To Whom It May Concern:
Please consider my comments in reference to merger of the two satellite radio companies, Sirius and XM. In my opinion such a merger wouldn't harm consumer interest. In the contrary, not allowing it to take place would be a disservice to the society and consumer. The initial anti competition clause set forth during the licensing process are outdated and need to be reconsidered. Here are few reasons why:

Disadvantaged consumer

I have been enjoying the programming offered by Sirius Satellite radio for over two years now and perceive the content to be very high quality. I particularly enjoy number of programming choices they offer.
What's missing is certain contents I'd like to receive, but don't have access to without subscribing to XM. As a consumer, I find prospect of merger between the two companies very exciting. I have a hard time buying into the argument that this merger will be bad for the consumer. As a consumer I'd much rather subscribe to one service as opposed to two.

Yes there is competition. Yes there'll be even more competition in the near future.

With the recent introduction of new products that offer content - Internet, internet radio, I-pods, pod casts, phone, etc. the operating environment for companies that deliver programming and entertainment has proliferated exponentially. Consumers such as myself find ourselves scrambling to learn how to use new cool gadgets that are evermore "connected". I would hate to see a viable technology such as satellite radio be driven out of business due to all the competition that's out there. I think by no means would such a merger pose unfair pressure on other media companies. In fact it would be the other way around. A non merger would pose unfair competition to both Satellite Radio companies. The most overwhelming indicator of this fact is the intense and relentless lobbying and opposition to such merger by those who claim that Satellite Radio has *no competition*. If these groups, namely National Association of Broadcasters, are not competing with satellite radio why are they so concern about the outcome? This is a very important question to be answered by the evaluators, politicians and committees that are tasked with making a decision on consumer's behalf.

Economies of Scale, Bargaining Power, Synergy – All good for the consumer.

Now that we've established that there's ample competition for a merged and bigger satellite radio, we can talk about how consumers would actually benefit from this change. Part of the reason these companies have had trouble making a profit is due to their enormous operating costs. Aside from the capital equipment, largely satellites, their ongoing cost of doing business is quite substantial. Although they won't be able to minimize or eliminate all of the costs (a personality like Howard Stern would be sought after even in ground based radios and hence would demand high compensation – Competition) – there are costs that can be eliminated or reduced.

- These companies have quite a bit of content overlap where there's very little differentiation (same genres of music for example). These can be consolidated for a more efficient operation.

- Car companies which are the biggest source of generating business play these companies against each other and therefore are in a better negotiating position (good for car companies – bad for the consumer). As a result, XM and Sirius have to up the ante every time they go to the negotiating table. If such environment didn't exist, cost of gaining new subscribers (another source of high operating cost) would be reduced. This model also applies to the advertisers, and program licensers such as NFL and NBA.

Consumers gain because the savings would be passed along
One may argue that points raised above would only benefit the merged company not the consumer. Here's how it all ties together. We established that the satellite radio has been and will be more under siege from other types or competition. In this environment it would be awfully difficult to hold on to all the income and retain the market share at the same time (Hate to say it but the old adage "having the cake and eating it too" comes to mind). To ensure retained or increased market share, such a company would have to offer value to its existing and prospective customers. Here are a few ways (by themselves or combined) this could manifest:

- Reduced cost for the consumer

- More comprehensive and substantial programming (Baseball, Basketball and Football all together)

- Tiered service levels (pared with tiered cost levels)

- New and optimized services by investment in R&D (Movies, internet, etc.)

In closing I'd like to point out recent deregulation of telecom and banking industry where companies are becoming more and more homogenous as they offer more of the same products and services. For example, cable companies that offer internet, cable and telephone service or banks that offer equity brokerage service and insurance services as well as banking. Each one of these companies is a player in a very homogenous market. With the advent of technology we can expect the same thing in this field – Satellite Radio would be just another element of larger more homogenous field of consumer media.

As a consumer and a tax payer I urge whom ever that is tasked to participate in the decision making process to be forward looking and recognize evolution of the market place.

Best Regards

Bob Javidi
Poway, CA