



WILLIAMS MULLEN

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January 14, 2008

VIA EMAIL AND ECFS

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

Re: Written Ex Parte Presentation in Connection with the Consolidated Application for Authority to Transfer Control in Connection with the Sirius/XM Merger, as amended (MB Docket No. 07-57)

Dear Mr. Chairman and Commissioners:

The Consumer Coalition for Competition in Satellite Radio (“C3SR”), by its counsel, hereby submits this letter for your consideration in the above-referenced docket, regarding the January 3, 2008 news release of Sirius Satellite Radio Inc. (“Sirius”), entitled “SIRIUS Exceeds 8.3 Million Subscribers.”¹ The news release summarizes the yearly subscriber additions and churn rate for Sirius, as well as the expected increase in positive cash flow for the fourth quarter of 2007. Sirius reported a total 2007 year-end subscriber base of over 8.3 million subscribers, a 38% increase over the 2006 year-end subscriber base. According to Sirius CEO Mel Karmazin, the 38% increase in subscribers and the total net subscriber addition of nearly 2.3 million subscribers were the “highest [growth rates] in the history of satellite radio.” Sirius also reported a churn rate that was “consistent with the low end of [its] guidance,” and the expectation of “significantly greater positive free cash flow in the fourth quarter of 2007.”

These subscriber figures and cash flow expectations should erase any subliminal messages by the merger proponents about the need for this merger. Competition with XM Satellite Radio Inc. (“XM”) has not weakened Sirius. Arguably, Sirius is stronger than ever, experiencing historic subscriber gains and a significant gain in positive free cash flow. Neither Sirius nor XM have made a failing-firm argument in these proceedings.

¹ Available on-line at <http://investor.sirius.com/ReleaseDetail.cfm?ReleaseID=284557&cat=&newsroom=>.

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If the FCC approves the proposed merger between Sirius and XM, consumers will no longer have a choice in satellite radio and will be forced to accept the programming and prices dictated to them by a monopoly provider. There is no substitute for satellite radio, and a regulated monopoly is no substitute for competition. C3SR urges the Commission to protect the interests of consumers by denying the proposed merger.

A copy of this letter will be submitted via ECFS for inclusion in the above-referenced docket pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, and Public Notice DA 07-1435 (released March 29, 2007).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Julian L. Shepard". The signature is fluid and cursive, with a large initial "J" and "S".

Julian L. Shepard
Counsel for C3SR