

November 13, 2007

**BY ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: **Ex Parte Presentation**  
MB Docket 07-57, Consolidated Application for Authority to Transfer  
Control of XM Satellite Radio Holdings Inc. and Sirius Satellite Radio  
Inc.

Dear Ms. Dortch:

On November 6, 2007, Richard E. Wiley of Wiley Rein LLP, counsel for Sirius Satellite Radio Inc. (“Sirius”), and Gary M. Epstein and James H. Barker of Latham & Watkins LLP, counsel for XM Satellite Radio Holdings Inc. (“XM”), conducted an “on-the-record” interview of Mr. Reed E. Hundt. Mr. Hundt presently is an entrepreneur and investor, and serves on several public and private boards. Mr. Hundt also served as Chairman of the Federal Communications Commission (“FCC”) from 1993 to 1997.

Mr. Hundt was FCC Chairman when the satellite digital audio radio service rules were first formulated and satellite radio licenses granted, and he was integrally involved in that process. He also has been a keen observer of communications markets and events in his present positions. Sirius and XM asked Mr. Hundt for his views on various issues raised in the merger proceeding. We have attached to this letter a copy of an unedited transcript of that interview.

In the interview, Mr. Hundt stated that, as a former Chairman of the FCC, he felt an obligation to address on the record the important issues related to satellite radio with which he was involved during his tenure at the FCC. He also stated that he did not ask to be retained, to serve as an expert, or to be reimbursed for his views, and that he was willing to answer anyone’s questions on these topics.<sup>1</sup>

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<sup>1</sup> Mr. Hundt has not received any compensation from either XM or Sirius in connection with this interview. Mr. Hundt serves as an advisor to consulting and investment banking firms. Some of those firms have provided or may provide services to XM and/or Sirius. Mr. Hundt has received no compensation from those firms in connection with this interview.

The full, unedited transcript attached should be reviewed to obtain Mr. Hundt's complete views, but set forth below are selected statements made by Mr. Hundt during the course of the on-the-record interview, which are germane to this proceeding.

- Reason for the creation of satellite radio (at page 17):

“[T]here was not a shadow of doubt in my mind that the competitive force of satellite radio was one of the very few arrows we had to shoot at this elephant-like industry that was going to be created in terrestrial radio. And as I said, looking back over the last ten years, both things proved to be true. It's just that the arrow, if you want to put it that way, of satellite radio has not had a sharp enough point on it.”

- Reason for the establishment of two satellite radio licenses (at pages 19-20):

“Now, our thought was this -- or maybe I should just say my thought was this: Let's start out with these two licenses, since it is not clear exactly what is the optimal business model, and then let's let the two firms go at it for a while and see what happens. But it was never the case that these service rules were intended to be written [in] concrete or, like the Constitution of the United States, changed only through an elaborate process. It was an attempt to figure out a good way to get the satellite radio industry off to a procompetitive start and then in the fullness of time the FCC and the parties and the people in the industry would be able to see, well, what works and what doesn't work, what's happening and what isn't happening.”

- On market developments since the creation of the original satellite radio rules (at page 26):

“[T]here are so many new ways fundamentally spawned from digitization and the tremendous increase of processing power per dollar, there are so many new ways to generate and deliver content to listeners that the idea that either satellite radio [i]s a distinct market or that satellite radio is the only competitor against terrestrial broadcasting, neither one of those ideas holds water anymore.”

- On the proposed merger between Sirius and XM (at pages 32-33):

“I'm going to give you my caveats first. I'm no longer the FCC chair. I don't even want to be. And I don't think you can sit in that seat -- I don't think you can pretend to sit in the seat when you don't have all the briefings in front of you and you haven't listened to the parties and you don't have people that are looking at all the

facts for you. And so I'm not in any way trying to say, oh, what I think the current Chairman should do. Nor do I have access to the information that the Department of Justice has and I'm not trying to say what I think the antitrust division should do. But you asked me for my views.

My views are this: I think that if XM and Sirius combined, it will be procompetitive in all likelihood. It seems to me that that is far more likely than not.

It seems to me that what has happened over time is that these two firms have proved when kept apart to be incapable of mounting the really serious competition against -- no pun intended -- the really serious competition against terrestrial radio that I had always hoped for. And it seems to me that there's no indication of any anticompetitive outcome if they do combine, so let's give them a chance to have a sharper point on the arrow and see if they can do better in terms of penetrating the listener audience."

Please contact either of us if there are any questions about the above or the attached transcript.

Very truly yours,

*/s/ Gary M. Epstein*

Gary M. Epstein  
Counsel for XM Satellite Radio Holdings Inc.

*/s/ Richard E. Wiley*

Richard E. Wiley  
Counsel for Sirius Satellite Radio, Inc.