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DOCKET FILE COPY ORIGINAL

TO: The Honorable Kevin Martin
Federal Communications Commission

FAX: 1-866-418-0232

FROM: Dennis Lyle, President & CEO

DATE: April 28, 2007

RE: Resolution Opposing Proposed Merger # Pages: 3

FILED/ACCEPTED

MAY 1 5 2007

Federal Communications Commission
Office of the Secretary

Dear Chairman Martin:

On behalf of the Illinois Broadcasters Association I am forwarding the resolution recently adopted by its Board of Directors. As expressed in the resolution the Illinois Broadcasters Association 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 Illinois you vigorously oppose the merger. 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;
- 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 Illinois Broadcasters Association 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 Illinois.

Respectfully,
Dennis Lyle, President & CEO

cc: Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert McDowell

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**RESOLUTION OF THE ILLINOIS BROADCASTERS ASSOCIATION
OPPOSING THE PROPOSED MERGER OF
XM AND SIRIUS SATELLITE RADIO COMPANIES**

Adopted **April** 12,2007

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, Illinois Broadcasters Association is a trade association consisting of 360 members in the state of Illinois 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 Illinois Broadcasters Association 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

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WHEREAS, the Illinois Broadcasters Association 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 Illinois Broadcasters Association, that the **Congress**, the Federal Communications Commission, the **Attorney General** of the United States and the Justice Department 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

RESOLVED FINALLY, That the Resident of Illinois Broadcasters Association transmit copies of this resolution to **the**:

- o President of the United States Senate,
- o Speaker of the **U.S.** House of Representatives,
- o Members of the Illinois 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 Illinois Broadcasters Association in this matter.