

President
Bruce Wheeler
Dick Broadcasting
Greensboro

President-Elect
Jim Hefner
WRAL-TV
Raleigh

Vice-President for Radio
James Carson
WCCG-FM
Fayetteville

Vice-President for Television
Stu Powell
WCNC-TV
Charlotte

Secretary-Treasurer
Gary Weiss
Radio One
Raleigh

Past President
Lee Armstrong
WSOC-TV
Charlotte

Directors

Morgan Bohannon
Clear Channel Communications
Charlotte

Barry Brown
NextMedia Radio Group
Myrtle Beach, SC

Randy Cable
WISE-AM/WOXL-AM/FM
Asheville

Karl Davis
WECT-TV
Wilmington

Ardie Gregory
WRAL/WCMC/NCNN
Raleigh

Danny Highsmith
Beasley Broadcast Group
Fayetteville

Henry Hinton
Hinton Media Group
Greenville

Tom Howe
UNC-TV
RTP

Walker Morris
WIOZ-AM/FM
Southern Pines

Bernie Prazenica
WTVD-TV
Durham

Henry Price
WXII-TV
Winston-Salem

George Reed
Media Services Group
Jacksonville Beach, FL

Gary York
WIFM-FM
Elkin

Counsel
Wade Hargrove
Mark J. Prak
Brooks, Pierce, McLendon,
Humphrey & Leonard
Raleigh

Executive Manager
Lisa Reynolds
Raleigh



North Carolina Association of Broadcasters

June 25, 2007

The Honorable Kevin J. Martin
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Martin:

On behalf of some 250 member stations of the North Carolina Association of Broadcasters and the 83 individual North Carolina stations that are signatories to this letter, we write to express our opposition to the proposed merger of XM Satellite Radio and Sirius Satellite Radio. We respectfully urge the Commission to deny the merger.

North Carolina broadcasters have a proud tradition of public service to their communities and to their State. Year after year, they have provided programming directed to the needs of North Carolina's local communities. In 2005 alone, North Carolina broadcasters contributed more than \$250 million worth of public service airtime to the communities of this State. That, of course, does not take into account the individual contributions of the thousands of employees of North Carolina stations who volunteer their time to public service activities in their communities. Given this commitment to the people of this State, North Carolina broadcasters are deeply troubled by the proposed XM/Sirius merger.

We, as terrestrial broadcasters, compete vigorously against each other every day. Our advertising rates are tempered by competition. Competition enhances our incentive to be more responsive to our listeners and our communities. There is no question but that both listeners and advertisers benefit from the competition that exists in the terrestrial broadcast market.

None of that competition, of course, would exist in the satellite radio market if the nation's only two satellite radio companies are allowed to merge. Allowing XM and Sirius to merge would create a *monopoly* in satellite radio that would only encourage unfair, anti-competitive commercial practices and a diminution of service to the public. If the Commission approves this merger, it will only pave the way for the inevitable attempt at merger by the two major satellite television providers. We can think of no structural changes in the broadcast industry that would be more inimical to the public interest.



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When establishing satellite radio in 1997, the Commission licensed more than one provider *and* expressly prohibited a single provider from acquiring the other to protect consumers from the inevitable harmful consequences of a monopoly. The Commission said:

“[T]here should be more than one satellite DARS license awarded. Licensing at least two service providers will help ensure that subscription rates are competitive as well as provide for a diversity of programming voices. The two DARS licensees will compete against each other for satellite DARS customers and will face additional competitive pressure from the other aural delivery media mentioned above. Accordingly, eligible auction participants may acquire only one of the two licenses being auctioned.”

In the Matter of Establishment of Rules and Policies for the Digital Audio Radio Satellite Service in the 2310-2360 MHz Frequency Band, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, RM No. 8610, March 3, 1997, ¶ 78.

Nothing has changed since 1997 to warrant a reversal by the Commission of that decision.

We do not believe that approval of this merger, subject to a series of regulatory conditions, would be advisable or appropriate. Neither of these companies can be trusted to honor them, and the cost of policing and enforcing them is a cost that taxpayers should not be asked to bear.

The track record of these two companies does not inspire confidence. In only a few years of operation, both XM and Sirius have demonstrated an indifference to and flagrant disregard for compliance with the Commission’s rules. Their collective record of callous non-compliance speaks for itself. Indeed, just last month, Sirius publicly acknowledged that its employees had asked manufacturers to produce radios that were inconsistent with FCC technical rules intended to prevent interference to over-the-air broadcast signals.¹ Plainly, on the basis of their historical operating record, XM and Sirius cannot be trusted to comply with regulatory conditions that might be imposed on a merger.

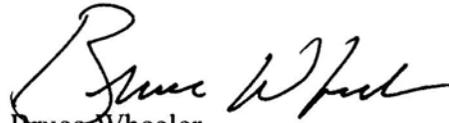
¹ Sirius Satellite Radio Inc., SEC Form 10-Q, May 10, 2007, at p. 19.

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June 25, 2007
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Accordingly, on behalf of the North Carolina Association of Broadcasters and the North Carolina broadcasters listed on the attachment, it is respectfully requested that the Commission deny the proposed merger of XM Satellite Radio and Sirius Satellite Radio.

Sincerely,

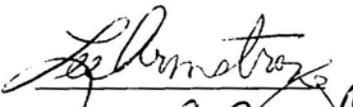
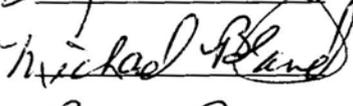
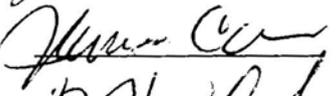
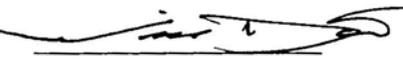
North Carolina Association of Broadcasters, Inc.

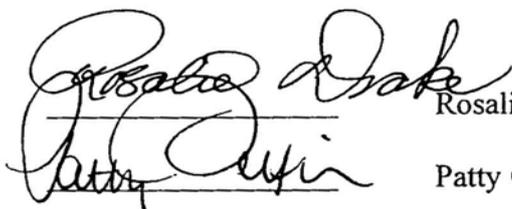
A handwritten signature in black ink, appearing to read "Bruce Wheeler". The signature is fluid and cursive, with a large initial "B".

Bruce Wheeler
President

cc: Commissioner Copps
Commissioner Adelstein
Commissioner Tate
Commissioner McDowell
XM Satellite Radio
Sirius Satellite Radio

**Sample Listing Of North Carolina Broadcasters
Who Oppose The XM/Sirius Merger**

<u>Signature</u>	<u>Name</u>	<u>Station Call Letters</u>	<u>N.C. City of License</u>
	Lee Armstrong	WSOC-TV	Charlotte
	Michael Bland	WJCV-AM	Jacksonville
	Barry Brown	WANG-AM WAZO-FM WDLX-AM WERO-FM WKXB-FM WMFD-AM WQSL-FM WQZL-FM WRNS-AM WRNS-FM WRQR-FM WSFM-FM WSSM-FM WXQR-FM	Havelock Southport Greenville Washington Burgaw Wilmington Jacksonville Belhaven Kinston Kinston Wilmington Oak Island Havelock Jacksonville
	Jan Caddell	WKSK-AM	West Jefferson
	James Carson	WCCG-FM	Hope Mills
	Don Curtis	WBBB-FM WFMC-AM WGBR-AM WKIX-AM WPCM-AM WPTF-AM WQDR-FM WWMY-FM WWNF-FM WYMY-FM WZTK-FM	Raleigh Goldsboro Goldsboro Kinston Burlington-Graham Raleigh Raleigh Raleigh Goldsboro Goldsboro Burlington
	Karl Davis	WECT-TV	Wilmington
	Will Davis	WJZY-TV	Belmont



Rosalie Drake

WCWG-TV

Lexington



Patty Guthrie

WHKY-AM
WHKY-TV

Hickory
Hickory



Dick Harlow

WDCG-FM
WKSL-FM
WRDU-FM
WRVA-FM

Durham
Burlington
Wilson
Rocky Mount



Jim Hefner

WCMC-FM
WILM-TV
WRAL-FM
WRAL-TV

Creedmoor
Wilmington
Raleigh
Raleigh



Danny Highsmith

WAZZ-AM
WFLB-FM
WKML-FM
WTEL-AM
WUKS-FM
WZFX-FM

Fayetteville
Laurinburg
Lumberton
Red Springs
St. Pauls
Whiteville



Gig Hilton

WLXN-AM
WTHZ-FM

Lexington
Lexington



Henry Hinton

WRHD-FM
WRHT-FM
WWHA-FM
WWNK-FM

Williamston
Morehead City
Oriental
Farmville



Tom Howe

WUNC-TV

Chapel Hill



Rick Jackson

WBT-AM
WBT-FM
WLNK-FM

Charlotte
Chester, SC (Charlotte)
Charlotte



Sherrell Jackson

WJSG-FM

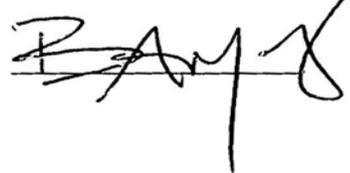
Hamlet



Jim Kirkland

WFGW-AM
WMIT-FM

Black Mountain
Black Mountain



Brian Maloney

WDNC-AM
WRBZ-AM

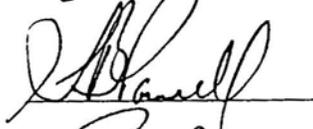
Durham
Raleigh



Thomas Postema

WSFX-TV

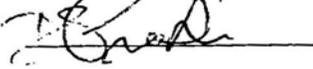
Wilmington



Stuart Powell

WCNC-TV

Charlotte



Deborah Proctor

WCPE-FM

Raleigh



Tommy Schenck

WRAZ-TV

Raleigh



Bill Schoening

WFNA-AM
WFNZ-AM
WKQC-FM
WNKS-FM
WSOC-FM

Charlotte
Charlotte
Charlotte
Charlotte
Charlotte



Walter Sturdivant

WCHL-AM

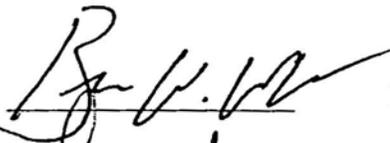
Chapel Hill



Gary Weiss

WFXC-FM
WFXK-FM
WNNL-FM
WPZS-FM
WQNC-FM
WQOK-FM

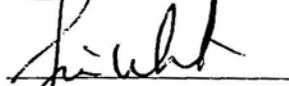
Durham
Tarboro
Fuquay-Varina
Albemarle
Harrisburg
S. Boston, VA (Raleigh)



Bruce Wheeler

WKRR-FM
WKZL-FM

Asheboro
Winston-Salem



Jim White

WCCB-TV

Charlotte



Gary York

WIFM-FM

Elkin