



Jack N. Goodman

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March 8, 2002

Ex Parte Communication

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20445

Re: IB Docket No. 95-91

Dear Mr. Caton:

A spokesman for XM Satellite Radio was quoted in the *Washington Post* of March 6, 2002, to the effect that XM does not intend to offer local radio service. "We are a national radio service. . . And we have no intention of broadcasting locally." A copy of the article is attached.

While broadcasters appreciate XM's renewed commitment to offering national services only, despite its recently obtaining a patent on technology that would allow it to provide local programming to receivers, *R&R Online* for March 6, 2002 reports that a supplier of local traffic information has been negotiating with both XM and Sirius Satellite Radio to provide traffic data for transmission by them to local markets. A copy of that article is also attached. To say the least, these two reports are impossible to reconcile, and the Commission should expect that XM and Sirius should fully and unequivocally disclose their intentions concerning providing locally differentiated information before the Commission adopts final repeater rules or extends the current repeater STAs.

If XM and Sirius in fact have no plans to offer locally differentiated service using its network of terrestrial repeaters, they should have no objection to the Commission barring them from using repeaters to offer such a service.

Respectfully submitted,

A handwritten signature in black ink that reads "Jack N. Goodman".

Jack N. Goodman

Mr. William F. Caton

March 8, 2002

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Attachments

cc: The Honorable Michael Powell
The Honorable Kathleen Q. Abernathy
The Honorable Michael J. Copps
The Honorable Kevin Martin
Donald Abelson, Chief, International Bureau
Roy Stewart, Chief, Mass Media Bureau
Kenneth Ferree, Chief, Cable Services Bureau

Despite Patent, XM Plans No Local Content

By Renae Merle

Washington Post Staff Writer

Wednesday, March 6, 2002; Page E05

XM Satellite Radio Inc. said yesterday that it does not intend to offer local radio service, despite fears from the National Association of Broadcasters that a new patent would allow it to do just that.

"We are a national radio service," said spokesman Charles Robbins. "And we have no intention of broadcasting locally."

But a patent that XM received last month would allow the D.C.-based company, which uses satellites and land-based "repeaters" to provide 100 national channels of news and music, to offer weather, sports scores, advertising and other information specific to a local community using the repeaters. The National Association of Broadcasters said that patent conflicts with current rules that bar XM from competing with local broadcasters.

"We are astonished to learn that XM Radio has secretly acquired a patent that will allow the company to provide local programming," Edward Frittis, the association's president and chief executive, said in a statement.

The patent was hardly a secret and was obtained during the normal course of business, Robbins said. It is just one of "numerous" patents the company has, he said. The company agreed in 1997 not to compete for local advertising.

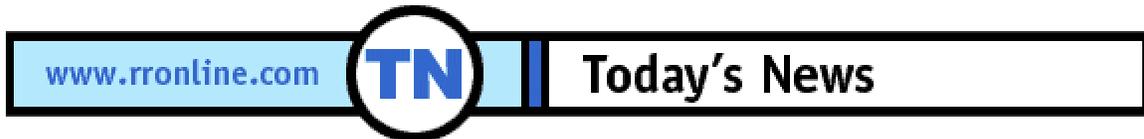
XM and its New York-based competitor, Sirius Satellite Radio Inc., have been locked in battle with traditional local radio stations for years. Local stations fear the competition that satellite radio may bring, particularly for advertising dollars. XM and Sirius say they need the repeater network to offer quality service.

Both sides are awaiting a ruling from the Federal Communications Commission on whether to give XM and Sirius permanent approval to use its network of repeaters.

Wednesday, March 6, 2002

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Today

Wednesday, March 6, 2002

Satcasters Had Discussions With Local Traffic Provider

Although XM and Sirius have steadfastly denied they have any intention of delivering local programming via their fields of translators spread across the nation, **R&R ONLINE** has learned that both companies have discussed the possibilities of having national and local traffic reports produced for their subscribers. "We've been in discussions with both of them from the start," Traffic Plus Networks SVP Al McGowan confirms. "We've talked to both of them about our product, and we continue to stay in touch. We would be open to any interest to distribute our information to satellite subscribers." Traffic Plus Networks debuted in Philadelphia less than two years ago as Traffic.com and, through its Digital Traffic Pulse operation, collects, processes, stores and distributes traffic data through a wide range of applications. McGowan says that the service is completely digital in Philadelphia and Pittsburgh, with Chicago and Dallas set to follow and another 25 cities to debut after that. He notes that both XM and Sirius have the potential to deliver in-vehicle telematics details via voice or text to an on-dash screen.