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Federal Communications Commission
Office of the Secretary

The Honorable Kevin Martin
Federal Communications Commission
445 12th Street SW – Room 8-B201
Washington, DC 20554

Dear Chairman Martin:

On behalf of the Alabama Broadcasters Association I am enclosing the resolution recently adopted by its Board of Directors. As expressed in the resolution the Alabama 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. In addition, it will result in a monopoly that:

- 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.

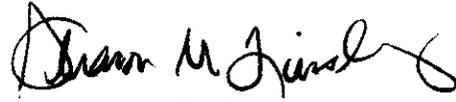
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The proposed attempt to create a government-sanctioned monopoly will severely harm consumers, musicians, broadcasters and the public if it is allowed to go through.

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 Alabama.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon M. Tinsley". The signature is fluid and cursive, with a large initial "S" and a long, sweeping tail.

Sharon M. Tinsley
Executive Director

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

March 15, 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, the Alabama Broadcasters Association is a trade association consisting of 287 members in the state of Alabama 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 Alabama 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

WHEREAS, the Alabama 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 Alabama Broadcasters Association, 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 Alabama 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 President of Alabama Broadcasters Association transmit copies of this resolution **to** the:

- o Attorney General of Alabama,
- o President of the **United** States Senate,
- o Speaker **of** the **U.S.** House of Representatives,
- o Members **of** the Alabama Congressional Delegation,
- o Commissioners of the ~~Federal~~ Federal Communications Commission, and
- o Attorney General for the ~~United~~ **United** States

so that they **may** be apprised of the sense of the Alabama Broadcasters Association in this matter