

December 4, 2007

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 Twelfth St., SW
Washington, DC 20554

Re: Consolidated Application for Authority to Transfer Control of XM Satellite Radio Holdings Inc. and Sirius Satellite Radio Inc., MB Docket No. 07-57

Dear Ms. Dortch:

General Motors hereby submits the following comments on the proposed merger of XM Satellite Radio Holdings Inc. (XM) and Sirius Satellite Radio Inc. (Sirius).

Background

General Motors Corporation (GM) is the largest vehicle manufacturer in the United States and has offered factory installed satellite radio as an optional or standard feature on selected vehicles since November, 2001. GM's satellite radio provider is XM. To date, more than 6,500,000 GM vehicles have been sold with factory installed XM radio systems. A three month trial subscription is included in the price of an XM-equipped vehicle after which the owner may decide to subscribe to the service on his or her own.

GM is also an investor in XM Satellite Radio.¹

GM Position

General Motors believes the proposed merger is and will be in the public interest because the merged company will be able to offer consumers expanded programming choices and a broad range of service packages, including packages at lower prices. We would not favor the merger, however, if the merging companies were required by the Commission to take, as a condition of the merger, actions that would have the effect of materially compromising the performance or programming content available to single mode receivers installed in the millions of vehicles in the existing GM vehicle fleet or that are expected to be installed by GM in the future.

¹ In addition, a General Motors executive is currently a member of the XM Board of Directors. XM and Sirius have stated in their application to the Commission that they expect a General Motors executive would be a member of the board of the merged company.

Expanding Customer Choice

GM is committed to providing its customers with a full range of in-vehicle entertainment options. Thus, General Motors was the first automotive company to offer satellite radio on selected vehicles. Today, in addition to XM, drivers and passengers of GM vehicles can choose from a wide range of audio entertainment options including AM, FM, CD and ported entertainment devices that may be connected to the vehicle audio system using GM designed-in connection ports for devices such as MP3s players, cell phones and iPods.

GM believes the merger clearly will increase entertainment choices in the automotive environment particularly as “best of both” and as ala carte pricing becomes available for satellite radio services.

Protecting Owners of Single Mode Receivers and the Legacy Vehicle Fleet

GM believes that it is critical for the Commission in its deliberations to understand and take into account the unique set of issues associated with vehicle electronic/entertainment systems, specifically lengthy product development and validation processes and lengthy life cycles as compared to most consumer electronics.²

Necessarily, all of the 6,500,000 vehicles produced by GM with factory installed XM hardware use single mode receiver technology. Importantly, the number of GM vehicles using single mode receiver technology is expected to continue to increase at a rate of about 3 million units per year for the next several years. After initial sale to a customer, the vehicles in which the hardware is installed can be expected to be on the road for a minimum of 10-15 years.³

In this context, it is critical to recognize that single mode receivers will “see” only one half of the combined spectrum and there will be millions of these receivers on the road for well beyond 2020.

Thus, on behalf of the current and future owners of XM-equipped vehicles, GM opposes merger conditions that would materially compromise the performance or programming content available for single mode receivers. The imposition of such conditions would dramatically and adversely impact the usefulness of existing radios and the content currently enjoyed by subscribers. It would be patently unfair by way of any such conditions to end or limit the usefulness and enjoyment of the vehicle’s satellite radio system.

² Indeed, the Commission has recognized that compared to most consumer electronics, automotive systems have lengthy product validation and life cycles. See Report and Order and Second Further Notice of Proposed Rulemaking, FCC Docket 94-102 Adopted November 13, 2003 at pp. 34-35.

³ It is notable that the median age for cars on the road is about nine years and for light trucks is approaching seven years according to R.L. Polk, *PRNewswire*, February 14, 2006. See also Wards Automotive data at http://subscribers.wardsauto.com/reports/2006/05yearinreview/vehicle_population_grows/ and linked data at <http://subscribers.wardsauto.com/refcenter/northamerica/us/yearly/registrations/UsaRe03.xls>

GM urges the Commission to protect the investment of the owners of vehicles with single mode receivers. Importantly, GM believes that the issue of potentially stranding the investment of vehicle owners applies to customers of all automotive manufacturers.

We appreciate your consideration of our views.

Respectfully submitted,

Richard M. Lee
Executive Director – Satellite Radio Services
General Motors North American Operations

Joanne M. Finnorn
Attorney
General Motors Legal Staff

Mail Code: 482-D39-B32
400 Renaissance Center
PO Box 400
Detroit, Michigan 48265-4000
313-665-2780