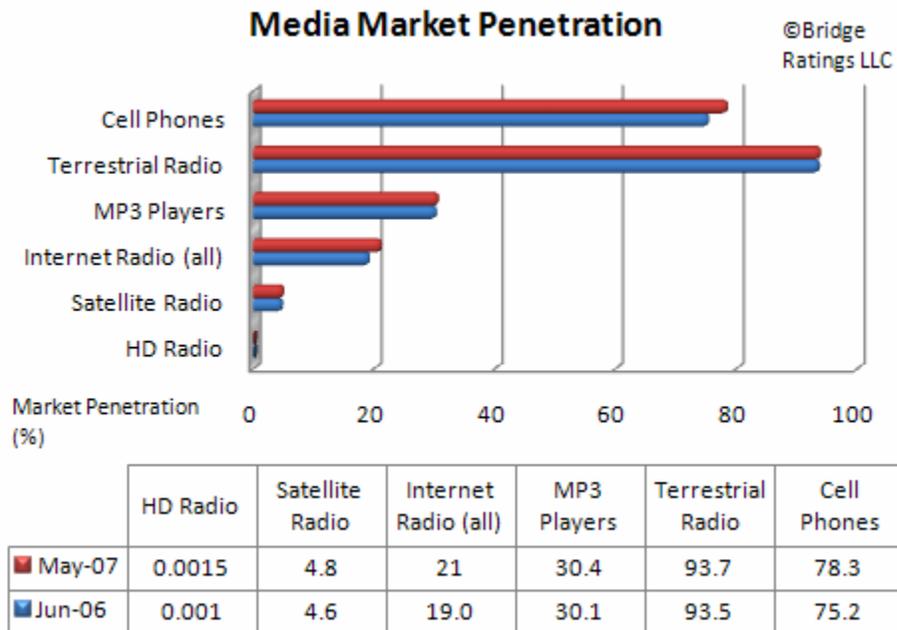


07/10/2007

To Whom It May Concern:

I am writing this letter in response to comments posted by Eli Rosenbaum dated April 23rd, 2007. Mr. Rosenbaum's key concerns related to this merger were that of price and broadcast content.

He starts by describing the conditions under which the FCC issued licenses to XM and Sirius Satellite Radio. At the time, it was clear that the FCC wanted competition in the marketplace, and thus put a restriction on the transfer of licenses. However, what Mr. Rosenbaum needs to keep in mind, is that this rule was made over 10 years ago. At that time, the iPod had never been heard of, HD Radio was nonexistent, and cellular phones were still carried in bags and had to be plugged into the cigarette lighter of a car. Today, the competitive landscape looks much different. Take into account this study from Bridge Ratings¹:

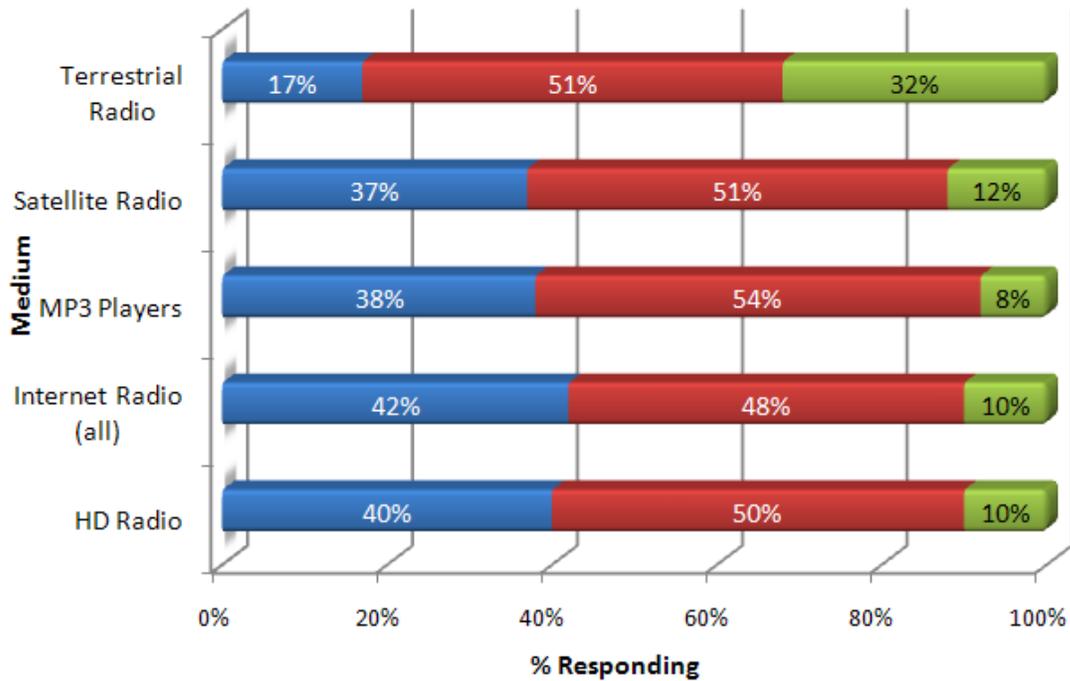


Using this graphic, you can see that terrestrial radio reaches nearly 94 percent of Americans, cell phones reach nearly 80%, iPods and MP3 players reach over 30%, while satellite radio reaches under 5% of the population. HD radio is the up and coming technology, with retailers Best Buy and WalMart announcing that they would carry HD radio receivers after this survey was published.

¹ Taken from <http://bridgeratings.com/press.05.23.07.CompMediaUse.htm>

In the same study, they asked their sample pool if they expected to be listening to these media more, less, or the same in one year time. The results:

"Do You Expect to be listening to _____ More, The Same or Less One Year From Now?"



© Bridge Ratings LLC

■ More ■ Same ■ Less

Sample: 3000 Persons 13+ April/May 2007

What is most significant here is the fact that while an average of 90% of respondents to this survey indicated that they would listen to satellite radio, MP3 players, internet radio, and HD radio more, 32% of those said that they would listen to Terrestrial radio less. When people change their listening habits from one form of music entertainment to another, that is competition plain and simple.

In his comment, Mr. Rosenbaum goes on to say “XM and Sinus now argue “Neither satellite service can survive on its own, so if the Government doesn’t let us merge, the public will have no satellite radio at all.” In comments made to congress, Mel Karmazin, CEO of Sirius and the proposed merged company, has emphatically denied the “failing business” argument, thus making the entire 4th paragraph of Mr. Rosenbaum’s comment meaningless.

Finally, Mr. Rosenbaum (inadvertently) hits the nail right on the head when in paragraph 5 he opens with, “Satellite radio isn’t some sort of essential public service...” He is completely correct on this front. It is not an essential public service. Because of this, consumers can cancel their

subscription without incurring great loss. As described above, there are plenty of similar substitutes available for audio entertainment and satellite radio is not an essential service.

In conclusion, the initial rules formed under an electronics environment over 10 years ago, do not apply today. The times and technologies available have changed dramatically. As illustrated above, satellite radio has ample competition available to it to prevent a pricing monopoly. When people change from one form of audio entertainment to another, it shows that there is competition between the two. Sirius does not compete solely against XM for listeners. If it did, the listener numbers for satellite radio would not be growing, they would simply be shifting from one service to another while the overall number remained constant. Instead, people are either listening to satellite radio in conjunction with or instead of one of the other many forms of audio entertainment. Finally, satellite radio is not an essential service. If satellite radio ever becomes the overpowering monopoly that Mr. Rosenbaum suggests, people can and will switch to the alternative options that are outlined above. To provide a perspective: If XM and Sirius were to go out of business today, would people who currently listen to those services stop listening to music, sports, news, or talk all together? Absolutely not. They would simply turn on their old radio or HD radio, fire up the iPod, or turn to the internet. And that is the perspective that you need to keep in mind when you approve this merger.

Thank you very much,

Brian Rayl