AT&T WIRELESS SERVICES, INC.
BEAMREACH NETWORKS, INC.
BELLSOUTH CORPORATION
VERIZON WIRELESS, INC.
WIRELESS COMMUNICATIONS ASSOCIATION INTERNATIONAL, INC.
WORLDCOM, INC.

March 8, 2002

BY ELECTRONIC FILING

William F. Caton
Acting Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: ***Ex Parte Submission***
Establishment of Rules and Policies for the Satellite Digital Audio Radio Service in the 2310-2360 MHz Band, IB Docket No. 95-91

Dear Mr. Caton:

Wireless Communications Service ("WCS") licensees and equipment manufacturers have demonstrated throughout this proceeding that high power terrestrial repeaters in the satellite Digital Audio Radio Service ("SDARS") will cause devastating blanketing interference and intermodulation distortion to WCS operations. As the SDARS licensees have been forced by the Commission to disclose additional information regarding the location and power levels of the terrestrial repeaters they have constructed pursuant to experimental authorizations, the WCS community has been perplexed by the designs of their terrestrial repeater networks. Quite simply, we have been unable to square the concept that terrestrial repeaters are to be gap-fillers, used in urban canyons, under bridges, in high mountain passes, in tunnels, or in other areas where it may be difficult to receive SDARS signals transmitted by the satellite,[1] with terrestrial repeater network designs that blanket areas with terrestrial signals, rather than target signals at obstructed areas.

[1] *See Establishment of Rules and Policies for the Digital Audio Radio Satellite Service in the 2310-2360 MHz Band*, 12 FCC Rcd 5754, 5810-12 (1997). XM has consistently represented to the Commission that its terrestrial repeaters are to be "gap fillers,"(Letter from Lon C. Levin, XM Senior Vice President, to Magalie Roman Salas, File No. SAT-STA-20010712-00063, at 1 (filed July 12, 2001)) intended "to improve its DARS coverage in areas where it is difficult to receive satellite-based signals and thereby provide a seamless, high-quality, multichannel national radio service to the U.S. public. Supplemental Comments of XM, IB Docket No. 95-91, at 1 (filed Dec. 17, 1999). Never has XM advised the Commission that its repeaters might be used for any other purpose.

Now, however, we believe we understand why the SDARS licensees have deployed such extensive repeater networks. As the National Association of Broadcasters ("NAB") disclosed to the Commission earlier this week, at the same time XM Radio, Inc. ("XM") has been representing to the Commission that it would not offer local programming, it has been prosecuting an application, recently granted, for a patent for technology that will allow it to provide locally-oriented "weather, sports scores, advertisements and the like, to subscribers." According to XM's patent application, it can provide local programming through a system under which the receiver in the subscriber's automobile receives a composite signal containing the local content for all of the markets in the nation, the receiver determines the automobile's current location based on a specific location code it receives *from a terrestrial repeater*, and the receiver then provides the subscriber with access solely to the information intended for that locale. Because the receiver determines the automobile's position based on the last repeater signal it received, the system will only provide subscribers with the appropriate local information if it frequently receives a signal from a terrestrial repeater.

And that, rather clearly, is why XM has designed its repeater network to use far more repeaters, and particularly far more high-power repeaters, than are reasonably necessary to merely fill gaps in XM's satellite coverage. It explains, for example, why XM has placed large numbers of repeaters along interstate highways that generally have unobstructed paths to satellites. A subscriber could drive for hours along these interstate highways without suffering a blockage of the satellite signal or needing the services of a terrestrial gap-filler. However, unless the subscriber's receiver is constantly refreshed with location codes from repeaters as it travels, the subscriber will be receiving local information intended for a community he or she has left far behind.

Not surprisingly, XM has already denied in the trade press that it intends to offer local programming. However, its actions (developing its local technology and securing a patent) speak far louder than its words. XM may be willing to forego local programming now in order to appease the NAB, but that cannot be the end of the Commission's inquiry. In light of NAB's startling discovery of XM's activities, the Commission simply cannot credit assertions by the SDARS licensees that their terrestrial repeater networks have been designed to cause no more interference to WCS than necessary to fill gaps in satellite coverage. Rather, the Commission must require XM and Sirius to demonstrate why their extensive repeater networks, which include a large number of repeaters operating at high power levels, are necessary to fill gaps in satellite coverage.

Sincerely yours,

__/s/_____
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