordance with its current schedule. In support of this supplement, EchoStar provides the declaration of Kenneth Carroll, Chief Operating Officer, EchoStar Satellite Services L.L.C., who provides additional information regarding EchoStar's intention, ability, and means to launch Jupiter 1 in substantial accordance with its current schedule.<sup>2</sup> EchoStar also provides the declaration of Timothy A. Messner, Director and Senior Corporate Counsel, DISH Network L.L.C., who confirms that, upon consummation of the EchoStar-Hughes merger, Hughes will continue to be bound by the terms of the Jupiter 1 satellite and launch contracts, and the merger itself will not result in any modification to the terms and conditions of these contracts or Hughes' rights and obligations under them.<sup>3</sup>

## **II. ECHOSTAR INTENDS TO LAUNCH THE JUPITER 1 SATELLITE BY OR IN ADVANCE OF COMMISSION MILESTONES**

EchoStar intends, and is very likely, to launch the Jupiter 1 satellite substantially in accordance with the current construction and launch schedules already agreed to by HNS, which should put launch well in advance of Commission milestones established for the Jupiter 1 satellite.<sup>4</sup> EchoStar is not aware of any factors that currently exist that would prevent the completion and launch of Jupiter 1 substantially in accordance with its current schedule.<sup>5</sup> The launch of Jupiter 1 is of more than mere passing concern for EchoStar in this transaction. The advanced construction and early expected launch date for the Jupiter 1 satellite were important

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<sup>2</sup> Declaration of Kenneth Carroll (Attachment A) ("Carroll Declaration").

<sup>3</sup> Declaration of Timothy A. Messner (Attachment B) ("Messner Declaration").

<sup>4</sup> Carroll Declaration ¶ 2.

<sup>5</sup> *Id.* ¶ 10.

considerations in EchoStar's purchase of Hughes, as Jupiter 1 will allow Hughes to marshal significant additional capacity for its primary business of provisioning satellite broadband services.<sup>6</sup> While EchoStar naturally cannot foreclose the possibility of delays due to circumstances beyond its control, EchoStar is committed to a launch by or in advance of Commission milestones.

**A. EchoStar Has Sufficient Financial Resources to Facilitate the Timely Launch of Jupiter 1**

EchoStar has the financial means with which to complete the construction of, and to launch, Jupiter 1.<sup>7</sup> As described in EchoStar's previous supplement, HNS has entered into a construction contract with Space Systems/Loral Inc. to manufacture Jupiter 1, and construction of the satellite is well underway and on track for launch in 2012.<sup>8</sup> HNS has also entered into a contract with Arianespace to launch Jupiter 1 into orbit in the first half of 2012.<sup>9</sup> As reported in Hughes' Securities and Exchange Commission ("SEC") filings, as of March 31, 2011, Hughes' remaining payments under its satellite construction and launch contracts for Jupiter 1 were \$164.9 million.<sup>10</sup> With the consummation of this transaction, EchoStar plans to fulfill Hughes' contractual obligations under the construction and launch contracts for Jupiter 1.<sup>11</sup>

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<sup>6</sup> *Id.* ¶ 3.

<sup>7</sup> *Id.* ¶ 4.

<sup>8</sup> Hughes Communications, Inc., Transferor, and EchoStar Corporation, Transferee, Supplement, IB Docket No. 11-55, Declaration of Kenneth Carroll ¶ 5 (filed May 19, 2011).

<sup>9</sup> *Id.*, Declaration of Dean A. Manson ¶ 11.

<sup>10</sup> Carroll Declaration ¶ 6; Hughes Communications, Inc., Quarterly Report (Form 10Q) (May 4, 2011).

<sup>11</sup> Carroll Declaration ¶ 4.

If required, EchoStar and Hughes have sufficient financial reserves, as well as the intention, to inject sufficient funding into the Jupiter 1 program so as to facilitate the timely completion and launch of the satellite.<sup>12</sup> As reported in Hughes' most recent 10-K filing with the SEC, for the year ending December 31, 2010, Hughes reported total revenues of \$1.04 billion, total assets of \$1.36 billion, current assets of \$453 million, net cash from operations of \$148 million, and operating income of \$22.8 million.<sup>13</sup> EchoStar is on sound financial footing and has demonstrated the ability to raise significant capital, when necessary, in the financial marketplace.<sup>14</sup> As reported in EchoStar's most recent 10-K filing with the SEC, for the year ending December 31, 2010, EchoStar reported total revenues of \$2.35 billion (an increase of 24 percent over 2009 revenues), total assets of \$3.8 billion, current assets of \$1.5 billion, net cash from operations of \$404 million, and operating income of \$142 million.<sup>15</sup> EchoStar also recently completed a debt offering which is expected to net \$2.0 billion to finance in part the cash consideration to Hughes stockholders and to refinance certain existing Hughes debt.<sup>16</sup>

**B. The Merger Will Not Affect the Terms and Conditions of the Jupiter 1 Satellite Construction and Launch Contracts**

As discussed above, HNS has entered into contracts with Space Systems/Loral for the construction of Jupiter 1 and with Arianespace for the launch of Jupiter 1. As Mr. Messner confirms, upon consummation of the EchoStar-Hughes merger, Hughes will continue to be

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<sup>12</sup> *Id.* ¶ 5.

<sup>13</sup> *Id.* ¶ 7.

<sup>14</sup> *Id.* ¶ 5.

<sup>15</sup> *Id.* ¶ 8.

<sup>16</sup> *Id.* ¶ 9. The most recent 8K as filed with the SEC for this debt offering is attached to the Carroll Declaration as Exhibit 1.

bound by the terms of the Jupiter 1 satellite and launch contracts, and the merger itself will not result in any modification to the terms and conditions of these contracts or Hughes' rights and obligations under them.<sup>17</sup>

### III. CONCLUSION

For the foregoing reasons, EchoStar requests respectfully that the Commission find that there are no public interest concerns that weigh against an expedited approval of the transfer of control over the HNS authorizations.

Respectfully submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
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Senior Vice President, Deputy General Counsel  
Alison Minea  
Corporate Counsel  
**EchoStar Corporation**  
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Suite 750  
Washington, D.C. 20005

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(202) 429-3000  
*Counsel for EchoStar Corporation*

May 27, 2011

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<sup>17</sup> Messner Declaration ¶¶ 2-3.

**ATTACHMENT A**

**DECLARATION OF KENNETH CARROLL**

I, Kenneth Carroll, being over 18 years of age, swear and affirm as follows:

1. I am the Chief Operating Officer for EchoStar Satellite Services L.L.C., a wholly owned subsidiary of EchoStar Corporation. In this role, I participate in assessing the state of EchoStar's satellite fleet and EchoStar's business plans for building new satellites.

2. As previously submitted, EchoStar intends, and is very likely, to launch the Jupiter 1 satellite substantially in accordance with the current construction and launch schedules already agreed to by Hughes Communications, Inc. (with its subsidiaries, "Hughes"), which should put launch well in advance of Commission milestones established for the Jupiter 1 satellite.

3. The advanced construction and early expected launch date for the Jupiter 1 satellite were important considerations in our purchase of Hughes, as Jupiter 1 will allow Hughes to marshal significant additional capacity for its primary business of provisioning satellite broadband services.

4. EchoStar has the financial means with which to continue current construction and launch plans for Jupiter 1. With the consummation of this transaction, EchoStar plans to fulfill Hughes' contractual obligations under the construction and launch contracts for Jupiter 1.

5. If required, EchoStar has sufficient financial reserves, as well as the intention, to inject sufficient funding into the Jupiter 1 program so as to facilitate the timely completion and launch of the satellite. EchoStar is on sound financial footing and has demonstrated the ability to raise significant capital, when necessary, in the financial marketplace.

6. As reported in Hughes' Security and Exchange Commission ("SEC") filings, as of March 31, 2011, Hughes' remaining payments under its satellite construction and launch contracts for Jupiter 1 were \$164.9 million.

7. As reported in Hughes' most recent 10-K filing with the SEC, for the year ending December 31, 2010, Hughes reported total revenues of \$1.04 billion, total assets of \$1.36 billion, current assets of \$453 million, net cash from operations of \$148 million, and operating income of almost \$23 million.

8. As reported in EchoStar's most recent 10-K filing with the SEC, for the year ending December 31, 2010, EchoStar reported total revenues of \$2.35 billion (an increase of 24 percent over 2009 revenues), total assets of \$3.8 billion, current assets of \$1.5 billion, net cash from operations of \$404 million, and operating income of \$142 million.

9. EchoStar recently completed a debt offering which is expected to net \$2.0 billion to finance in part the cash consideration to Hughes stockholders and to refinance certain existing Hughes debt. The most recent 8K as filed with the SEC for this debt offering is attached to this Declaration as Exhibit 1.

10. I am not aware of any factors that currently exist that would prevent the completion and launch of Jupiter 1 substantially in accordance with its current schedule.

11. In brief, while EchoStar naturally cannot foreclose the possibility of delays due to events beyond its control, it has every intention, and is very likely, to launch Jupiter 1 by or in advance of Commission milestones.

I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge, and belief. Executed on May 27, 2011.



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Kenneth Carroll  
Chief Operating Officer  
EchoStar Satellite Services L.L.C.



**EXHIBIT 1 TO ATTACHMENT A**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 17, 2011**

**ECHOSTAR CORPORATION**

(Exact name of registrant as specified in its charter)

**NEVADA**

(State or other jurisdiction of  
incorporation)

**001-33807**

(Commission File Number)

**26-1232727**

(IRS Employer  
Identification No.)

**100 INVERNESS TERRACE E  
ENGLEWOOD, COLORADO**

(Address of principal executive offices)

**80112**

(Zip Code)

**(303) 706-4000**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events**

On May 18, 2011, EchoStar Corporation (NASDAQ: "SATS") announced that its wholly-owned subsidiary, EH Holding Corporation, priced \$1.1 billion aggregate principal amount of 8-year, 6½% Senior Secured Notes (the "Secured Notes") and \$900 million aggregate principal amount of 10-year, 7<sup>5</sup>/<sub>8</sub>% Senior Notes (the "Unsecured Notes" and, together with the Secured Notes, the "Notes"). Interest on the Secured Notes, which will mature on June 15, 2019, will be paid on June 15 and December 15 of each year, commencing on December 15, 2011, and interest on the Unsecured Notes, which will mature on June 15, 2021, will be paid on June 15 and December 15 of each year, commencing on December 15, 2011. The net proceeds of the offering are intended to be used to fund a portion of the purchase price and related fees and expenses for EchoStar's previously announced acquisition of Hughes Communications, Inc. ("Hughes Communications"), and the remainder will be

used to fund the repayment or redemption of certain outstanding indebtedness of Hughes Communications and its wholly-owned subsidiary, Hughes Network Systems, LLC. EH Holding Corporation will initially deposit the gross proceeds from the offering of the Notes into escrow upon the closing of the offering.

EH Holding Corporation placed the Notes in a private placement under Rule 144A and Regulation S under the Securities Act of 1933, as amended (the "Securities Act"). The Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Certain statements incorporated herein by reference may be forward-looking statements, which may involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described. EchoStar Corporation undertakes no obligation to update forward-looking statements.

See Press Release, dated May 18, 2011, "EchoStar Places Offering of \$2 Billion in Senior Notes" attached hereto as Exhibit 99.1.

#### **Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

Exhibit 99.1 Press Release "EchoStar Places Offering of \$2 Billion in Senior Notes" dated May 18, 2011

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#### **SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ECHOSTAR CORPORATION

Date: May 18, 2011

By: /s/ R. Stanton Dodge  
R. Stanton Dodge  
Executive Vice President,  
General Counsel and Secretary

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#### **EXHIBIT INDEX**

Exhibit 99.1 Press Release "EchoStar Places Offering of \$2 Billion in Senior Notes" dated May 18, 2011

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**ATTACHMENT B**

**DECLARATION OF TIMOTHY A. MESSNER**

I, Timothy A. Messner, being over 18 years of age, swear and affirm as follows:

1. I am Director and Senior Corporate Counsel of DISH Network L.L.C. In that capacity I was asked by DISH Network L.L.C.'s affiliate, EH Holding Corporation ("EchoStar"), to review: 1) the Contract between Hughes Network Systems, LLC ("Hughes") and Space Systems/Loral, Inc. for the Hughes Jupiter Satellite Program (dated June 8, 2009 and as amended November 16, 2009) (the "Jupiter Satellite Contract"), and 2) the Launch Services Agreement for the Launching into Geostationary Transfer Orbit of the Jupiter Satellite by an Ariane 5 Launch Vehicle between Hughes and Arianespace (dated April 30, 2010) (the "Jupiter Launch Contract").
2. Under the terms of the Jupiter Satellite Contract, upon consummation of the EchoStar-Hughes merger and subject to the terms of such contract, Hughes will continue to be bound by the Jupiter Satellite Contract, and the merger itself shall not result in any modification to the terms and conditions of the Jupiter Satellite Contract or Hughes' rights and obligations thereunder.
3. Under the terms of the Jupiter Launch Contract, upon consummation of the EchoStar-Hughes merger and subject to the terms of such contract, Hughes will continue to be bound by the Jupiter Launch Contract, and the merger itself shall not result in any modification to the terms and conditions of the Jupiter Launch Contract or Hughes' rights and obligations thereunder.

I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge, and belief. Executed on May 27, 2011.



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Timothy A. Messner  
Director and Senior Corporate Counsel  
DISH Network L.L.C.