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REDACTED – FOR PUBLIC INSPECTION

July 30, 2002

RECEIVED

JUL 30 2002

BY HAND DELIVERY

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street  
Washington, DC 20554



Re: Consolidated Application of EchoStar Communications Corporation, General Motors Corporation and Hughes Electronics Corporation for Authority to Transfer Control (the "Application"), CS Docket No. 01-348

Dear Ms. Dortch:

On behalf of the Applicants, this letter updates the record of the above-referenced proceeding regarding certain of the transaction documents and certain contemplated elements of the merger transactions among EchoStar Communications Corporation ("EchoStar"), General Motors Corporation ("GM") and Hughes Electronics Corporation ("Hughes") (collectively, the "Applicants").

The Hughes/EchoStar merger agreement contains a provision giving Hughes the right to terminate the merger agreement if the agreement(s) documenting the contemplated Hughes/EchoStar merger financing have not been entered into (or the definitive terms thereof agreed) by April 26, 2002. On April 25, 2002, Hughes, EchoStar and GM agreed to extend the April 26, 2002 date to June 25, 2002. On June 25, 2002, Hughes, EchoStar and GM agreed to further extend this date to the date that is 45 calendar days after the first to occur of two alternative events, neither of which events have occurred. We are submitting with this filing, as a public document, a copy of the April 25, 2002 letter agreement. We are also submitting, as a non-public document, a copy of the June 25, 2002 letter agreement.

In addition, in the Hughes/EchoStar merger agreement, EchoStar agreed to do one of the following by May 26, 2002: (i) use commercially reasonable efforts to solicit consents from the holders of certain of its debt instruments so that the completion of the Hughes/EchoStar merger will not constitute a "change in control" under the relevant indentures, including the offering by EchoStar of a reasonable and customary consent fee or interest payment modification; (ii) obtain additional committed financing in an amount sufficient to refinance all indebtedness outstanding under those indentures to which an amendment to the relevant "change in control" provision was not obtained; or (iii) present Hughes with a plan under which, after completion of the Hughes/EchoStar merger, New EchoStar will not be in breach of its

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obligations under, and will be able to comply with its obligations under the terms of, the relevant indentures. If Hughes rejects the plan after considering the plan in good faith, EchoStar will be required to promptly (and in any event within 20 business days after such rejection) take one of the other two actions discussed above. On June 20, 2002, GM, Hughes and EchoStar agreed to extend the May 26, 2002 deadline to September 15, 2002. We are submitting with this filing, as a public document, a copy of the June 20, 2002 letter agreement.

The Applicants believe that there have been no material changes to their Application, the transaction agreements or other documents submitted by the Applicants as of the date of this letter, but currently contemplate that shortly they will amend and restate certain of the transaction agreements, as described in the HEC Holdings, Inc. Registration Statement on Form S-4, and that the amended and restated transaction agreement will reflect the various letter agreements discussed above. The Applicants intend to supply the Commission with those amended and restated agreements within 30 days of their effective date.

In June 1999, Hughes announced a strategic alliance with AOL to develop and market digital entertainment and Internet services nationwide. As part of that alliance, AOL invested \$1.5 billion in cash in exchange for approximately 2.7 million shares of GM Series H 6.25% Automatically Convertible Preference Stock (the "GM Series H Preference Stock"). GM immediately contributed the \$1.5 billion received from AOL to Hughes in exchange for shares of Hughes Series A Preferred Stock, which was designed to correspond to the financial terms of the GM Series H Preference Stock. The premise of these "mirror" share issuances was that the AOL cash investment was intended by the parties to be used in the Hughes business.

The terms of the GM Series H Preference Stock called for a mandatory conversion of the shares into shares of GM Class H common stock on June 24, 2002, unless earlier optionally converted. On June 24, 2002, all of the shares of GM Series H Preference Stock held by AOL mandatorily converted into 80,088,990 shares of GM Class H common stock, as provided for pursuant to the terms of the GM Series H Preference Stock. The shares of GM Class H common stock now held by AOL represent less than 10% of the issued and outstanding shares of GM Class H common stock. If AOL continues to hold these shares (or those shares for which the GM Class H common stock may be exchanged) through the split-off and merger transactions, the Applicants expect that AOL would hold a less than five percent interest in the combined company.<sup>1</sup>

Certain of the attachments to this filing are highly confidential and are submitted pursuant to the Commission's Second Protective Orders in this proceeding. The public version of this letter has been redacted accordingly. An original and one copy of the public version of this letter and one copy of the confidential version of this letter are being filed with the Commission.

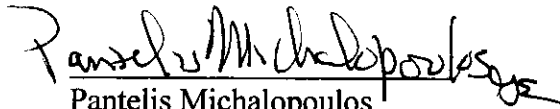
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<sup>1</sup> See Consolidated Application for Authority to Transfer Control, at 21, n.42, CS Docket 01-348 (filed December 3, 2001).

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In the Applicants' view, none of these developments is a substantial change of decisional significance in the above-captioned proceeding. The Applicants will promptly apprise the Commission of any substantial changes regarding this transaction that may occur. Please direct any questions regarding this filing to either of the undersigned.

Respectfully submitted,

  
Pantelis Michalopoulos  
STEPTOE & JOHNSON LLP  
Counsel to EchoStar Communications  
Corporation

  
Gary M. Epstein  
LATHAM & WATKINS  
Counsel to Hughes Electronics Corporation  
and General Motors Corporation

Enclosure

**Letter of June 25, 2002**

**REDACTED – FOR PUBLIC INSPECTION**

EHOSTAR COMMUNICATIONS CORPORATION  
5701 South Santa Fe Drive  
Littleton, Colorado 80120

April 25, 2002

Hughes Electronics Corporation  
200 North Sepulveda Boulevard  
P.O. Box 456  
El Segundo, CA 90245

General Motors Corporation  
300 Renaissance Center  
Detroit, MI 48265

Re: Extension

Reference is made to that certain Merger Agreement, dated as of October 28, 2001 (as amended, modified and/or supplemented from time to time, the "Merger Agreement"), by and between EchoStar Communications Corporation, a Nevada corporation ("EchoStar") and Hughes Electronics Corporation, a Delaware corporation ("Hughes"), to the Implementation Agreement, dated as of October 28, 2001 (as amended, modified and/or supplemented from time to time, the "Implementation Agreement"), by and among EchoStar, Hughes and General Motors Corporation, a Delaware corporation that owns directly all of the issued and outstanding capital stock of Hughes ("GM"), and to the Separation Agreement, dated as of October 28, 2001 (as amended, modified or supplemented from time to time, the "Separation Agreement"), by and between Hughes and GM. Capitalized terms used in this letter but not defined herein shall have the same meaning ascribed to them in the Merger Agreement.

EchoStar hereby requests that in accordance with Section 7.4 of the Merger Agreement Hughes agree to extend the one hundred eighty (180) calendar day period specified in Section 7.1(c)(vii) of the Merger Agreement to a period of two hundred forty (240) calendar days after October 28, 2001. EchoStar also requests that GM consent to such extension in accordance with Section 5.3(a) of the Implementation Agreement and Section 2.4 of the Separation Agreement.

Please acknowledge your consent to the foregoing request by signing and returning to us the enclosed copy of this letter. This letter may be executed in any

Hughes Electronics Corporation  
General Motors Corporation

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number of counterparts, each of which when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

This letter agreement shall be governed and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws.

Very truly yours,

ECHOSTAR COMMUNICATIONS CORPORATION

By: David K. Moskowitz  
Name: David K. Moskowitz  
Title: Senior Vice-President,  
General Counsel and  
Secretary

Acknowledged and Agreed to as of  
the date first above written:

HUGHES ELECTRONICS CORPORATION

By: \_\_\_\_\_  
Name: Larry D. Hunter  
Title: Vice-President

GENERAL MOTORS CORPORATION

By: \_\_\_\_\_  
Name: Warren G. Andersen  
Title: Assistant General Counsel

Hughes Electronics Corporation  
General Motors Corporation

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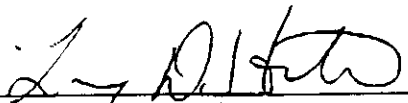
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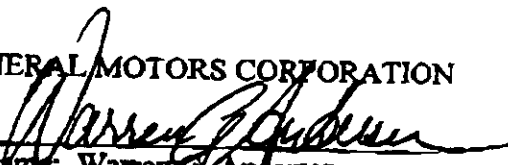
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ECHOSTAR COMMUNICATIONS CORPORATION  
5701 South Santa Fe Drive  
Littleton, Colorado 80120

June 20, 2002

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EchoStar hereby requests that in accordance with Section 7.4 of the Merger Agreement Hughes agree to extend the two hundred ten (210) calendar day periods specified in Section 5.2(e) of the Merger Agreement to a period of three hundred twenty two (322) calendar days after October 28, 2001. EchoStar also requests that GM consent to such extension in accordance with Section 5.3(a) of the Implementation Agreement and Section 2.4 of the Separation Agreement.

Please acknowledge your consent to the foregoing request by signing and returning to us the enclosed copy of this letter. This letter may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

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General Motors Corporation

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Title: Vice-President

GENERAL MOTORS CORPORATION

By: \_\_\_\_\_  
Name: Eric Feldstein  
Title: Vice-President Finance  
& Treasurer

- cc: Francis J. Aquila
- John J. O'Brien
- Warren G. Andersen
- John Higgins
- Frederick S. Green
- Michael E. Lubowitz
- R. Scott Falk
- Joseph P. Gromacki

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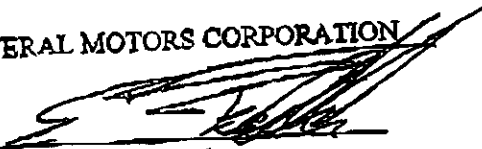
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