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Washington State Association of Broadcasters

724 Columbia St. N.W., Suite 310
Olympia, WA 98501-1249

Phone: (360) 705-0774/ Fnx: (360) 705-0873

E-mail: wa-broadcasters@earthlink.net/ Website: www.wsab.org

APR 06 2007

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MAY - 1 2007

Federal Communications Commission
Office of the Secretary

March 30, 2007

The Honorable Kevin Martin
Federal Communications Commission
445 - 12th Street S. W., Room 8-B201
Washington, D. C. 20554

RE: Merger of XM Satellite Radio and Sirius Satellite Radio

Dear Chairman Martin:

Recently, the only two satellite radio companies in America, XM Satellite Radio and Sirius Satellite Radio announced plans to merge and create a single monopoly satellite radio company.

The Washington State Association of Broadcasters ("WSAB") represents the free, over-the-air radio (and television) stations, both commercial **and** non-commercial, who serve local communities **throughout** the state of Washington.

On behalf of the Washington's local radio stations, I **am** enclosing the resolution recently adopted by **the** Association's Board of Directors. **As** expressed in the resolution the Washington State Association of Broadcasters is opposed to the proposed merger of the only two satellite radio companies, XM and Sirius.

The proposed merger will create a government-sanctioned monopoly which is anticompetitive and we **ask** that on behalf of the citizens of the **state** of Washington you vigorously oppose the merger and express your opposition to the United States Congress, the Department of Justice, **and** the U.S. Attorney General: The proposed merger will result in a monopoly that:

- o violates current Federal Communication Commission rules prohibiting only one provider of satellite radio in the satellite radio market;

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- o will be able to exercise unlimited market power which will allow it to raise subscription rates without limit, reduce program diversity and cause subscribers to incur long-run equipment costs;
- o will be able to monopolize national and regional programming such as sports and entertainment events through exclusive arrangements;
- o will exploit its monopoly power and unfairly compete with other media for national advertising by offering artificially low (subsidized) advertising rates; and
- o will cross-subsidize its offering of new services and unfairly compete with local radio stations through its monopolization of the only national multi-channel, mobile, radio service in the country,

The proposed attempt to create a government-sanctioned monopoly will severely harm consumers, musicians, broadcasters and the public if it is allowed to go through. The Washington State Association of Broadcasters stands ready to assist you in opposing this merger.

Please feel free for you or staff to call me should you need any information with regard to the harmful impacts this merger will have on the citizens and consumers of Washington.

Very truly yours,

WASHINGTON STATE ASSOCIATION OF BROADCASTERS



Mark Allen, Esq.
President & CEO



Washington State Association of Broadcasters
724 Columbia Street N. W., Suite 310 Olympia, WA 98501
Ph (360) 705-0774 Fax: (360) 705-0873
Web Site: www.wab.org E-Mail: wa-broadcaster@earthlink.net

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE WASHINGTON STATE ASSOCIATION OF BROADCASTERS
OPPOSING THE PROPOSED MERGER OF XM AND SIRIUS SATELLITE RADIO
COMPANIES**

WHEREAS, XM and Sirius Satellite radio companies have announced their plans to form a government-sanctioned monopoly leaving only one company functioning in the satellite radio market; and

WHEREAS, the Washington State Association of Broadcasters is a trade association consisting of more than 200 radio and television stations, both commercial and non-commercial in the state of Washington representing radio and television stations and companies and individuals that supply and use broadcast-related, post-production, multimedia and telecommunication equipment and services; and

WHEREAS, the Washington State Association of Broadcasters believes that such a merger creating a total government-sanctioned monopoly in the satellite radio market will be harmful to consumers, musicians, broadcasters and the public because the resulting monopoly:

- violates current Federal Communication Commission rules prohibiting only one provider of satellite radio in the satellite radio market;
- will be able to exercise unlimited market power which will allow it to raise subscription rates without limit, reduce program diversity and cause subscribers to incur long-run equipment costs;
- will be able to monopolize national and regional programming such as sports and entertainment events through exclusive arrangements;
- will exploit its monopoly power and unfairly compete with other media for national advertising by offering artificially low (subsidized) advertising rates; and
- will cross-subsidize its offering of new services and unfairly compete with local radio stations through its monopolization of the only national multi-channel, mobile, radio service in the country.

WHEREAS, in 1997 when the Federal Communications Commission first considered the issuance of licenses for satellite radio services, Sirius' predecessor filed comments with the Commission

arguing that multiple providers were necessary to assure competition, guarantee program diversity and expressing concern that allowing mergers such as this to occur in the future would "have serious anticompetitive repercussions;" and

WHEREAS, the satellite radio market has not changed significantly to justify altering current federal regulatory prohibitions against such mergers; and

WHEREAS, given the past history of violating Federal Communication Commission rules by both XM and Sirius there is ample cause to be concerned and alarmed that any concessions agreed to by the merging parties will not be fulfilled; and

WHEREAS, the Washington State Association of Broadcasters believes that competition is the cornerstone to an efficient and fair marketplace and that it is wrong for the government to sanction a monopoly in the satellite radio market and thereby disadvantage consumers, musicians, broadcasters and the public;

NOW, THEREFORE, BE IT RESOLVED by the Washington State Association of Broadcasters, That the Congress, the Federal Communications Commission, the Attorney General of the United States and the Justice Department and the Attorney General for the State of Washington be urged to oppose any merger between the only two competing satellite radio companies and refrain from sanctioning a monopoly that such a merger will create; and

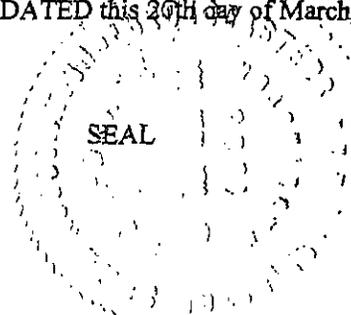
AND BE IT FURTHER RESOLVED That the President of the Washington State Association of Broadcasters transmit copies of this resolution to the:

- o Attorney General of Washington,
- o President of the United States Senate,
- o Speaker of the United States House of Representatives,
- o Members of the Washington Congressional Delegation,
- o Commissioners of the Federal Communications Commission, and
- o Attorney General for the United States

so that they may be apprised of the sense of the broadcasters of Washington in this matter.

GLENN A. JOHNSON, the duly elected and acting Secretary-Treasurer of the Washington State Association of Broadcasters, a Washington State nonprofit, nonstock corporation, hereby certifies that the foregoing corporate Resolution was duly adopted by the Board of Directors of the corporation, pursuant to its By-Laws, by unanimous written consent in lieu of meeting. The Seal affixed hereto is the seal of said Corporation.

DATED this 20th day of March, 2007



A large, stylized handwritten signature in black ink, appearing to read "Glenn A. Johnson".

GLENN A. JOHNSON
Secretary-Treasurer,
Washington State Association of
Broadcasters