

GEORGETOWN PARTNERS L.L.C.

By Email and Electronic Filing

December 11, 2007

The Honorable Kevin Martin, Chairman
The Honorable Michael Copps
The Honorable Jonathan Adelstein
The Honorable Deborah Taylor Tate
The Honorable Robert McDowell
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

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

Dear Chairman Martin and Commissioners:

As in the rulemakings before you that address broadcast localism and diversity, I urge you to extend the same fundamental principles to the satellite digital audio radio service (“SDARS”) when and if you approve the XM and Sirius applications to merge.

SDARS is a nascent service, just 6 years after the first broadcast, yet already has a whopping 17 million subscribers and is continuing its rapid growth. Its growth rate exceeds even the unprecedented growth rate realized by satellite television (“DBS”). Satellite radio subscriptions are approaching the inflection point at which they will multiply at an even greater pace. Most new cars will come with satellite radio receivers by 2009, providing the support for an explosion in new subscribers.

Please do not go down in history as the Commission that established a monopoly in this service. Although there are substantial attempts in the record to obfuscate the relevant legal and economic principles, nationwide SDARS channels are no more in the same economic market as local broadcast stations and iPods than buses are in the same market as automobiles. Both satellite radio and broadcast radio use the airwaves to transmit programming just as buses and tractor trailers use the highways with cars to transport people and goods, but no one argues that the price of a bus or truck is constrained by the price of an automobile. That would be considered silly. It is just as silly to argue that national satellite channels controlled by one or two entities compete with broadcast channels individually owned and universally constrained to strictly local geographic coverage.

Georgetown Partners is a minority-controlled investment firm. It does not request a federal subsidy or special "designated entity" status. Rather, it asks the Commission to seize this opportunity to preserve at least two providers in the SDARS marketplace by taking the historic step of bringing minority voices and control to the national radio channels broadcast by satellite if the merger is approved. Let's not repeat the history of broadcast radio in which minority participation and control continue to decline from their already abysmally low levels notwithstanding various Commission proceedings and Congressional legislation.

Action on the the XM/Sirius consolidated application to merge provides the unique opportunity to introduce diversity and minority control on a portion of the national satellite channels. Georgetown Partners does *not* support the merger, but the merger most certainly can't be found to be in the public interest if control is concentrated in a single company. Therefore we have put forward a proposal that is economically viable and would open the satellite radio airwaves to advertiser-supported, free, over-the-air family programming for those who will not or cannot afford to subscribe, but have satellite receivers in their cars. Further, under our proposal a privately-negotiated lease would fully compensate XM/Sirius for use of their facilities, bring an immediate competitive voice to the satellite airwaves, not require continuing Commission or Department of Justice oversight, and bring minority-controlled programming to satellite radio on a scale unseen in terrestrial radio notwithstanding all the proceedings of the past three decades.

The Commission has within its power the ability to introduce program diversity and minority control in the satellite radio service that has escaped its grasp in the terrestrial radio services. The details of our proposal are in the record, and I urge that you give it careful consideration. I hope to meet with each of you personally to discuss our proposal.

Sincerely,



Chester C. Davenport
Managing Director

cc: (via email):

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