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April 2, 2008

Robert L. Pettit  
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Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

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

Dear Ms. Dortch:

Attached for consideration in connection with the above-referenced merger of XM Satellite Radio Holdings Inc. and Sirius Satellite Radio Inc. please find the "Sirius-XM Greatest Hits: Collection of Broad Merger Support." This compilation highlights the many organizations and individuals who have publicly endorsed this merger. These include groups as diverse as the NAACP, the Family Research Council, LULAC, the Heritage Foundation, the League of Rural Voters, Circuit City, NASCAR, General Motors Corporation, the Ford Motor Company, and the American Trucking Association. These groups and dozens of others and the thousands of actual consumers who have taken the time to file in this proceeding recognize that the merger will provide consumers with lower prices and increased programming choices.

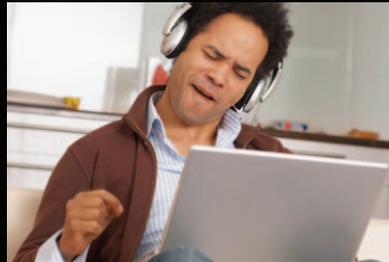
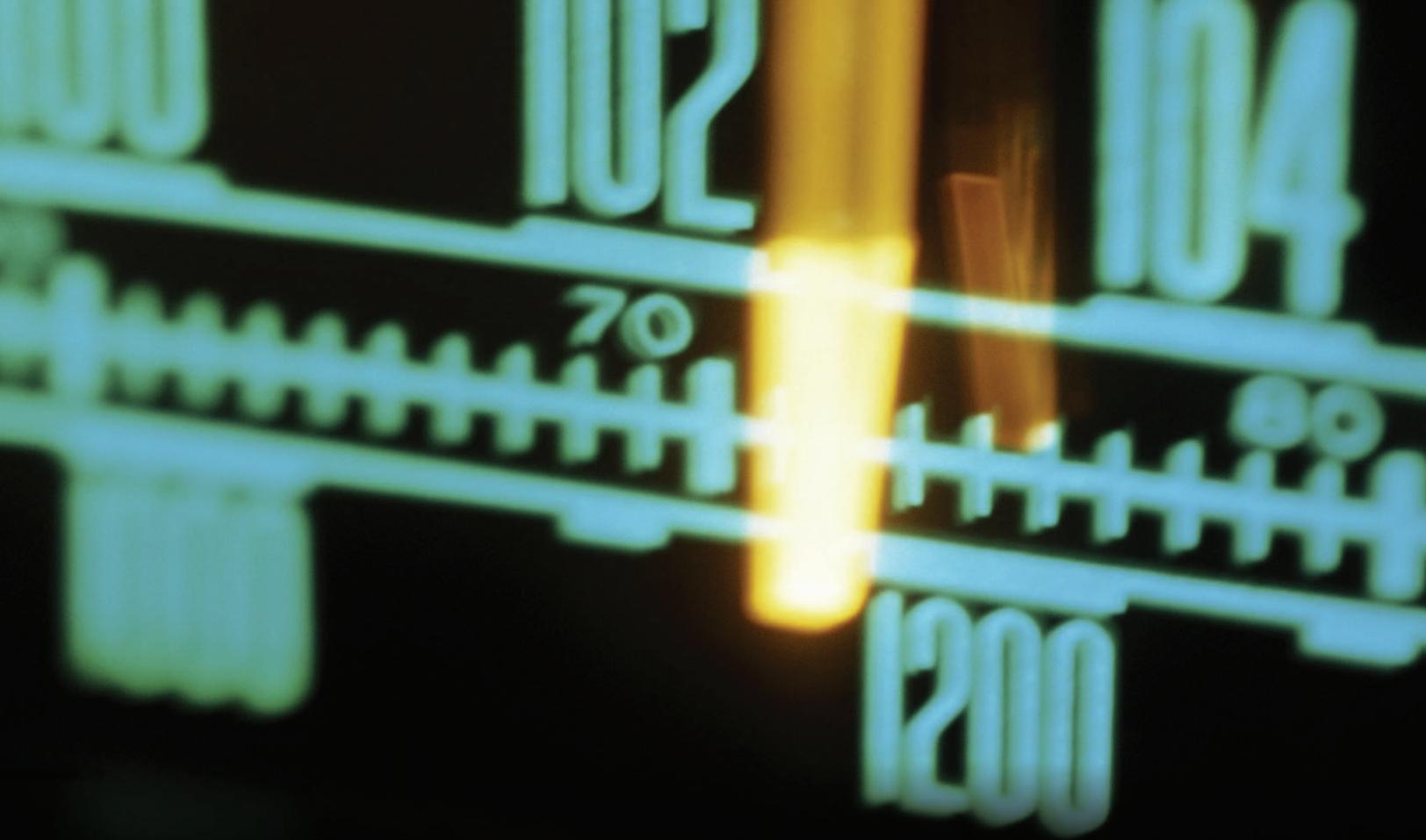
In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, and the Commission's Public Notice dated March 29, 2007 (DA 07-1435), a copy of this letter with the attached compilation is being filed in the docket via ECFS.

Sincerely,

Robert L. Pettit  
*Counsel for Sirius Satellite Radio Inc.*

cc (via hand delivery):

Chairman Martin, Commissioner Copps, Commissioner Adelstein,  
Commissioner Tate, Commissioner McDowell, Daniel Gonzalez, Catherine  
Bohigian, Monica Desai, Roy Stewart, Rosemary Harold, Rebekah  
Goodheart, Helen Domenici, Michelle Carey, Aaron Goldberger, Rick Chessen,  
Bruce Gottlieb, Rudy Brioché, Renee Crittendon, Chris Moore, Amy  
Blankenship, Angela E. Giancarlo, Cristina Chou Pauzé



## **SIRIUS-XM Greatest Hits:**

Collection of Broad Merger Support

# **SIRIUS-XM Merger Greatest Hits**

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- 10. Selected Ads**

## Think Tanks and Consumer Groups

- 60 Plus Association
- American Association of People with Disabilities
- American Trucking Associations
- Americans for Prosperity
- Americans for Tax Reform
- Club for Growth
- Competitive Enterprise Institute
- Federation of Southern Cooperatives
- The Free State Foundation
- The Heritage Foundation
- Intertribal Agriculture Council
- League of Rural Voters
- National Taxpayers Union
- Progress and Freedom Foundation



**AMERICANS FOR TAX REFORM**

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**FOR IMMEDIATE RELEASE**  
**25 JUNE 2007**

# NEWS

**WWW.ATR.ORG**

**CONTACT: John Kartch**  
**202-785-0266**

## **ATR and the 60 Plus Association File Comments with the FCC in Support of XM-Sirius Merger**

*Merger will benefit consumers and bring new, family-friendly options to market*

WASHINGTON – Americans for Tax Reform, along with the 60 Plus Association, today filed a joint comment with the Federal Communications Commission (FCC) in support of the proposed merger of the subscription satellite radio companies XM (Nasdaq: XMSR) and Sirius (Nasdaq: SIRI). The merger will allow the satellite radio segment of the competitive audio business to offer an even more appealing product that consumers, those who choose to subscribe, can cater to their tastes and personal styles.

**“This merger would create an appealing product for many consumers interested in multiple audio options,”** said Grover Norquist, President of Americans for Tax Reform. **“The companies have broken new ground in offering consumers the ability to block channels and receive a credit for what they have blocked, without being forced by regulation to do so, therefore creating an alternative that will appeal to people of all age groups and sensibilities.”**

Satellite radio currently makes up only 3 percent of the crowded audio entertainment market, but the combined product of XM and Sirius will, in a free market, offer a more attractive product. Fans of all major professional sports, shock-jocks and family friendly programming will be able to create packages that appeal to their needs. And with the added attraction of being able to block channels they find offensive and receive a credit back on those channels, consumers, particularly those families with young children, will be able to take advantage of the first market-created a la carte system in the entertainment industry.

**“The *voluntary* a la carte system these companies have pledged to implement is a prime example of the market working to attract new, family-oriented audiences,”** continued Norquist. **“This is a testament not only to their commitment to families, but to the free market. No regulations were needed to impose this concept; it came about out of a void in the market they think exists. Kudos to them for this interesting and bold step in a new direction not offered on terrestrial radio.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact John Kartch at (202) 785-0266 or at [jkartch@atr.org](mailto:jkartch@atr.org).

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December 6, 2007

Honorable Kevin J. Martin  
Chairman  
Federal Communication Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20334

**ELECTRONIC FILING**

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

Dear Chairman Martin:

On behalf of the members of American Association of People with Disabilities (AAPD), I write to urge approval of the proposed merger between Sirius and XM satellite radio companies. A merger should offer greater availability and affordability of paid radio service and could result in more accessibility in services, making them more available to persons with disabilities

AAPD is the largest national independent nonprofit cross-disability member organization in the United States, dedicated to ensuring economic self-sufficiency and political empowerment for the more than 51 million Americans with disabilities. While AAPD sees *accessibility and usability as critical*, we believe also that *affordability is essential* in provision of communications services. People with disabilities are among the least employed and underemployed in the United States and seek availability of all kinds of communications options, including cheaper pay radio services. AAPD has several reasons to be encouraged that a merger between Sirius and XM would benefit consumers with disabilities.

*Expanding Accessibility:* The two companies have indicated to AAPD their commitment to explore ways in which they can enhance accessibility to satellite radio products and services for people with disabilities. For instance, XM has indicated to us that they are placing a new special emphasis on accessibility, such as ensuring that the XM Radio web site and XM's online radio player are compatible with screen readers. For its part, Sirius has pointed out the following accessibility steps already taken: for SIRIUS Internet Radio, when contacted by several consumers with vision disabilities, they made changes to the login process security feature so that, in addition to visual CAPTCHA, there is also audio CAPTCHA. Sirius has also reviewed its website to make it more readable

to screen-readers used by persons with vision disabilities who use assistive technologies to read web sites, such as use of “alt” images for standard images and a non-flash version of their website (flash is inaccessible to screen-readers). Sirius reports also that many of its radios have displays that permit the user to increase the size of the font in the display, allowing greater usability for some subscribers with some vision loss. Also, they assert that some of the later model wearable radios have audio navigation where the channel names are spoken in an audio file rather than just displayed, a device feature that will assist listeners with vision loss in confirming what specific channel is playing.

*Greater Availability:* It is our understanding that merger synergies could result in expanded variety and more unique content unavailable anywhere else. The synergy will allow the companies to offer new programming options in packages that include radio content from both XM and SIRIUS and they state publicly that they will do this for cheaper prices.<sup>1</sup> Also, for the first-time in pay radio, consumers will have the option of a la carte programming, where they can tailor their radio listening to their own taste.<sup>2</sup> For people with disabilities, the ability to control not only the kind of audio content they receive, but to receive it at lower prices than previously, is in their interest as consumers.

Because of the availability of more affordable paid radio service, and especially the disability sensitive steps forward already taken by XM and Sirius, AAPD believes there is willingness to serve well any consumers with disabilities. It is our hope that the Commission will encourage the new company to continue to embrace and expand accessibility for people with disabilities as a condition of the merger.

Overall, it is our view that a combined company will better meet the needs of pay radio listeners, including subscribers with disabilities, and should be able to advance greater accessibility for persons with disabilities; for these reasons we urge approval of this merger.

Thank you for considering our viewpoint.

Sincerely,

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<sup>1</sup> Sirius says: “Once we merge, you will have better pricing choices. Subscribers ... will not have to pay any more after the merger. There will be new subscription packages priced below our current offerings. And the best of both SIRIUS and XM will be available at a lower cost than the price of subscribing to both services separately,” see at <http://www.siriusmerger.com/>, last accessed 11/06/07; XM says: “If our merger is approved, the combined company will offer consumers the best of each service on your current radio - at a price well below the cost of the two services today.”, see at <http://www.xmmerger.com/>, last accessed 11/7/07.

<sup>2</sup> We learned that at a speech delivered to the National Press Club on July 23, 2007 Sirius announced a merged company would offer American consumers the opportunity to choose programming on an a la carte basis, such as 50 channels for \$6.99. We note that they say also that the new programming packages will be available through existing satellite radios and that the a la carte programming will be available to consumers that purchase new radios, which are supposed to be priced in line with those currently on the market.

# *Jenifer Simpson*

Jenifer Simpson

Senior Director, Telecommunications and Technology Policy

American Association of People with Disabilities (AAPD)

1629 K Street, N.W., Suite 503

Washington, DC 20005



★ **Driving Trucking's Success**

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Richard D. Holcomb  
General Counsel and Senior Vice President  
for Law and Regulatory Affairs

June 21, 2007

The Honorable Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

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

Dear Secretary Dortch:

On behalf of the American Trucking Associations, Inc. ("ATA"), I write in support of the proposed merger of XM and Sirius. The satellite radio merger will produce many benefits for consumers in general and truckers in particular. Accordingly, ATA urges the Commission to approve the transaction.

Established in 1933, ATA is the largest national trade association for the trucking industry. Through its federation of other trucking groups, industry-related conferences, and its 50 affiliated state trucking associations, ATA represents more than 37,000 members representing every type and class of motor carrier in the United States. ATA serves the interests of more than nine million people and 420,000 companies involved in trucking before Congress, the courts, and regulatory agencies.

Truckers were among the first to embrace satellite radio and arguably have adopted it more quickly than the general public, making us particularly well qualified to evaluate what is good—and what could be better—about this particular audio entertainment option. Importantly, each satellite radio provider has introduced channels directed specifically at the trucking industry—"Open Road" (XM Channel 171) and "Road Dog Trucking Radio" (Sirius Channel 147)—each featuring content not available elsewhere. For example, ATA has worked with XM to support a semi-monthly program dedicated to initiatives by ATA's research branch, the American Transportation Research Institute ("ATRI") on truck safety and environmental issues,<sup>1</sup> and a weekly segment in which representatives of ATA's Technology and Maintenance Council

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<sup>1</sup> See Press Release, *ATRI To Be Regularly Featured On XM Radio's Dave Nemo Show*, May 1, 2006, at <http://www.truckline.com> (last visited Apr. 17, 2007).

Good stuff.



Letter to The Honorable Marlene H. Dortch

June 21, 2007

Page 2

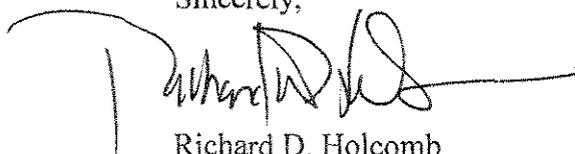
discuss maintenance, inspection, equipment specifications, and other technical issues.<sup>2</sup> Sirius subscribers, however, cannot access this programming—or Major League Baseball and other programming on XM—without also subscribing to XM, for a combined price of \$25.90 per month. And XM subscribers cannot access other programming that is unique to Sirius, such as NASCAR and the National Football League, without similarly paying for both services.

The proposed merger will eliminate such problems and expand choices for all consumers, including truckers. Rather than being forced to choose between content that currently is exclusive to one satellite radio provider, consumers will gain access to packages offering the “best of both” services for significantly less than the current combined price. Meanwhile, consumers with more focused programming preferences who do not want all of this content will be able to obtain packages of fewer channels at a lower price than the \$12.95 package which is the only one available today.

The merger will allow the companies to improve their services in other important ways. Combining their operations will result in savings for the two satellite radio providers and will free up additional capacity on their systems. This will enable the merged company to improve on services that are vital to truckers today, such as traffic and weather, and will facilitate the introduction of new offerings such as advanced data services that may likewise prove valuable. And more generally, the merger will allow the companies to become more efficient overall, ensuring that satellite radio can be a viable competitor in the increasingly competitive market for audio entertainment services.

ATA and the millions of people it represents look forward to the prospect of such benefits, and hope that the Commission will take them into account and approve the proposed satellite radio merger. Thank you for your consideration of these views.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard D. Holcomb", written over a horizontal line.

Richard D. Holcomb

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<sup>2</sup> See Press Release, *ATA's Technology & Maintenance Council to Debut on XM Satellite Radio*, at <http://www.truckline.com> (last visited Apr. 17, 2007).

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of

XM Satellite Radio Holdings Inc.,  
*Transferor*

and

Sirius Satellite Radio Inc.,  
*Transferee*

Consolidated Application for Authority to  
Transfer Control of XM Radio Inc. and Sirius  
Satellite Radio Inc.

MB Docket No. 07-57

**COMMENTS OF AMERICANS FOR PROSPERITY**

Americans for Prosperity (“AFP”) hereby submits comments in support of the Federal Communications Commission’s (“FCC” or “Commission”) approval of the merger of XM Satellite Radio Holdings Inc. (“XM”) and Sirius Satellite Radio Inc. (“Sirius”). The merger is in the public interest and should be allowed to go forward without unnecessary government intervention.

AFP is a nationwide organization of more than 300,000 citizen leaders committed to advancing economic freedom and opportunity. AFP believes that reducing the size and scope of government is the best safeguard to ensuring individual productivity and prosperity for all Americans. AFP members promote public policies that champion the principles of entrepreneurship and fiscal and regulatory restraint. These principles inform our support of the merger.

The government should not unnecessarily interfere with the merger of XM and Sirius and should allow the free market, not regulation, to determine winners and losers in the audio entertainment marketplace. In a robust and rapidly evolving market like

audio entertainment, consumer demand informs the business judgments of companies, drives innovation, and sets the course for the future of the market. This merger is a result of those consumer demands and market forces, and should not be impeded by artificial regulation.

The benefits from the joining of XM and Sirius evidence the importance of allowing the market to act without interference. This merger will result in significant public interest benefits and, importantly, will be a boon for consumers. Initially, the companies have committed to lowering prices and broadening programming choice, while continuing to support radios that consumers have already purchased. The companies have indicated that they will offer consumers a variety of programming packages, allowing consumers to pay for more or less content as their needs demand. In addition, economic incentives will exist for the combined company to offer an interoperable radio, and will offer a subscription to all of the content at a price lower than the current \$25.90 for both services. These commitments make market sense for the combined company, which will continue to have strong competition from many different sources after the merger.

One result of a market-driven merger is positive synergies. Setting aside the price and programming benefits that the companies have publicly committed to offer, this merger will result in market synergies that will even further drive satellite radio innovation, expanded service offerings, and greater operational efficiency. Cost savings from these efficiencies could be passed along to consumers. Government action that analyzes this merger too narrowly and results in denial of this application would not serve the public interest and will eliminate these potential synergies.

The Commission should give no credence to claims that this merger will create a monopoly with market power. Present market data suggest that terrestrial radio is the dominant player in the audio entertainment market. No evidence suggests that satellite radio is anything more than a minor player in this market. Moreover, other services in this market are backed by very strong competitors, including major wireless telephone companies and highly successful companies like Apple. We believe that competition will further enhance consumer choice in the coming years. Thus, in the future, terrestrial radio and the rise of alternative sources of audio entertainment will continue to constrain prices and encourage innovation for satellite radio, but the combined company will be in a better position to offer products and services that compete effectively.

Indeed, if satellite radio did constitute its own market, then satellite radio's competitors would have no incentive to oppose this merger. We do not believe that the FCC's job is to protect incumbent competitors from the threat of stronger competition from newer and smaller entrants. To block this merger would be anathema to the free market principles that truly drive innovation in the United States.

In conclusion, the Commission should act expeditiously to approve this merger.

Respectfully submitted,

AMERICANS FOR PROSPERITY

By: \_\_\_\_\_/s/\_\_\_\_\_  
Tim Phillips, *President*  
Americans for Prosperity  
1726 M Street NW, 10th Floor  
Washington, DC 20036  
(202) 349-5880

Dated: \_\_\_\_\_, 2007



## News Release: XM-Sirius Merger Should Go Forward

### Regulators Need to Let Private Initiative Flourish

Washington, D.C., July 9, 2007—The proposed merger of satellite radio companies XM and Sirius should be cleared by the Federal Communications Commission, according to [regulatory comments](#) filed today by the Competitive Enterprise Institute.

“Satellite company mergers are one element of an evolving marketplace that increasingly magnifies consumer choice and ability to customize information; not merely information received, but also that which individuals themselves create or assemble for distribution to others,” said [Wayne Crews](#), Director of Technology Studies at CEI. “That personalization coexists with media enterprises that exist on a gigantic scale.”

Opponents of the merger have suggested that a combined XM-Sirius would raise antitrust concerns, but that would only be the case if their market were defined so narrowly as to intentionally exclude all other competitors beside XM and Sirius themselves. Both companies exist in an intensely competitive market for news and entertainment content currently being accessed by consumers across an array of media.

“Bureaucrats cause untold damage when they undermine network industries’ efforts to orient themselves, to attain the scale appropriate to fostering customization, and to achieve such feats as moving global information to the exosphere as satellite operations do,” said Crews. “Liberalizing spectrum for future satellite and communications operations—not restraining the private operations of those that now exist—should be FCC’s focus.”

Full text of CEI’s comments can be found at the following link:  
<http://www.cei.org/gencon/003,06026.cfm>



**The Federation of Southern Cooperatives  
Land Assistance Fund**

Public Relations and Fundraising Office  
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**RALPH PAIGE  
EXECUTIVE DIRECTOR**

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August 14, 2007

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Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Room TW-B204  
Washington DC 20554

**Via Fax: (202) 289-4141**

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

Dear Ms. Dortch,

On behalf of the Federation of Southern Cooperatives/Land Assistance Fund, I am writing to urge the Commission to approve the proposed merger of SIRIUS Satellite Radio and XM Satellite Radio.

A merger of SIRIUS and XM will bring lower prices and increased programming choices to the over 20,000 rural member families of the Federation/LAF in twelve southern states. Rural communities are consistently undeserved by the lack of diversity in programming that local terrestrial radio broadcasters provide.

Rural communities will benefit from the "a la carte" programming packages the companies will offer after the merger, by being able to select the programs that are most applicable to their businesses, families, and personal interests. Many of our members also find great appeal in the ability to block offensive programming and receive a credit through one of two "Family Friendly" packages the companies have proposed. The Federation is also encouraged by the commitments that SIRIUS and XM have made to enhance the diversity and breadth of programming for minority consumers.

The emergency alerts and up-to-date weather information that satellite radio provides is also an extremely important service to our membership who depend on this information to guide their agricultural planning and adequately prepare for potential natural disasters.

Ms. Marlene Dortch  
August 15, 2007  
Page 2

These and numerous other consumer benefits that would result from a merger far outweigh any potential concerns that merger opponents have raised, which we do not find to be credible. A combined company will be able to enhance its efficiency when delivering these services and improve its ability to reach even more rural audiences in remote areas.

The Federation is confident of the continuing benefits a merged company would be able to create for rural and minority consumers. As a result, we urge you to look favorably upon the merger of SIRIUS and XM and act swiftly to approve the transaction.

Sincerely,

A handwritten signature in cursive script that reads "Ralph Paige". The signature is written in black ink and has a long, sweeping horizontal line extending to the right from the end of the name.

Ralph Paige  
Executive Director

# The Free State Foundation

A Free Market Think Tank For Maryland...Because Ideas Matter

*Perspectives from FSF Scholars*

*April 16, 2007*

*Vol. 2, No. 13*



## Is Uncle Sam Serious About Sirius-XM?

By Randolph J. May

[http://news.com.com/Is+Uncle+Sam+serious+about+Sirius-XM/2010-1028\\_3-6176213.html](http://news.com.com/Is+Uncle+Sam+serious+about+Sirius-XM/2010-1028_3-6176213.html)

**Congress has scheduled another hearing, for April 17, on the proposed merger between Sirius Satellite Radio and XM Satellite Radio. Like all significant mergers, this one deserves scrutiny by the antitrust and regulatory authorities.**

Congress legitimately has an oversight role as well.

But keep a keen eye: [the way in which this merger is handled](#) will tell much about [whether our government officials grasp](#) how dramatically communications and information-services markets are changing.

I am concerned that the Department of Justice antitrust officials and the Federal Communications Commission regulators charged with reviewing the merger do not adopt an unduly narrow view of marketplace competition.

A narrow view might lead them not only to reject the merger, but to maintain in place outdated regulations that have the effect of chilling innovation and stifling investment.

More about that in a moment, but first a few vital statistics about Sirius and XM. Together they offer about 300 channels of music, sports, talk, entertainment,

traffic and weather, and other informational programming, many of them commercial-free.

The two operators currently have approximately 14 million subscribers. Despite having paid the government \$170 million at auction to purchase the spectrum used to deliver their programming, and having invested billions since in facilities, programming and marketing, neither Sirius nor XM ever has turned a profit in five years of operation.

**There are a number of alternatives in the audio services marketplace that consumers may substitute for satellite radio, especially in the face of any price hike.**

In 2006 alone, they reported combined net losses approaching \$2 billion. Sirius and XM contend that the operational efficiencies resulting from the merger will allow the combined company to provide consumers with more programming choices at lower prices, and more-advanced technological gizmos to boot.

The National Association of Broadcasters, which represents the terrestrial radio and television broadcasters and which has fought satellite radio from the days when it was little more than a dream, claims that satellite radio constitutes a discrete product market. Thus, in its view, a Sirius/XM combination would be a "merger to monopoly."

In typical Washington fashion, the NAB pleads that all it asks on behalf of local broadcasters--which, by the way, paid nothing to the government for the spectrum they use--"is for the opportunity to compete in today's digital marketplace."

Ah, there's the rub. There is a good argument that, in today's digital marketplace, the relevant market for purposes of assessing the merger's competitive impact is not the narrow satellite radio market, but rather a broader audio entertainment and information market. As UBS put it in an investment report: "The combination of an enhanced programming lineup with improved technology, distribution and financials will better position satellite radio to compete for consumers' attention and entertainment dollars against a host of products and services in the highly competitive and rapidly evolving audio entertainment marketplace: including free 'over the air' AM and FM radio, iPods, mobile phone streaming, HD Radio, Internet Radio, and next-generation wireless technologies."

A Merrill Lynch research report stated the merger could deliver greater content choice, offer improved technology and realize cost synergies--all of which could help satellite radio "remain competitive in the evolving audio entertainment landscape as it competes with terrestrial radio, Internet audio media, HD radio and portable music players."

In short, there are a number of alternatives in the audio services marketplace that consumers may substitute for satellite radio, especially in the face of any price hike.

Each year the FCC issues a report examining the status of video competition. In 2006, the commission concluded that "the market for the delivery of video programming services is served by a number of operators using a wide range of distribution technologies." The agency included in its competitive examination cable operators, satellite television operators, [telephone companies now providing video service over their broadband facilities](#), wireless cable operators, [Internet-based video services](#), and DVDs and videocassettes. It is difficult to understand why the full range of distribution technologies similarly would not be considered in assessing competition in the audio services market.

Some of the comments from those opposing the merger are baffling. For example, Scott Cleland, a communications industry analyst, claims that the spectrum granted to XM and Sirius "alone makes satellite radio a separate and distinct market for antitrust purposes."

While certain conditions attached to the use of spectrum may be relevant in assessing competitive impacts, simply using spectrum alone cannot be determinative for purposes of defining a relevant product market. Terrestrial radio and [television broadcasters use spectrum](#). So too do satellite television and wireless cable operators. Even cable operators and Internet service providers often use spectrum as part of their network configurations. Few seriously contend that these providers each compete in separate markets because they use different frequencies.

What is most important now for sound communications policy is to move beyond classifying and regulating services based on the particular technology or slice of spectrum used for distributing the service. Whether evaluating the competitive impact of a particular merger or deciding whether to jettison archaic, unduly burdensome regulations devised during an earlier, generally monopolistic analog era, the important question should be: do consumers have reasonable alternative choices in the marketplace?

At bottom, it seems wrong to consider satellite radio a distinct market separate from the broader audio services marketplace. But my principal concern is not whether Sirius or XM are allowed to merge. It is that consumers continue to enjoy the widening array of information and entertainment choices that the digital revolution is enabling.

Increasing consumer choice depends on robust investment and innovation in new products and services. And robust investment and innovation ultimately depend on government officials appreciating that they should be wary of intervening in today's dynamic, increasingly competitive communications marketplace.

Randolph J. May is President of The Free State Foundation, a free market-oriented think tank located in Potomac, Maryland.

**Comments of**

**Edwin Meese, III  
Ronald Reagan Distinguished Fellow in Public Policy  
and Chairman of the Center for Legal and Judicial Studies  
The Heritage Foundation**

**and**

**James L. Gattuso  
Senior Research Fellow in Regulatory Policy  
The Heritage Foundation**

**On**

**Applications of Sirius Satellite Radio Inc. and XM Satellite Radio Holdings, Inc.  
for Consent to Transfer Control  
MB Docket No. 07-57**

**Submitted to the**

**Federal Communications Commission**

**July 9, 2007**

In accordance with the Public Notice issued by the Commission on June 8, 2007 we respectfully submit these comments on the applications of XM Satellite Radio Holdings Inc. and Sirius Satellite Radio Inc. for consent to transfer control of licenses in connection with their proposed merger. We believe that the proposed merger is consistent with the public interest, and the Commission should grant the applications.

Sirius and XM won their licenses in an FCC auction 10 years ago and began offering service in 2002 and 2001, respectively. Growth has been rapid, with combined subscribership nearing 14 million last year. But despite this growth, the firms have struggled financially. The cost of launching and maintaining satellites and other infrastructure is high; as is the cost of programming (Howard Stern alone costs Sirius some \$100 million per year.) Neither XM nor Sirius has ever made a profit – Sirius lost \$1.1 billion and XM \$719 million, in 2006 alone.

By merging their operations, XM and Sirius hope to improve this financial performance. Among the benefits they foresee: accelerated development of new technologies as research budgets are combined and increased variety of programming due to increased channel capacity. In addition, the firms predict they will save \$200-\$400 million in costs. Of course, none of these benefits are guaranteed. In dynamic markets, no particular outcome is ever certain. Nor should it be – whether a particular business

plan works is best determined by consumers in the marketplace<sup>1</sup>. The Commission's duty is to determine whether a proposed transaction is inconsistent with the public interest. Because of the dynamic competition in the audio entertainment market, there is little or no possibility of such harm from this proposed merger.

This January, the National Association of Broadcasters filed comments in the Commission's Quadrennial Regulatory Review proceeding declaring that "...there can be no reasonable doubt that the current media marketplace is robustly competitive, and indeed exploding at the seams with consumer choices for both delivery mechanisms and content."<sup>2</sup> It was right. Consumers today can choose among terrestrial radio, satellite radio, and – increasingly – Internet-based radio programming. Excluding Internet programming, XM and Sirius account for only 3.4 percent of total radio listenership<sup>3</sup>. Moreover, other forms of audio entertainment compete for American ears. In fact, i-Pods and other MP3 devices, which have grown phenomenally in recent years, may be the biggest challenge to radio of any kind.<sup>4</sup>

Critics of the XM-Sirius merger, however, have argued that this competition doesn't count. Satellite radio, it is argued, is so different from these other alternatives that it is really a separate market all to itself. But is the satellite radio business really that distinct? To consumers, after all, radio is radio. They don't care how it gets there. Certainly, there are differences – terrestrial radio has more local programming and is free, while satellite radio is more specialized and is subscription based. But these differences do not mean that the two industry segments operate in separate markets. Instead, they are simply alternatives within the market from which consumers may choose. Such differences are not at all unusual in a healthy marketplace. In fact, rather than preclude competition between the segments, they foster it.

Critics have also argued that if competition does exist between satellite radio and broadcast radio, it is on a "one-way" basis. Specifically, they have argued that XM and Sirius compete with traditional radio in *local* markets, but that traditional radio doesn't compete with satellite for *national* programming. However, while broadcasters transmit signals locally, national programming – through networks and syndication – is commonplace. Critics also argue that competition is uneven because satellite radio is subscription-based and – unlike broadcasters whose ad-revenue depends upon ratings – doesn't lose money unless a customer drops his or her subscription. But does satellite radio really have a lock on consumers? A radio subscription isn't like an electric bill;

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<sup>1</sup> For this reason, the Commission should refrain from imposing any conditions on the proposed merger imposing price or service guarantees.

<sup>2</sup> Reply Comments of the National Association of Broadcasters "2006 Quadrennial Regulatory Review—Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996", , MB Docket No. 06- 121, at 34 (filed Jan. 16, 2007).

<sup>3</sup> "Arbitron: Satellite Radio Accounts For 3.4% Of All Radio Listening," RadioInk.com (<http://www.radioink.com/HeadlineEntry.asp?hid=137022&pt=archive>).

<sup>4</sup> See, Remarks of David Rehr, National Association of Broadcasters, National Press Club, October 4, 2006, p. 5 ("Who are our newer competitors?. On the radio side, we have satellite radio, Internet radio, iPods, other MP3 players, cell phones and others. How will we compete?").

few consumers see it as a “must-have”. If radio broadcasters provide enough of what they want, subscribers will leave.

The merger of XM and Sirius will not harm the public interest. Satellite radio is just one of an increasing array of audio entertainment choices available to Americans. Rather, the transaction offers a number of potential benefits to consumers, and increases competition. The Commission should not block this merger.



Mr. Jonathan S. Adelstein, Commissioner  
Federal Communications Commission  
445 12th Street, SW  
Washington DC, 20554

October, 18, 2007

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

Dear Commissioner Adelstein:

Collectively, our organizations represent tens of thousands of rural consumers nationwide. And it is on behalf of our members and rural America that we continue to assert our support for the proposed SIRIUS-XM merger and strongly urge its approval by the Federal Communications Commission.

The emergency, weather and other informational services provided by satellite radio are vitally important to our nation's rural communities, and the prospect that these services could be improved and expanded by the efficiencies a merger would create is extremely encouraging for all of our organizations. Today, both XM and SIRIUS broadcast National Emergency Alert Service messages and both have dedicated channels that provide as-it-happens emergency information and updates 24 hours a day, seven days a week. These services have proved particularly critical in times of disaster. During Hurricane Katrina, for example, XM and SIRIUS aided relief efforts by providing news and information to Red Cross Radio and victims of the hurricane. This merger is clearly in the best interest of rural consumers because it would allow a combined company to expand upon its existing services with increased efficiencies, and at the same time provide rural listeners with more diverse programming and lower pricing.

Furthermore, the rapidly increasing homogenization of programming on terrestrial radio is leaving rural listeners at a disadvantage. Terrestrial radio broadcasters once provided rural listeners with a variety of local programming options that were tailored to individual communities. A merger of SIRIUS and XM will make satellite radio a more viable option for rural consumers by drastically increasing programming options, even in the most remote areas.

Our organizations remain in support of this merger, as we truly believe it is in the best interest of our membership and all rural consumers nationwide, and ask that this transaction meet swift approval.

Sincerely,

Niel Ritchie  
Executive Director, League of Rural Voters

Ralph Paige  
Executive Director, Federation of Southern Cooperatives/LAF

Rudy Arredondo  
President, National Latino Farmers and Ranchers Trade Association

Ross Racine  
Executive Director, Intertribal Agriculture Council

Willard Tillman  
Executive Director, Oklahoma Black Historical Research Society Project, Inc.



April 13, 2007

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington DC 20554

Re: Ex Parte Presentation; MB Docket No. 07-57

Dear Ms. Dortch,

The League of Rural Voters urges the Commission to approve the proposed merger between XM Radio and Sirius. The combined entity will offer listeners more programming options at lower prices than those currently available from the two companies separately.

Consolidation of the terrestrial radio industry over the last decade has left much of rural America behind in recent years, as locally-owned stations are replaced with the mega-corporate conglomerates which produce homogenized content and so-called local news and weather delivered from offices hundreds of miles away. The emergence of satellite radio has offered listeners in rural areas a robust alternative with hundreds of specialized channels that cater to the programming needs of rural America.

It is in the best interest of rural listeners that satellite radio continues to be a viable option. We note that news reports indicate financial hardships for both Sirius and XM if they attempt to survive as separate entities. We believe this deal will allow the companies to offer services more efficiently, cutting costs while creating additional channel space for even more programming—including channels dedicated to public safety and homeland security. And most important, XM and Sirius contend, if allowed to merge, that they will offer more channels for a lower price than the current cost of both services combined.

Given the persistent digital divide that plagues much of rural America, many of the latest alternatives to terrestrial radio have yet to reach the heartland. Therefore the survival of satellite radio as a competitive alternative is critical. We hope you will look favorably on the XM-Sirius merger.

Sincerely,

Niel Ritchie  
League of Rural Voters

cc: Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell



May 17, 2007

The Honorable Kevin J. Martin  
Chairman, Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Martin:

On behalf of the 362,000 members of the National Taxpayers Union (NTU), I write to urge your support of the merger of XM and Sirius Satellite Radio. This development is likely to expand radio programming available to consumers dramatically without impacting prices.

Because satellite radio relies so heavily on attracting new subscribers, it only stands to reason that the proposed merger would not raise subscription costs. Indeed, by their very actions, so-called traditional service providers seem to agree. Competitors that are threatened by the prospect of a thriving satellite radio company have launched a self-interested campaign aimed at killing the merger, by asserting that an XM-Sirius alliance would constitute a monopoly. Despite their claims, the merger of XM and Sirius would be beneficial to consumers and deserves support.

For example, at present, a consumer interested in hearing both National Football League games and Major League Baseball games must subscribe to both services and purchase two receivers. If the two services merge, these products would be available on one receiver. Furthermore, merging would allow the two companies to significantly reduce infrastructure costs, thereby improving chances of turning a profit in the future while keeping service fees stable.

Critics claim that such an arrangement would essentially create a monopoly. This argument is disingenuous, however, because any honest definition of the market in which satellite radio competes must include AM radio, FM radio, high-definition radio, and even products like mp3 players. To label this merger anti-competitive ignores the wealth of consumer options that can and do vie for the ear of the listening public.

If merger opponents were forced to tell the truth, they would acknowledge that the FCC could even enhance competition in the satellite radio sector, not through a regulatory crackdown but by removing current barriers to entry. This goal could be achieved by simply making additional spectrum available for the use of some newly-formed competitor.

The audio entertainment market is highly competitive today and would remain so after an XM-Sirius merger. I hope you and the Commission will recognize this fact and vote for the proposal.

Sincerely,

John Berthoud  
President



## News Release

FOR IMMEDIATE RELEASE  
July 9, 2007

CONTACT: Tori Katz  
(410) 466-0049

### **Complexity of Market, Platforms Must be Considered in Antitrust Review of XM-Sirius Merger**

*In Filing, Progress & Freedom Foundation's Scott Wallsten Writes That Officials Should Consider Not Only Subscribers, but also Content Providers and Competing Platforms*

WASHINGTON D.C. - July 9, 2007 - **The Progress & Freedom Foundation's** (PFF) Scott Wallsten today filed **comments** regarding the proposed XM-Sirius merger at the Federal Communications Commission (FCC). Wallsten, PFF Senior Fellow and Director of Communications Policy Studies, explains that this merger poses unique new challenges for antitrust officials.

Specifically, companies like Sirius and XM are platforms in two-sided markets that must attract subscribers and content providers, both of whom can choose among a variety of platforms. In addition, the platforms themselves are dynamic in that they could potentially carry any digital information, not just the services they currently offer.

"A merger analysis of competing platforms that considers only a single component in this complex market is likely to reach an incorrect conclusion," said Wallsten, Senior Fellow and Director of Communications Policy Studies. "In the case of the XM-Sirius merger, officials should consider not only subscribers, but also content providers, competing platforms, platforms that are potential competitors, and services the platforms in question may provide in the future that they do not today."

The Progress & Freedom Foundation is a market-oriented think tank that studies the digital revolution and its implications for public policy. It is a 501(c)(3) research & educational organization.

The filing will be available at the PFF website: <http://pff.org/issues-pubs/pops/pop14.14XMSiriusmerger.pdf>

## **Minority Interest Organizations**

- Hispanic Federation
- Independent Women's Forum
- The Latino Coalition
- Latinos in Information Sciences and Technology Association (LISTA)
- League of United Latin American Citizens (LULAC)
- NAACP
- National Black Chamber of Commerce
- National Council of Women's Organizations
- National Latino Farmers and Ranchers
- New York State Federation of Hispanic Chambers of Commerce
- Oklahoma Black Historical Research Society Project, Inc.
- Women Impacting Public Policy
- Women Involved in Farm Economics



hispanic**federation**

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T. 202 842 0235 F. 202 887 0812

[www.hispanicfederation.org](http://www.hispanicfederation.org)

June 5, 2007

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, DC 20554

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

Dear Ms. Dortch:

On behalf of the Hispanic Federation, I am writing to express our support for the acquisition of XM Satellite Radio by Sirius.

As a non-profit organization serving the Latino community, the Hispanic Federation takes concerns relating to media concentration and mergers seriously, however, the circumstances of this application persuade us that satellite radio offers consumers programming that is diverse and accessible at reasonable prices.

For the most part, the mainstream media companies offer very limited music and entertainment programming targeted to the Hispanic community. Satellite radio, by contrast, does provide sought after programming such as CNN en Español, ESPN Deportes, and Mexico Canta. We believe that satellite radio provides expanding and vibrant platforms for news and entertainment for Hispanic Americans.

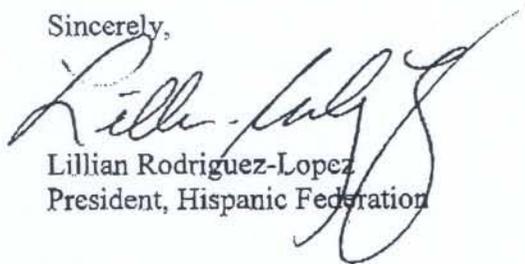
In recent news reports, it was indicated that both XM and Sirius have experienced financial hardships in recent months. We believe that the acquisition could help strengthen both companies and enable them to expand the universe of diverse programming available to communities across the country and provide additional channel capacity.

According to representations of both companies, the acquisition is also likely to save consumer costs by making more programming available for a lower prices (measured on a channel by channel basis) The XM-Sirius merger could give consumers the best of both services at a price well below the combined cost today.

As a national advocacy organization, we do encourage actions that will provide our community with the benefits of competition, lower prices and more choice in a fair and equitable manner. Given all of the competing considerations, we believe that the XM-Sirius merger will achieve these objectives and as such, we urge its approval.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lillian Rodriguez-Lopez".

Lillian Rodriguez-Lopez  
President, Hispanic Federation

Cc: Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell



INDEPENDENT WOMEN'S FORUM

October 1, 2007

Mr. Kevin Martin, Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington DC, 20554

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

Dear Commissioner Martin:

As detailed below, the Independent Women's Forum (IWF) would like to take the opportunity to formally announce its support of the proposed merger of SIRIUS Satellite Radio and XM Satellite Radio, and urge the Federal Communications Commission (FCC) to approve the proceeding.

IWF is a non-partisan, 501(c)(3) non-profit educational institution that supports and speaks for women who believe in political and economic freedom, personal responsibility, and limited government. Our organization fosters greater respect for limited government and free markets as we believe free markets best serve the interests of consumers nationwide. We support this proceeding because we believe the merger of SIRIUS and XM would be in the public interest and that ultimately, the free market should decide the future of satellite radio, not the federal government.

We find claims that a SIRIUS/XM merger would be anti-competitive to be without merit. Satellite radio currently makes up a mere 3 percent of the audio market compared with over 50 percent for terrestrial radio. The free market principle will guarantee terrestrial radio's dominance of the audio entertainment marketplace because they provide their services to consumers at no charge, whereas satellite radio is a paid subscription service, where customers must opt to subscribe and can just as easily opt to unsubscribe if they are not happy with the services provided to them by the newly formed company. This will ensure that prices stay low and that the demands of consumers are consistently met. It is difficult to imagine any scenario under which a combined company would raise prices when they compete with free AM/FM radio.

Both companies have also detailed an array of new programming and pricing plans that they will offer following the merger that provide consumers with a substantial cost savings over what it would cost to receive comparable programming selections today. IWF is also interested in the increased efficiencies of a combined company and greater competition from other audio providers that would increase the speed to market of new and advanced technologies in satellite

radio and audio entertainment. These are exactly the kinds of byproducts fueled by a free market that would simply not be possible without a merger of the two companies.

Guided by our organization's principles and mission, we recognize that a merger of SIRIUS and XM would be in the best interest of not only the thousands of women and men who make up our membership, but all of our nation's consumers. Accordingly, we strongly endorse SIRIUS' and XM's efforts to combine companies and urge that the FCC swiftly approve the transaction without further government intervention.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle D. Bernard", written over a light gray rectangular background.

Michelle D. Bernard  
President and CEO



April 16, 2007

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, DC 20554

**Re: MB Docket No. 07-57**

Dear Ms. Dortch,

On behalf of The Latino Coalition, a national issue-advocacy organization based in Washington, D.C., I urge you to approve the XM Satellite Radio merger with Sirius – an acquisition which is critical to the health of the satellite radio industry and to the larger cause of strong, facilities-based competition in the communications' marketplace.

Today satellite radio faces increasing competition from downloadable music, Internet-based radio, traditional broadcast radio and an increasingly converged and globalized communications industry. Clearly, this friendly acquisition is being motivated by financial concerns that result from this competition and it will help the newly formed company better compete in this international marketplace. In addition, this merger will provide more diverse programming and bring lower prices to the growing and highly diverse Hispanic audience.

For far too long, the Latino market has fallen victim to traditional radio companies that target very narrow and highly profitable audiences. Under this framework, Hispanics lose out on news, sports, music and diverse cultural programming that is widely available on alternative sources such as satellite, HD and internet radio. The satellite radio industry, by contrast, has been a launching pad for Hispanic programmers and an increasingly popular service for vast numbers of Latino consumers and other listeners who enjoy the richness of Hispanic culture, arts and news.

In our judgment, the acquisition will strengthen an industry that has been reporting losses in recent months. It appears clear that consumers will benefit as the combined programming will provide a greater number of channels for far less than such would cost consumers today in their totality. For programmers, the elimination of duplicate programming and expanded channel capacity will provide new opportunities for Hispanics and other entrepreneurial programmers as well.

As a strong advocate for the diverse needs of the Latino community, we are always supportive of measures that will bring variety and expanded options to our community. In our judgment, the XM-Sirius merger will accomplish just that by bringing more programming opportunities for Hispanic Americans and millions of other listeners. With expanded choices and better prices, satellite radio will be an even more attractive option for consumers and this ultimately benefits our growing community in every part and section of the country.

Thank you in advance for your consideration.

Respectfully,

Robert G. de Posada



President

Cc: Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein

Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell



**Latinos in Information Sciences  
and Technology Association**

**LISTA National Board**

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JumpTV  
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**Jose Marquez-Leon**  
President/CEO

**Chris Rodriquez**  
ACP Consulting  
EVP /COO

**Henry Quiero**  
Diverse Community  
EVP Member Services

**Jeff Vigil**  
Interblock  
National CIO

**Mauricio Ambriz**  
National Treasurer/CFO  
US-Mex Media, LLC

**Hector Munoz**  
National Secretary  
President, LISTA Conn.

**Jose Rojas**  
Genx Solutions  
President, LISTA NY

**Melissa Minchala**  
DataVelocity  
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**Andres Jordan**  
Deutsche Telecom  
President, LISTA  
Washington .DC

**Mauricio Guadamuz**  
Lockheed Martin  
President, LISTA GA.

**Osterman Matos**  
Osystem  
President, LISTA Florida

**David Contreras**  
IBM  
President, LISTA LA

October 09th, 2007

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Room TW-B204

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

Dear Ms. Dortch,

As an organization representing the interests of Latinos employed in the IT, IS, and telecommunications industry, the Latinos in Information Science and Technology Association (LISTA) has seriously considered the impact a merger of Sirius and XM satellite radio will have on minority telecommunications professionals and the broader Hispanic listening audience. For the reasons outlined below, LISTA urges the Federal Communications Commission (FCC) to approve the pending merger between Sirius and XM.

At the core of LISTA's work is a commitment to increasing Latino representation in the information sciences, telecommunications and technology industries. We believe a combined Sirius-XM will strengthen satellite radio and the broader audio entertainment market, opening the door to expanded programming, employment, business and production opportunities for Latino technology professionals and entrepreneurs who are interested in the satellite industry.

Both SIRIUS and XM are competing in a complex, rapidly evolving market of cutting edge technology and innovation. By merging, the companies will stand to greatly benefit from shared technical knowledge and combined resources that will in turn improve opportunities for Hispanics in this field. The two companies are using their role as innovators to help educate and train more Hispanic engineers, programmers, and others integral to satellite radio while developing opportunities in business. A stronger, more competitive satellite radio company will enhance opportunities for Latinos in technology and telecommunications, helping bridge the digital divide.

In addition, LISTA supports an improved satellite radio and the continued development of the technology which will ensure that there is continued growth for Latinos and our community in this industry and help the development of Latino professionals in and expand the science and technology of satellite radio

In closing, LISTA believes a combined company will make satellite programming more diverse and accessible to our community. In light of these benefits to minority technology professionals we urge the FCC to approve the Sirius-XM merger.

If you require additional information, please feel free to contact me at this telephone number 917-578-0521.



**Latinos in Information Sciences  
and Technology Association**

Cordially,

President/CEO and Founder  
LISTA

CC: MR  
CC: JAM



## *League of United Latin American Citizens*

**NATIONAL PRESIDENT**  
Rosa Rosales

**EXECUTIVE DIRECTOR**  
Brent A. Wilkes

**NATIONAL OFFICERS**  
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Immediate Past President  
**Jaime P. Martinez**  
Treasurer  
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VP for Women  
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VP for Youth  
**Michelle M. Pelayo**  
VP for Young Adults  
**Dave Rodriguez**  
VP for Farwest  
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VP for Midwest  
**Toula Politis Lugo**  
VP for Northeast  
**Maria Rodriguez-Salazar**  
VP for Northwest  
**Haydee Rivera**  
VP for Southeast  
**Adrian Rodriguez**  
VP for Southwest

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**Augustin Sanchez**  
Michigan  
**Enrique Soto**  
Minnesota  
**Hortencia Vasquez Wilcox**  
Missouri  
**Nicolas Martinez**  
Nevada  
**Paul A. Martinez**  
New Mexico  
**Rosa Torres Caskey**  
Ohio  
**Rey Madrid**  
Oklahoma  
**Carmen I. Cruz**  
Puerto Rico  
**Roger C. Rocha**  
Texas  
**Leni Gonzalez**  
Virginia  
**David G. Cortinas**  
Washington  
**Yolanda Santos Adams**  
Wisconsin

May 11, 2007

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, DC 20554

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

Dear Ms. Dortch:

I am writing on behalf of League of United Latin American Citizens, the oldest and largest Hispanic membership organization in the country, to urge you to approve proposed merger between XM and Sirius Satellite Radio.

Satellite radio is a critical medium for Hispanic Americans, making available a wide range of listening choices that are not generally available on traditional broadcast. For example, ESPN Deportes, CNN Español, and several Latin music channels.

In most cases, LULAC would support the maintenance of strong competition between two providers in a relevant market. But here there are considerable benefits from proposed merger that we believe outweigh any countervailing concerns.

In order for our communications companies to compete in a global economy, our facilities-based communications platforms will need to accommodate ever robust programming. We believe that the merger, by eliminating duplicate programming will give the combined company a new and otherwise unavailable opportunity to increase its programming capabilities.

This is obviously important to LULAC, and this is likely to provide both Hispanic programmers and consumers with opportunities and choices. More programming means that the ever diverse American consuming public can look to Satellite radio for news and entertainment. More programming means more jobs – from the on-air production crews. And more programming means that the ever creative and entrepreneurial American spirit has yet one more potential outlet and distribution channel.

(continued)

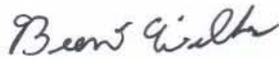
Ms. Marlene Dortch  
May 11, 2007  
Page 2

Further, both Sirius and XM have made clear that the merger will result in consumers being able to get more programming choices at a lower price (measured on a per channel basis).

Finally, the audio marketplace is clearly not confined to satellite radio. Any serious study of consumer spending shows that the relevant market consists of existing broadcast stations and the ever exploding downloadable music industry. This type of competition requires financially healthy satellite radio industry to adequately compete.

Thus, for consumers, the merger means more choices at lower prices. For programmers, the merger will provide new opportunities. And for the industry itself, the merger reaffirms the health of a critical, facilities-based competitor in the ever intense audio marketplace.

Sincerely,



Brent Wilkes  
Executive Director

Cc: Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell



WASHINGTON BUREAU · NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE  
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E-MAIL: WASHINGTONBUREAU@NAACPNET.ORG · WEB ADDRESS WWW.NAACP.ORG

June 20, 2007

Chairman Kevin Martin  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Commissioner Deborah Taylor Tate  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Commissioner Michael J. Copps  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Commissioner Robert McDowell  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Commissioner Jonathan S. Adelstein  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

*via fax*

**Re: NAACP SUPPORT OF THE CONSOLIDATED TRANSFER  
APPLICATIONS OF XM SATELLITE RADIO HOLDINGS INC AND SIRIUS  
SATELLITE RADIO HOLDINGS INC *MB Docket No. 07-57***

Dear Chairman Martin and Commissioners Copps, Adelstein, Tate, and  
McDowell:

On behalf of the National Association for the Advancement of Colored People (NAACP), our nation's oldest, largest and most widely-recognized grassroots civil rights organization, I am writing to let you know of our support of the consolidated transfer applications of XM Satellite Radio Holdings Inc. ("XM") and Sirius Satellite Radio Inc. ("Sirius").

In the past, the NAACP has consistently urged the FCC to consider the implications of its numerous decisions on the African- American community. We have provided comments on issues such as media consolidation and violence on our nation's airwaves, among others, which we believe have had a profound disproportional impact on our community. The NAACP takes its responsibility to advocate on behalf of America's racial and ethnic minority consumers, broadcasters, and the general public very seriously, and it is with this same commitment that we urge you to support the proposed merger between XM and Sirius.

We are convinced that the pending Sirius-XM merger will be a positive development for consumers – more diverse, accessible and appealing options at

lower prices in satellite radio will help further expand the reach of this medium. Today, XM's channel, The Power, offers talk about social, political, and economic issues from an African-American perspective on America's only 24-hours-per-day/7-days-a-week radio channel programmed by and for the African-American community. Likewise, Sirius Satellite radio offers programming from a wide range of talent including celebrities and sports figures such as Keyshawn Johnson, Tiki Barber, 50 Cent and Grandmaster Flash. Jamie Foxx's "The Foxxhole" offers exclusive 24/7 programming from Urban Comedy to radio theater. Additionally, both XM and Sirius offer numerous music and entertainment channels of interest to the diverse taste of African-Americans – from the smooth sounds of Motown and Jazz to contemporary R & B and Hip Hop to cutting edge urban comedy. Synergies created by the merger of Sirius and XM will create new opportunities for this type of targeted programming that is frequently overlooked by terrestrial broadcasters. Over time, as the companies consolidate duplicative programming, they can better use capacity on their system to offer even more unique and diverse programming to underserved populations – programming that is simply unavailable on traditional broadcast media today. The merger will also serve the interests of consumers without adverse competitive effects and will spur additional competition, including with terrestrial radio providers.

Furthermore, we understand that both companies maintain a strong commitment to diversity and utilize significant resources to recruit and retain minority talent and leadership at all levels, from entry level to senior management as well as a commitment to a racially and ethnically diverse Board of Directors and diversity in contracting and vendors. We have no doubt that a merged satellite radio company would continue, and, in fact, strengthen its commitment to diversity in employee recruitment and retention, while expanding its pool of diverse contractors and vendors.

The NAACP looks forward to continuing its work with satellite radio to provide high-quality programming to the African-American community and other communities of color. As you conduct your review of the consolidated transfer applications before you, it is my hope that the Commission will consider the unmatched contribution that satellite radio has made to the audio entertainment marketplace to ensure diverse programming for consumers.

Should you have any questions regarding the NAACP position, or if you would like to discuss our views in more detail, I hope that you will feel free to contact me at (202) 463-2940.

Sincerely,



Hilary O. Shelton  
Director



National Black Chamber of Commerce  
1350 Connecticut Avenue NW Suite 405, Washington DC 20036  
202-466-6888 202-466-4918fax [www.nationalbcc.org](http://www.nationalbcc.org) [info@nationalbcc.org](mailto:info@nationalbcc.org)

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington DC 20554

April 19, 2007

Re: Ex Parte Presentation; MB Docket No. 07-57

Dear Ms. Dortch,

On behalf of the National Black Chamber of Commerce which represents 95,000 Black owned businesses, I write today to urge that the Commission approve the acquisition of XM Satellite Radio by Sirius.

Satellite radio is critical to the programming needs of African Americans. The medium offers dozens of channels that are targeted to the programming needs of African American entrepreneurs, entertainers, and consumers. In fact, Internet radio, music download services, and satellite radio have all played critical roles in democratizing the music and audio industry allowing consumers access to a virtual on-demand world.

Further, XM and Sirius have committed to offering both opportunities for programmers and more choice for consumers at a lower per-unit cost. More channel capacity for new programmers, and more choices for consumers are clearly matters that meet the FCC's public interest test. Additionally, with both XM and Sirius struggling financially, the merger ensures that the satellite radio platform survives.

Given the potential consumer and business benefits, I urge you to approve the XM-Sirius merger without delay. I thank you for your consideration.

Sincerely,

Harry Alford

Cc: Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell



*National Council  
of Women's Organizations*  
1050 17th Street, NW, Suite 250, Washington, DC 20036  
Phone: 202-293-4505 Fax: 202-293-4507

20 June 2007

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Room TW-B204  
Washington, DC 20554

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

Dear Secretary Dortch,

I write on behalf of the National Council of Women's Organizations (NCOW), a coalition of over 200 women's organizations, to urge your support of the pro-posed XM Radio and Sirius Satellite Radio merger.

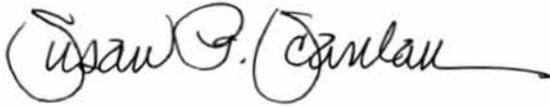
As an organization that represents over 11 million diverse and talented American women, NCWO believes the proposed merger will result in considerable benefits via greater competition, lower prices, and more diverse programming for women and other minority groups all over the nation. In addition, a stronger satellite offering can increase the audience for satellite radio, which today is a mere 3.4 percent of the overall radio market and dominated by men. By making this market more affordable, more women will be able to access satellite radio, which would be valuable not only to our members, but also to women across the United States.

Expanding the audience and diversity of satellite radio programming, would give women the opportunity to open new venues of entertainment and enlightenment while driving their children to school or sitting in traffic on their way to work. From Barbara Walters to Judith Warner to Candace Bushnell, satellite radio offers women a unique perspective absent on everyday commercial radio and only accessible by television.

We think it's admirable that consumers have so many choices in audio enter-tainment today, and a stronger satellite radio service benefits consumers and competition in the marketplace. Diversity in programming is a critical component of this merger, which should not be overlooked by members of the FCC Board as they begin their review process.

With expanded choices and better prices, satellite radio will be an even more attractive option for women, and this will benefit the 200-plus organizations that the National Council of Women's Organizations represents, as well as women all over the nation.

Respectfully submitted,

A handwritten signature in black ink that reads "Susan P. Scanlan". The signature is written in a cursive style with a long horizontal flourish at the end.

Susan Scanlan

Chair, National Council of Women's Organization



Mr. Jonathan S. Adelstein, Commissioner  
Federal Communications Commission  
445 12th Street, SW  
Washington DC, 20554

October, 18, 2007

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

Dear Commissioner Adelstein:

Collectively, our organizations represent tens of thousands of rural consumers nationwide. And it is on behalf of our members and rural America that we continue to assert our support for the proposed SIRIUS-XM merger and strongly urge its approval by the Federal Communications Commission.

The emergency, weather and other informational services provided by satellite radio are vitally important to our nation's rural communities, and the prospect that these services could be improved and expanded by the efficiencies a merger would create is extremely encouraging for all of our organizations. Today, both XM and SIRIUS broadcast National Emergency Alert Service messages and both have dedicated channels that provide as-it-happens emergency information and updates 24 hours a day, seven days a week. These services have proved particularly critical in times of disaster. During Hurricane Katrina, for example, XM and SIRIUS aided relief efforts by providing news and information to Red Cross Radio and victims of the hurricane. This merger is clearly in the best interest of rural consumers because it would allow a combined company to expand upon its existing services with increased efficiencies, and at the same time provide rural listeners with more diverse programming and lower pricing.

Furthermore, the rapidly increasing homogenization of programming on terrestrial radio is leaving rural listeners at a disadvantage. Terrestrial radio broadcasters once provided rural listeners with a variety of local programming options that were tailored to individual communities. A merger of SIRIUS and XM will make satellite radio a more viable option for rural consumers by drastically increasing programming options, even in the most remote areas.

Our organizations remain in support of this merger, as we truly believe it is in the best interest of our membership and all rural consumers nationwide, and ask that this transaction meet swift approval.

Sincerely,

Niel Ritchie  
Executive Director, League of Rural Voters

Ralph Paige  
Executive Director, Federation of Southern Cooperatives/LAF

Rudy Arredondo  
President, National Latino Farmers and Ranchers Trade Association

Ross Racine  
Executive Director, Intertribal Agriculture Council

Willard Tillman  
Executive Director, Oklahoma Black Historical Research Society Project, Inc.



May 24<sup>th</sup> 2007

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Room TW-B204  
Washington DC 20554

Re: MB Docket No. 07-57

Dear Ms. Dortch,

On behalf of the New York State Federation of Hispanic Chambers of Commerce, one of the largest advocates for the nation's two-million Hispanic-owned businesses, I urge the Commission to approve the merger of Sirius and XM satellite radios, which will bring competition, diverse programming and lower prices to our community.

As you know, the Hispanic marketplace is expanding at an unprecedented rate not only in large metropolitan areas, but in every remote corner of the nation. Satellite radio programming includes business news and information, entertainment and consumer news targeting Spanish and English-speaking Latino listeners 24 hours a day, 7 days a week.

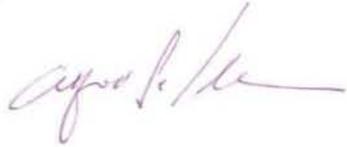
We firmly believe that alternative news sources found in downloadable services, satellite, HD and internet radio have played a role in fueling this economic growth and our community is more informed and better prepared to make important business decisions as a result.

Additionally, XM and Sirius understand the long-term benefits of servicing growth markets such as ours and with the merger, more channel capacity will likely be available to service communities such as ours. This is a key component of great value to Latino listeners and should not be overlooked by members of the FCC as they begin their review process.

The bottom line is that with expanded choices and better prices, satellite radio will be an even more attractive option for consumers, and this ultimately benefits our Chamber members and the two-million Latino-owned businesses in the U.S.

There is no doubt that the XM-Sirius merger will be a win-win for Hispanic businesses and the community and we strongly urge its approval.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Alfred P. Placeres', written in a cursive style.

Alfred P. Placeres, Esq.  
President  
New York State Federation of Hispanic Chambers of Commerce  
2710 Broadway  
New York , NY 10025



Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of

XM Satellite Radio Holdings Inc.,

and

MB Docket No. 07-57

Sirius Satellite Radio Inc.,

For Authority to Merge.

**COMMENTS OF WOMEN IMPACTING PUBLIC POLICY**

WOMEN IMPACTING PUBLIC POLICY (WIPP) hereby submits its comments in the above-referenced proceeding. WIPP believes that a merger between Sirius Satellite Radio (“Sirius”) and XM Satellite Radio (“XM”) will offer more opportunities for female and minority programmers and greater choices for all consumers. As mentioned to Commissioner Tate during an April 2 ex parte meeting, the merger also provides a number of important economic benefits for small businesses, clearly benefiting the public interest, and therefore should be approved by the Federal Communications Commission (FCC) without delay.

WIPP is a national bipartisan public policy organization that advocates for and on behalf of women and minorities in business. Since the creation of WIPP in 2001, our organization has taken positions on a variety of issues and policies which impact our diverse group of more than 500,000 members.

The women and minorities in business we represent are well served by the content provided by satellite radio. Both Sirius and XM offer a broad range of channels. These include specialized choices that appeal to our membership that are underserved by other providers in the broad audio news and entertainment marketplace.

WIPP believes approval of the merger between Sirius and XM will substantially enhance programming choices by creating a stronger satellite radio company. In turn, it will elevate the quality and choice of other service providers allowing for the improved diversity and quality of an already robust and competitive market. Especially relevant to WIPP membership is the prospect of increasing the number of channels offering small business content, particularly issues of special interest to women and minorities in business.

As a national business organization, WIPP is also encouraged by the operational efficiencies and the ensuing pricing benefits consumers will enjoy as a result of the merger between Sirius and XM. Consumers will be able to receive programming from both services on a single radio. Additionally, they

will be able to receive a variety of content from both services at a range of prices, including pricing options and more à la carte offerings that cost less than the \$12.95 per month subscribers to each service currently pay.

Having demonstrated that the benefits derived from the merger are beneficial to women, small businesses, and consumers, WIPP urges the FCC to approve the proposed merger of Sirius and XM.

Respectfully submitted,

WOMEN IMPACTING PUBLIC POLICY



By: Barbara Kasoff, President  
Women Impacting Public  
Policy  
1615 L St., NW, Suite 650  
Washington, D.C. 20036  
202-626-8562

Dated: June 12, 2007

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

Applications of	)	
	)	
XM Satellite Radio Holdings Inc.,	)	MB Docket No. 07-57
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Sirius Satellite Radio Inc.,	)	
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For Authority to Merge.	)	
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**COMMENTS OF THE WOMEN INVOLVED IN FARM ECONOMICS**

Women Involved in Farm Economics (WIFE) respectfully submits its comments in the above-referenced proceeding. WIFE believes that a merger between Sirius Satellite Radio (“Sirius”) and XM Satellite Radio (“XM”) will ensure the continued availability of crucial information services and lead to lower prices and greater choices for rural consumers. Therefore, the merger application should be approved by the FCC.

WIFE was organized in December 1976 at Sidney, Nebraska as a non-profit agricultural association. We are a grassroots organization dedicated to improving profitability in production agriculture through educational, legislative, communicative, and cooperative efforts.

The farms and rural communities we represent have been well served by satellite radio. Approval of the merger between Sirius and XM will ensure that

our rural communities continue to receive important informational service via satellite radio and will provide our members and rural neighbors with more programming choices at improved prices.

Rural communities have benefited greatly from the weather, emergency and other informational services provided by satellite radio. WIFE appreciated the services provided by Sirius and XM during and after the Hurricane Katrina disaster. During the relief effort Sirius broadcast 24/7 news and information while XM provided Red Cross Radio which provided information to victims of the hurricane and Red Cross relief workers. Both operators donated hundreds of radios to shelters and relief workers to ensure that they could receive this important information.

Both Sirius and XM broadcast National Emergency Alert Service (EAS) messages to consumers and both have dedicated channels—Sirius Channel 184 and XM Emergency Alert (XM channel 247)—that provide critical, up-to-date emergency information regarding natural disasters and other emergencies 24 hours per day, seven days per week. XM also has begun to partner with local jurisdictions to provide more localized emergency alerts, including Amber Alerts to aid in the search for missing children in the critical hours and days after their disappearance. Many of the financial and business channels provided by Sirius and XM also make available current information on prices and economic trends to farms and ranches.

These types of informational services are critical to rural communities. A merger of Sirius and XM will enable the combined company not only to continue to provide these critical services, but also to expand and improve these services with increased efficiencies.

In addition to the weather, emergency and other informational services provided by Sirius and XM, rural communities enjoy and depend upon satellite radio to provide a diverse selection of programming. Both companies provide an incredibly broad range of channels, including some very specialized choices that appeal to our members and are unmatched by other service providers. The merger of Sirius and XM will allow the companies to provide even more options to consumers. Consumers will be able to receive programming from both services without needing to purchase two radios and pay for two services. We understand that after this merger there will be new program packages at prices that actually are lower than those available today.

For each of the reasons we have described, WIFE urges the FCC to approve the merger of Sirius and XM.

Respectfully submitted,

Women Involved in Farm Economics

By: Pam Potthoff, National President/s/ \_\_\_\_\_ /

Dated: May 14, 2007

## **Retailers, Car Companies and Other Businesses**

- Circuit City
- Crutchfield Corporation
- Chrysler
- Ford Motor Company
- General Motors Corporation
- Honda
- Hyundai
- Kia Motors America
- Loral Space & Communications
- NASCAR
- Oracle
- RadioShack
- Toyota



Circuit City Stores, Inc.  
9950 Mayland Drive  
Richmond, VA 23233-1464

June 28, 2007

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

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

Dear Ms. Dortch:

On behalf of Circuit City Stores, Inc. ("Circuit City"), I write in support of the proposed merger of XM and Sirius. Circuit City believes that the interests of consumers should be paramount in the FCC's consideration of this proposed merger. When viewed from this perspective, we believe that this merger should be approved by the FCC.

Circuit City is one of the nation's leading providers of consumer electronics with more than 600 stores. Our stores sell both XM and Sirius satellite radios and accessories. We believe that, once the merger is approved, satellite radio should be an even more appealing option to our customers.

Based upon the statements that have been made by Sirius and XM, it is our understanding that they have committed to roll out a variety of new products and services post-merger. For example, Sirius and XM have indicated that the combined company will offer a wider range of program packages. These new choices should give consumers greater flexibility in the number of channels and content they receive. In the future, we understand the merger also should foster the development of interoperable radios, which will enable subscribers to receive both XM and Sirius on a single radio device.

In addition, we understand that Sirius and XM will use the efficiencies generated by their merger to improve their offerings, which should make the new company more attractive to subscribers.

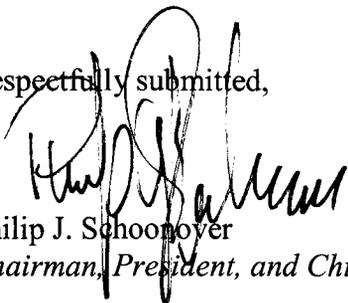
In sum, Circuit City believes that the FCC should allow Sirius and XM to implement their plans to make satellite radio a stronger competitor, and provide improved product and service to consumers, by approving their applications in this proceeding.

Marlene H. Dortch, Secretary

June 28, 2007

Page 2

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Philip J. Schoonover". The signature is written in a cursive style with a large, looping initial "P".

Philip J. Schoonover

*Chairman, President, and Chief Executive Officer, Circuit City*

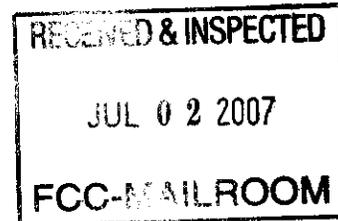
DOCKET FILE COPY ORIGINAL

**CRUTCHFIELD**<sup>®</sup>  
CORPORATION

1 Crutchfield Park  
Charlottesville, Virginia 22911-9097  
434-817-1000  
Fax 434-817-1010  
www.crutchfield.com

June 29, 2007

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington DC 20554



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

Dear Ms. Dortch:

Crutchfield Corporation (Crutchfield), by this letter, adds its name to the long list of supporters of the proposed merger of Sirius Satellite Radio Inc. (Sirius) and XM Radio Inc. (XM).

Crutchfield, which celebrates its 33rd anniversary in 2007, is one of nation's most respected retailers of consumer electronics products. Since its introduction in 1974, the Crutchfield catalog has been a respected authority on car and home entertainment products, winning multiple awards for quality, design, and usefulness. Since its launch in 1995, the Crutchfield website has been equally as acclaimed.

Based on our longstanding expertise in both the home and car audio entertainment business, we strongly believe that this merger will be beneficial to consumers. In fact, we believe that it is critical for the continued growth of this medium. In our view, without the economies provided by a merger, these two companies may not be able to generate the necessary financial return to maintain the excellence of their services.

Since Sirius and XM launched their satellite services, many more listening options have become available to the consumer. Most notably, the iPod/MP3 revolution has given people access to their vast libraries of music in their homes and cars. HD Radio will soon be a huge market force. As terrestrial radio stations convert to this

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Marlene H. Dortch  
June 29, 2007  
Page 2

digital format, they will be able to offer listeners a much wider choice of listening options. Also, Internet radio is becoming increasingly popular. In other words, a merged Sirius/XM will not have the market power which it would have had just a few years ago. The "playing field" has changed dramatically since these services were launched.

In this plentiful environment, satellite radio remains a small player. Instead of blocking this merger out of unrealistic concerns that a merged Sirius/XM somehow will be able to dominate its market, regulators should move quickly to permit these two emerging companies to combine their operations. By so doing, they will be ensuring that satellite radio will have the resources to survive and continue developing innovative products and services in an intensely competitive environment. Obviously, that will be a big benefit for our society.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. Crutchfield, Jr.", with a large, stylized flourish at the end.

William G. Crutchfield, Jr.  
Founder and CEO



21175 Oakwood Boulevard  
Dearborn, MI 48124

October 24, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

The Ford Motor Company has been a long-time supporter of satellite radio. We recognized the promise of satellite radio early in its development. In 1999 we were the first U.S. automaker to embrace and sign an agreement with Sirius Satellite Radio.

The competition for listeners is intense in automobiles. Keeping pace with consumer demands and the pace of change in audio entertainment is critical to Ford. In 1999, when Ford signed its first agreement with Sirius Satellite Radio, consumers had few choices for audio entertainment in their vehicles – AM and FM radio or a cassette or CD player. Currently, a variety of audio entertainment providers, including High-Definition (HD) radio, satellite radio, Internet radio, iPods and other MP3 players, mobile phones, and other emerging services, compete for consumer attention. The methods by which consumers can connect to these devices and services in their vehicles are also expanding rapidly as evidenced by growth in auxiliary input jacks, Bluetooth and USB connectivity and products like Ford's SYNC.

We believe that a company that combines the capabilities of Sirius and XM could serve the interests of consumers by offering a more dynamic and potentially cost-effective product, spurring additional competition with audio entertainment providers such as terrestrial radio, and that this may result in greater innovation. Therefore, it is our opinion that the Sirius-XM merger is in the interest of existing and future Ford customers and the Ford Motor Company.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul Mascarenas".

Paul Mascarenas, Vice President  
Engineering, Product Development  
The Americas

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.<sup>1</sup>

**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.

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<sup>1</sup> 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.<sup>2</sup>

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.<sup>3</sup>

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.

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<sup>2</sup> 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.

<sup>3</sup> 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/](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

From: Charles Koch Manager American Honda Product Planning  
1919 Torrance Blvd. Torrance, CA 90501

Dear Ms. Dortch: I am writing you on behalf of American Honda Motor Co. Inc. endorsing the petition of XM Radio Inc. and Sirius Satellite Radio, Inc. for a proposed merger of the two companies.

American Honda has been an active proponent and early Original Equipment Manufacturer (OEM) for the application XM Satellite Radio in our vehicles. XM Satellite Radio is now built into over 600,000 Honda and Acura vehicles in the U.S. combined on an annual basis. Our companies have also teamed up to develop and market real-time data services for consumers to utilize through their navigation systems, including real-time traffic information from XM.

While American Honda has seen early promise in this collaboration, it has become evident that satellite radio and digital satellite services must compete mightily in the U.S. with a wide array of burgeoning entertainment forms and an ever-widening list of technology participants who are delivering services in this space. American Honda customers have shown a desire to be able to utilize the entertainment and digital services presented by both companies, but are turned off by the high cost required to carry both services in order to access all the desired programming from both services they are seeking. What's more: full access to both services requires doubling the hardware commitment costs to the consumer.

As a result, American Honda desires and the U.S. buying public is seeking relief from the imposed burden of these costs in the current marketplace. It is more than apparent to our company and our customers that this merger would benefit consumers immediately and in the long run by keeping access pricing affordable and is appropriate at this time.

Please let us know if you should have any questions. Thank you.

Sincerely, Charles Koch; Manager American Honda Product Planning

July 9, 2007

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

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

Dear Ms. Dortch:

On behalf of Hyundai Motor America, I ask you to approve the proposed merger of XM and Sirius.

As the manufacturer and distributor of a full line of XM-equipped vehicles, Hyundai is focused on constantly improving and expanding the audio entertainment options of its customers. Beginning in late 2006, we began offering XM Satellite Radio as standard equipment across our car models. We believe that the breadth of programming, digital sound quality and coast-to-coast coverage enhance the enjoyment of Hyundai vehicles.

A frustration for our customers, however, is that they cannot easily access the best programming from both satellite radio services. For example, without incurring additional installation hassles of a second radio receiver and paying a very high price, XM subscribers cannot receive programming unique to Sirius, such as NASCAR and the National Football League.

We understand that the merger will eliminate these issues by expanding programming choices and pricing options for all Hyundai customers. Rather than being forced to choose between content that currently is exclusive to one satellite radio provider, our customers will gain access to packages offering the "best of both" services for significantly less than the current combined price, as well as packages of fewer channels at much lower prices. This is especially important as Hyundai stands for providing a combination of design, quality and safety...and our customers demand a great value.

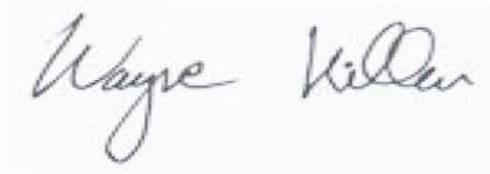
We believe that efficiencies realized from the merger will benefit our customers in other ways, as well. For example, the merged company will likely improve upon current in-vehicle services that support the driving experience, such

as traffic and weather, and promote the introduction of exciting new services. It will also provide a more robust and stable platform for satellite radio generally, and maximize its prospects for success in the increasingly competitive market for audio entertainment services.

For these reasons, we believe that our customer's interests and the public interest generally, will be served by approving the proposed XM-Sirius merger. We respectfully ask that the Commission approve the merger. Thank you for considering Hyundai Motor America's views.

Please note, we request acceptance of this comment filed one day late due to internal logistical problems encountered yesterday. I also posted this late acceptance request to the FCC website yesterday.

Sincerely,

A handwritten signature in black ink that reads "Wayne Killen". The signature is written in a cursive style with a large, looped 'W' and a distinct 'K'.

Wayne Killen  
Director, Product Planning

**Len Hunt**  
Executive Vice President  
Chief Operating Officer



**KIA MOTORS**

KIA MOTORS AMERICA, INC.  
Corporate Headquarters  
111 Peters Canyon Road  
Irvine, CA 92606-1790  
TEL: (949) 468-4800

August 21, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

On behalf of Kia Motors America, I ask you to approve the proposed merger of XM and Sirius.

Kia Motors America is dedicated to building high-quality, high-value vehicles at highly competitive prices. Our consumers demand the best available product at the lowest possible price. We are pleased to offer our customers Sirius Satellite Radio standard equipment but believe the merger of Sirius and XM has the potential to bring our customers the additional value they desire.

We understand that the merger will eliminate the sometimes confusing issues about what programming is offered by which company by creating packages offering the "best of both" services for significantly less than the current combined price of both services. We should not expect our customers to incur additional hassle and fees to install a second satellite radio receiver or be forced to choose between the NFL and the MLB and Martha Stewart and Oprah. Additionally, the merger will allow Kia customers to select smaller packages at much lower prices. This expanded choice and lower price is exactly the value our consumers want and deserve.

The merger between Sirius and XM will further enhance Kia's goal of providing our customers with high-quality, high-value products. We believe that is in our customer's interests and the public interest to allow Sirius and XM to merge. We respectfully ask that you approve the merger and thank you for considering the views of Kia Motors America.

Sincerely,

A handwritten signature in black ink, appearing to read "Len Hunt".

Len Hunt



**Space & Communications**

---

600 Third Avenue  
New York, NY 10016  
(212) 697-1105

Executive Offices

July 9, 2007

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
335 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

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

Dear Ms. Dortch:

On behalf of Loral Space and Communications ("Loral"), our satellite services subsidiary Loral Skynet, and our manufacturing subsidiary Space Systems/Loral (SS/L), I write in support of the proposed merger of Sirius and XM. We strongly believe that this merger will ensure that satellite radio remains a robust competitor in the audio entertainment marketplace for years to come.

Loral is a satellite communications company with activities in two primary areas: satellite services and satellite manufacturing. In 2000, we launched three direct-broadcast service (DBS), Digital Audio Radio Satellites (DARS) into highly elliptical orbits, and these satellites transmit Sirius's music, sports, entertainment, and talk content to its subscribers. We are also currently in the process of building additional satellites for Sirius and XM.

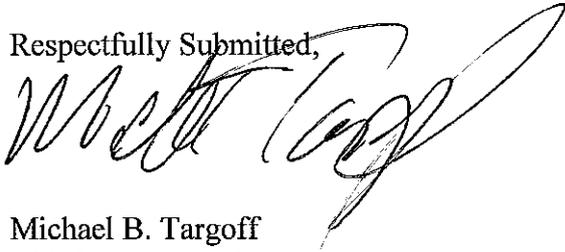
In our view, the audio entertainment marketplace is a robust and expanding industry. We believe this merger would allow satellite radio to better compete against other listening options. For example, we understand that consumers will have the opportunity to receive more channels, including the best of Sirius and XM. We have also been advised by Sirius that the companies will offer their customers the ability to receive fewer channels.

It is our view that the merger will not reduce the combined company's future demand for satellites. In fact, the merger may increase demand for satellites by providing a robust competitor in the audio entertainment marketplace and enhancing spectrum utilization.

Marlene H. Dortch, Secretary  
July 9, 2007  
Page 2

We strongly urge the Commission to allow this merger to proceed without intervention, so that suppliers and consumers will be able to benefit from a more competitive and vigorous audio entertainment marketplace.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael B. Targoff". The signature is fluid and cursive, with a large loop at the end.

Michael B. Targoff  
Chief Executive Officer,  
Vice Chairman of the Board of Directors



October 15, 2007

Mr. Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

Dear Assistant Attorney General Barnett:

On behalf of NASCAR Digital Entertainment, LLC ("NASCAR Digital"), I write in support of the proposed merger between XM Satellite Radio and Sirius Satellite Radio Inc. We believe that the proposed merger will result in a stronger satellite radio platform for NASCAR-related programming in the audio entertainment market and will increase consumer choices on the one platform among NASCAR fans.

NASCAR and its drivers have a number of programming partnerships with satellite radio. Today, Sirius, the Official Satellite Radio Partner of NASCAR®, broadcasts turn-by-turn coverage of every race, including the NASCAR NEXTEL Cup Series™, NASCAR Busch Series™, and NASCAR Craftsman Truck Series™ races. Sirius also offers ten channels of driver-to-crew in-car audio during races, giving race fans the inside details on their favorite drivers. Additionally, Sirius broadcasts NASCAR-related news and information, featuring programming by Tony Stewart, John Andretti, and Buddy Baker. XM features several NASCAR drivers on XM Sports Nation, Channel 144, including Dale Earnhardt, Jr., Jimmie Johnson, and Michael Waltrip. Satellite radio has proven to be a great way for NASCAR fans to get all the important news and updates on race day and beyond.

We hope that the proposed merger will lead to more flexible programming options for consumers, which will lead to an increase in the number of people that receive NASCAR-related satellite radio programming. Also, I understand that, post-merger, NASCAR fans that are satellite radio subscribers will be able to enjoy the best of both Sirius and XM without having to purchase two radios or pay for two separate subscriptions.

In conclusion, we think that the proposed merger will benefit NASCAR fans and the NASCAR industry by increasing the satellite radio-listening audience of NASCAR-related programming, and we support it.

Respectfully,

A handwritten signature in black ink that reads "Paul Brooks". The signature is stylized and cursive.

Paul Brooks  
President  
NASCAR Digital Entertainment, LLC

P.O. Box 2875 ♦ Daytona Beach, FL 32120-2875  
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California 94065

July 2, 2007

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street SW  
Washington DC 20554

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

Dear Ms. Dortch:

Oracle, the world's largest enterprise software company, is a strong proponent of the proposed merger of SIRIUS and XM. The applicants seek to combine two emerging players in the vibrantly competitive and constantly evolving market for audio entertainment services. By strengthening innovation and competition in audio entertainment, this merger will benefit existing satellite radio customers as well as millions of other consumers nationwide.

In particular, the merger of SIRIUS and XM will generate substantial efficiencies that will translate into faster development of new products and services. By joining their engineering teams, for example, the new company will achieve better results from their investments in research and development. This, in turn, will enable SIRIUS-XM to improve on a wide range of existing products. Looking forward, the combined company also will have the resources to introduce entirely new services, such as advanced data and telematics services, more rapidly and with greater capabilities than otherwise would be feasible. As a result, other competitors similarly will be incentivized to improve their own offerings.

Oracle believes that permitting this merger to proceed will be a boon for consumers and asks the FCC to process the parties' applications as expeditiously as possible.

Respectfully,





MSC-# 103  
300 RadioShack Circle  
Ft. Worth, TX 76102-1964  
817-415-3011  
Fax 817-415-3703

Julian C. Day  
Chairman and Chief Executive Officer

July 13, 2007

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington DC 20554

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

Dear Ms. Dortch:

RadioShack Corporation ("RadioShack") supports the above-referenced application concerning the proposed merger of Sirius Satellite Radio Inc. ("Sirius") and XM Radio Inc. ("XM"). RadioShack is one of the nation's most experienced and trusted consumer electronics specialty retailers. We sell Sirius satellite radios, services, and plans in our stores and dealer outlets, as well as through our web site. We believe that a merger of Sirius and XM will benefit consumers, including those that purchase satellite radio products and services from RadioShack.

Simply put, a merger of Sirius and XM will enhance the choices available to subscribers of one or the other service. Once the merger is approved, for example, consumers who have purchased Sirius service from one of our outlets will have access to a broader variety of satellite radio programming. Today, consumers with an interest in satellite radio must either: (1) choose between Sirius and XM, foregoing some of the most appealing channels available on the other service or (2) subscribe to both services, which means purchasing two satellite radios and paying for two subscriptions. Soon after the merger closes, these choices will increase. In addition to the two options noted, consumers also will be able to receive the most popular channels offered by both services over a single device and for a single monthly fee.

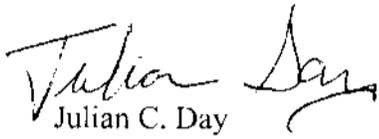
Further, the merger will help speed the development and future commercial release of interoperable satellite radios. Once this occurs, all satellite radio subscribers will have the added ability to receive the complete line-up offered by both Sirius and XM on one receiver at a monthly price that is considerably lower than that of subscribing to both services today.

Marlene H. Dortch, Secretary  
Page 2

More broadly, this merger proposes to combine two small players in the audio entertainment market. As a result, the merger will bring greater vitality and financial resources to this upstart technology. Allowing this to happen will, in turn, spark a new generation of services and products with more advanced and user-friendly features. Consumers, of course, will be better off as a result.

For these reasons, RadioShack urges the FCC to approve the Sirius-XM application.

Respectfully submitted,

  
Julian C. Day

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**FILED/ACCEPTED**

**JUL - 9 2007**

Federal Communications Commission  
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ASSOCIATES

\* ADMITTED ONLY TO A BAR OTHER THAN THAT OF THE DISTRICT OF COLUMBIA  
WORKING UNDER THE SUPERVISION OF PRINCIPALS OF THE WASHINGTON OFFICE.

Writer's Direct Dial: (202) 974-1920  
E-Mail: gcary@cgsh.com

July 9, 2007

**VIA HAND DELIVER**

Commission's Secretary  
Office of the Secretary  
Federal Communications Commission  
236 Massachusetts Avenue, NE, Suite 110  
Washington, DC 20002

Re: MB Docket No. 07-57: Toyota Comments on Satellite Radio Merger

Dear Commissioners:

We write on behalf of Toyota Motor North America, Inc. and the U.S. affiliates of Toyota Motor Corporation, including Toyota Motor Sales, U.S.A., Inc. (collectively, "Toyota"), to comment on the proposed merger of XM Satellite Radio ("XM") and Sirius Satellite Radio ("Sirius").

**Statement of Interest:**

As the manufacturer and distributor of Toyota, Lexus and Scion vehicles, Toyota has a keen interest in ensuring that the entertainment options offered to the purchasers of its vehicles remain vital and economical. Toyota currently offers both XM and Sirius as an option on its vehicles. (However, Toyota only offers XM as a factory installed option.) Toyota is particularly concerned that the expectations of customers who have already purchased a Toyota

vehicle equipped with satellite radio be satisfied going forward. Toyota prides itself on its reputation for producing quality products, and the quality of entertainment options available on its vehicles could affect that reputation.

**Content & Pricing:**

A satellite radio subscriber typically cannot access the best programming from both services. If the proposed merger makes it possible for customers to easily access programming choices from both services, the attractiveness of satellite radio will be enhanced. XM has represented to Toyota that after the merger, customers could gain access to packages offering both XM and Sirius programming for less than the current combined price. Furthermore, we are informed that as a result of the proposed merger satellite radio customers will be able to select packages of fewer channels at lower prices. If these enhanced options in fact become available, satellite radio subscribers stand to benefit as entertainment choices would increase and overall pricing would become more affordable.

**Interoperable Radios & Customer Preservation:**

Toyota customers expect that their vehicles and associated equipment, including satellite radio, continue to function as intended for the life of that vehicle. It is imperative that the satellite radio industry continues to serve these customers for the life of their vehicles. Any impact on the continued operation of existing satellite radios as a result of the merger would seriously concern Toyota and its customers.

Furthermore, historically, aftermarket audio development cycles have moved more quickly than the automotive industry to bring comparable hardware to market because, among other reasons, of the need to coordinate with new vehicle design. New hardware capable of accommodating new services offered as a result of the merger should be readily available to consumers immediately upon deployment of the new services at affordable prices. Development of an interoperable radio could require significant research and time to develop. It could be challenging for automakers to keep costs down given an accelerated timeline for such a change. Toyota would be concerned if the expense of such development were to result in an increase in the price of existing services or hardware.

**Bandwidth & Audio Quality:**

With a finite bandwidth for both XM and Sirius, it may be difficult for a combined entity to deliver more content while maintaining or even improving audio quality. It is Toyota's hope that audio quality can be improved over time while maintaining or expanding existing services.

**Business Operations:**

Toyota has invested substantially in business operations unique to selling and servicing XM satellite radio. Toyota also has made significant investments in inventories of XM satellite specific parts such as in-vehicle satellite radio ready head-units, accessory parts and antennas, and inventory control systems specific to these parts. If the merger requires changes to operations or inventories, this could increase Toyota's costs to the detriment of Toyota and its customers.

**Conclusion:**

For all these reasons, Toyota's commitment to offering the best audio entertainment and informational options to its customers may be closely aligned with the public interest. Toyota's primary concern is that the merger not threaten the continued viability of equipment already installed in vehicles, or require excessive and time consuming investments in developing and deploying new hardware. However, if compatibility with installed hardware can be maintained, customer choice enhanced, and prices lowered due to efficiencies, the merger may be in the best interest of the consumer.

Sincerely,



George S. Cary

Michael R. Lazerwitz

CLEARY GOTTlieb STEEN & HAMILTON LLP

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FILED/ACCEPTED

AUG - 3 2007

Federal Communications Commission  
Office of the Secretary

KENNETH L. BACHMAN, JR. SARA D. SCHOTLAND JOHN S. MAGNEY MARK LEDDY JOHN C. MURPHY, JR. DAVID M. BECKER GEORGE S. CARY JANET L. WELLER MITCHELL S. DUPLER LINDA J. SOLDI GIOVANNI P. PREZIOSO JOHN T. BYAM MATTHEW D. SLATER MICHAEL R. LAZERWITZ DAVID J. GELFAND MICHAEL A. MAZZUCHI ROBERT W. COOK MARK W. NELSON ROBIN M. BERGEN DEREK M. BUSH PAUL D. MARQUARDT BRIAN BYRNE RESIDENT PARTNERS J. EUGENE MARANS DANIEL B. SILVER RICHARD DEC HINDS SENIOR COUNSEL W. RICHARD BIDSTRUP SCOTT N. BENEDICT KEVIN A. GRIFFIN STEVEN J. KAISER COUNSEL	JOYCE E. MCCARTY KAREN A. KERR SCOTT R. GOODWIN SENIOR ATTORNEYS MATTHEW R. AYRES JENNIFER M. BABOUNAKIS MATTHEW I. BACHRACK STEPHEN J. BENHAM JENNIFER S. BENSON LEE F. BERGER MATTHEW J. BERMAN CHINWE BINITIE LAURA L. BLACK LEAH BRANNON JEREMY CALSYN KATHERINE M. CARROLL KERRI J. CHASE SHAWN J. CHEN SEAN D. COREY ALYSON J. DAIS LARRY C. DEMBOWSKI CARL EDMAN ALINA D. ELDRED DESMOND EPEL NICLAS S. ERICSSON CHRISTOPHER D. HALE MORGAN A. HARRIS MICHAEL R. HARTMAN ELIZABETH A. HARVEY ERIC H. HILDENBRAND MEGHAN A. IRMLER DINAH R. KNIGHT	FIANA R. KWASNIK CHRISTOPHER T. LEAHY JEFFREY LEASURE JOHN R. LOATMAN PATRICIA M. McDERMOTT JOHN P. MCGILL, JR. YASMIN MEHRAN ADAM J. MILLER JENNIFER A. MORRISSEY ANNE NEWTON DAVID NUSBAUM NICHOLAS R. OLMSTED LAUREN L. PEACOCK ANTONIO J. REYNOLDS NICOLE ROTHE PAUL R. ST. LAWRENCE III AUDRA L. SAVAGE TAMARA D. SCHMIDT OMAR SERAGELDIN GARY SILBER JOSHUA B. STERLING SARAH G. TEN SIETHOFF PETIA VRETNAROVA JOANNE C. WELLINGTON DANA D.C. WESTFALL ASSOCIATES
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\* ADMITTED ONLY TO A BAR OTHER THAN THAT OF THE DISTRICT OF COLUMBIA.  
WORKING UNDER THE SUPERVISION OF PRINCIPALS OF THE WASHINGTON OFFICE

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E-Mail: gcary@cgsh.com

August 3, 2007

Commission's Secretary  
Office of the Secretary  
Federal Communications Commission  
236 Massachusetts Avenue, NE, Suite 110  
Washington, D.C. 20002

Re: MB Docket No. 7-57; Toyota Supplemental Comments on  
Satellite Radio Merger

Dear Commissioners:

It has come to the attention of our client, Toyota Motor Sales, U.S.A., Inc. ("Toyota"), that the National Association of Broadcasters ("NAB") filed a letter with the Commission, dated July 25, 2007, that quotes from Toyota's comments filed with the Commission and dated July 9, 2007. (See footnote 2 in the NAB letter.) NAB cites Toyota's comment for the proposition that Toyota "expresses doubts whether the merger is a good idea."

Toyota wishes to clarify any confusion that may result from the NAB's mischaracterization of our comments. In its July 9, 2007 filing, Toyota stated: "with a finite bandwidth for both XM and Sirius, it may be difficult for a combined entity to deliver more content while maintaining or even improving audio quality." By this comment, Toyota intended to reiterate that satellite radio bandwidth continues to limit audio quality. This is a concern

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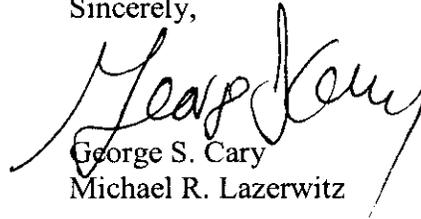
Commission's Secretary

August 3, 2007

Page 2

irrespective of the number of satellite radio providers and was not intended to suggest that the problem would be worse with a single provider should the merger be approved. Toyota's comment should not be read to suggest that this concern raises any doubts for Toyota as to whether the merger is a good idea.

Sincerely,

A handwritten signature in black ink, appearing to read "George S. Cary". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

George S. Cary

Michael R. Lazerwitz

## **Family and Religious**

- African Methodist Episcopal (AME) Church
- American Values
- Citizens for Community Values
- Edward Cardinal Egan, Archbishop of New York
- Family Research Council
- FamilyNet Radio

# Office of the Bishop

AFRICAN METHODIST EPISCOPAL CHURCH - 2ND EPISCOPAL DISTRICT

THE RT. REV. ADAM JEFFERSON RICHARDSON, JR.

Presiding Bishop

MRS. CONNIE S. RICHARDSON

Supervisor, Women's Missionary Society

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Telephone: 202.842.3788 • Fax: 202.259.1942 • [bishop@adon-20007.com](mailto:bishop@adon-20007.com)



June 11, 2007

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Room TW - B204  
Washington, DC 20554

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

Dear Ms. Dortch:

On behalf of the Second District of the African Methodist Episcopal Church, I urge you to approve the acquisition of XM Satellite Radio by Sirius. I believe the transaction will help the satellite industry continue to deliver the diversity in programming at affordable prices that will in the long run benefit consumers.

While African American music and culture have moved more into the mainstream in the last decade, our community still remains largely neglected by major media companies as a niche audience. Satellite radio has afforded our community access to a wealth of new programs, from the modern gospel station "Praise" to sports commentary with Tiki Barber and Keyshawn Johnson. Satellite radio companies like XM and Sirius have provided much needed competition for traditional radio outlets as well as HD radio and online podcasts.

It is believed that the XM-Sirius merger will multiply these benefits for consumers by lowering the overall costs of delivering programming. Lower prices and more channel capacity will enlarge the market for satellite radio, increase existing competition with mainstream radio and thereby improve programming and increase choices across the board.

Major radio stations tend to program for a narrow audience that often excludes African American voices. It is in the public interest to strengthen an already challenged satellite radio industry in order to lower prices, give consumers more choices and create more options in the radio industry. We urge you to approve the XM-Sirius merger and give consumers the benefits of more competition and additional choices.

Thank you in advance for your consideration.

Respectfully yours,

Adam J. Richardson, Jr.

Cc: Chairman Kevin J. Martin, Commissioner Michael J. Copps, Commissioner Jonathan S. Adelstein,  
Commissioner Deborah Taylor Tate, Commissioner Robert M. McDowell

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Gary L. Bauer, President

June 8, 2006

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

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

Dear Ms. Dortch:

On behalf of American Values, I am pleased to write in support of the proposed merger of Sirius Satellite Radio and XM Satellite Radio. This merger will make satellite radio a more appealing choice for many consumers. This is particularly the case for the constituency represented by American Values, which serves as a key voice for those interested in protecting the core values of life, marriage, family, faith and freedom.

We are particularly pleased that Sirius and XM have promised to offer consumers a number of impressive benefits if their merger is approved by regulators. Especially important to our membership is the commitment the parties have made to issue refunds to satellite radio subscribers who choose to block adult-themed programming. Like so many people, the majority of our members do not want their children and families exposed to programming they may find indecent or offensive. And, of course, those who do not have any interest in such programming should not be forced to pay for it or to subsidize the interests of others.

With all of the indecent and violent programming bombarding American families today, we applaud the efforts of Sirius and XM to empower consumers who want to avoid such content. This is clearly a step in the right direction.

We also have heard the arguments of some opponents who claim this merger should be blocked because it will create a "monopoly" that will have an unchecked ability to raise prices or otherwise harm consumers. Frankly, these arguments seem to be based more on competitive fears than a realistic assessment of the audio market.

2800 Shirlington Road • Suite 950 • Arlington, VA 22206  
Phone: 703-671-9700 • Fax: 703-671-1680  
[www.ouramericanvalues.org](http://www.ouramericanvalues.org)

Marlene H. Dortch, Secretary

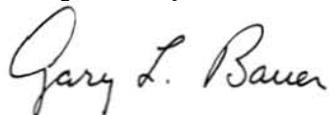
June 8, 2007

Page 2

The fact is that a Sirius-XM merger will make satellite radio a stronger player. Not surprisingly, other competitors (such as traditional AM/FM radio) are keen to stop that from happening. We believe that incumbent competitors should be forced to respond to this consumer-oriented merger by making their *own* service offerings more attractive, and should not be able to simply obstruct advances in the marketplace in order to serve their self-interests.

For all of these reasons, we urge you to seriously consider the many public interest benefits that will result from a combined satellite radio company and to give this proposed merger the benefit of the doubt. We believe that consumers will thank you if you do so.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gary L. Bauer".

Gary L. Bauer

*President, American Values*

Cc: Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell



11175 Reading Road  
Suite 103  
Cincinnati, OH 45241  
(513) 733-5775 phone  
(513) 733-5794 fax  
www.ccv.org

*Phil Burress*  
PRESIDENT

December 17, 2007

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

RE: Notice of Ex Parte Presentation; Application for Authority to  
Transfer Control of XM Radio, Inc. and Sirius Satellite Radio, Inc.,  
MB Docket No. 07-57

Dear Ms. Dortch:

Citizens for Community Values is a non-profit public policy organization in Cincinnati, Ohio that supports the proposed merger of XM Radio, Inc. and Sirius Satellite Radio, Inc. that is currently before the Federal Communications Commission.

Citizens for Community Values serves as the family policy council in Ohio for Focus on the Family. For some time, we have been concerned about the coarsening of our culture and its impact on families through the many media outlets available today. Much of our focus has been on broadcast and cable TV, broadcast radio, and most recently satellite radio.

As technology continues to expand, certainly the choices we each have for entertainment expand. We have heard from many families who want more choice in limiting those options so that they are not forced to pay for a particular service or channel that they do not want or that carries offensive programming.

We have been informed that, should they be successful with the merger, XM and Sirius will offer more choice to their subscribers, particularly related to adult-themed programs. Our constituents, along with many other Americans, do not want to be forced to subsidize such programming. The XM/Sirius offer to refund associated subscription fees is a great step forward.

Thank you in advance for giving strong consideration to the concerns I have raised today relative to the proposed merger. I believe all consumers will benefit by such.

Sincerely,  
  
Phil Burress  
President



## The Good Word - Via Satellite

By Edward Cardinal Egan

20 July 2007

New York Post

At a recent West Coast dinner held on behalf of Catholic University, a man approached me to remark on the extraordinary breadth and depth of programming he heard day after day on The Catholic Channel on Sirius Satellite Radio. He and his wife never miss my weekly program, he told me; they enjoy listening to the various hosts discuss the world around them from a Catholic point of view.

A bishop, an old friend who leads a diocese outside of New York, wrote me to say that he thinks The Catholic Channel is exactly what the church needs to communicate with people about what the church is and what it teaches. Another friend, a Jewish woman from New York, told me that she'd been listening to The Catholic Channel and was struck by how much common ground our faiths share.

The influence that the channel already has achieved was also driven home a few days ago, when a first-time visitor to the Cathedral of Saint Patrick asked an usher, "When is Monsignor Ritchie saying Mass today? I heard him on Sirius . . ."

Spreading the Good News is a primary mission of the church. As Pope Benedict XVI stated in this year's World Communications Day message, "Above all, the church desires to share a vision of human dignity that is central to all worthy human communication." This is what we're trying to achieve each day with The Catholic Channel.

The Catholic Church has always sought a variety of ways to communicate with the faithful. Conventional media have long made a place for religious viewpoints, but it is increasingly limited (and this publication is no exception). Radio has historically provided a forum for religious programming - but the more recent homogenization of content has largely left religious content at the outskirts.

This is why the Archdiocese of New York quickly and enthusiastically responded to Sirius' invitation to launch The Catholic Channel. And this brings me to a topic that's far from the usual fodder for those of us called to serve the church: the proposed merger between Sirius and XM Satellite Radio.

In Washington and elsewhere, many people much more expert than I in these matters are working diligently to examine the merger. From my perspective, however, it offers a unique opportunity to extend the reach and breadth of religious programming. It is also an unmatched opportunity to strengthen this new medium and position satellite radio to compete with the ever-growing list of audio entertainment providers.

Every day, The Catholic Channel reaches across the country and provides an opportunity for Catholics and people of faith to feel more connected to their God. Nor is it the only religious programming on satellite radio.

Both Sirius and XM offer a range of religious shows and channels - and they've promised to offer consumers more choice at lower prices after the merger. Service offerings that let subscribers pay less would permit even more Americans to experience satellite radio.

Moreover, the companies have promised that a key component of the merger will include the ability to block channels that some listeners may find offensive and the merged entity will offer a rebate for those channels as well.

As my bishop friend so accurately observed in his brief note to me, The Catholic Channel and Sirius Satellite Radio present a unique opportunity for the church to speak with people -- Catholic and non-Catholic alike. I would urge all those who are considering the Sirius-XM merger to see to it that this dialogue of faith can continue.

Edward Cardinal Egan is the archbishop of New York.

COPY



July 6, 2007

Mr. Joseph P. Clayton  
Chairman  
Sirius Satellite Radio Inc.  
1221 Avenue of the Americas  
New York, New York 10020

Mr. Gary Parsons  
Chairman  
XM Satellite Radio Inc.  
1500 Eckington Place, NE  
Washington, DC 20002-2194

Dear Mr. Clayton and Mr. Parsons:

It was a pleasure to meet both of you at the Family Research Council ("FRC") on June 5<sup>th</sup> and discuss the proposed merger of your companies. FRC recognizes that objections to the merger have been lodged by economists, competitors, and public interest groups arguing that the combination of Sirius and XM, the two satellite radio broadcasters, will reduce competition, lead to higher prices in combination with poorer service, and place current Sirius and XM customers at the mercy of the new company. FRC doubts the validity of such analyses for two reasons – one related to the current condition of the market and the other related to the merger conditions that the new Sirius/XM will have to accept.

First, since most Sirius & XM customers listen to the networks in their cars it is the automotive listener who could be most threatened by any anticompetitive power gained by the post-merger Sirius/XM. However, it seems clear that a wide array of competitive technologies exist that will lessen the market power that Sirius/XM will have over this class of consumers. The automotive listening environment now contains the ability to play traditional ground-based radio stations, play MP3 files downloaded from home computers, and listen to CDs. Furthermore, the integration of various portable electronic devices with auto entertainment is clearly on the way, and the customer will always be

FAMILY RESEARCH COUNCIL

801 G STREET NW, WASHINGTON, D.C. 20001 • 202-393-2100 • 202-393-2134 fax • (800) 225-4008 order line • www.frc.org

able to cancel Sirius/XM service. With these facts in mind, FRC doubts that the Sirius/XM auto listener will be held hostage by the post-merger company.<sup>1</sup>

Second, Sirius/XM's pledge to expeditiously provide *a la carte* program selection and pricing will allow consumers to reject over-priced channels that the combined Sirius/XM could theoretically force upon them. The *a la carte* option *also* paves the way for another level of competition never before seen in either satellite or cable: that is, competition based on the content-based preferences of listeners. With concomitant and commensurate financial benefits to the consumer, programming that offends the taste or values of listeners will simply be rejected. Consequently, the Sirius/XM merger has the potential to reshape the manner in which Americans receive entertainment programming.

My staff and I have given further thought to the topics raised during our June 5<sup>th</sup> meeting about the proposed merger of XM and Sirius. I have concluded *conditionally* that the merger will serve the public interest. That conclusion, however, will hold true only as long as solutions to the following areas of concern are included in the Federal Communications Commission ("FCC") order approving the proposed merger ("Merger Order"). Those areas of concern are as follows:

First, the expeditious movement of the new Sirius/XM to complete *a la carte* service and pricing must be specified as an irrevocable aspect of the FCC approval in the Merger Order. The Merger Order must contain clearly defined benchmarks with dates for this transition accompanied with reasonable fines and penalties if the benchmarks are not met in a timely manner. The new Sirius/XM cannot be allowed to slow-walk or back out of its *a la carte* commitment.

Second, the Merger Order must contain an interim plan so that Sirius/XM customers can block vulgar or indecent channels until the full *a la carte* system becomes operational. The cost of each tier should be reduced by the portion of the acquisition cost attributable to the programs excluded from the tier. Sirius/XM has assured FRC that this is possible. Additionally, the excludable channels must include channels like Sirius's Channel 109 ("Out Q") – not just channels characterized by obscene or indecent language.

Third, the Merger Order's implementation of the new Sirius/XM *a la carte* system must specify an accurate cost accounting methodology. Such an accounting standard must ensure Sirius/XM consumers that they will receive full-value discounts for the channels they choose to block. Variable costs, like those associated with programming, must not be undervalued. Furthermore, we are concerned that exorbitant stock option deals, like the one given to Howard Stern, be properly expensed in this *a la carte* system.<sup>2</sup> Any accounting for such options that attempted to spread such option expenses for Stern over

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<sup>1</sup> Regarding non-automotive Sirius/XM listeners, computer-based internet audio and talk show competition is widespread and inexpensive.

<sup>2</sup> For example, Reuters reported in January that Stern had recently earned an \$83 million bonus as part of a \$500 million package. See Michele Gershberg (Reuters), "Sirius Gives Howard Stern \$83 Million Stock Bonus," *USA Today* (Jan. 12, 2007): < [http://www.usatoday.com/money/media/2007-01-09-stern-bonus\\_x.htm](http://www.usatoday.com/money/media/2007-01-09-stern-bonus_x.htm) >.

the Sirius or XM network rather than Stern's channel(s) would not be acceptable from our perspective.

Fourth, the Merger Order must contain requirements that each Sirius/XM customer's bill and all Sirius/XM general advertising and promotional materials, including marketing information supplied by the automotive industry to potential purchasers of satellite radio, contain a legible, separate notice written in plain English presenting the *a la carte* option and explaining its details.

In conclusion, FRC will support the Sirius/XM merger as being in the public interest if the FCC Merger Order contains provisions addressing the policy issues raised above.

Sincerely,

A handwritten signature in black ink that reads "T. PERKINS". The signature is stylized with a large, sweeping initial "T" and "P".

Tony Perkins  
President



FamilyNet

June 15, 2007

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington DC 20554

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

Dear Ms. Dortch:

FamilyNet Radio, the voice of Christian Talk on SIRIUS Satellite Radio Channel 161, is a strong supporter of the pending merger of SIRIUS and XM Satellite Radio. This merger will expand the reach of FamilyNet by millions of listeners and, therefore, significantly enhance our ability to bring Christian Talk to interested consumers. We believe that increasing the range of FamilyNet and other specialized programming networks via satellite radio greatly will serve the public interest.

Every day, FamilyNet brings its listeners a rich blend of family-friendly and faith-based news and entertainment. Some of our most popular offerings include:

- *Mornings with Lorri & Friends*, a one-hour daily program featuring interviews with political, cultural, and religious leaders. Listeners also are provided with in-depth analysis of issues that are important to families, believers, and seekers;
- *Turning Point with David Jeremiah*, hosted by the founder of *Turning Point Radio and Television Ministries*, which aims to communicate God's Word with integrity and to promote ministry in the lives of listeners; and
- *Hope in the Night*, a two-hour nightly call-in counseling program that helps people to resolve their personal problems with biblical hope and practical help.

There is a powerful demand for this type of programming among Christian audiences and for innovative and user-friendly ways to deliver it to listeners.

Marlene H. Dortch, Secretary  
June 15, 2007  
Page 2

FamilyNet has found satellite radio to be an ideal medium for bringing our message to consumers, particularly those that live in remote areas and may not be able to access such programming through traditional radio or other means. We support any efforts, including the proposed Sirius-XM merger, that will help satellite radio survive and continue to benefit the public for many years to come.

Finally, we are aware of arguments that have been made by some opponents to this merger that it will be harmful to programmers, such as FamilyNet. These parties contend that this merger will have a negative impact on programmers because it will give them one fewer option when seeking distribution for their networks. FamilyNet believes these arguments hold little credibility. Audio programmers will continue to have many distribution avenues available to them after this merger. In fact, it our understanding that the merger will create *more* programming opportunities on satellite radio, by enabling Sirius and XM to remove duplicative channels and thereby increase channel capacity.

For all of the reasons provided herein, FamilyNet urges the FCC to approve the Sirius-XM applications as quickly as possible.

Respectfully submitted,



R. Martin Coleman  
*Chief Operating Officer, FamilyNet Radio*

cc: Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell

# Talent

- Andres Cantor
- Bill Press
- Deepak Chopra
- Charlie Daniels
- Elvis Radio
- Frank Sinatra Enterprises
- Peter Gelb, Metropolitan Opera
- Harpo Productions
- Tony Hawk
- Bill Mack
- Wynton Marsalis
- Bruce Morrow (a.k.a Cousin Brucie)
- Cal Ripken, Jr.
- Barry Switzer
- Steven Van Zandt



XM Deportivo  
Andrés Cantor  
October 23, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney general Barnett and Chairman Martin:

On behalf of myself and the staff of XM Deportivo, I write to express my strong support for the merger of SIRIUS and XM Satellite Radio.

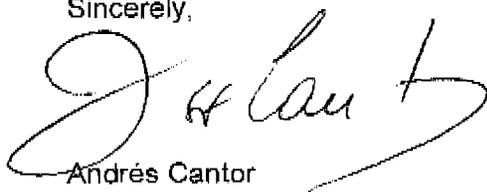
I am very excited about the XM and SIRIUS merger and the prospect of increased listenership for niche programming such as mine. The merging will decrease duplicate programming and result in expanded variety and more unique content unavailable anywhere else. Also, it will allow the customers to select packages that include content from both XM and SIRIUS. Consumers will have the option of a la carte programming, where they can truly tailor their radio to fit their listening tastes.

I was pleased to learn that through the new available packages, listeners will have the option of the Sports and News package. Likewise, consumers who are more interested in music can select the Mostly Music package. Each of these packages will be available for less than subscribers currently pay.

Furthermore, listeners in rural areas who have access to only a limited selection of terrestrial radio stations will have access to the wide range of programming choices that SIRIUS and XM offer without having to buy a new radio.

In order to ensure that listeners continue to have access to more programming choices at lower prices, I hope you will approve this merger.

Sincerely,



Andrés Cantor

.....

217 – 8<sup>th</sup>. St., S.E.  
Washington, D.C. 20003

# The Bill Press Show

November 7, 2007

**Honorable Kevin J. Martin**  
Chairman, FCC  
455 – 12<sup>th</sup>. St., SW  
Washington, D.C. 20554

Dear Chairman Martin:

As host of “The Bill Press Show,” heard daily, 6-9 a.m., on Sirius Left, Channel 146, I am writing to strongly endorse the proposed merger of Sirius and XM Satellite Radio.

I support the merger because it will best serve the listening public by providing a strong, national platform for the great diversity of voices and opinions that are the fabric of America – especially progressive voices, which are seldom heard on terrestrial radio.

Satellite radio is everywhere. It offers a wide menu of listening options, from news to music to talk. And, as I can tell from calls to my own show, it is attracting a growing number of listeners from across the political spectrum. Combining the forces of Sirius and XM, I believe, will only make for better programming, expanded reach, lower prices, and ever more listeners.

I respectfully urge your timely approval of the Sirius and XM merger as in the best interest of radio listeners everywhere.

Sincere regards,

**Bill Press**

*“The radio revolution has begun.”*

.....



the path to wellness begins here™

October 8, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

On behalf of myself and the staff of Deepak Chopra's Wellness Radio, I am writing to express my support for the merger of SIRIUS Satellite Radio and XM Satellite Radio. My show on SIRIUS allows me to reach a critical mass of people with a message of self development and personal and social transformation. At Deepak Chopra's Wellness Radio, we endeavor to put today's news in the context of mind and body wellness.

Too often, traditional AM/FM radio lacks the kind of programming that speaks to a diverse point of view, such as mine. Satellite radio provides me a unique forum for content aimed at empowering listeners to improve their own lives and the lives of those around them. I am very excited at the prospect of the SIRIUS-XM merger, as it will enable an even greater number of Americans to have access to this kind of content.

A perfect example of this is the "Family Friendly" tier of programming that will be available following the merger. Listeners who chose this option will have access to uplifting content from SIRIUS and XM, as well as the best music, sports and news, without paying for material they find inappropriate. Further, listeners in rural areas who have access to only a limited selection of terrestrial radio stations will have access to the wide range of programming choices that SIRIUS and XM offer without having to buy a new radio. There truly is something for everyone.

Satellite radio has given me an opportunity to have a more personal relationship with listeners from all over the country, who can call in for one-on-one conversations about health, spirituality, relationships and success. The merger between SIRIUS and XM will help to ensure that positive programming like mine is available to a greater number of listeners at lower prices than ever before.

In order to ensure that listeners continue to have access to more programming choices at lower prices, I urge you to approve the proposed merger of SIRIUS and XM.

Sincerely,

A handwritten signature in black ink that reads "Deepak Chopra".

Deepak Chopra

CHOPRA.COM

2013 COSTA DEL MAR | CARLSBAD, CA 92009 | 888.424.6772 | Fax 760.494.1608

Via next day UPS

October 2, 2007

THE CHARLIE DANIELS BAND

Charlie Daniels

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

As the official voice of "*Road Dog Trucking*," which airs on SIRIUS Channel 147, I am writing in support of the proposed merger of SIRIUS and XM. I believe that this merger will benefit satellite radio listeners nationwide. This is especially true for those listeners who spend a lot of time on the road and are among the most avid fans of satellite radio.

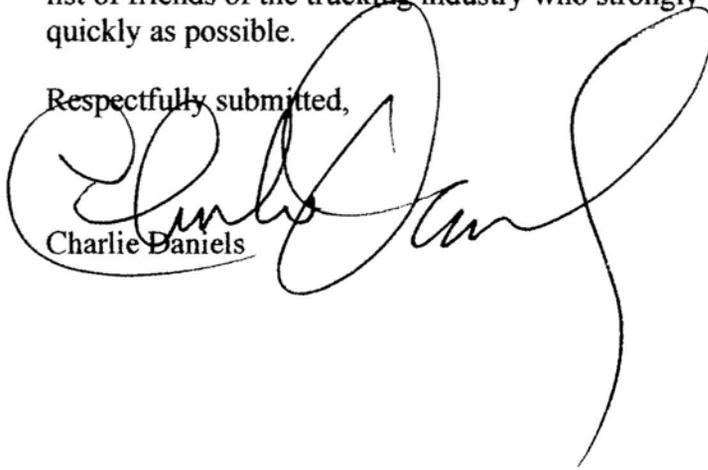
"*Road Dog Trucking*" is a 24-hour channel geared toward professional drivers and is devoted entirely to trucking culture. It features news, information, entertainment, music, original talk shows, comedy, and live call-ins from drivers nationwide, but as I'm sure you know, it is only the tip of the iceberg of entertainment and information channels offered by satellite. It can truly be said there is something for everybody.

Truckers were among the first satellite radio customers and many continue to be very loyal listeners. They also will have a lot to gain from this proposed merger. Once this deal is approved, truckers and others who spend many hours on the road will have a greater range of programming choices and packages available to them. Some packages, including certain a la carte options, will be offered at lower prices. And with the addition of "Best of Both" packages, my fellow road dogs will now be able to enjoy the top programming from both SIRIUS and XM services without buying a new radio.

In addition, the merger will give the new company more resources to devote to services that are critical to truckers, such as weather and traffic. For these reasons, other important representatives of the trucking industry, such as the American Trucking Association, also have shown their support for this merger.

As one who travels the length and breadth of this nation every year and someone who is very aware of the convenience and variety of satellite radio, I would like to add my name to the long list of friends of the trucking industry who strongly believe this merger should be approved as quickly as possible.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'Charlie Daniels'. The signature is written over the typed name 'Charlie Daniels'.

Charlie Daniels



ELVIS PRESLEY  
ENTERPRISES, INC.

**Jack Soden**  
Chief Executive Officer

October 5, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin, Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

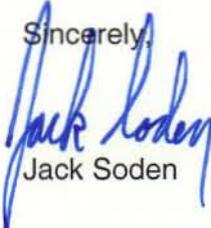
On behalf of Elvis Radio, I am writing this letter to encourage you to approve the proposed merger of SIRIUS Satellite Radio Inc. and XM Radio Inc. Elvis Radio is an all Elvis, all the time radio station that broadcasts live from Graceland and features just about everything that Elvis ever recorded, including music from the early years, his classics, his comebacks, the rarities, and live tracks, as well as various talk shows about Elvis.

Like Elvis fans, satellite radio listeners are diverse. This merger not only promises to provide more options and a wider array of content for varied interests, but through the recently announced a la carte packages, it will also allow listeners to make more individualized choices regarding the programming they wish to receive. A range of programming options will be available at varied price points, promoting greater satellite radio accessibility and consequently expanding the universe of potential listeners.

In a recent, national survey of voters, an overwhelming 70 percent of respondents said that new a la carte packages to be offered following the merger would benefit consumers. Further, respondents in the same survey agreed by a more than 2-1 margin that the merger itself was in the public interest and should be approved. Support for the merger has been echoed by some of the nation's foremost print publications, including *USA Today*, *The Wall Street Journal*, *The Los Angeles Times* and *The Chicago Tribune*.

By giving consumers lower priced programming options and increased variety of content, this combination proves to be in the public interest. So in the spirit of consumer benefit for Elvis fans and radio listeners nationwide, I strongly encourage you to expeditiously authorize the proposed merger of SIRIUS and XM.

Sincerely,



Jack Soden

3734 Elvis Presley Blvd.  
Memphis, TN 38116  
tel: 901-332-3322  
tel: 800-238-2010

Elvis.com



July 5, 2007

ELECTRONIC FILING

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington DC 20554

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

Dear Ms. Dortch:

Frank Sinatra Enterprises respectfully submits this letter in support of the proposed merger of Sirius Satellite Radio Inc. (Sirius) and XM Radio Inc. (XM). In April, 2006, Frank Sinatra Enterprises launched a channel on Sirius, entitled "Siriusly Sinatra," which is dedicated to the music, time and spirit of Frank Sinatra. Frank Sinatra Enterprises believes the proposed merger will greatly benefit consumers by making this exclusive programming available to more listeners.

"Siriusly Sinatra" is a 24-hour, seven-day-a-week, commercial-free channel that airs recordings covering Sinatra's entire career, as well as other artists from the big band, swing and traditional pop genres. The channel also provides exclusive programs, including "The Chairman's Hour," a program that is "hosted" by Frank Sinatra himself using archival material, and "The Nancy Sinatra Show," a weekly show hosted by Nancy Sinatra.

Frank Sinatra Enterprises understands that opponents of this merger claim that the merger of Sirius and XM will result in a monopoly that will harm consumers. Given the broad selection of products and services used by consumers to listen to Frank Sinatra's works, we have a hard time understanding this argument. The music of Frank Sinatra and other big band, swing, and traditional pop music is available on terrestrial radio, internet radio, and available for download to MP3 players.

We believe that the merger of Sirius and XM will greatly benefit consumers.

Marlene H. Dortch, Secretary  
July 5, 2007  
Page 2

Satellite radio has permitted Frank Sinatra Enterprises to create a unique format that provides consumers with commercial-free access to this classic genre of music and entertainment 24 hours a day not reliant on simply appealing to the lowest common denominator of a broadcast demographic. The merger of Sirius and XM will make this extraordinary programming available to many more listeners, including those who currently subscribe to XM. Understand that the merger also will make programming choices available to listeners on a more a la carte basis at lower prices. In our view, this will encourage more listeners to subscribe to satellite radio.

For these reasons, Frank Sinatra Enterprises strongly urges the FCC to approve the merger of Sirius and XM.

Respectfully submitted,



Robert A. Finkelstein

RAF/dm

# The Metropolitan Opera

*Peter Gelb*  
General Manager

Lincoln Center  
New York NY 10023  
Tel 212.870.7647  
Fax 212.870.4197  
www.metopera.org

December 24, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

On behalf of Metropolitan Opera Radio, I am writing to express my support for the proposed merger of SIRIUS Satellite Radio and XM Satellite Radio. Metropolitan Opera Radio is an extraordinary 24-hour channel that presents listeners nationwide with four thrilling live performances a week from the Met stage, as well as classic recordings from the company's vast broadcast archives. Without this programming on SIRIUS Channel 85, many listeners would never be able to experience the beauty and excitement of the Metropolitan Opera.

One of the qualities I admire most about satellite radio is its broad spectrum of music programming. Whether you're an opera lover like me, or you prefer jazz, hip-hop, bluegrass, or folk music, you can find a station you'll love on satellite radio. With the merger of SIRIUS and XM, consumers will be able

to tailor their service to their own individual preferences with new à la carte packages that won't require them to pay for stations they don't want.

For people with more eclectic tastes, the merger will offer even greater choice than is currently available, as subscribers from each service will have access to both services' diverse programming. Through the "Best of Both" programming option, channels like Metropolitan Opera Radio will be available to a whole new audience who would otherwise have had to pay for two separate radios and two subscriptions to hear it.

This opportunity is especially important for listeners living in rural areas, who are often limited in the content available to them on traditional radio. Satellite radio offers this audience a robust alternative to their AM/FM dial, with hundreds of specialized channels that provide them with content normally reserved for those who live in major urban centers. A successful merger of XM and SIRIUS would make available even more programming options to the many listeners living in rural America.

I strongly encourage the Department of Justice and the Federal Communications Commission to approve without delay the pending merger of SIRIUS and XM.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Gelb". The signature is fluid and cursive, with the first name "Peter" being more prominent than the last name "Gelb".

**Peter Gelb**  
General Manager  
Metropolitan Opera



**Tim Bennett**  
President

November 12, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

Dear Assistant Attorney General Barnett:

On behalf of Oprah & Friends, our channel on XM Radio, I write to express our support for the merger of XM and Sirius Satellite Radio.

We are excited about the merger because it will increase the opportunity for our channel to reach more listeners across America. We have a unique channel whose goal is to help our listeners live their best lives. Our hosts – Oprah Winfrey, Dr. Mehmet Oz, Jean Chatzky, Gayle King, Robin Smith, Dr. Maya Angelou, Bob Greene, Marianne Williamson, Nate Berkus and Peter Walsh – offer solid advice to listeners. Without the support of XM, this unique programming would not have been available. Also, a la carte programming will make it more affordable to both XM and Sirius subscribers who would like to hear our message without having to subscribe to one large package.

Satellite Radio offers tremendous diversity in programming that will grow with this merger.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Bennett', is written over a horizontal line. The signature is fluid and cursive.

**Tim Bennett**  
President, Harpo



October 30, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

As the host of "*Demolition Radio*," I support the pending merger of SIRIUS and XM. My weekly program airs on "Faction," Channel 28, which was created by SIRIUS for action sports fans. "*Demolition Radio*" provides a forum to discuss skating and the action sports lifestyle, to play music that caters to enthusiasts of this lifestyle, and to have conversations with special guests and listeners.

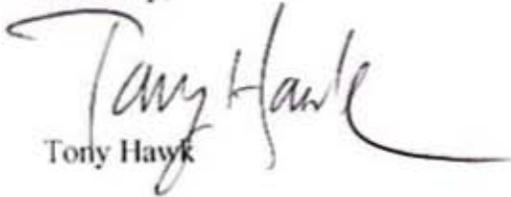
Many of satellite radio's biggest fans are young consumers who are drawn to the cutting edge music and other progressive content offered on SIRIUS and XM. I understand that the merger will allow the new company to offer a variety of exciting new programming packages, some of which will enable subscribers to choose specific channels at lower monthly prices than are available today.

While these new choices will benefit all subscribers, they may be especially important to young listeners who are looking for innovative music and talk programming geared toward their interests, but who also are on limited budgets. With some packages available for as little as \$6.99 a month after the merger, some young consumers may be able to afford satellite radio for the first time once this deal is finalized.

Those same inexpensive programming packages will also allow young listeners to select the specific channels they want. With the a la carte "Pick 50" option, listeners can choose 50 channels to receive on their radios, without having to shuffle through –or pay for – the stations they don't like.

For these reasons I believe that this merger is in the public interest and I look forward to the merger of SIRIUS and XM being approved as soon as possible.

Sincerely,

  
Tony Hawk



P.O. BOX 8777 • FORT WORTH, TEXAS 76124 • PHONE 817/457-0011  
FAX 817/429-9994 • E-MAIL: billmack@billmackcountry.com

October 26, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

As a host on *XM Satellite Radio* for over six years, I am writing in support of the proposed merger of *XM* and *Sirius*.

After spending over fifty years in broadcasting via terrestrial radio, AM and FM, I decided I wanted to be a part of the future with satellite radio. Since becoming the *XM Satellite Cowboy* on Channel 171, *Open-Road*, I have had the opportunity to witness the importance of radio as never before.

Most of my listeners are found "behind-the-wheel", delivering the nation's goods: truckers. As never before, I realize these ladies and gentlemen utilize their satellite radios as utensils, rather than simple gadgets. Since my daily programs consist of news, weather, road information (closings, detours, accident locations, etc.) and entertainment, it is obvious that satellite radio is a much-needed service, allowing the listener to receive important data without static and fade-out restrictions.

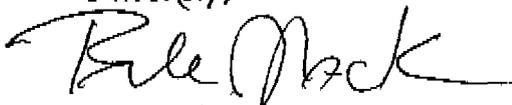


My program is also utilized to track missing individuals, and has been successful in finding many who have been categorized as such, thanks to a concerned, dedicated listening audience.

Because satellite radio presents such a strong menu of diversified programming, I sincerely believe the merger of *XM Satellite Radio* with *Sirius* would fulfill a consistently reliable and needed service throughout our entire nation.

Your consideration toward this merger will be most appreciated.

Sincerely,

A handwritten signature in black ink that reads "Bill Mack". The signature is written in a cursive style with a large, sweeping "B" and "M".

Bill Mack

Dear Chairman Martin:

I'm a recording artist who is a big league fan of satellite radio. This medium has been a boon to artists and listeners, and should be strengthened as a competitor in the music space. As a result, I think it is critical to support the merger of XM and SIRIUS -- and hope you will, too.

My business, the music business, has faced some serious challenges in the past few years. Over a very short period of time, satellite radio has created significant and tangible benefits for artist and songwriters. Satellite radio helps build, sustain and revive artists' careers. Whether you're talking about new artists, eclectic artists, popular artists with extensive back catalogs, or older artists who have been ignored or forgotten, we are all benefiting from satellite radio.

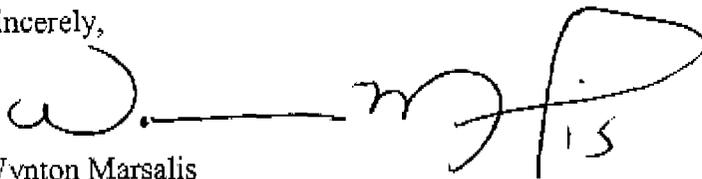
Radio is a vehicle for discovery and promotion. Somewhere along the way, FM radio dropped the discovery part. The number of artists they promote is miniscule and continues to contract every day -- a shadow compared to satellite radio. Satellite radio assumed the role FM used to play, ensuring that artists of every genre get the exposure and interest they want and deserve.

And of course, FM radio and HD radio don't pay performance royalties. The tens of millions in royalties satellite radio pays to artists is critically important, especially for older artists who have seen their income from record sales and touring wane.

The proposed merger will help satellite radio grow, and that's a good thing. Combining the two companies would allow them to offer more programming choices to subscribers at lower prices. More choices and lower prices mean more satellite radio listeners and that benefits artists in many ways. In a market that's crowded with everything from FM radio to iPods and downloaded music to internet radio to music on cell phones, the merger will help satellite radio an enduring platform that will continue to benefit artists long into the future.

Thank you for your consideration,

Sincerely,



Wynton Marsalis  
Artistic Director  
Jazz at Lincoln Center

September 26, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

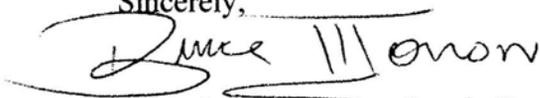
I have been in radio broadcasting for nearly fifty years, the last two with SIRIUS Satellite Radio. As terrestrial radio pulls the plug on oldies hits, SIRIUS gives me the opportunity to play classic favorites that have been all but forgotten by other stations. 60's Vibration on SIRIUS channel 6 plays all the hits from "the decade of change and growth."

I am proud to have been a part of the evolution of the audio entertainment market it has developed from AM to FM to satellite and all the other options available to today's listeners. The merger of SIRIUS and XM will ensure that satellite radio remains a strong alternative to ubiquitous Top 40 stations that often neglect other kinds of programming.

Of course, for those whose radio interests lie outside the rock 'n' roll era I grew up in, whether they're into talk radio or just another musical genre, a merged SIRIUS-XM will allow listeners to pick and choose the stations they want through a host of different programming options, including a la carte packages. In total, there will be eight different packages, including the "Best of Both" option with great content from both services for considerably less than it would cost today.

My contemporaries and I appreciate that the music that influenced our generation is able to live on with satellite radio, and we are truly excited that this merger will allow even more Americans to rediscover music that paved the way for today's hits. I encourage the Department of Justice and the Federal Communications Commission to continue to allow listeners to hear the unique programming satellite radio offers by approving this merger as quickly as possible.

Sincerely,

A handwritten signature in black ink that reads "Bruce Morrow". The signature is written in a cursive, slightly slanted style. The first name "Bruce" is written in a larger, more prominent script, and "Morrow" follows in a similar but slightly smaller script. There are some loops and flourishes in the signature.

Bruce Morrow (a.k.a. Cousin Brucie)



November 29, 2007

The Honorable Thomas O. Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, N.W.  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

On behalf of the staff and on-air hosts of Ripken Baseball, XM MLB Home Plate Channel 175, I am writing to express my strong support for the merger of SIRIUS and XM Satellite Radio.

As a former MLB player, I always enjoyed the opportunity to interact with fans across the nation as well as share my knowledge of baseball with fans and players of all ages. Now that I have retired from professional baseball, my show on XM MLB Home Plate, Ripken Baseball, allows me to stay part of the game.

Ripken Baseball has allowed me and my brother, Bill Ripken, to continue to enjoy discussing technique, offering advice to parents and coaches involved in youth baseball, and teaching baseball strategy to our listeners. Ripken Baseball has also allowed XM Satellite Radio to interview some of the biggest names in the game (e.g. Alex Rodriguez, John Smoltz, Commissioner Bud Selig, Ryan Howard, Travis Hafner, Don Mattingly, Justin Verlander, David Wright and Ryan Zimmerman). In fact, Bill and I agree that the live, interactive element of our call-in program on XM offers our audience a unique opportunity to discuss baseball with those high-profile people.

I am excited about the SIRIUS and XM merger and the prospect of increased listenership for sports programming such as ours. Merger synergies will expand variety and more unique content currently unavailable anywhere else. Additionally, these synergies will allow the companies to offer new programming options that will allow customers to select packages that include content from both XM and SIRIUS. The merger will also offer the consumer the option of a la carte programming, which will let them truly tailor the programming on their satellite radio.

As an avid follower of sports programming, I was pleased to learn that through the new available packages, people like me as well as my listeners will have numerous options under the Talk Programming umbrella of programming which will cater to our particular interests.

I am pleased to see SIRIUS and XM acknowledging and embracing the broad spectrum of interests and opinions that have become available to the consumer. Satellite Radio offers the unique ability to share the voices of sports players and legends with each listener. In order to ensure that listeners may continue to enjoy this programming, I hope you will approve this merger.

Sincerely,

A handwritten signature in black ink, appearing to read "Cal Ripken, Jr." with a stylized flourish at the end.

Cal Ripken, Jr.



The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

On behalf of the staff and on air hosts of XMSN This Morning, XM Sports Nation XM 144, I am writing to express my strong support for the merger of SIRUIS and XM Satellite Radio.

As a former College Football and NFL head coach, I always enjoyed the opportunity to interact with fans across the nation as well as share my experiences and knowledge to fans and players of all ages. Now that I have retired from professional football coaching, my co-host position on XM Sports Nation allows me to stay part of the sports community.

Co-hosting XMSN This Morning has allowed me to interact with fans with live call-ins, provide insight to the sports listener, and interact with respected colleagues in the sports community. XM Satellite Radio has provided a contemporary platform for me to interview some of the biggest names in the game (e.g. J.C. Watts, Archie Griffin, and Texas Tech head coach Mike Leach). In fact, I believe the interactive element of XMSN This Morning call-in program, offers our audience a unique opportunity to interact with those high-profile people.

I was pleased to learn about the SIRUIS and XM merger since listeners will have the most to gain from this proposed merger. With the merger approval, sports listeners will be able to access much more unique content that is currently unavailable on other mediums. Additionally, these synergies will also allow the companies to offer new programming options that will allow the customers to select packages that include content from both XM and Sirius. The merger will allow the consumer to truly enjoy the top sports programming that both XM and Sirius currently offer on one receiver.

As my past experiences have educated me, I am pleased to see SIRIUS and XM acknowledging and embracing the broad spectrum of interests and opinions that have become available to the consumer. Satellite Radio gives the unique ability to share the voices of sports players and legends with each listener. In order to ensure that listeners can continue to enjoy this programming, I hope you will approve this merger.

Sincerely,

Dear Ms. Dortch:

On behalf of the staff and entertainers of the Underground Garage Channel (an original Rock & Roll format), the Outlaw Country Channel (an original alternative Country format), and "It's The Wiseguy Show!" (an original talk show broadcast on the Uncensored Comedy Channel: Raw Dog), all of which I created and currently broadcast on Sirius Satellite Radio, I wish to express my strong support for the merger of Sirius and XM Satellite Radio (XM).

Since I create and currently broadcast successful programming in both Satellite and Traditional Broadcast Radio, I feel I am uniquely qualified to be objective about what I see clearly as a complementary relationship between the two media.

Traditional Radio will continue to serve the masses and their vast commercial needs, while Satellite will fulfill the ever-growing number of profoundly important niches, which include nothing less than the entire musical history of American culture. These niches, when separated into genres—the history of Rock & Roll, the history of Blues, the history of Jazz, the history of Gospel, etc.—are no longer commercially viable individually, but when offered in combination, are.

The merger will allow the subscription price of Satellite Radio, already quite reasonable in my opinion considering the vast amount of content delivered, to increase at a slower rate, if at all.

It will also allow for the elimination of duplicative programming, making more room for original content.

And finally, the merger will combine and focus the marketing budgets of the two companies which, at present, under-serve the new original content which requires more attention, more detailed explanation, and more publicity than the traditional musical genres the listening audience is used to.

In short, the merger will ensure that both companies, Sirius and XM, will be able to rise above mere survival and allow the new, combined company to have the security and strength to flourish and become a national institution and asset.

Nothing less than the preservation of American musical culture is at stake.

Respectfully submitted,

Steven Van Zandt

## Current and Former Elected Officials

- Former Sen. Bill Bradley (D-NJ)
- Sen. Jim DeMint (R-SC)
- Sen. John Ensign (R-NV)
- Rep. Joe Baca (D-CA)
- Rep. Sanford Bishop (D-GA)
- Rep. Rick Boucher (D-VA)
- Rep. Corrine Brown (D-FL)
- Rep. Yvette Clarke (D-NY)
- Rep. Danny Davis (D-IL)
- Rep. John Duncan (R-TN)
- Rep. Elliot Engel (D-NY)
- Rep. Bob Filner (D-CA)
- Rep. Virginia Foxx (R-NC)
- Rep. Ralph Hall (R-TX)
- Rep. Alcee Hastings (D-FL)
- Rep. Connie Mack (R-FL)
- Rep. Carolyn Maloney (D-NY)
- Rep. Greg Meeks (D-NY)
- Rep. Ted Poe (R-TX)
- Rep. Bobby Rush (D-IL)
- Rep. Pete Sessions (R-TX)
- Rep. Edolphus Towns (D-NY)
- Rep. Anthony Weiner (D-NY)
- Mayor Karl F. Dean (Nashville, TN)



BILL BRADLEY  
UNITED STATES SENATOR, RET.

October 10, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

On behalf of the staff and entertainers on American Voices, SIRIUS Satellite Radio Channel 102, I write to express my strong support for the merger of SIRIUS and XM Satellite Radio.

As a United States Senator, I always enjoyed the opportunity to travel the country and meet people across the nation. Now that my days in public office are over, my show on SIRIUS, American Voices, gives me another opportunity to hear and share the extraordinary stories of ordinary Americans throughout our country.

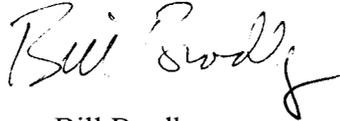
I am excited about the SIRIUS and XM merger and the prospect of increased listenership for niche programming such as mine. Merger synergies will decrease duplicative programming and result in expanded variety and more unique content unavailable anywhere else. Additionally, these synergies will also allow the companies to offer new programming options -- customers will be able to select packages that include content from both XM and SIRIUS. For the first-time ever in subscription media, consumers will also have the option of a la carte programming, where they can truly tailor their radio to fit their listening tastes.

As an avid follower of news and politics, I was pleased to learn that through the new available packages, people like me and my listeners will have the option of the News and Sports package. Likewise, those consumers who are more interested in music can select the Mostly Music package. And each of these packages will be available for less than subscribers currently pay.

One thing I've learned from my time serving in the Senate and my experiences hosting American Voices is that this is a diverse nation whose citizens have a broad spectrum of interests and opinions about the world. I am very glad to see SIRIUS and XM acknowledging and embracing that diversity through these new packages.

Satellite radio gives me the unique ability to share the voices of America with the listeners of America. In order to ensure that listeners can continue to enjoy this programming I hope you will approve this merger.

Sincerely,

A handwritten signature in black ink that reads "Bill Bradley". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Bill Bradley



**John Ensign** Nevada

Contact: Tory Mazzola (202) 224-6244  
Cell: (202) 557-5735  
Tory\_Mazzola@ensign.senate.gov  
<http://www.ensign.senate.gov>



## **Ensign, DeMint Praise XM, Sirius for Efforts to Offer Customers Choices**

Washington, D.C. – Senators John Ensign (R-NV) and Jim DeMint (R-SC) today praised XM and Sirius Satellite Radio for promising to offer their customers increased control over which radio channels they receive, should their proposed merger be approved and completed.

“These options will give American consumers more control over the programming they pay for,” said DeMint. “Sirius and XM have responded to the market’s desire for more choice, and we applaud them for voluntarily offering subscribers new and innovative listening options. We are particularly pleased that they will offer family-friendly options that allow subscribers to block adult programming.”

“The entertainment marketplace is very dynamic and competitive,” said Ensign. “This is a great example of how private industry can and will respond to the demands of consumers without the need for government intervention. We hope that other entertainment providers will follow XM-Sirius’ lead and offer Americans increased choices and customization.”

The Senators also pointed out that many of the promised options would actually cost subscribers less than the current packages offered by Sirius and XM.

###

# Congress of the United States

Washington, DC 20515

ORIGINAL

October 25, 2007

FILED/ACCEPTED

NOV - 1 2007

07-57

Federal Communications Commission  
Office of the Secretary

The Hon. Kevin Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Martin:

We are writing to express our ardent support for the consolidated transfer applications of XM Satellite Radio Holdings Inc. ("XM") and Sirius Satellite Radio Inc. ("Sirius").

As you know, consumers have a plethora of choices for their music and audio entertainment needs – the Apple I-Pod, their personal music collections, HD Radio, internet music services like Rhapsody and Yahoo music, music and audio content through their cable or satellite TV subscriptions, content streaming through cellular phone technology, and terrestrial and satellite radio.

Over the last ten years, we have witnessed an overwhelming consolidation of the radio industry, which, we believe, has led to decreased diversity in programming. Satellite radio has already created the model for incorporating new artists, old favorites, and the current top forty in the same play list. Synergies created by the merger of Sirius and XM will create new opportunities for this type of diverse programming that has been overlooked by terrestrial-radio broadcasters. This merger will allow the companies to offer more diverse content by consolidating programming and better utilizing capacity to offer even more unique and diverse programming to currently underserved populations.

We firmly believe that allowing these satellite-radio companies to merge in order to be able to better meet the content needs of this market on a national basis, with exceptional digital sound quality and no commercials, at relatively low costs to the consumer, is in the public interest.

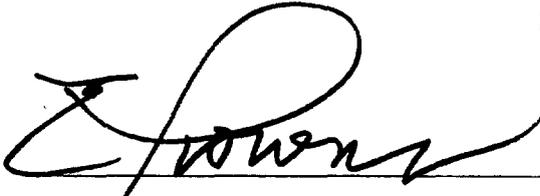
Satellite radio is a relatively new service, the cost of which to provide the service is expensive, due to satellite launches, maintenance and service. Currently, the satellite-radio service is only 4% of the radio market, with 96% of the market being commanded by terrestrial-radio broadcasters. If these satellite-radio companies are allowed to merge, it will allow the companies to achieve better economies of scale and scope, while enabling this new industry alternative to terrestrial-radio broadcasting, to provide innovative and diverse content, jobs and business partnering opportunities.

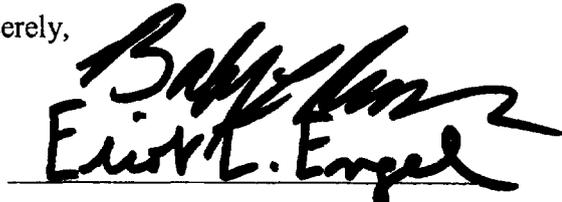
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The Honorable Kevin Martin  
October 25, 2007  
Page 2

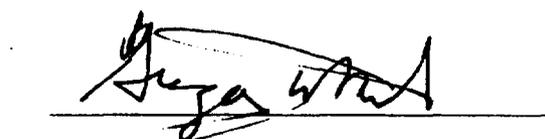
For these reasons, we urge you to support the merger.

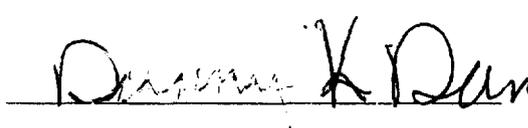
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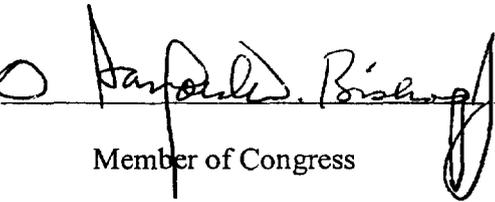
  
Member of Congress

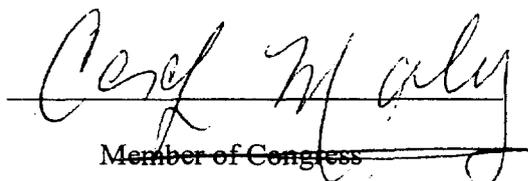
  
Member of Congress

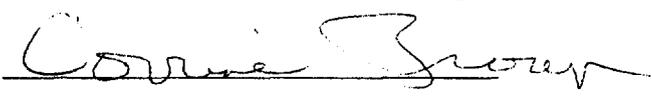
  
Member of Congress

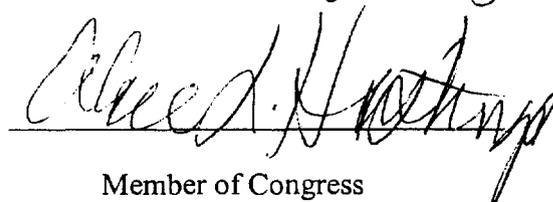
  
Member of Congress

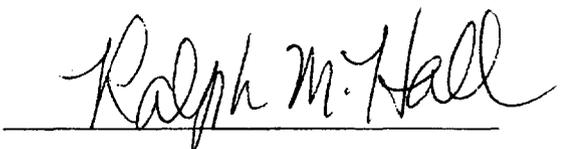
  
Member of Congress

  
Member of Congress

  
Member of Congress

  
Member of Congress

  
Member of Congress

  
Member of Congress

cc: Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell

**JOE BACA**

43RD DISTRICT, CALIFORNIA

WASHINGTON OFFICE:

1527 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-0542  
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E-MAIL: CONG.BACA@MAIL.HOUSE.GOV

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201 NORTH E STREET, SUITE 102  
SAN BERNARDINO, CA 92401  
PHONE: (909) 885-BACA (2222)  
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**Congress of the United States  
House of Representatives**

**COMMITTEES**

**AGRICULTURE COMMITTEE**

CHAIRMAN, SUBCOMMITTEE ON  
DEPARTMENT OPERATIONS,  
OVERSIGHT, NUTRITION, AND FORESTRY

**FINANCIAL SERVICES COMMITTEE**

**NATURAL RESOURCES COMMITTEE**

**CAUCUSES**

**CONGRESSIONAL HISPANIC CAUCUS  
CHAIR**

CHAIR, TASK FORCE ON CORPORATE AMERICA,  
TECHNOLOGY, COMMUNICATIONS, AND THE ARTS

November 28, 2007

The Honorable Thomas Barnett  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice  
950 Constitution Avenue, NW  
Washington, DC 20530

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Assistant Attorney General Barnett and Chairman Martin:

There are times in our Nation when the government's involvement with industry warrants stanch protection of consumers and their rights. Here, we have created laws against monopolies and promulgated other regulations to that end. There are other times in our Nation when the goal of our government's involvement was to foster business in an effort to be innovative or to bolster our economy. It is with the second example in mind that I write you today.

I support the proposed merger between Sirius and XM Satellite Radio. In evaluating this specific industry and technology, I find that the merger will not only maintain an advanced technological innovation, it will bolster the industry thereby strengthening our economy. More families and individuals will have an opportunity to access satellite radio.

It is my understanding from public announcements that after the merger that numerous new packages and programming will be created using merger synergies at a reduced cost and with broader options for consumers. In the past, Sirius and XM have demonstrated a commitment to providing diverse programming that features Hispanic and African American talent.

This satellite audio entertainment market is small, only reaching 4% of the enormous radio listening market. Here, minority ownership issues have not reached a plausible connection to the minority ownership or other issues at stake in the current media ownership rulemaking process. For that additional reason, I am not opposed to the Sirius and XM Satellite Radio merger.

I am also proud to report that I am not alone in my support for the Sirius and XM merger. It is my understanding that such groups as the League of United Latin American Citizens (LULAC), the Hispanic Federation, Latino Coalition, Latinos in Information Sciences and Technology Association (LISTA), and the NAACP have publicly supported the merger. The combination of Sirius and XM is an important milestone in the audio entertainment industry. I look forward to your swift approval of this merger.

Sincerely,

JOE BACA, Congressman  
43<sup>rd</sup> Congressional District

RICK BOUCHER  
9TH DISTRICT, VIRGINIA



COMMITTEES:  
ENERGY AND COMMERCE

SUBCOMMITTEES:

CHAIRMAN,  
ENERGY AND AIR QUALITY  
TELECOMMUNICATIONS AND THE  
INTERNET

COMMERCE, TRADE, AND  
CONSUMER PROTECTION

JUDICIARY

SUBCOMMITTEE:  
COURTS, THE INTERNET,  
AND INTELLECTUAL PROPERTY

AT-LARGE WHIP

Co-CHAIR,  
CONGRESSIONAL INTERNET CAUCUS

Congress of the United States  
House of Representatives

September 4, 2007

WASHINGTON OFFICE:

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WASHINGTON, DC 20515  
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WWW: <http://www.house.gov/boucher/>

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106 NORTH WASHINGTON AVENUE  
P.O. BOX 1268  
PULASKI, VIRGINIA 24301  
(540) 980-4310

The Honorable Kevin J. Martin, Chairman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

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

Dear Chairman Martin:

I am writing to express my support for the proposed merger of XM Radio Inc. and Sirius Satellite Radio Inc., which is currently under your review in MB Docket No. 07-57. The proposed merger should be considered in the context of a broad market definition, which includes the entire marketplace for audio entertainment. Under such an appropriate definition, the merger would combine only a small percentage of the market, but would lead to significant pro-consumer benefits. I, therefore, believe the merger is in the public interest and urge that the Commission approve it.

The relevant market for competition purposes is the entire marketplace for audio entertainment, including terrestrial radio, Internet radio and Internet-protocol enabled applications. The relevant market clearly includes all of terrestrial radio, as evidenced by repeated statements by leading broadcast companies that they are in competition with satellite radio. The strong opposition of the NAB to the merger lends credence to the reality that terrestrial and satellite radio are in direct competition.

The relevant market also includes Internet radio and both Internet-based streams and Internet delivered downloads of music.

In that large, highly competitive market, satellite radio is a small player. In a Fall 2006 Arbitron survey, satellite radio listening accounted for only 3.4% of all radio listening. That same survey showed that satellite radio listeners are avid listeners to terrestrial radio. In fact, satellite radio listeners listen to XM or Sirius for 10.75 hours weekly while they listen to terrestrial radio more, for an average total of 14 hours weekly. They listen to Internet radio 8.25 hours weekly.

The Honorable Rick Boucher  
September 4, 2007  
Page 2

These figures clearly show that satellite radio is in competition with terrestrial radio, that people who listen to satellite radio interchange their listening patterns among various radio sources and that satellite radio listeners are listening to terrestrial radio more than twice as much as they listen to satellite radio. Not only do listeners treat the market as unified among satellite, terrestrial and Internet radio, they prefer terrestrial radio to either of the other mediums.

With respect to consumer benefits, both companies maintain separate entertainment offerings at the present time. The merger would extend to consumers larger choices from among those program offerings. The companies recently announced that they will offer a total of eight program packages post-merger, including several options that will enable consumers to select channels on an a la carte basis. Moreover, the extra bandwidth which the elimination of duplication would produce will result in the offering of more public interest programming than either company now offers. The combined company will be able to expand diverse programs for underserved interests, such as for foreign language and religious programming.

For these reasons, I urge the Commission to complete its review of this transaction and allow the two companies to proceed with their merger plans.

Thanking you for your consideration of these comments, I remain with kind personal regards

Sincerely,



Rick Boucher  
Member of Congress

RB/jas

cc: Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell

JOHN J. DUNCAN, JR.  
2ND DISTRICT, TENNESSEE

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Congress of the United States  
House of Representatives  
Washington, DC 20515-4202

December 27, 2007

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GOVERNMENT MANAGEMENT, ORGANIZATION,  
AND PROCUREMENT

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

Dear Chairman Martin:

I recently sent you a letter about the Sirius/XM satellite radio merger. In it I stated how important it is that competition be preserved in the radio industry. I also expressed my support for local radio station ownership and for a la carte programming for satellite radio.

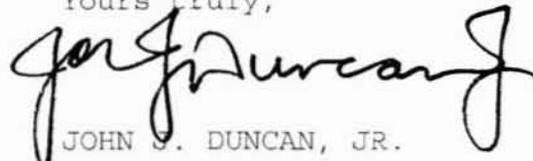
Since I wrote you last I heard that the a la carte concept has been endorsed by both XM and Sirius. This is good news, and will benefit American consumers.

I believe a la carte programming is a step in the right direction because it will provide parents an important tool to protect their children from questionable programming while allowing consumers to pay for only what they use.

As we continue to consider the Sirius/XM merger, I look forward to hearing how it could keep consumer costs down while invigorating the radio industry.

With kindest regards, I am

Yours truly,



JOHN J. DUNCAN, JR.  
Member of Congress

JJD:jg

**ELIOT L. ENGEL**  
17TH DISTRICT, NEW YORK

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ASSISTANT DEMOCRATIC WHIP

Kevin Martin, Chairman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-3217

September 18, 2007

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*MB*  
*Merged XM/Sirius*  
*1976*

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

Dear Chairman Martin:

After much deliberation, I am writing to voice my support for the pending merger of Sirius Satellite Radio Inc. and XM Radio Inc. I believe that this merger will improve the variety and quality of satellite radio services to consumers.

I have carefully considered the proposal, attended our committee hearings, and I do not take this decision lightly. I have heard all of the testimony and the pros and cons and feel that ultimately the merger has to be looked at in the context of the totality of entertainment choices that consumers have available to them. With the advent of the IPOD, downloading, HD Radio and the like, I believe that you cannot isolate pay radio as its own medium.

Right now a customer desiring pay radio must choose between the two companies and select programming rather than having access to all channels. This often results in a consumer being unable to get some desired programs. The merger will allow subscribers to get all the programs they wish to hear, which is often not possible and feasible currently.

As with any situation, there are good points on both sides. But on balance, I believe that the FCC should complete its review of this transaction to allow Sirius and XM to proceed with their merger plans.

Sincerely,

*Eliot L. Engel*

Eliot L. Engel  
Member of Congress

cc: Commissioner Michael J. Copps  
Commissioner Jonathan Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell

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BOB FILNER  
51ST DISTRICT, CALIFORNIA

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CHAIRMAN

TRANSPORTATION AND INFRASTRUCTURE  
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AVIATION

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CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES

November 9, 2007

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Kevin Martin  
Chairman  
Federal Communications Commission  
445 12th Street SW, Room 8-A204A  
Washington, DC, 20554

Dear Kevin:

After careful consideration, I am writing to show my support for the pending merger of Sirius Satellite Radio Inc. and XM Radio Inc.

As you are aware, I do not take decisions regarding media ownership lightly, and I have listened to both sides of this issue with great interest. After much deliberation, I believe that this merger will improve the quality of service to satellite radio consumers.

This merger will allow subscribers to have access to all programming provided by both companies, rather than forcing them to choose between content provided by one over another. I also believe that it will expose more unique and diverse programming to currently underserved populations. While consolidation in over the air radio has led to decreased diversity in programs, satellite radio has provided consumers with a vast array of music, news, sports, and entertainment programming with exceptional sound quality and zero commercials.

While I understand the concerns of both sides in this issue, I believe that the FCC should complete its review of this transaction and approve the merger plans of Sirius and XM Satellite radio.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Filner', written over the word 'Sincerely'.

BOB FILNER  
Member of Congress

BF/dr  
2461109

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5TH DISTRICT, NORTH CAROLINA

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COMMITTEE ON EDUCATION  
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AND GOVERNMENT REFORM

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-3305

February 15, 2008

Mr. Kevin Martin, Chairman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

Dear Chairman Martin:

Recently, Sirius and XM announced detailed plans for a variety of new programming packages that the combined company will offer to consumers once its pending merger is approved by the FCC and the Department of Justice. Among these new offerings are two packages that will enable consumers to choose programming on an a la carte basis.

In addition to the two a la carte packages, the new offerings will include several packages geared toward consumers with specific programming interests. For example, a combined Sirius/XM plans to offer a "Mostly Music" package, a "News, Sports & Talk" package, and two "Family Friendly" packages that exclude adult-themed content. In addition, some of the new offerings will include "best of" programming from both Sirius and XM, giving consumers the opportunity to receive the most appealing channels from both providers without having to subscribe to, and pay separately for, two services.

This new array of offerings will expand consumer choice and give satellite radio subscribers the chance to achieve substantial savings. In fact, one of the new a la carte packages will be offered at \$6.99 per month—a savings of 46 percent over the existing standard monthly price of \$12.95. Importantly, these new options also will mean that consumers will not have to receive or pay for content that they do not want. Perhaps most worth noting, the new a la carte offerings will pave the way for a unique form of competition in the entertainment industry—one based on the individual programming preferences of listeners.

As the companies have made clear, however, these innovative offerings will be possible only if the merger is approved. Without the efficiencies and synergies that will be generated by the merger, these new options simply will not be feasible.

In order to bring these opportunities to consumers as quickly as possible, I urge the FCC to move forward with its review of this pending merger.

Sincerely,



Virginia Foxx  
Member of Congress

CONNIE MACK  
14TH DISTRICT, FLORIDA

BUDGET COMMITTEE  
FOREIGN AFFAIRS  
COMMITTEE

TRANSPORTATION AND  
INFRASTRUCTURE COMMITTEE

**Congress of the United States**  
**House of Representatives**  
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<http://mack.house.gov>

November 14, 2007

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Martin:

As the Federal Communications Commission deliberates the proposed merger between XM Satellite Radio (XM) and Sirius Satellite Radio (Sirius), I am writing to express my support for this merger because I believe it will foster more competition in the audio entertainment marketplace.

I firmly believe that terrestrial broadcasters are essential to promoting localism and play an extremely important role in our communities. I also commend them for their commitment to serving the public interest.

As you are aware, satellite radio offers consumers an innovative choice in audio entertainment. And I believe that the proposed merger of Sirius and XM will further enhance the caliber of options available in the burgeoning market for audio entertainment. Competition is important because it provides consumers with more choices together with lower prices.

In particular, I am encouraged by the surge of competition in the audio entertainment industry that has been spurred by new technologies such as MP3 players, Internet radio, satellite radio, and music enabled cell phones. The proposed merger will enable satellite radio to become a stronger competitor and will drive all other players in the market, including terrestrial radio, to focus on making their services even more appealing to consumers.

With less than 4% of the listening public, satellite radio is a small player in broad entertainment marketplace, but I believe its success is very important to consumers. Merger synergies will allow Sirius and XM to offer more programming options at lower prices and provide consumers with greater, and more affordable, audio entertainment options.

The Honorable Kevin J. Martin  
November 14, 2007  
Page 2

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I appreciate your receptiveness to my concerns and look forward to the approval of the Sirius and XM merger.

Sincerely,

A handwritten signature in black ink that reads "Connie Mack". The signature is written in a cursive, flowing style.

CONNIE MACK  
Member of Congress

TED POE  
2ND DISTRICT, TEXAS

COMMITTEES:  
FOREIGN AFFAIRS  
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**Congress of the United States**  
**House of Representatives**  
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FAX: (409) 212-8711

February 11, 2008

Kevin Martin, Chairman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

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

Dear Chairman Martin:

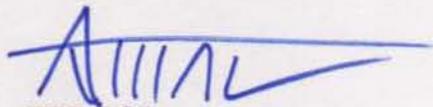
I am writing to voice my support for the pending merger of Sirius Satellite Radio Inc. and XM Radio Inc. I believe this merger is in the public interest as it will improve the diversity and quality of satellite radio programming and enhance, rather than detract from, overall competition among audio entertainment providers.

The combination of Sirius and XM will result in significant cost savings and synergies that will be passed directly to consumers in the form of lower prices and new programming options. Perhaps the most impressive preview of these benefits can be found in the recent announcement by the companies that they will offer a total of eight program packages post-merger. Included among these are several options that will enable consumers, for the first time, to pick and choose channels on an a la carte basis. In addition, the joint company will be able to devote more resources to innovating their existing offerings, thereby accelerating the introduction of new products and services into the marketplace.

Opponents of the merger that suggest this union will result in a "monopoly" appear to be based more on their own competitive fears than on rigorous or credible competitive analysis. In fact, competition in the audio entertainment industry is so robust, that the merger is likely to force all players in the marketplace to step up their own offerings in response to enhanced satellite radio services. This is the essence of free market competition and the reason why the FCC should approve this merger.

Accordingly, I urge the FCC to complete its review of this transaction as quickly as possible to allow Sirius and XM to proceed with their merger plans.

Sincerely,



TED POE  
Member of Congress  
TEXAS

cc: Commissioner Michael J. Copps  
Commissioner Jonathan Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell

**PETE SESSIONS**

32ND DISTRICT, TEXAS

COMMITTEE ON RULES

COMMITTEE ON THE BUDGET

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**Congress of the United States  
House of Representatives**

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September 27, 2009

Kevin Martin, Chairman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

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NOV - 1 2007

Federal Communications Commission  
Office of the Secretary

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

Dear Chairman Martin:

Recently, Sirius and XM announced detailed plans for a variety of new programming packages that the combined company will offer to consumers once its pending merger is approved by the FCC and the Department of Justice. Among these new offerings are two packages that, for the first time in subscription entertainment, will enable consumers to pick programming on an a la carte basis.

In addition to the two a la carte packages, the new offerings will include several packages geared toward consumers with specific programming interests. For example, a combined Sirius/XM plans to offer a "Mostly Music" package, a "News, Sports & Talk" package, and two "Family Friendly" packages that exclude adult-themed content. In addition, some of the new offerings will include "best of" programming from both Sirius and XM, giving consumers the opportunity to receive the most appealing channels from both providers without having to subscribe to, and pay separately for, two services.

This unprecedented array of offerings greatly will expand consumer choice and will give satellite radio subscribers the chance to achieve substantial savings. Indeed, one of the new a la carte packages will be offered at \$6.99 per month—a savings of 46 percent over the existing standard monthly price of \$12.95. Importantly, these new options also will mean that consumers will not have to receive or pay for content that they do not want. Perhaps most impressively, the new a la carte offerings will pave the way for a unique form of competition in the entertainment industry—one based on the individual programming preferences of listeners.

As the companies have made clear, however, these innovative offerings will be possible only if the merger is approved. Without the efficiencies and synergies that will be generated by the merger, these new options simply will not be feasible.

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In order to bring these exciting opportunities to consumers as quickly as possible, I urge the FCC to move forward with its review of this pending merger.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pete Sessions', with a long horizontal flourish extending to the right.

Pete Sessions  
Member of Congress

ANTHONY D. WEINER  
9TH DISTRICT, NEW YORK

COMMITTEE ON THE JUDICIARY

COMMITTEE ON  
ENERGY AND COMMERCE

DEMOCRATIC WHIP

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-3209**

September 12, 2007

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Kevin Martin, Chairman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

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

Dear Chairman Martin:

I am writing to support the pending merger of Sirius Satellite Radio Inc. and XM Radio Inc. This merger will improve the variety and quality of audio news and entertainment services available to consumers.

Critics of the merger claim that it would be a seismic change to the competitive balance in the telecommunications, mass media, and broadband world. The proposed deal would not actually make much more than a ripple.

Satellite companies are not competing against each other as much as they are competing against a panoply of other ways to get music and other audio entertainment. In addition to terrestrial radio, audio programs are delivered through podcasts, on-demand services, cable television providers, cellular phones, RSS, and real time streaming on the internet.

The two satellite companies have not been the strongest possible competitors in this market, as their \$6 billion in accumulated losses to date demonstrate. And while it seems like satellite radio is growing, it has a long way to go before it puts a scare into the terrestrial radio industry, which has something on the order of 280 million listeners. Furthermore, terrestrial radio has a huge price advantage – it is free.

There is no doubt that the merger would be good for consumers of this service. A merger will allow the two companies to pool their resources, cut costs through economies of scale, boost innovation by bringing together their best and brightest talent, and ultimately make more programming available to subscribers.

Customers would no longer need an XM subscription for baseball games and a Sirius subscription for football games. Car companies wouldn't have to choose between appealing to Oprah listeners or satisfying Howard Stern fans. And finally, manufacturers could get to work on perfecting the hardware for an industry that has been split between two different technical standards.

Opponents of the merger have pointed to the precedent of the 2002 proposed merger between DIRECTV and EchoStar. That merger was denied because regulators assumed a

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

stronger satellite TV presence would harm competition. In fact, since the merger was presented, satellite's entry into the broadband arena – a much promised development – has ground to a halt as companies struggle to survive.

For these reasons, I urge the FCC to complete its review of this transaction and allow the companies to proceed with their merger plans.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony Weiner', with a long, sweeping flourish extending to the right.

ANTHONY WEINER  
Member of Congress

cc: Commissioner Michael J. Copps      Commissioner Jonathan Adelstein  
Commissioner Deborah Taylor Tate      Commissioner Robert M. McDowell

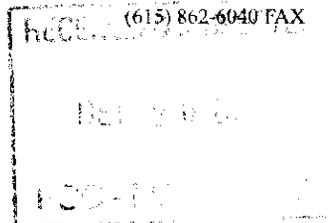
METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



KARL F. DEAN  
MAYOR

OFFICE OF THE MAYOR  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
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(615) 862-6040 FAX

December 10, 2007



Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

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

Dear Ms. Dortch:

As the Mayor of the City of Nashville, Tennessee, it is my pleasure to encourage careful consideration of the proposed merger of XM Satellite Radio Holdings Inc. ("XM") and Sirius Satellite Radio, Inc. ("Sirius").

As you know, Nashville is Music City, and we have always been excited about the potential of satellite radio. In fact, for the past 3 years, XM has showcased a monthly show, "Music City Connection: Heroes Behind the Hits," which is jointly recorded and produced by XM and the Nashville Convention & Visitors Bureau right here in Music City. The series is taped live before audiences at various Nashville venues, and presents songwriters of all genres during an informal "in-the-round" showcase -- performing their hits, revealing their influences, and sharing their personal stories of writing, recording and living in Nashville.

More recently, XM enhanced its partnership with the City of Nashville to relocate XM's studios into the Sommet Center. The new, million-dollar facility will showcase live music from Nashville, profile events from the Sommet Center and broadcast compelling content from the Nashville Predators.

We are excited about continuing Music City's partnership with the merged company. We have witnessed first-hand the manner in which satellite radio generally has provided an innovative platform for new artists to reach greater audiences, providing vibrant and diverse programming that is not often found on terrestrial radio. To the extent that a merger of XM and Sirius will strengthen the satellite radio platform -- by providing greater economies of scale and scope for satellite radio operations, expanding the universe of diverse content offered to consumers, and enhancing new business opportunities and partnerships such as those already in progress in Nashville -- the public interest will only benefit.

Thank you for your consideration.

Sincerely,

Karl F. Dean  
Mayor

NOV 20 2007  
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## **Former FCC Commissioners and Staff**

- Mark Fowler, former FCC Chairman
- Harold Furchtgott-Roth, former FCC Commissioner
- Thomas Hazlett, former FCC Chief Economist
- Reed Hundt, former FCC Chairman
- Randolph J. May, former FCC Assistant General Counsel



## Competitive Electronics

By Mark Fowler

5 September 2007

New York Sun

As chairman of the Federal Communications Commission in 1981, I was visited by a lobbyist for the broadcast industry. Over-the-air broadcasters vehemently opposed the FCC's authorization of Direct Broadcast Satellite television services, and the lobbyist quickly launched into his preamble: "We are all for competition, Mr. Chairman, but ... "

Meaning, "forget what I said up to the word 'but,' and now listen carefully..."

In observing the broadcasters' intense negative reaction to the proposed merger of the two satellite radio companies, XM and Sirius, it struck me that little has changed in 26 years. Each year, the skies over Washington darken as the Lear jets bring industry lobbyists to the latest battlefield against competition and its offshoot — mergers that enhance competition.

In 1981, we were only beginning to envision the possibilities of satellite-delivered entertainment media services. Twenty-six years later, we live in an entertainment media marketplace that features a striking — and exciting — competitive dynamic beyond anything we could have envisioned. Although traditional over-the-air radio remains the most dominant audio entertainment platform, continued technological innovation has forced broadcasters to confront that they must offer better service and more choices to consumers if they are to compete and survive.

Satellite radio offers a perfect example of the phenomenon. Although it is a relatively nascent service, launched a little more than five years ago, satellite radio today offers diverse programming targeted to many audiences and tastes, largely on a commercial-free basis, using very high-quality digital signals.

And, in spite of the fact that satellite radio constitutes only 3.4% of radio listening today, traditional over-the-air radio operators have understood the potential threat and have had no choice but to compete, and have been dragged, albeit kicking and screaming, into the digital age.

Thus, the broadcast industry recently introduced and is pushing its own "HD Radio" initiative to allow radio stations across the country to offer multiple new, high-quality digital channels.

This is all to consumers' benefit. In the mean time, satellite and terrestrial radio also have been besieged by a host of additional competitors: iPods and other MP3 players, Internet radio services, and now mobile phones. All offer exciting new means of providing audio entertainment to consumers.

That is how things should be. Indeed, it is the precise dynamic that American communications and entertainment media policy should continue to foment. If the two satellite radio companies, each only several years old, need to combine to be more effective competitors in an audio entertainment marketplace teeming with technological change and innovation, the government should not stand in the way.

In the end, satellite radio may or may not survive, but let that be decided by the people through their electronic choices in the marketplace.

Mr. Fowler served as chairman of the Federal Communications Commission during the administration of President Reagan.

# An Economic Review of the Proposed Merger of XM and Sirius

---

Harold Furchtgott-Roth<sup>1</sup>  
June 2007

<sup>1</sup> President, Furchtgott-Roth Economic Enterprises and Former FCC Chairman.

## Executive Summary

This paper provides an overview of economic considerations that government agencies should take into account when reviewing the proposed merger between XM Satellite Radio Holdings, Inc. (XM) and Sirius Satellite Radio, Inc. (Sirius).<sup>2</sup> It identifies the numerous existing fixed and mobile communications services that compete with satellite radio—including terrestrial radio, pre-recorded music devices, mobile phones, and fixed and mobile internet services—and describes the increasing availability of mobile broadband services that offer nearly endless capabilities to consumers. This paper also analyzes the dynamic nature of the market for mobile communications services and highlights the commitment that the government has made to facilitate the deployment of advanced communications services. This paper concludes that government agencies reviewing this merger should consider the many consumer benefits that are likely to accrue over the longer term. And, consistent with its approach in other proceedings, the FCC should afford satellite radio providers the sufficient timing flexibility necessary to respond to rapidly changing market conditions.

The asserted view that satellite radio is an isolated antitrust market is inconsistent with basic observations about this market. Satellite radio has a small presence in comparison to other comparable communications services. From a consumer's point of view, there is a range of fixed and mobile alternatives to satellite radio service, with even more offerings on the immediate horizon. To take just one example, the 14.5 million satellite radio subscribers pales in comparison to the 237 million mobile phones in use today. Many of those phones allow users to access wireless data services as well as to download and to play music. Mobile internet services are also becoming increasingly available in cars. These competing choices discipline the prices that XM and Sirius charge subscribers today and will continue to do so regardless of whether the firms merge. If a combined satellite radio provider were to raise prices, consumers could find identical or similar programming elsewhere and switch services.

The provision of satellite radio services is best understood as a segment of the markets for fixed and mobile communications services. Nearly all of the programming available via satellite radio can be obtained elsewhere. And internet services are a substitute for a wide range of communications services, including satellite radio. Although mobile broadband services are not likely to displace all other mobile communications services, such services will certainly siphon some consumers away from existing mobile services and will discipline the prices that the other services command in the market. The Federal Communications Commission (FCC) has taken note of this trend toward a broader mobile services market in other proceedings, and it should maintain that position when evaluating this merger. Particularly in light of the rapid changes in technology and market structure, it would be unreasonable for government agencies to restrict the merger analysis to a static environment that fails to account for these dynamic market conditions.

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<sup>2</sup> The views expressed in this report are my own and do not necessarily reflect the views of either XM or Sirius, or any other party.

June 14, 2007  
Monica Desai  
Helen Domenici  
Michelle Carey  
Erika Olsen

VIA SECOND CLASS MAIL PERMIT NO. 1000 ARLINGTON VA

Bruce Gottlieb  
Marlene H. O'Hara  
Secretary  
Federal Communications Commission  
445 12th St. NE  
Washington, DC 20541

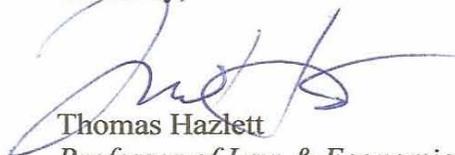
Re: Consolidated Application for Authority to Transfer Control of XM Radio Inc.  
and Sirius Satellite Radio Inc., MB Docket No. 07-57

Dear Ms. Dortch:

I have been retained by Sirius and XM to analyze the above-referenced merger. Attached, for consideration by the Commission, please find the study I have prepared, "The Economics of the Satellite Radio Merger." This paper explains that approval of this transaction will create a superior satellite radio company that, through efficiencies gained in operations and finance, will offer an enhanced package of valuable services to consumers. This paper further demonstrates the erroneous nature of arguments advocated by merger opponents, who argue that satellite radio is a separate and distinct market and that combining XM and Sirius will create a "merger to monopoly."

I ask that you include this paper in the record of the above-referenced proceeding.

Sincerely,



Thomas Hazlett  
*Professor of Law & Economics, George Mason University*  
*Principal, Arlington Economics*

cc: The Honorable Kevin Martin  
The Honorable Michael Copps  
The Honorable Jonathan Adelstein  
The Honorable Deborah Taylor Tate  
The Honorable Robert McDowell  
Daniel Gonzalez  
Catherine Bohigian

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Aaron Goldberger  
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Cristina Chou Pauzé

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.

# The Free State Foundation

A Free Market Think Tank For Maryland...Because Ideas Matter

*Perspectives from FSF Scholars*

*April 16, 2007*

*Vol. 2, No. 13*



## Is Uncle Sam Serious About Sirius-XM?

By Randolph J. May

[http://news.com.com/Is+Uncle+Sam+serious+about+Sirius-XM/2010-1028\\_3-6176213.html](http://news.com.com/Is+Uncle+Sam+serious+about+Sirius-XM/2010-1028_3-6176213.html)

**Congress has scheduled another hearing, for April 17, on the proposed merger between Sirius Satellite Radio and XM Satellite Radio. Like all significant mergers, this one deserves scrutiny by the antitrust and regulatory authorities.**

Congress legitimately has an oversight role as well.

But keep a keen eye: [the way in which this merger is handled](#) will tell much about [whether our government officials grasp](#) how dramatically communications and information-services markets are changing.

I am concerned that the Department of Justice antitrust officials and the Federal Communications Commission regulators charged with reviewing the merger do not adopt an unduly narrow view of marketplace competition.

A narrow view might lead them not only to reject the merger, but to maintain in place outdated regulations that have the effect of chilling innovation and stifling investment.

More about that in a moment, but first a few vital statistics about Sirius and XM. Together they offer about 300 channels of music, sports, talk, entertainment,

traffic and weather, and other informational programming, many of them commercial-free.

The two operators currently have approximately 14 million subscribers. Despite having paid the government \$170 million at auction to purchase the spectrum used to deliver their programming, and having invested billions since in facilities, programming and marketing, neither Sirius nor XM ever has turned a profit in five years of operation.

**There are a number of alternatives in the audio services marketplace that consumers may substitute for satellite radio, especially in the face of any price hike.**

In 2006 alone, they reported combined net losses approaching \$2 billion. Sirius and XM contend that the operational efficiencies resulting from the merger will allow the combined company to provide consumers with more programming choices at lower prices, and more-advanced technological gizmos to boot.

The National Association of Broadcasters, which represents the terrestrial radio and television broadcasters and which has fought satellite radio from the days when it was little more than a dream, claims that satellite radio constitutes a discrete product market. Thus, in its view, a Sirius/XM combination would be a "merger to monopoly."

In typical Washington fashion, the NAB pleads that all it asks on behalf of local broadcasters--which, by the way, paid nothing to the government for the spectrum they use--"is for the opportunity to compete in today's digital marketplace."

Ah, there's the rub. There is a good argument that, in today's digital marketplace, the relevant market for purposes of assessing the merger's competitive impact is not the narrow satellite radio market, but rather a broader audio entertainment and information market. As UBS put it in an investment report: "The combination of an enhanced programming lineup with improved technology, distribution and financials will better position satellite radio to compete for consumers' attention and entertainment dollars against a host of products and services in the highly competitive and rapidly evolving audio entertainment marketplace: including free 'over the air' AM and FM radio, iPods, mobile phone streaming, HD Radio, Internet Radio, and next-generation wireless technologies."

A Merrill Lynch research report stated the merger could deliver greater content choice, offer improved technology and realize cost synergies--all of which could help satellite radio "remain competitive in the evolving audio entertainment landscape as it competes with terrestrial radio, Internet audio media, HD radio and portable music players."

In short, there are a number of alternatives in the audio services marketplace that consumers may substitute for satellite radio, especially in the face of any price hike.

Each year the FCC issues a report examining the status of video competition. In 2006, the commission concluded that "the market for the delivery of video programming services is served by a number of operators using a wide range of distribution technologies." The agency included in its competitive examination cable operators, satellite television operators, [telephone companies now providing video service over their broadband facilities](#), wireless cable operators, [Internet-based video services](#), and DVDs and videocassettes. It is difficult to understand why the full range of distribution technologies similarly would not be considered in assessing competition in the audio services market.

Some of the comments from those opposing the merger are baffling. For example, Scott Cleland, a communications industry analyst, claims that the spectrum granted to XM and Sirius "alone makes satellite radio a separate and distinct market for antitrust purposes."

While certain conditions attached to the use of spectrum may be relevant in assessing competitive impacts, simply using spectrum alone cannot be determinative for purposes of defining a relevant product market. Terrestrial radio and [television broadcasters use spectrum](#). So too do satellite television and wireless cable operators. Even cable operators and Internet service providers often use spectrum as part of their network configurations. Few seriously contend that these providers each compete in separate markets because they use different frequencies.

What is most important now for sound communications policy is to move beyond classifying and regulating services based on the particular technology or slice of spectrum used for distributing the service. Whether evaluating the competitive impact of a particular merger or deciding whether to jettison archaic, unduly burdensome regulations devised during an earlier, generally monopolistic analog era, the important question should be: do consumers have reasonable alternative choices in the marketplace?

At bottom, it seems wrong to consider satellite radio a distinct market separate from the broader audio services marketplace. But my principal concern is not whether Sirius or XM are allowed to merge. It is that consumers continue to enjoy the widening array of information and entertainment choices that the digital revolution is enabling.

Increasing consumer choice depends on robust investment and innovation in new products and services. And robust investment and innovation ultimately depend on government officials appreciating that they should be wary of intervening in today's dynamic, increasingly competitive communications marketplace.

Randolph J. May is President of The Free State Foundation, a free market-oriented think tank located in Potomac, Maryland.

## **Key Editorial Board Support**

Sirius-XM Offer The Keene Sentinel (NH) — December 26, 2007

Don't Just Click Winston-Salem Journal — December 3, 2007

On With the Shows Washington Post — December 1, 2007

Lost in space Chicago Tribune — November 24, 2007

Satellite Merger Good For Diversity Black Enterprise — September 4, 2007

Note to the FTC: Get out more Chicago Tribune — September 1, 2007

Phantom threats to consumer choice Rocky Mountain News — August 18, 2007

Approve the Sirius/XM merger The Washington Times — July 26, 2007

A good merger The Washington Times — July 06, 2007

What's the Frequency, NAB? The Wall Street Journal — April 21, 2007

A Monopoly - Not San Francisco Chronicle — February 26, 2007

They Cannot Be SIRIUS - Satellite Radio The Economist — February 24, 2007

SIRIUS and XM Together Makes Sense for Listeners USA Today — February 23, 2007

Making Radio Waves The Wall Street Journal — February 21, 2007

Let XM and Sirius Merge Los Angeles Times — February 20, 2007

## **Sirius-XM offer**

Editorial

26 December 2007

The Keene Sentinel (NH)

Have you noticed what the country's two satellite radio companies are offering the Justice Department and the Federal Communications commission in return for permission to merge?

A la carte programming for their subscribers.

Yes, they are offering a business plan that the cable and satellite television businesses reject out of hand. Sirius Satellite Radio and XM Satellite Radio are promising that if they are allowed to combine their businesses, they will give their subscribers a choice of the stations they wish to listen to, and at a reduced rate. That way, people could decide whether to load up on sports, or talk radio, or drive-time vulgarity, or music or whatever — and pay for only what they please. Sort of like the deal you get in a restaurant. Don't like liver and onions? Then order the fried clams. Makes sense.

Sirius and XM are losing money, dividing what has turned out to be a somewhat limited market for satellite radio, mostly in vehicles. The companies want to merge, creating a single service that would please the market and make money.

And why not? Some complain that the combined stations would constitute a monopoly, but that wouldn't be the case. After all, people in cars and trucks, as at home, can listen to all sorts of things: iPods, MP3 players, CDs, memory cards and of course conventional AM and FM radio. They can take along music, podcasts, NPR programming, and all sorts of news, sports, weather and talk. So a merger between Sirius and XM could foster increased competition between satellite radio and other distributors of portable information and entertainment — at an affordable price.

The only risk in allowing this merger would be if some media monopoly were to come along to buy it — a Rupert Murdoch, a Time Warner or a Clear Channel Communications — with a portfolio full of conflicts of interest. If the Sirius-XM merger is approved, keeping the new company independent for an extended period of time should be made part of the deal.

And so should the a-la-carte offer. It's fascinating to see these two companies promoting the free-market concept of letting their customers decide what they want to buy. Listeners could choose whether to subsidize — or not subsidize — Howard Stern, the NFL, Bob Edwards, hip-hop, classical music and so on.

In direct contrast to cable and satellite TV — which refuse to offer a la carte programming because they claim it would be oh so ruinously expensive — Sirius and XM say they want to offer choice to their customers so they can make a buck. Federal regulators should let them try.

# WINSTON-SALEM JOURNAL

## Don't Just Click

Opinion

3 December 2007

Winston-Salem Journal

On any given day, members of Congress are besieged with e-mail and letters from constituents. The regulatory agencies get the same kind of attention.

While this looks like a good exercise in democracy, a deeper look by The Washington Post indicated that it may be a big ruse. The newspaper tried to reach 60 people who were listed as having contacted the Federal Communications Commission, and only one actually remembered doing so.

The Post found that 50 of the 60 e-mail addresses did not connect back to Americans who could be reached. Usually, the address was out-of-date or the phone number that accompanied the e-mail had been disconnected.

The subject of the e-mails was the proposed merger of satellite radio companies XM and Sirius. The National Association of Broadcasters, which strongly opposes the merger, had generated the 60 e-mails.

The NAB says it did nothing wrong and that it has a record to validate every e-mail that it generated. This particular case and whether NAB did anything wrong are matters for others to decide. We're concerned about the impact of NAB's lobbying technique, which is quite common today.

NAB generated the e-mails, it says, through a pop-up ad on consumer Web sites. The ad asked readers to oppose what it called a monopoly that would raise prices. For the 8,500 people who did, it took only a few clicks of the mouse to send the protest to the FCC.

Of the 10 listed people whom the Post found, nine could remember nothing about the e-mail or the issue. The one who could said she feared losing her Sirius service and didn't even remember which side of the issue she felt was more of a threat to that happening.

This is about more than a radio merger and 60 people. Government officials, members of Congress and public-opinion experts say that such e-mail and letter-writing campaigns are undermining their ability to get an honest view of how the public feels about issues.

Representatives at all layers of government, and of both parties, say the e-mail they receive is often standardized. Many say they discount its value because they question whether the writers really care about the issue.

What is at danger, of course, is the ability of the American citizen who does care about an issue to make that concern known to elected and appointed officials. Sincere opinion gets buried in the blizzard of computer-generated responses.

There's probably no way to stop major lobbying organizations from inundating the capital with these snow jobs, but the American people can refuse to play along.

Politicians themselves offer the best advice: When you really care about an issue, sit down and write a letter, in your own words, saying why. Those letters get read, and they are effective.

# The Washington Post

## On With the Shows

*A satellite radio merger that deserves approval*

Editorial

1 December 2007

Washington Post

CRITICISM was immediate and fierce when the proposed merger of Sirius Satellite Radio and XM Satellite Radio Holdings was announced this year. Opponents argued that a marriage of the only two providers of satellite radio service would eliminate competition, drive up prices for satellite radio and reduce choice for consumers. XM and Sirius shot back that a combined -- and thus financially healthier -- company would offer consumers a variety of programming options they can't get through regular broadcast stations.

In truth, neither side can say definitively whether its approach would help or hurt consumers. And both sides use the welfare of consumers to mask their real concern: their own bottom line. But XM and Sirius have the stronger case when they argue that the merger should be approved.

The National Association of Broadcasters, which represents 8,300 over-the-air, commercial radio stations, opposes the merger and argues that the Justice Department should define the XM-Sirius merger in light of the "market for satellite radio." Of course, if the issue is viewed in those terms, allowing the only two players to combine would create a monopoly.

But this is not a fair depiction of the market. There seem to be few listeners in the market exclusively for national satellite radio. Long-distance truck drivers, for example, might be a natural constituency, but most listeners consume music or talk or sports audio programs from a variety of sources, predominantly from commercial, over-the-air broadcast stations that provide local programming. Far from having a monopoly if the merger is approved, the satellite providers, who paid a combined \$170 million in 1997 for their satellite spectrum, will continue to compete for listeners accustomed to "free" radio and will have to persuade them to fork over money every month for a subscription service. And it's not as if the over-the-air stations are simply standing by. They are almost daily increasing the competitive nature of the business by adding high-definition channels to better target even more distinct audiences.

Perhaps to appease the Federal Communications Commission, which must decide whether the merger is in the "public interest" -- or perhaps in hopes of luring more subscribers as a means of stanching the loss of billions of dollars -- XM and Sirius agreed to offer a la carte pricing. For example, rather than paying the current flat fee of \$12.95 a month for XM's more than 170 channels, subscribers would be given the option of paying \$6.99 a month for 50 channels of their choosing or \$16.99 for all XM channels and 10 of the most popular channels from Sirius. (Premium channels, such as those that carry sports programs, would be extra.) These options make sense and would provide consumers with more choices. The

agencies should require XM and Sirius to agree to this pricing scheme as a condition for approving the merger.

## Lost in space

Editorial

24 November 2007

Chicago Tribune

Nine months after Sirius and XM announced they wanted to merge, the two satellite radio companies continue to await a go-ahead from federal regulators. The companies are still losing money. They're still battling each other for subscribers. They're still competing for listeners against over-the-air radio stations, music channels on cable TV, Internet radio sites, music downloads to cell phones, MP3 players ...

Yet Sirius and XM are having a difficult time explaining that they wouldn't create a monopoly if the government allows them to join forces.

The Justice Department and the Federal Communications Commission have yet to pronounce judgment on this proposed deal. Justice must rule on its competitive impact, and the FCC on whether it would be in the public interest.

The delay is unreasonable, because Sirius and XM have made compelling cases on both counts.

Opponents of the merger -- most notably conventional radio broadcasters -- argue that it would represent a consolidation of satellite radio into a single company, creating such a juggernaut that no other company could compete against it.

It may be true that no challenger would make the enormous upfront investment to compete against a Sirius-XM satellite combo. But that's an awfully narrow view of the news and entertainment market today. Satellite radio doesn't operate in its own cloistered universe.

Together, Sirius and XM have about only 4 percent of the radio listening market.

Sirius and XM obviously hope their combined company could boost their joint market share. But it's a long, long way from 4 percent to a dominating and anti-competitive monopoly.

The deal has one decided advantage for consumers: more pricing choices in satellite radio. The firms would let customers keep their current service or, in essence, choose the best of both services. Customers would get a la carte pricing -- choosing the stations they want to buy. Imagine.

That's how cable television should be priced. But cable companies have resisted a la carte pricing. They prefer to force customers to pay for more channels than they want. The cable

companies can get away with their take-your-medicine pricing structure because cable television faces little direct competition, save from satellite TV.

It's critical that regulators considering the Sirius and XM deal think of competition in terms of today and tomorrow -- not last week or last century. If the two companies do combine and you as a consumer aren't happy, no problem. Fire your satellite radio company. You're awash in audio options to receive whatever music, news and talk you desire.

Sirius and XM have about 14 million customers combined. Yet XM lost \$145.4 million in the third quarter of 2007, and Sirius lost \$120.1 million. These companies face tremendous competition in attracting customers to the audio entertainment and information they provide.

A merger would give them a fighting chance.

## **Satellite Merger Good for Diversity**

*Blacks give nod to XM and Sirius*

By George Alexander

30 August 2007

Black Enterprise

While some lobbyists oppose the merger between satellite radio companies XM and Sirius, the NAACP has given the proposed merger a vote of confidence. Earlier this year the two entities announced their plans to merge in a transaction valued at \$13 billion. The merger is pending regulatory approval with a decision expected this fall.

XM and Sirius have both been strong presenters of diverse programming, a major factor the NAACP cites in supporting the proposed merger. XM's channel The Power, with shows featuring Rev. Al Sharpton and activist Joe Madison, is known for offering some of the most provocative talk radio in the country covering issues affecting African Americans. XM also carries shows featuring Oprah Winfrey, Maya Angelou, Wynton Marsalis and Tyra Banks. Sirius, too, offers shows featuring Black celebrities and sports figures such as Keyshawn Johnson, Tiki Barber, Jamie Foxx and 50 Cent.

In addition to diversity on the airwaves, a diverse workforce is also an important issue to consider when examining the tenets of major media consolidations. The NAACP is also sanguine on that front. "We understand that both companies maintain a strong commitment to diversity and utilize significant resources to recruit and retain minority talent and leadership at all levels," said NAACP Washington Bureau director Hillary Shelton in a letter to the FCC. While it has been announced that Mel Karmazin, CEO of Sirius, would be CEO of the combined company and Gary Parsons, chairman of XM, would be chairman of the new company, XM president Nate Davis, who is African American and a member of XM's board since 1999, plans to play a pivotal role in the new company.

Opponents of the merger, chiefly the National Association of Broadcasters, a trade association representing local radio and TV stations, contend that the merger creates a monopoly. Davis, on the other hand, argues that the merger operates in the best interest of consumers by offering more choices and lower prices. "The only way you can get programming from the two companies (XM and Sirius) today is to buy two subscriptions totaling \$25.90," he says. Under the merger, satellite consumers will be able to choose a la carte pricing plans starting at \$6.99 per month.

Management suggests in a world of increasingly robust competition from other forms of audio entertainment, news and information, the merger is necessary in order for the satellite giants to remain competitive. "Although the two companies will become one," says Davis, "we are still competing with iPods, FM radio, AM radio, MP3 players, cell phones and Internet radio."

On issues like the fast-spreading rumor that shock man Don Imus may soon return to radio via satellite, Davis, who has been a proponent of diversity, says candidly, "I believe that people have to be accountable for what they say. We all have a responsibility to be respectful of others when we talk on the air and we have no plans to put Imus on the air. We're not talking to him at all."

While the fate of the XM-Sirius merger rests in the hands of the FCC and the Dept. of Justice, right now it looks like consumers and African American talent alike could be in for a huge win.

George Alexander's column on the business of entertainment appears weekly at [blackenterprise.com](http://blackenterprise.com). He is the author of *Why We Make Movies* and *Queens: Portraits of Black Women and their Fabulous Hair*.

# Chicago Tribune

## **Note to the FTC: Get Out More**

Editorial

1 September 2007

Chicago Tribune

Whole Foods Market Inc. said this week that it has lined up the lenders it needs to finance the buyout of its rival, Wild Oats Markets Inc. But it has been a long, strange trip to this deal between granola giants.

Bottom line: Whole Foods has survived some embarrassment, but federal regulators still look like they're fighting 20th Century wars. They're so focused on old models of markets that they can't see the new markets right in front of them.

A quick recap: The Federal Trade Commission fought this deal, arguing that it would narrow competition in the market for organic foods.

U.S. District Judge Paul F. Friedman ruled Aug. 16 that that was not so, that grocery shoppers seeking organic and natural goods would still have plenty of choices if Whole Foods bought Wild Oats.

The FTC continued to oppose the merger, arguing that Friedman ignored evidence of an effort to corner the organic foods market. Whole Foods Chief Executive Officer John Mackey had caused some self-inflicted wounds by sending an e-mail that suggested the deal would allow his company to "avoid nasty price wars." Mackey -- you wouldn't think a company CEO would have this much time on his hands -- had also made anonymous comments on some Web sites that slapped at Wild Oats and boosted his own firm.

But the U.S. Court of Appeals for the District of Columbia rejected the FTC's bid to block the merger, and it is now going forward.

If the beleaguered FTC is looking for new leadership, it might see if Judge Friedman has a candidate. Friedman's 93-page opinion in this case made a pretty compelling argument that competition for natural and organic grocery goods in the U.S. will continue to thrive even if Whole Foods takes Wild Oats.

He first dealt with the critical question of defining the marketplace. Do these companies compete in the larger arena of supermarkets or in their own walled-off compound of "premium and organic supermarkets?" The companies argued it's the former and the FTC that it's the latter. In the FTC view, a post-merger Whole Foods would be free to raise prices or slash the quality of its organic and natural goods. Consumers would have no choice but to pay those prices or accept lower quality.

But anyone who has spent more than five minutes recently in a conventional grocery store knows that isn't the case. They are expanding by the day their offerings of natural and organic produce and other goods. Why? Because more shoppers want it and supermarkets from Whole Foods to Jewel and Dominick's are racing to accommodate that demand. Natural and organic produce and prepared foods are no longer considered specialty items. They are mainstream. The judge noted that conventional supermarkets already sell the majority of natural and organic goods in the U.S.

Cross-shopping is the norm, with customers on some days buying organic and natural goods at Jewel or Dominick's and other days buying those goods at Whole Foods, Trader Joe's or even big boxes like Costco and Wal-Mart. It depends on convenience, price, quality, service.

The FTC may not consider conventional supermarkets to be competitive with Whole Foods. But Whole Foods does. When scouting a new store location, Whole Foods "systematically considers every significant supermarket chain in the area a potential competitor," Friedman wrote. When a new Whole Foods store opens in a market, most of Whole Foods sales come from other supermarkets in the area -- even when a Wild Oats store is nearby.

This isn't the only recent example of the government trying to block a merger using a narrow, outdated definition of the market. That's an issue in the proposed marriage of satellite radio companies XM and Sirius, too. XM and Sirius have a load of competitors in radio.

The FTC folks really ought to get out more. Go shopping. Flip on the radio. You'll be amazed at the choices.



## **Phantom threats to consumer choice**

Editorial

18 August 2007

Rocky Mountain News

The Federal Trade Commission's so-far futile attempt to block the purchase of Wild Oats by Whole Foods has wasted loads of time and money. Assuming the FTC's court appeal fails, too, the exercise could still have at least one healthy outcome if it prompts federal officials to reassess their outdated theories about what qualifies as a monopoly.

Anyone who regularly shops for groceries knows that Whole Foods is not about to enjoy anything close to a stranglehold on "natural" and organic foods if this merger goes through. So how did FTC officials convince themselves that captive consumers were about to be fleeced?

In part by examining only a narrow slice of the retail grocery market while discounting the broader competition that dwarfs the mini-rivalry between Wild Oats and Whole Foods.

The same mistake was made a few years ago when Douglas County-based EchoStar tried to buy DirecTV but was blocked by the Federal Communications Commission, which acted as if satellite TV were a telecom world unto itself. In fact, even had the two merged, the resulting company would have controlled only 17 percent of the pay TV market.

The proposed merger of XM Satellite Radio and Sirius is provoking similarly blinkered arguments about its alleged threat to competition - as if music lovers don't enjoy a host of other options. If satellite radio is such an insulated cash cow, you have to wonder why Sirius reported yet another loss earlier this month.

We're not suggesting regulators give a pass to every merger plan. Anti-competitive deals that leave consumers with no place to turn are rare, but they occur. Unfortunately, the tendency to see market dominance where none exists is prevalent even for industries undergoing rapid transformation.

The most vivid example of this concerns the news media. Federal ownership rules ban or limit, among other things, the number of TV stations that can be owned by one company in a local market, the number of radio stations that can be owned by a TV station in the same city, the ownership of a TV or radio station and a newspaper in the same market, and even the percentage of U.S. households a broadcast TV owner can reach.

To say these rules are antiquated in the age of the Internet and such devices as the iPhone is an understatement. Yet every plea to bring them into the 21st century is met by outrage from politicians and consumer advocates, who claim the rules protect a diversity of views.

Incredibly, sentiment may be growing for greater regulation. Democratic presidential candidate John Edwards and others worry that News Corp.'s purchase of Dow Jones & Co., which owns The Wall Street Journal, signals the need for more restrictions on the cross-ownership of media. In a letter to the FCC, Sen. Christopher Dodd, D-Conn., claimed "this buyout will result in an overly consolidated media market, imperiling the diversity of opinions available to residents of the greater New York area and across the country."

Would someone introduce that man to wireless service and cable, and then escort him to the periodical section of the nearest Barnes & Noble to give him an inkling of the diversity of opinions available in this land?

In appealing a judge's ruling allowing the Wild Oats/ Whole Foods merger, the FTC is refusing to learn from its mistakes. We can only hope other federal officials are more open to the realities of competition in an age where consumers enjoy such a cornucopia of choice.

# Washington Times

## Approve the Sirius/XM merger

Editorial

26 July 2007

Washington Times

If we thought that the nation's two satellite-radio services — Sirius and XM — would each become a long-term going concern in the foreseeable future, we would be at the front of the line opposing their merger. If there were any evidence suggesting that Sirius and XM's respective losses of \$1.1 billion and \$732 million last year would soon evolve into respectable profits, we would oppose their merger. If there were evidence indicating that their separate operations, which so far have generated cumulative cash-flow deficits totaling \$10 billion, would eventually produce positive cash flows within a reasonable period of time (even if losses continued), we would oppose their merger. If their combined share of the radio-listening market were 34 percent rather than the 3.4 percent it actually is, we would oppose their merger. If the combined 2006 broadcasting revenues of XM and Sirius were 27 percent of the revenues captured by commercial terrestrial (AM/FM) radio broadcasters rather than the 7 percent that they actually are, then we would oppose an XM-Sirius merger.

But not a single one of these anti-merger reasons exists. Sirius and XM continue to hemorrhage cash and generate losses at rates that raise serious concerns about their long-term viability. Their combined market share hardly represents a current threat to the 12,500 terrestrial radio stations, whose politically powerful lobbying arm, the National Association of Broadcasters (NAB), is becoming apocalyptic over the proposed satellite-radio merger.

If the NAB were so concerned about maximizing competition, it would not be in the business of relentlessly lobbying the Federal Communications Commission (FCC) to increase the number of terrestrial radio stations that a single firm can own in a single market. Moreover, if the NAB were not concerned that the merged operations of Sirius and XM might provide a legitimate competitive threat to terrestrial radio in the distant future, it would not be interested in the least about a merger in the satellite-radio industry. In fact, the NAB is quite happy with the status quo, which includes two loss-producing satellite-radio firms facing the real prospect of going out of business because the high-cost structure each faces prevents them from reaping the benefits from the economies of scale that merged operations could exploit. Consumers would benefit from the competition that a viable satellite-radio concern could provide the entrenched terrestrial radio industry and the rapidly expanding operations of Internet radio

For consumers, who now pay \$12.95 per month for either Sirius or XM, the merger would significantly increase the odds that satellite radio would become a viable long-term concern. Some of those benefits were revealed this week. On Monday Sirius chief executive Mel Karmazin unveiled several a la carte pricing and program options that consumers could select from the merged operations. Currently, XM has exclusive satellite-radio rights for Major League Baseball and the National Hockey League, while Sirius offers the National Football League and the National Basketball Association. Sports fans could buy a package that would include all leagues for \$14.99 per month. Another package would allow

consumers to select 50 nonpremium channels for \$6.99 per month. A "family package" would also be available.

To maximize the possibility that satellite radio will be around to provide the long-term competition to terrestrial and Internet radio that will benefit consumers, the FCC and the Justice Department should approve the merger.

# Washington Times

## A good merger

Editorial

6 July 2007

Washington Times

As the Federal Communications Commission and the Justice Department contemplate the proposed merger between the nations' only two satellite-radio providers — Sirius and XM — two crucial questions must be answered. First, is the merger anti-competitive? Second, does the merger serve the public interest? In the highly complex telecommunications arena, few situations seem to be as clear cut as this one. Yes, the merger should be approved because (1) it is not anti-competitive and (2) it clearly is in the interest of consumers, especially where consumer choice is concerned.

If the satellite radio industry were a distinct and separate market, then it would be true that a movement from the current duopoly to monopoly would be anti-competitive. In fact, the audio-communications market abounds with competition, consumer choices and products that are close substitutes for one another. Satellite radio is merely one option in this market — a relatively small option at the moment. Serving a combined 14.5 million subscribers who pay a monthly fee of \$12.95, XM and Sirius together account for a mere 3.4 percent of radio listening. While fewer than 5 percent of Americans listen to satellite radio weekly, nearly 95 percent of Americans listen each week to AM/FM, or terrestrial, radio. More than 20 percent of Americans now listen to Internet radio, whose mobility and portability will be rapidly increasing in the near future. There are six times as many Americans who listen to MP3 players (e.g., iPods) every week than listen to satellite radio.

The 2006 broadcasting revenues for Sirius and XM (\$1.57 billion) was a tiny fraction of the \$21.7 billion in radio broadcasting revenues captured by commercial terrestrial broadcasters. Meanwhile, virtually all of the 240 million registered vehicles in the United States have AM/FM radios, while fewer than 10 percent have satellite radio receivers.

If the XM/Sirius merger is not approved, satellite radio is in danger of disappearing. Indeed, that is precisely what the National Association of Broadcasters (NAB) — the merger's fiercest opponent (and most dominant competitor in the audio-communications market) — would love to see happen. Since 1993 (Sirius) and 1998 (XM), their cumulative cash-flow deficits (capital, operating and interest expenses less sales) have exceeded \$10 billion. Last year, Sirius lost \$1.1 billion. XM lost \$732 million. Satellite radio is an industry with huge fixed costs and low variable costs. As a result, a merger could generate large economies of scale and total costs savings between \$3 billion and \$7 billion in net present value.

In self-serving arguments that are riddled with contradictions, the NAB, which represents the 12,500 AM/FM radio stations, claims the XM/Sirius combination would represent a "merger to monopoly." In reality, if the merger is not approved, today's duopoly in satellite radio could disappear altogether, and consumers would be the biggest losers.

# THE WALL STREET JOURNAL

## What's the Frequency, NAB?

Review and Outlook

21 April 2007

Wall Street Journal

Ever since satellite-radio companies XM and Sirius announced plans to merge back in February, the National Association of Broadcasters, which represents commercial AM and FM radio stations, has been urging federal regulators to quash the deal on antitrust grounds.

The NAB's argument is a remarkably weak one, and the government would be remiss if it became a party to the group's transparent agenda, which is to stop satellite radio from luring away any more of its listeners than it already has. Which isn't much, otherwise the two satellite-radio companies wouldn't be merging.

In the name of preventing some phantom "monopoly" from forming, the NAB is effectively asking regulators at Justice and the Federal Communications Commission to help it keep the competition in check and thus deprive consumers of figuring out whether this is a viable alternative radio service.

Don't take our word for it, by the way. Last October, just months before XM and Sirius unveiled their plans to combine, NAB President David Rehr spoke openly about the make-up of the current marketplace for audio news and entertainment. "We still must address new competitors," he said in a speech to the National Press Club in Washington. "On the radio side, we have satellite radio, Internet radio, iPods, other MP3 players, cell phones, and many, many other things. How will we compete?" Not much we can add to that.

Apparently that argument was fine so long as XM and Sirius were lost in space, losing money. Today, Mr. Rehr is saying that regulators should consider satellite radio a unique and separate market when assessing the competitive impact of the merger. In testimony before Congress, Mr. Rehr said XM and Sirius are seeking to form a monopoly that "would undermine audio content competition, not enhance it." The NAB has also commissioned several analyses of the merger that employ sophisticated Herfindahl-Hirschman Index measures and the like to determine that XM/Sirius would dominate the market for satellite radio.

It's true that a XM/Sirius merger would leave us with one satellite-radio provider. But opposing the deal on those grounds is wide of the mark. Sometimes the best response to what a person is saying today is what that person has said in the past. And despite Mr. Rehr's efforts of late to take it all back, the reality is that he had it right the first time.

Monopolies are harmful when they are the sole seller of a product or service with no close substitutes. And as Mr. Rehr acknowledged, substitutes -- competitors -- abound in the marketplace. XM and Sirius, whose subscribers currently represent less than 4% of total

radio listeners, aren't merely competing for each other's customers; blocking the merger on that assumption makes little sense. The real objective of XM and Sirius is to lure listeners from free radio, the Internet, MP3 players, music channels on cable television, cell phones and who-knows-what-other options coming down the pike.

XM and Sirius, which have a combined 14 million subscribers, continue to lose money. More than 220 million people tune into free radio each week. No one knows whether the public will ever really take to the pay model, but it's not the role of the government to help the NAB smother a fledgling competitor in the crib. This appears to be a merger of desperation more than anything, and blocking it could well result in no satellite-radio providers and thus fewer listening options for consumers. Consumers, not the government, should decide whether one satellite-radio provider is one too many.

This isn't the first time the NAB has tried to forestall competition from XM and Sirius. The group opposed granting them radio licenses and urged the FCC and Congress to ban satellite providers from offering local weather and traffic reports. This is more of the same.

Telecom policy should not be about picking winners and losers but about encouraging investment and innovation. For that to happen, what's most important is competition among technological platforms: cable, telephone, wireless and satellite (for now). Policy makers and regulators would do better to focus less on static models of market share within one platform and more on making sure rival platforms continue to exist. Consumers will happily take care of the rest.

# San Francisco Chronicle.

## **A monopoly -- not**

Editorial

26 February 2007

San Francisco Chronicle

TEN YEARS AGO, federal regulators sold a pair of satellite radio licenses -- and sternly warned that a competition-chilling merger wouldn't be tolerated.

How quaint that worry seems now. The two operators -- XM and Sirius -- are losing billions of dollars and want to huddle together to stop the bleeding. Meanwhile, HD radio, iPods, Internet broadcasts and other trends have rushed past regulators and redrawn the landscape. There are 90 million people wearing dangling iPod ear-buds, 65 million who listen to free Internet radio and about 14 million satellite-radio subscribers.

It's hard to see a stifling monopoly in the making when the two satellite networks are gasping for air. Consumers, who need defending when choices narrow dramatically, don't need any help on this shift.

In Washington, the Justice Department is judged likely to bless the deal after surveying the larger landscape of audio choices. It's a sensible reading of broadcast reality.

It's the Federal Communications Commission, which laid down the no-merger threat a decade ago, that may stop the deal. The panel shouldn't, even if it risks going back on its guiding words, issued at the dawn of the Internet age.

A merged satellite market will create a semblance of a monopoly, but only over one slender source of information. If the merged network raises prices or cuts options, unhappy subscribers can turn elsewhere for their entertainment fix.

This infant industry was touted as a major breakthrough way back when. How far away that era seems now when cheaper, handier and more varied choices now abound.

## They Cannot Be Sirius - Satellite Radio

*Regulators May Oppose the Merger of America's Two Satellite-Radio Firms*

24 February 2007

The Economist

EVEN a cursory glance into a typical van pulling into the car park of an American mall reveals a bewildering amount of entertainment activity going on inside. Mum is likely to be talking on her mobile phone behind the wheel. Music will be playing from an iPod, or from a satellite or terrestrial radio station. The children in the back have their own iPods, mobile phones or games consoles, or are watching video on screens built into the seats in front. America's cars, boats and recreational vehicles are fast becoming entertainment centres that happen to have wheels.

It is therefore somewhat surprising that Kevin Martin, the chairman of the Federal Communications Commission (FCC), which regulates America's telecoms and media industries, responded negatively to news this week that America's two satellite-radio companies want to merge. Sirius, based in New York, and XM, based in Washington, DC, plan to unite in an exchange of shares that would leave each firm's shareholders with half of the new company, worth about \$11 billion on the day of the announcement, February 19th. But first they need approval both from America's Department of Justice, which rules on antitrust matters, and from the FCC, which looks out for the more arbitrary "public interest". Mr Martin said that the "hurdle" would be "high" for Sirius and XM to prove that their union would not limit consumer choice or affordability.

In fairness, Mr Martin can point to an FCC rule that specifically bars Sirius and XM from merging. But that rule was written a decade ago, when neither company had begun its service, and years before iPods, podcasts and other neologisms had battled their way into the English vocabulary. Sirius and XM have since launched their satellites, struck deals with carmakers to build receivers into their vehicles and signed exorbitant contracts to license content—most notoriously with Howard Stern (pictured), the country's most sexually explicit "shock jock", whom Sirius is paying \$500m over the course of five years. Such deals, and the proposition of music, sports and news uninterrupted by advertising breaks, have enabled both firms to attract plenty of paying customers—XM has 7.6m, Sirius 6m—although forecasts have fallen in the past year.

Not surprisingly in a new business where most costs are fixed rather than variable, both firms still make losses. But this cost structure, rather than a desire to increase market power, is what makes the deal attractive, says Craig Moffett of Sanford C. Bernstein, a broker. By teaming up, the two firms can cut their fixed costs, the biggest of which is content. A merger "would cut the cost of Howard Stern in half," says Mr Moffett, and so move the combined

firm closer to profit. It is “unlikely”, he contends, that the merged firm would raise prices beyond the \$12.95 per month that both Sirius and XM now charge subscribers.

But what about choice? Counter-intuitively, a merger would lead to more of it, say XM and Sirius, since it would allow them to drop channels that duplicate each other and to replace them with a wider range of niche channels. The FCC, however, will also be on the receiving end of an opposing view, delivered loudly from the politically powerful National Association of Broadcasters (NAB), an industry lobby with members such as Clear Channel, the country's largest terrestrial radio broadcaster. The NAB is expected to argue that the newly unified satellite outfit would put local programming on some of its new niche channels, which would violate today's rules and compete with terrestrial radio stations. This would be an odd argument in some ways, since the violation would consist of increasing consumer choice, not limiting it.

In the past Mr Martin, a Republican, has been sympathetic to the NAB. Of the other four commissioners, two are Democrats who tend to be wary of “media consolidation” and two are Republicans who may be more inclined to take a friendly view of the merger. There is, in short, a lot of politics to contend with, which makes a sensible outcome far from assured.



## **Our View on Your Radio Options: Sirius and XM Together Makes Sense For Listeners**

*Merger Would Enrich Content, Leave Plenty of Choices.*

Editorial/Opinion

23 February 2007

USA Today

Remember the "baseball, hot dogs, apple pie and Chevrolet" car ad from the 1980s? Turns out it was prescient. While the food is still sold separately, baseball now comes free with many Chevys, at least for a three-month introductory offer.

That's because General Motors has a deal to build XM Satellite radios into Chevys and its other cars. And XM has a deal with Major League Baseball.

Satellite competitor Sirius is frozen out of both. But it has the NFL and NBA contracts, which means that if there's a Ford in your future, football and basketball aren't far behind. Not a sports fan? Oprah is on XM; Martha Stewart is on Sirius.

As Stewart might say, that is not a good thing. It makes little sense that sports fans must decide between every single pro football game and no baseball games, or vice versa. Nor does it make much sense that people's listening preferences should enter into their carbuying decisions.

That's one reason the proposed XM-Sirius combination, announced this week, may be the rare merger that is good for consumers.

Before the federal government approves the deal, of course, it should be thoroughly vetted. The salient question for regulators is whether satellite radio is a market unto itself, in which case a merger would create a monopoly, or whether it is part of larger universe that includes broadcast radio and an array of existing and emerging technologies.

If it's the latter - and a strong case can be made that it is - the merged entity would represent a more potent competitor to entrenched broadcast interests, one that would offer its customers a more enticing and complete product.

Satellite clearly competes with ground-based radio. If it didn't, the National Association of Broadcasters wouldn't be trying to restrict the traffic and weather channels offered on the satellite services, nor would it be so concerned about an XM-Sirius merger.

Satellite competes at a disadvantage with traditional radio. Broadcasters can offer programs free in part because they don't pay the government for use of the airwaves. Sirius and XM had to pay about \$90 million each for a tiny fraction of the space on the airwaves that

broadcasters enjoy. If the government insists on maintaining such an uneven playing field, the least it can do for satellite is unshackle it.

Satellite listeners would end up paying more than the \$12.95 a month they currently pay, as well they might expect if they get more content. But the merged company might offer la carte pricing options and would face natural constraints. The more it charged, the more listeners would opt for free broadcast radio, MP-3 devices or new car-based Internet options being developed.

The case against the proposed deal would be stronger if XM, with 7.6 million subscribers, and Sirius, with 6 million, were strong and profitable companies. Both, in fact, have been big money losers, hemorrhaging \$6 billion collectively in less than a decade.

The most pressing question is not whether XM and Sirius would be too powerful if they merged; it is whether they can survive if they don't. And the best way to ensure survival is to let them combine. Baseball goes with Chevrolet, so why not also with football, basketball, Howard Stern and Martha Stewart?

# THE WALL STREET JOURNAL

## Making Radio Waves

Review & Outlook

21 February 2007

The Wall Street Journal

As the Federal Communications Commission ponders the merits of allowing satellite radio companies Sirius and XM to combine, let's hope the ghost of another proposed merger haunts the proceedings.

In 2002 the FCC blocked satellite television rivals EchoStar and DirecTV from joining forces on the grounds that allowing the merger would decrease competition and lead to higher prices. Michael Powell, the FCC chairman at the time, said the deal would create a satellite monopoly.

In the event, regulatory intervention, based on an overly narrow definition of the market, has only led to unfulfilled promise in satellite broadband. Five years later, the cable and phone companies are by and large eating satellite's lunch in attracting subscribers. Rupert Murdoch is in the process of selling his stake in DirecTV. And consumers who want one provider for television, Internet and phone service have fewer options than they might otherwise if the regulators had stayed out of the way.

Which brings us to the proposed merger of XM and Sirius. On news of the deal, FCC Chairman Kevin Martin remarked that the regulatory hurdles "would be high." If so, the agency might want to write more up-to-date regulations. The current "digital audio radio service" rules date to the late 1980s, before high definition radio, iPods, Pandora.com, music file-sharing and other options existed. The media landscape has changed a bit since The Police split up.

Beltway critics of the deal see a media monopolist around every corner, scheming to limit the public's access to content. And it's true that the merger would create a lone satellite radio company. But a pure monopoly is one that exists in a market where there are no close substitutes. By contrast, a combined Sirius-XM would have to compete not only with free broadcast radio but also with MP3 players, online radio and even music channels offered by cable providers.

Heaven only knows what the cellular companies will bring to the party. They're already gearing up to provide more video options, but there's nothing stopping Verizon or Cingular from coming up with a device that includes a couple of dozen radio stations to compete with satellite.

Which is why the real danger here isn't the creation of a "monopoly," unless you define the market in a way that has no resemblance to the real world. The bigger concern is that regulators will repeat the satellite television mistake and in the process reduce consumer choice. "The reason for this merger is not to exclude others from the market," says Adam

Thierer, who follows telecom issues at the Progress & Freedom Foundation. "It's to make sure they can compete in the broader market against the various players they face -- serious competitors that have satellite radio providers scrambling for their lives."

The most vocal opponents will be traditional radio broadcasters, who will want the deal scotched outright, or at least conditioned on satellite operators being prohibited from offering local services -- news, weather, traffic -- that would compete with their own offerings. Legislation to this effect has been floating around for the last couple of Congresses, courtesy of Republican Representative Charles Pickering of Mississippi.

We hope Mr. Martin will resist any push for industrial protectionism. If this deal, or subscription-based satellite radio in general, turns out to be a bust, the marketplace will let us know in due time.

# Los Angeles Times

## Let XM and Sirius merge

*The FCC shouldn't stop the nation's two providers of satellite radio from joining forces, because they would be only one of many in the audio entertainment business.*

Editorial

20 February 2007

Los Angeles Times

Federal regulators are notoriously slow to act, yet it took Federal Communications Commission Chairman Kevin Martin less than half a day to erect a daunting roadblock to the proposed merger of the country's two satellite radio services, XM and Sirius. Within hours of the companies' announcement of their intention to combine operations, Martin issued a statement saying that XM and Sirius "would need to demonstrate that consumers would clearly be better off with both more choice and affordable prices."

Although that's not the same as saying a merger is "unthinkable" -- the magic word that former FCC Chairman Reed Hundt used to pre-empt a rumored deal between AT&T and SBC Communications in 1997 -- Martin's two-pronged test sets a nearly unsurmountable bar. It's hard to argue that "more choice" results when the only two suppliers of a product combine, or that the merged entity will be deterred from hiking the fees paid by its subscribers (14 million at last count). In addition, when the FCC issued two licenses for a national satellite radio service in 1997, it said that they could not be owned by a single company. Similarly, when the two satellite TV services attempted to merge in 2002, they ran into withering resistance from both the Justice Department and the FCC.

That said, Martin's statement is inconsistent with the approach the FCC has taken on media consolidation in general. The goal should be to promote choice not in the niche occupied by XM and Sirius, but in the general market of audio entertainment. As Martin and other Republicans on the FCC have often noted, technology is enabling consumers to get radio programming and on-demand audio services in a variety of new ways. That makes the overall market hotly competitive, particularly among national players.

Consider a few statistics. Half of the new cars sold in the U.S. this year will have stereo systems designed to work seamlessly with an iPod, and 60% will have inputs that work with any brand of portable music player. In addition to songs, those devices can play podcasts -- a recorded program that emulates over-the-air radio -- from more than 44,000 sources. Of the roughly 12,500 over-the-air stations pumping out conventional radio broadcasts, about 1,200 also broadcast in digital -- frequently, with more than one channel in different formats. Meanwhile, a growing number of cellular phone and municipal wireless networks are enabling mobile devices to tap into the expanding ranks of online music services. As of late December, there were nearly 80 citywide or regional wireless networks in operation, with an additional 150 planned.

Meanwhile, both Sirius and XM are bleeding money at prodigious rates as they try to amass the number of subscribers needed to overcome their debt and depreciation costs. According

to their most recent financial statements, Sirius spent almost twice as much to operate and promote its service as it collected from subscribers and advertisers, while XM spent about 25% more on operations than it collected. Allowing them to merge could save them billions of dollars in marketing and maintenance expenses while preserving satellite radio as one of many alternatives available to consumers.

Anticipating resistance from the FCC, the companies said they would let people subscribe to channels on a more la carte basis -- a favorite cause of Martin's, at least where cable and satellite TV are concerned -- and broaden their programming. They also said the combination would lead to less expensive receivers and more advanced services, such as delivering improved traffic and weather reports. The FCC should look at these concessions, declare victory and approve the merger.

## **Op-Eds and Additional Media Coverage**

A beneficial merger Washington Times, Rep. Rick Boucher (D-VA) — November 26, 2007

Constituents' E-Mail on XM Deal Not Well Received Washington Post, Jeffrey H. Birnbaum and Kim Hart — November 22, 2007

Uncertain antitrust trajectory Washington Times, Wayne Crews and Alex Nowrasteh — November 18, 2007

Why the XM-Sirius Merger Makes Sense BusinessWeek, Rep. Rick Boucher (D-VA) — November 16, 2007

Merger Would Benefit Roll Call, Rep. Rich Boucher (D-VA) — October 22, 2007

Competitive Electronics New York Sun, Mark Fowler, Former FCC Chairman — September 5, 2007

The a la carte alternative The Washington Times, Mel Karmazin — August 6, 2007

The Good Word - Via Satellite New York Post, Edward Cardinal Egan, Archbishop of New York — July 20, 2007

Sirius, XM and American values Los Angeles Times, Jon Healey — June 25, 2007

Who's afraid of mergers? Chicago Tribune, Steve Chapman — June 21, 2007

A Merger and a Prayer Forbes, Steve Forbes — April 9, 2007

Money, Not Outrage, Fuels Anti-Merger Fight The Miami Herald, Glenn Herald — February 22, 2007

# Washington Times

## A beneficial merger

By Rick Boucher

26 November 2007

Washington Times

By the end of the year, the Justice Department and the Federal Communications Commission should have completed their review of the proposed merger of satellite radio providers XM and Sirius. Because the merger will promote competition and benefit consumers, it should be approved. The key questions for both agencies are whether the merger would hinder competition in the relevant market and the effect the merger will have on consumers. In each instance, a close examination supports merger approval.

As the only two subscription-based satellite radio companies, XM and Sirius transmit music, sports programming, news and other types of programs to a combined total of 15.4 million subscribers. At first blush, one might conclude that a combination of the only two providers of this satellite-based service would be an obvious antitrust abridgement. In fact, the "bumper sticker-like" campaign of merger opponents stresses the harm of a 2-to-1 combination.

The reality of the relevant market, however, is both more subtle and more compelling. That market is the entire marketplace for audio entertainment, including terrestrial radio, Internet radio and Internet-protocol-enabled applications, such as iPods.

In the radio marketplace of both satellite and terrestrially delivered radio services, XM and Sirius occupy less than a 4 percent share of listeners. The balance is held by AM and FM stations. In the broader audio entertainment market of radio and Internet-based news and entertainment, XM and Sirius have an even smaller share. When one concludes that the broader market is the proper measure, it is clear that the merger would not hinder competition.

Consider also the repeated statements by leading broadcast companies that they are in competition with satellite radio. For the past decade, broadcasters have fought satellite radio and continue to do so today. In fact, the leading opponent of the merger is the National Association of Broadcasters, the trade association for AM and FM stations, whose mere presence in this debate as a merger opponent is compelling evidence that terrestrial and satellite radio are in direct competition and are part of a unified market.

One further thought about the competitive landscape that the two companies face: Under traditional antitrust analysis, regulators often look at potential substitutes for a product to determine whether a merger of two companies would lead to lower consumer welfare. They often ask, "How far would a person have to drive in order to find a substitute?" In the case of XM and Sirius, consumers don't have to drive anywhere to find a competitive alternative: They just have to hit a different button on their car stereo.

When one rightly concludes that the market for antitrust purposes is broad and that the two satellite carriers hold less than a 4 percent market share, an antitrust green light should quickly follow. But the FCC has a broader public-interest screen and will question whether the merger will benefit consumers. Again, a careful review favors merger approval.

Today, both XM and Sirius maintain separate entertainment offerings. The merger would eliminate duplication of programming and would eventually expand the spectrum for program delivery by a unified carrier, enabling the extension to consumers of larger choices from both program offerings. XM and Sirius recently announced, for example, that they will offer eight different program packages post-merger, including several options that will enable consumers to select channels on an a la carte basis and pay substantially less than the current subscription price. This unprecedented offering will provide subscribers with more choices and lower prices and pave the way for a unique form of competition in the entertainment industry — one based on the individual programming preferences of listeners.

One new programming option will allow subscribers to choose 50 channels for just \$6.99 — a 46 percent decrease from the current standard subscription rate of \$12.95 per month. The combined company also will offer several other new programming packages, including two "family friendly" options. Those subscribers choosing one of the "family friendly" options will be able to block adult-themed programming, and for the first time receive a price credit.

A merged company will give subscribers additional programming options. Today, an XM subscriber can get Major League Baseball games, but not NFL games. After the merger, XM and Sirius subscribers should be able to get both MLB and the NFL, both the PGA and NCAA basketball and both Oprah Winfrey and Martha Stewart.

As an additional benefit of the merger, the extra bandwidth that the elimination of duplication would produce will result in the offering of more public-interest programming than either XM or Sirius now offers. The combined company will be able to expand diverse programs for underserved interests, such as foreign language and religious programming.

Given the vibrancy of competition in the audio entertainment market and the substantial consumer benefits that the merger will produce, the reviewing agencies should allow XM and Sirius to complete their proposed merger this year.

Rep. Rick Boucher, serving his 13th term in Congress, is a Virginia Democrat.

# The Washington Post

## Constituents' E-Mail on XM Deal Not Well Received

By Jeffrey H. Birnbaum and Kim Hart

22 November 2007

Washington Post

Juanita Daigle of Baton Rouge is listed as one of the thousands of people who sent e-mails to the Federal Communications Commission opposing the proposed merger between the satellite radio networks XM and Sirius.

But Daigle said she never sent an e-mail and is distressed that anyone would think she did. "How did they get my name?" she asked. "I don't want someone using my name for something I don't even know about."

A check by The Washington Post of 60 people whose names were attached to identical, anti-merger e-mails instigated by the National Association of Broadcasters, a major opponent of the merger, produced mostly unanswered phone calls and recordings saying the phones were disconnected. Of the 10 people reached, nine said they never sent anything to the FCC, and only one said she remembered filling out something about Sirius but did not recall taking a position on a merger.

The responses raise questions debated a lot in Congress and at federal agencies lately: Are the hundreds of millions of narrow-interest e-mails that deluge official Washington each year a useful measure of public sentiment? Are they even being sent by real people?

The torrent, made possible by Web lobbying techniques, is subverting the process it was meant to influence, some experts said.

"It's a problem," said Stuart W. Shulman, a political scientist at the University of Pittsburgh. "If someone sends a meaningful comment, which is what the agencies are seeking, it becomes difficult to find." The e-mail volume is so massive, he said, that agencies have begun to pay less attention to the comments.

Congress is also wary of the trend. A poll of 350 congressional staffers conducted by the Congressional Management Institute in 2005 indicated that half of them did not believe that form-letter messages were sent with the knowledge or approval of constituents.

Yet the volume of e-mail has skyrocketed. House and Senate offices last year received 318 million electronic messages, up from 200 million e-mails and postal letters in 2004.

A large number of those e-mails were produced through interest group Web sites, a standard lobbying practice. Lawmakers are so frustrated with the volume of missives thrown off by those sites that many are placing obstacles in the way of e-mails not written personally by constituents. Barriers include requiring e-mailers to fill out a special form on lawmakers' Web sites and to complete a simple math problem to get their e-mails through.

Federal agencies have also experienced a gigantic increase in computer-generated e-mail. This year, the Fish and Wildlife Service received more than 300,000 form-letter e-mails from members of the Natural Resources Defense Council urging that polar bears be placed on the endangered species list, according to the eRulemaking Research Group, which tracks e-mails dealing with regulations.

At the FCC, most of the e-mails about the proposed merger between XM Satellite Radio Holdings of the District and Sirius Satellite Radio of New York were prompted by the National Association of Broadcasters. The lobby group said it inspired the sending of 8,500 e-mails to the agency by buying pop-up ads on consumer-oriented Web sites such as CarMax.com, Staples.com and PriceGrabber.com in August and September. Spokesman Dennis Wharton said his group has the name, date, postal address and numerical Internet address of the e-mailers, including those contacted by The Post, to show that the electronic letters were sent by actual people.

"I have a high degree of confidence in this," Wharton said. "They [the e-mailers] had to physically type in their name and address. It was a fairly rigorous process."

XM and Sirius are not so certain. "The timing and pattern of delivery of these comments is highly unusual and suspicious," said Kelly Sullivan, a spokeswoman for both companies. "The letters lack any apparent common tie or indication of the source of the effort, all of which calls into question the legitimacy of the filings."

The FCC declined to comment.

The FCC and Justice Department are reviewing the XM-Sirius deal, with a decision expected soon. Either agency could move to block the proposed stock swap if it thinks the consolidation would violate anti-monopoly laws or harm consumers.

XM and Sirius contend that a merged company would help consumers by providing them more services and would not constitute a monopoly because of the proliferation of ways people get their audio entertainment these days.

The broadcasters, who represent free radio services such as AM and FM, do not want a stronger competitor. They claim that the merger would lead to higher prices for listeners, and thus hurt consumers, and would also violate antitrust agreements established by the government when the subscription services were founded not long ago.

The dispute has ignited massive lobbying by both sides, including the broadcasters' effort to attract e-mailers. The electronic letters the broadcasters helped to send were addressed to FCC Chairman Kevin J. Martin and urged the agency to reject the merger.

Wharton said the e-mails were sent to the FCC after people clicked on an ad with the headline, "The XM Radio/Sirius Merger will create higher prices. Stop the Monopoly!" The ad invited users to choose either, "Yes, I'd like to help stop the monopoly" or "No, thank you."

Those who clicked "yes" were asked to type in their contact information and later received a confirmation e-mail "detailing their action and providing a copy of the letter to be sent to the FCC," Wharton said. Respondents were then given "another opportunity to opt out of the process and cancel submission of their letter," he added.

Nevertheless, none of the people contacted by The Post whose names reached the FCC remembered going through that process. All but one said they had not agreed to send any e-mails at all.

"No sir, I never sent any notes to Washington," said William Chadwick, a retired truck driver from Lebanon Junction, Ky., whose name is attached to one of the messages that reached the FCC. "This call is the first time I've heard of this."

"I never sent an e-mail," said Frank Dashields, a Salisbury, Md., building-services manager. "I don't even know about the issue."

"I don't know what the merger is about and I don't care," said Tom Biniecki, a retired steel worker from Winamac, Ind. "I have no idea what you're talking about."

Desiree Beck of Omaha, expressed alarm when she was told that her name was on an e-mail filed with the FCC. "Where did they get my name?" she asked. She said she has read one or two news stories about the merger but did not send anything on the Internet about it.

"If anything, I'd be for it," she said of the proposed merger. The firms, she said, "clearly need it to survive."

Betsy Vargovich of Orofino, Idaho, did remember visiting a Web site about Sirius but did not recall what side of the issue she took. "When I saw Sirius pop out, I picked it up to see what it was," she said, adding that she was eager to do anything she could to keep her Sirius service without interruption. The e-mail at the FCC was in her husband's name, but Vargovich said she was behind it.

The messages sent to the FCC contained the names and addresses of the apparent senders. If those people did not type in their names and address, it is unclear where the information came from.

Online experts say it is not unusual for e-mailers to forget what they have -- or have not -- clicked on. "The Internet makes things so easy," said B.R. McConnon III, chief executive of the online advocacy firm Democracy Data & Communications. "People move through the process like they were clicking on next, next, next."

He said his and other online companies occasionally have had to remind e-mailers that they sent notes attributed to them that they had forgotten.

# Washington Times

## Uncertain antitrust trajectory

By Wayne Crews and Alex Nowrasteh

18 November 2007

Washington Times

The proposed XM/Sirius satellite merger — awaiting OKs from the Justice Department and Federal Communications Commission (FCC) — represents the antitrust establishment's latest target... and potential casualty.

Smokestack-era antitrust law presents one of today's gravest threats to hyper-competitive frontier industries and the customers they serve.

Fortunately many Wall Street analysts foresee a favorable decision come early December. Bear Stearns analysts put approval at 70 percent.

Yet that optimism must be qualified by recognizing the damage caused by subjecting every major but routine voluntary alliance to months of wealth-draining "analysis" and groveling. The companies have given the government millions of pages of "documentation," a situation that has become routine.

This ceaseless intervention by government in every significant market transaction is to the economy what constant noisy interruption is to a conversation. The costs are enormous. Bear Stearns should be analyzing actual deals, not the odds on government intervention while companies twiddle their thumbs.

Some merger opponents are the usual anticapitalist, anticorporate advocates who see big business as an almost personal affront and regard the market as a zero-sum game. Our society is capitalist and corporate enough for them to enjoy the leisure of complaining, so they do.

Meanwhile, competitors — in this case, traditional broadcast radio — lobby strongly against mergers. Competitor opposition is usually a given; it's really the foundation and lifeblood of today's entire misguided antitrust enterprise.

Think about it: Competitors would cheer an inefficient merger, since that would keep them from having to reduce their own prices or improve their offerings. The mergers that competitors try to block are the efficient ones that benefit consumers.

Thus for innovative companies seeking to merge, appeasement becomes mandatory. A few weeks back, XM and Sirius promised not to raise prices during their first year as a combined entity.

Agreeing to such concessions benefits competitors but hurts the competitive process and customers. Competitor response and new market entry in a profitable field are sufficient

discipline. As many commentators have noted, satellite radio competes with free radio, podcasts, mp3 players and more. XM/Sirius' greatest threat may be "wi-fi everywhere" mobile Internet radio with user-programmable stations.

This XM/Sirius promise amounts to a self-imposed price control. But price controls hurt consumers: A low price is not a good price if it means inferior service or discourages needed investment and innovation.

Like all market prices, satellite radio fees are not a legitimate concern of responsible government. Prices are best kept in check by a marketplace clearly swarming with competing media platforms.

An efficient merger forces competitors to respond by expanding consumer choices even more aggressively. That's hard work, so it's no wonder some would try to block it. Keeping XM and Sirius apart merely constitutes "corporate welfare" for rival platforms, who would get a reprieve from making tough choices and innovating.

Too many businesses view competition like exercise — as good for other people. But for a functioning market economy, it is indispensable that competition discipline all players. The XM/Sirius merger, by creating a leaner, streamlined satellite radio industry, would energize competition among all forms of media.

Unelected bureaucrats should not dictate the structure of a competitive market. FCC can best expand consumer choice by liberalizing the government-controlled electromagnetic spectrum, deliberately scaling down its own oversight in favor of competition through auctions and new spectrum exchanges.

Such market dynamism is its own reward. Unfortunately, we remain on the wrong path. The concessions the merged XM/Sirius may have to offer are troublesome for free enterprise at large. When Lewis Carroll's Alice crawled into the rabbit hole, she encountered a crazy world whose characters had to perform wasteful tasks to avoid arbitrary punishments by the Queen of Hearts. It was supposed to have been fiction.

Wayne Crews and Alex Nowrasteh are, respectively, vice president for policy and research associate at the Competitive Enterprise Institute.

## Why the XM-Sirius Merger Makes Sense

*Representative Rick Boucher dismisses antitrust concerns, putting their share of the radio market at less than 4%, and argues the deal would benefit listeners*

By Rick Boucher

16 November 2007

BusinessWeek

By the end of the year, the Justice Dept. and the Federal Communications Commission should have completed their review of the proposed merger of satellite radio providers XM Satellite Radio Holdings (XMSR) and Sirius Satellite Radio (SIRI). Because the merger will promote competition and benefit consumers, it should be approved.

The key issues for both agencies are whether the merger would hinder competition in the relevant market and the effect the merger would have on consumers. In each instance, a close examination of the facts supports merger approval.

### More Competition, Not Less

As the only two subscription-based satellite radio companies, XM and Sirius transmit music, sports programming, news, and other types of programs to a combined total of 15.4 million subscribers. At first blush, one might conclude that a combination of the only two providers of this satellite-based service would be an obvious antitrust abridgment. That's certainly the argument made by a phalanx of merger opponents, including the National Association of Broadcasters.

The reality of the relevant market, however, is more complex. That market is the entire audio entertainment universe, including terrestrial radio, Internet radio, and Internet-protocol-enabled applications, such as recent iterations of the Apple (AAPL) iPod.

In the marketplace of both satellite and terrestrially delivered radio services, XM and Sirius have less than a 4% share. The balance is held by AM and FM stations. In the broader audio entertainment market of radio and Internet-based news and entertainment, XM and Sirius have an even smaller share. When one concludes that the broader market is the proper measure, it is clear that the merger would not hinder competition.

Consider also the repeated statements by leading broadcast companies that they are in competition with satellite radio. For the past decade broadcasters have fought satellite radio, and they continue to do so. In fact, the leading opponent is the National Association of Broadcasters, the trade association for AM and FM stations, whose mere presence in this debate as a merger opponent is compelling evidence that terrestrial and satellite radio are in direct competition and are part of a unified market.

Under traditional antitrust analysis, regulators often look at potential substitutes for a product to determine whether a merger of two companies would lead to lower consumer welfare. They often ask, "How far would a person have to drive in order to find a

substitute?" In the case of the XM and Sirius, consumers don't have to drive anywhere to find a competitive alternative, they just have to hit a different button on their car stereo.

When one rightly concludes that the market is broad and that the two satellite carriers hold less than a 4% market share, an antitrust green light should quickly follow.

#### Providing Consumers with More Choices

But the FCC has a broader public-interest screen and will question whether the merger will benefit consumers. Again, a careful review of the case favors merger approval.

Today, both companies maintain separate entertainment offerings. The merger would eliminate duplication of programming and eventually expand the spectrum for program delivery by a unified carrier, which would eventually mean more choices for consumers. XM and Sirius recently announced, for example, that they will offer eight different program packages post-merger, including several options that will enable consumers to select channels on an à la carte basis and to pay substantially less than the current subscription prices. This unprecedented offering will provide subscribers with more choices and lower prices and pave the way for a unique form of competition in the entertainment industry—one based on the individual programming preferences of listeners.

One new programming option will let subscribers choose 50 channels for just \$6.99—a 46% decrease from the current standard subscription rate of \$12.95 a month. The combined company also will offer several other new programming packages, including two "family-friendly" options. Those subscribers choosing one of the "family-friendly" options will be able to block adult-themed programming and, for the first time, receive a price credit.

A merged company will give subscribers additional programming options. Today, an XM subscriber can get MLB games, but not NFL games. After the merger, XM and Sirius subscribers should be able to get both MLB and NFL, both PGA and NCAA, both Oprah Winfrey and Martha Stewart.

#### A Boon to Public Interest Programming

As an additional benefit of the merger, the extra bandwidth that the elimination of duplication would produce will result in the offering of more public-interest programming than either XM or Sirius now offers. The combined company will be able to expand diverse programs for underserved interests, such as foreign language and religious programming.

Given the vibrancy of competition in the audio entertainment market and the substantial consumer benefits the merger will produce, the reviewing agencies should allow XM and Sirius to complete their proposed merger this year.

Representative Rick Boucher (D-Va.) is a co-founder and co-chair of the Congressional Internet Caucus.

# Merger Would Benefit Consumers

By Rep. Rick Boucher

The ongoing debate over the proposed merger of satellite radio providers XM and Sirius is high volume and contentious, as diverse interests work to influence the impending decisions by the Department of Justice and the Federal Communications Commission. In my view, the merger is in the public interest and should be approved.

The key questions for both agencies are whether the merger would hinder competition in the relevant market and the effect the merger will have on consumers. In each instance, a close examination supports merger approval.

As the two subscription-based satellite radio companies, XM and Sirius transmit music, sports programming, news and other types of programs to a combined total of 15.4 million subscribers.

At first blush, one might conclude that a combination of the only two providers of this satellite-based service would be an obvious antitrust abridgement. In fact, the "bumper-sticker-like" campaign of merger opponents stresses the harm of a 2-to-1 combination.

The reality, however, of the relevant market is both more subtle and more compelling. That market is the entire marketplace for audio entertainment, including terrestrial radio, Internet radio and Internet-protocol-enabled applications, such as iPods.

In the radio marketplace of both satellite and terrestrially delivered radio services, XM and

listeners to terrestrial radio. In fact, satellite radio listeners listen to XM or Sirius for 10.75 hours weekly while they listen to terrestrial radio more, for an average total of 14 hours weekly. They listen to Internet radio 8.25 hours weekly. Even XM or Sirius customers listen to AM and FM more than to satellite radio.

These figures clearly show that satellite radio is in competition with terrestrial radio, that people who listen to satellite radio interchange their listening patterns among various radio sources, and that satellite radio listeners are listening to other types of radio more than twice as much as they listen to satellite radio. Not only do listeners treat the market as unified among satellite, terrestrial and Internet ra-



Rep. Rick Boucher

One new programming option will allow subscribers to choose 50 channels for just \$6.99 — a 46 percent decrease from the current standard subscription rate of \$12.95 per month. The combined company also will offer several other new programming packages, including two "family-friendly" options. Those subscribers choosing one of the family-friendly options will be able to block adult-themed programming and, for the first time, receive a price credit.

As an additional benefit of the merger, the extra bandwidth that the elimination of duplication would produce will result in the offering of more public interest programming than either XM or Sirius now offers. The combined company will be able to expand diverse programs for underserved interests, such as foreign language and religious programming.

Given the vibrancy of competition in the audio entertainment market and the substantial consumer benefits that the merger will produce, the reviewing agencies should allow XM and Sirius to complete their proposed merger this year.

Rep. Rick Boucher (D-Va.) is a member of the Energy and Commerce and Judiciary committees.

When one concludes that the broader audio entertainment market of radio and Internet-based news and entertainment is the proper measure, it is clear that the merger would not hinder competition.

## Should satellite radio companies be allowed to merge?

Sirius occupy less than a 4 percent share of listeners. The balance is held by AM and FM stations. In the broader audio entertainment market of radio and Internet-based news and entertainment, XM and Sirius have an even smaller share. When one concludes that the broader market is the proper measure, it is clear that the merger would not hinder competition.

In case one doubts whether the relevant market is just satellite radio or whether it is audio entertainment generally, consider the following:

In a fall 2006 Arbitron survey, satellite radio listening accounted for only 3.4 percent of all radio listening. That same survey showed that satellite radio listeners are avid

radio, but they also prefer terrestrial radio to the other mediums.

Consider also the repeated statements by leading broadcast companies that they are in competition with satellite radio. For the past decade, broadcasters have fought satellite radio, and they continue to do so today. In fact, the leading opponent of the merger is the National Association of Broadcasters, the trade association for AM and FM stations, whose mere presence in this debate as a merger opponent is compelling evidence that terrestrial and satellite radio are in direct competition and are part of a unified market.

When one rightly concludes that the market for antitrust purposes is broad and that the two satellite carriers hold less than a 4 percent market share, an antitrust green light should quickly follow. But the FCC has a broader public interest screen and will question whether the merger will benefit consumers. Again, a careful review favors merger approval.

Today, both companies maintain separate entertainment offerings. The merger would eliminate duplication of programming and expand the spectrum for program delivery by a unified carrier, enabling the extension to consumers of larger choices from both program offerings. XM and Sirius recently announced, for example, that they will offer eight different program packages post-merger, including several options that will enable consumers to select channels on an a la carte basis and pay substantially less than the current subscription price. This unprecedented offering will provide subscribers with more choices and lower prices and pave the way for a unique form of competition in the entertainment industry — one based on the individual programming preferences of listeners.



James Carville and Luke Russert take a break from taping their sports radio show at XM Satellite Radio, which is seeking a merger with its competitor, Sirius Satellite Radio.

### In Congress Now

Recent documents related to satellite radio, available at [GalleryWatch.com](http://GalleryWatch.com):

"Letter to FCC Chairman Kevin Martin from House Appropriations Subcommittee on Financial Services and General Government Chairman José Serrano"

• Letter Raises Questions on the Lack of Satellite Radio Service Outside the Mainland United States

"Letter to FCC Chairman Kevin Martin and Assistant Attorney General Thomas Barnett from Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights Chairman Herb Kohl"

• Letter Requests Blocking the Proposed Merger of XM Satellite Radio and Sirius Satellite Radio

"Letter to Federal Regulators from Rep. Mike Doyle"

• Letter Expresses Concerns Regarding the Proposed Merger Between Sirius Satellite Radio and XM Satellite Radio

Compiled by Daniel Fesko/GalleryWatch



## Competitive Electronics

By Mark Fowler

5 September 2007

New York Sun

As chairman of the Federal Communications Commission in 1981, I was visited by a lobbyist for the broadcast industry. Over-the-air broadcasters vehemently opposed the FCC's authorization of Direct Broadcast Satellite television services, and the lobbyist quickly launched into his preamble: "We are all for competition, Mr. Chairman, but ... "

Meaning, "forget what I said up to the word 'but,' and now listen carefully..."

In observing the broadcasters' intense negative reaction to the proposed merger of the two satellite radio companies, XM and Sirius, it struck me that little has changed in 26 years. Each year, the skies over Washington darken as the Lear jets bring industry lobbyists to the latest battlefield against competition and its offshoot — mergers that enhance competition.

In 1981, we were only beginning to envision the possibilities of satellite-delivered entertainment media services. Twenty-six years later, we live in an entertainment media marketplace that features a striking — and exciting — competitive dynamic beyond anything we could have envisioned. Although traditional over-the-air radio remains the most dominant audio entertainment platform, continued technological innovation has forced broadcasters to confront that they must offer better service and more choices to consumers if they are to compete and survive.

Satellite radio offers a perfect example of the phenomenon. Although it is a relatively nascent service, launched a little more than five years ago, satellite radio today offers diverse programming targeted to many audiences and tastes, largely on a commercial-free basis, using very high-quality digital signals.

And, in spite of the fact that satellite radio constitutes only 3.4% of radio listening today, traditional over-the-air radio operators have understood the potential threat and have had no choice but to compete, and have been dragged, albeit kicking and screaming, into the digital age.

Thus, the broadcast industry recently introduced and is pushing its own "HD Radio" initiative to allow radio stations across the country to offer multiple new, high-quality digital channels.

This is all to consumers' benefit. In the mean time, satellite and terrestrial radio also have been besieged by a host of additional competitors: iPods and other MP3 players, Internet radio services, and now mobile phones. All offer exciting new means of providing audio entertainment to consumers.

That is how things should be. Indeed, it is the precise dynamic that American communications and entertainment media policy should continue to foment. If the two satellite radio companies, each only several years old, need to combine to be more effective competitors in an audio entertainment marketplace teeming with technological change and innovation, the government should not stand in the way.

In the end, satellite radio may or may not survive, but let that be decided by the people through their electronic choices in the marketplace.

Mr. Fowler served as chairman of the Federal Communications Commission during the administration of President Reagan.

# Washington Times

## The a la carte alternative

By Mel Karmazin

6 August 2007

Washington Times

In my four decades in the radio business, I've closely watched — and often played an active role in — the evolution of audio entertainment. But nothing I've touched though has come close to changing the consumer experience in the way I expect the recent announcement from Sirius and XM to offer a la carte programming following our merger will.

We built our industry by providing choice. Now we're ready to increase choice, raising it to the next level. This a la carte offering represents the first-ever in subscription media. Consumers will have two different a la carte packages to choose from, in addition to six other programming options. Listeners will truly have the ability to match the content they want with the price they want to pay. Some of the new packages will include family-friendly packages that will allow parents to restrict — and avoid paying for — content they don't want. As promised on day one, all devices today will still work after the merger. The new programming packages will be available through existing devices, with the exception of the a la carte packages. A la carte programming will require a new device, which will be priced in line with those currently on the market.

So, after our merger, we will not only offer more choice but will make choice cheaper.

We made our mark with consumers, including listeners in minority and rural communities who found, via satellite, what they had long been missing — new and diverse content instead of the tired and homogenized fare being offered by terrestrial radio. We believe a strategy of increased choice and lower price points will build our subscriber base and allow us to become a stronger competitor in the audio entertainment marketplace. Apparently, our giant competitors in terrestrial broadcasting agree. The National Association of Broadcasters and its allies have opposed the merger of Sirius and XM, arguing that the merger will be anti-competitive.

Think about that for a moment. Have you ever heard of a product or service that hurt competition by lowering prices and increasing choice? I don't think so. In fact, it seems to me the NAB isn't afraid the merger will foster too little competition. It's afraid it will foster too much.

The audio entertainment market today is brimming with competition and will be even more competitive after our merger. MP3 players, iPods, HD radio, Internet radio, satellite radio and mobile phones are revolutionizing the listening experience. There has never been a better time to be a consumer.

Programmers today have numerous outlets for distributing their content along with the potential to reap multiple revenue streams. The diversity of delivery modes and channels

enriches our world, creating new opportunities for niche programming unlike anything available when I entered this business. And things are only getting better.

In the vast U.S. radio market, even our combined company will still be a relative small fry, accounting for only 3.4 percent of radio listeners. However, the efficiencies and cost savings we realize from the merger will allow us to compete more aggressively with terrestrial radio, the 800-pound gorilla that still dominates the industry. Terrestrial radio reaches 230 million weekly listeners who access terrestrial programming free of charge in virtually every home and vehicle in America.

As for passing the regulatory hurdle of demonstrating that the merger is in the public interest, this transaction is a slam-dunk: Consumers will have lower prices and more choice — the very definition of serving the public interest. What's more, the fact that our competitors offer their content for free over public airwaves is all the incentive we need to keep our quality high and our prices as low as possible.

We're proud to be offering a la carte programming to the American people for the first time. And we're confident that giving consumers the ability to customize their own programming will be good for radio, good for our business and good for consumers.

As I said, it's a great time to be a consumer (even if it is sometimes a difficult time to be a media executive). We are in the midst of an audio revolution that is reshaping the way people access and enjoy content. Sirius and XM have both served as catalysts for competition, for choice and for greater diversity in programming. Now, we're ready to unleash a new wave of innovation — most significantly with the introduction of a la carte programming — which heralds a unique form of competition in the entertainment industry, catering to the individual tastes and budgets of listeners.

Mel Karmazin is CEO of Sirius Satellite Radio.



## The Good Word - Via Satellite

By Edward Cardinal Egan

20 July 2007

New York Post

At a recent West Coast dinner held on behalf of Catholic University, a man approached me to remark on the extraordinary breadth and depth of programming he heard day after day on The Catholic Channel on Sirius Satellite Radio. He and his wife never miss my weekly program, he told me; they enjoy listening to the various hosts discuss the world around them from a Catholic point of view.

A bishop, an old friend who leads a diocese outside of New York, wrote me to say that he thinks The Catholic Channel is exactly what the church needs to communicate with people about what the church is and what it teaches. Another friend, a Jewish woman from New York, told me that she'd been listening to The Catholic Channel and was struck by how much common ground our faiths share.

The influence that the channel already has achieved was also driven home a few days ago, when a first-time visitor to the Cathedral of Saint Patrick asked an usher, "When is Monsignor Ritchie saying Mass today? I heard him on Sirius . . ."

Spreading the Good News is a primary mission of the church. As Pope Benedict XVI stated in this year's World Communications Day message, "Above all, the church desires to share a vision of human dignity that is central to all worthy human communication." This is what we're trying to achieve each day with The Catholic Channel.

The Catholic Church has always sought a variety of ways to communicate with the faithful. Conventional media have long made a place for religious viewpoints, but it is increasingly limited (and this publication is no exception). Radio has historically provided a forum for religious programming - but the more recent homogenization of content has largely left religious content at the outskirts.

This is why the Archdiocese of New York quickly and enthusiastically responded to Sirius' invitation to launch The Catholic Channel. And this brings me to a topic that's far from the usual fodder for those of us called to serve the church: the proposed merger between Sirius and XM Satellite Radio.

In Washington and elsewhere, many people much more expert than I in these matters are working diligently to examine the merger. From my perspective, however, it offers a unique opportunity to extend the reach and breadth of religious programming. It is also an unmatched opportunity to strengthen this new medium and position satellite radio to compete with the ever-growing list of audio entertainment providers.

Every day, The Catholic Channel reaches across the country and provides an opportunity for Catholics and people of faith to feel more connected to their God. Nor is it the only religious programming on satellite radio.

Both Sirius and XM offer a range of religious shows and channels - and they've promised to offer consumers more choice at lower prices after the merger. Service offerings that let subscribers pay less would permit even more Americans to experience satellite radio.

Moreover, the companies have promised that a key component of the merger will include the ability to block channels that some listeners may find offensive and the merged entity will offer a rebate for those channels as well.

As my bishop friend so accurately observed in his brief note to me, The Catholic Channel and Sirius Satellite Radio present a unique opportunity for the church to speak with people -- Catholic and non-Catholic alike. I would urge all those who are considering the Sirius-XM merger to see to it that this dialogue of faith can continue.

Edward Cardinal Egan is the archbishop of New York.

# Los Angeles Times

## **Sirius, XM and American values**

*Got a big business deal in the works? Start lining up interest groups.*

By Jon Healey

25 June 2007

Los Angeles Times

Worried about the proposed merger between the XM and Sirius satellite radio services? So are more than 70 members of Congress, Consumers Union, the Consumer Federation of America and the American Antitrust Institute, among other groups.

On the other hand, the New York State Federation of Hispanic Chambers of Commerce thinks it's a great idea. "We firmly believe that alternative news sources found in satellite radio have played a role in fueling this economic growth and we strongly urge the merger's approval," the group's president, Alfred Placares, said in a press release earlier this month.

So do three other Latino organizations—the Hispanic Federation, the Latino Coalition and the League of United Latin American Citizens. Also voicing support are the National Black Chamber of Commerce and the 2nd Episcopal District of the African Methodist Episcopal Church (as well as the NAACP, although its comments have yet to be posted). Ditto a trio of women's groups: Women Involved in Farm Economics, Women Impacting Public Policy and the National Council of Women's Organizations. From the heartland, the League of Rural Voters votes "aye" on the merger of the satellite radio giants. So do two conservative Christian groups, American Values and FamilyNet. Oh and yes, don't forget the liberal National Consumers League and the conservative National Taxpayers Union.

Who knew there was such a variety of stakeholders among the 14 million subscribers in Sirius and XM's combined user base?

While the names of the groups change from issue to issue, the routine in Washington has been pretty much the same for decades. Whenever policymakers are poised to act on an important and controversial issue, such as a big merger or new regulation, out of the woodwork come a swarm of advocacy groups representing a rainbow array of ethnic groups, regional interests and other constituencies.

Some of them weigh in on their own accord. For example, Consumers Union and Consumer Federation routinely take positions on mergers involving telecommunications services (and, typically, oppose them). But other groups step up to the microphone at the behest of parties most affected by the government's action. It's become part of the game: If you want the Federal Communications Commission (FCC) to bless your merger, as XM and Sirius do, you line up as many grass-roots allies as you can. Your opponents do too.

The routine makes perfect sense to former FCC Chairman Dick Wiley, a Washington lobbyist whose clients include Sirius. When he was on the commission in the 1970s, he said, the FCC routinely heard from the Rev. Jesse Jackson and other African American

representatives on media issues. "The FCC is naturally going to be interested in what the NAACP thinks about this ... or the Hispanic caucus. That's part of the whole equation," Wiley said. And lining up support from those groups "is part of a very legitimate process that goes on to try to persuade five (FCC) commissioners whose obligation is to determine what is the broader public interest."

Given the stakes involved, it's not surprising that the process has been abused. Critics coined a term—"AstroTurf"—to describe supposedly grass-roots groups that turn out to be fronts ginned up by proponents or opponents of a merger, regulation or bill. Another tactic favored by large corporations is to buy goodwill among community groups through charitable donations, then encourage those groups to support the corporations' agendas in Washington. There's also the practice of pouring money into supposedly independent research groups, then trotting out studies that, amazingly enough, support their benefactors' point of view.

It would be a mistake, though, to see advocacy groups as puppets that take positions only on command. There's a natural symbiosis between these groups and their corporate allies. The groups' *raison d'être* is to raise their constituents' profile and make sure their concerns are heard. Thus, every controversial rulemaking or legislative battle is an opportunity to justify their existence and position themselves as representatives of a slice of the citizenry that shouldn't be ignored.

Take, for example, Women Impacting Public Policy, a Washington-based group that represents female business owners. "We've carved out a niche and space in the telecom area because there is probably no set of issues that affect us more broadly" than the communications and media issues regulated by the FCC, said Barbara Kasoff, the group's president. "That affects us in terms of our programming, being able to advertise, being able to market, being able to be part of this space." The group occasionally gets involved on issues at the request of its corporate partners, which include AT&T and Verizon. But it jumped into the fray over the XM-Sirius merger on its own initiative. "We kind of watch what's happening through the FCC," Kasoff said. "We felt it's very critical the commissioners on the FCC understand the perspective of small business owners. And to that end, we want to make sure that we are visible and we provide that perspective."

The grass-roots groups and individual comments (more than 2,500 of which have been filed with the FCC) have largely repeated the themes advanced by XM and Sirius or their primary opponents, the National Association of Broadcasters. These include the impact on prices, programming diversity and consumer choice. They've also helped XM and Sirius advance an argument that the publicly traded services can't make themselves: that the two companies are too weak to survive as independent entities.

That's one of the points made by the Minneapolis-based League of Rural Voters, which joined the debate at the behest of XM and Sirius. It released a report last week that argued the merger was fundamentally different from the proposed merger of satellite TV providers DirecTV and EchoStar, which the FCC unanimously rejected in 2002. Niel Ritchie, the league's executive director, admitted that "the XM guys did this particular study," but he said he agreed with its conclusions and was happy to put it out under the league's banner. Satellite radio is valuable to rural areas because they're frequently underserved by over-the-air

broadcasters, Ritchie said, and the merger would be a good thing because it would turn "what we perceive to be two weak companies into a strong company." He added that rural concerns are too often overlooked by policymakers. "For us, having an opportunity to get involved in regulatory issues that have an impact on our constituency ... is one we take every chance we get."

Jon Healey is a Times editorial writer; he runs the BitPlayer blog.

## Who's Afraid of Mergers?

By Steve Chapman

21 June 2007

Chicago Tribune

Someone once said that the best way to get rid of a bad law is to enforce it vigorously, thus making its flaws visible to all. Federal regulators may not induce repeal of the antitrust laws, but they show a talent for making the statutes look obsolete.

It's widely accepted that one of the crucial functions of government is to protect against monopolists and cartels. Left to its own devices, many critics of capitalism believe, the market would allow voracious corporations to collude, joining forces to hold consumers upside down and shake the nickels out of their pockets. To ensure that free markets operate for the benefit of all, we are told, the government has to strictly police mergers to keep any company from gaining an unfair advantage.

That is what it claims to be doing in two different sectors. Federal Communications Commission Chairman Kevin Martin has expressed serious qualms about approving a wedding between the only two satellite radio companies, Sirius and XM. The Federal Trade Commission is going to court to block a merger between two organic grocery chains, Wild Oats and Whole Foods.

In both cases, the rationale is that fewer companies will mean fewer choices and higher prices. But consumers who want what these firms provide have more options than the Milky Way has stars. If a couple of those stars cease to exist, nobody will notice, and besides, new stars are born every day.

Organic food consumers would not be the suffering captives of this new company. The business is growing like an organic weed. Every grocery store has a raft of offerings, and chains from Wal-Mart to Trader Joe's are fighting to get their share of sales. If the bigger Whole Foods price-gouging, customers can easily find other sources for what they want -- from farmers markets to online suppliers.

The key government error is defining the market as a narrow sector isolated from other sectors that provide reasonable substitutes. That same mistake explains the FCC chairman's aversion to the satellite radio deal, as well as the letter from 72 members of the House of Representatives claiming it would have "devastating" consequences for listeners.

As it happens, the alternative to one satellite radio company may not be two companies but none. The existing ones have accumulated some \$7 billion in losses between them. The merger may allow them to reduce costs, so they can eke out a profit and stay in business.

Raising prices would not be easy, since consumers have plenty of affordable options. Music fans can listen to terrestrial radio, pop in a CD, find an Internet feed, turn on an iPod, flip to the cable TV music station or check out unknown talents on YouTube.

Web radio may not get as much attention as Howard Stern, but it has four times as big an audience as XM and Sirius combined. In his alarm about the proposed merger, Martin has mistaken a mouse for a moose.

The truth is, markets are more complex and dynamic than regulators assume. Bill Clinton's Justice Department tried to break up Microsoft before it enslaved us all, but the feds got far less than they wanted. Microsoft, however, has found out that even a virtual monopoly doesn't guarantee prosperity. Despite controlling more than 90 percent of the market for computer operating systems, the company's stock price has been flat for the last decade -- while Apple, which has only a tiny share, has increased in value 15-fold since 2003.

Meanwhile, other companies, notably Google, have trounced Microsoft in other areas. Over the last decade, says Thomas Hazlett, a professor of law and economics at George Mason University, "Microsoft has seen its market position erode, and it has virtually nothing to do with the antitrust case."

The point is not that corporations will never try to suppress competition, as Microsoft is accused of attempting with its new Vista operating system, which it recently agreed to alter in response to a complaint from Google. The point is that they will usually fail, because of the many choices available to the buying public -- and that on the rare occasions when they succeed, the success is invariably fleeting.

Even corporations that gain dominance find that no matter how they connive, they can't escape competition. In a market economy, today's fearsome predator is tomorrow's frightened prey.



## **A Merger and a Prayer**

By Steve Forbes

9 April 2007

Forbes

The proposed merger between the two satellite radio broadcasters, XM and Sirius, faces serious regulatory obstacles, primarily for anticompetition reasons. FCC Chairman Kevin Martin has said the antitrust hurdle will be high. Critics carp that the two firms got the green light to go into business a decade ago because they would be competing, not combining, and thus would not be in a position to gouge customers. Some Capitol Hill politicians gloomily warn that this joining--if allowed--is another nefarious example of the "consolidation" of the communications industry, since a handful of companies have already bought scores of television and hundreds of radio licenses.

These Rip Van Winkle skeptics are apparently unfamiliar with something called the Internet: Expanding broadband capacity is making it easier for almost anyone to go into the broadcasting business. Satellite radio faces competition that didn't exist a mere decade ago, such as digital radio and cell phones; iPods are also starting to factor in both radio and video.

In short, innovation is making these monopoly concerns look like a Saturday Night Live parody. The merger should be given the go-ahead immediately--and investors had better hope the new entity can survive the onslaught of once unforeseen competition.

It's nothing new for regulators to be behind the technology eight ball. Years ago when Xerox invented the copier business and drew the unwelcome antitrust attention of the Federal Trade Commission, bureaucrats didn't foresee that a slew of companies would soon make cheaper, less advanced copiers that over time would become more efficient and reliable and would, ultimately, eat Xerox's lunch. Once mighty Xerox stock today sells at only a fraction of its price ten years ago. And don't forget that decades ago GM and IBM were frequently eyed by antitrusters. Competition and innovation sharply cut the clout and comparative size of both giants.

In free markets, monopolies are always short-lived.

# The Miami Herald

## Money, Not Outrage, Fuels Anti-Merger Fight

Commentary

By Glenn Garvin

22 February 2007

The Miami Herald

Watch out for winged pigs, rivers flowing upstream, Hillary Clinton kissing Rush Limbaugh and Britney Spears putting on underwear. Anything is possible now that the National Association of Broadcasters has discovered indecency on the airwaves.

Conveniently, it's somebody else's airwaves -- those inhabited by the two satellite radio companies that compete with the NAB's broadcast clients. The NAB has been shocked, shocked, to learn that the potty-mouth Howard Stern is talking about sex, poop and body parts on satellite radio, and says that's a good enough reason for the government to block the merger of XM and Sirius.

"In coming weeks, policymakers will have to weigh whether an industry that makes Howard Stern its poster child should be rewarded with a monopoly platform for offensive programming," said Dennis Wharton, the NAB's vice president, earlier this week. "We're hopeful that this anti-consumer proposal will be rejected."

### DIFFERENT TIME

If you're wondering how many times the NAB labeled Stern's show offensive when it aired on broadcast radio, here's a clue: The answer lies somewhere between zero and zip, nothing and nada.

The only time NAB ever mentions broadcast shock jocks is when it complains about FCC fines for their behavior. Back in 1991, when classical-music broadcaster Woody Tanger -- who owned radio stations in Miami, Philadelphia and Detroit -- urged his colleagues to denounce Stern, NAB president Eddie Fritts stonily replied that the group was not an "industry programming critic."

It's possible, I suppose, that the NAB recently underwent a taste-conscience transplant, and that explains the sudden antipathy to Stern. More likely, though, is that the group is just exhibiting some new creativity as it goes about its same old business of strangling consumer choice in entertainment.

From crippling a plan for low-power FM radio stations that would have created thousands of new ones to forcing cable-TV systems to load up with broadcast shopping and religious channels at the expense of more popular cable-only networks, the NAB has long used government regulation as a weapon to crush any potential competitors.

None of the NAB's holy wars against competitors has been as long or as brutal as the struggle to suppress satellite radio. No wonder: Nearly free of advertising and with a diverse

selection of programming (XM and Sirius both offer more than 150 channels, everything from 1950s rock and roll to electronica/trance), satellite is the perfect antidote to the ad-clogged broadcast stations with tiny playlists operated by the NAB's members.

## CHUTZPAH

The NAB warred so ceaselessly against the initial proposal for satellite radio that it took 11 years for Sirius and XM to get on the air. The NAB's claim that the merger of the two companies is an "anti-consumer proposal" that will create "a monopoly platform," if anything, showed more chutzpah than its denunciation of Stern. There were originally four companies interested in building satellite radio networks, but two of them gave up as NAB objections turned the application process into the regulatory version of the Bataan death march.

The attacks didn't stop when XM and Sirius finally went on the air in 2001. Since then, the NAB lobbied to prevent satellite radio from delivering local traffic and weather reports, even to prohibit broadcasts of local Amber Alerts about missing children. It's trying to force XM and Sirius to remove the repeater towers that boost their signals into satellite dead spots. And it's demanded that the government outlaw free trials of satellite radio in new cars or on the Internet.

This attempt to stop the merger is just one more skirmish in the NAB's war on competition. 'If you're an anti-trust enforcer and you see that all the competitors are banding together to oppose a merger in the name of 'public interest,' it's pretty easy to figure out that the truth is exactly the opposite," says Tom Hazlett, who teaches law at George Mason University in Virginia.

What the NAB really hopes is that if the merger is blocked, Sirius and XM -- which are both losing money -- will go bankrupt. Then, to hear actual entertainment programming rather than ads, we'll have to listen to our iPods. Until the NAB figures out a way to get them banned, too.

## **Selected Ads**

- "Even Better Together" Ad
- "What's In It for Consumers?" Ad
- "Listen to the Numbers" Ad
- "Diverse Merger Support" Ad
- "More Diverse Merger Support" Ad
- "Democrat and Republican" Ad

# SIRIUS + XM

## Even Better Together.

### More choices. Better prices.

**"...the merged entity...would offer its customers a more enticing and complete product."**

—USA Today, February 23, 2007

**"XM and SIRIUS [have]...plenty of other competitors for what goes in your ears. The market is changing with amazing speed."**

—Chicago Tribune, February 23, 2007

**"... a merger makes sense — for me, for you, for everybody who likes variety and good music."**

—The Indianapolis Star, February 25, 2007

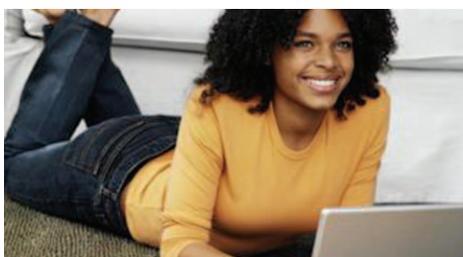
### **Together we can do more for America's listeners.**

SIRIUS and XM want to bring to consumers enhanced content that gives listeners the very best programming available. Existing subscribers will not need to buy a new satellite radio. And a merged company would offer better prices for consumers.

More programming choices and better prices mean more value for listeners.

The subject matter discussed in this communication will be addressed in a Joint Proxy Statement/Prospectus to be filed with the Securities and Exchange Commission. Stockholders are urged to read the Joint Proxy Statement/Prospectus regarding the proposed transaction when it becomes available, because it will contain important information. Stockholders will be able to obtain a free copy of the Joint Proxy Statement/Prospectus, as well as other filings containing information about SIRIUS and XM, without charge, at the Securities and Exchange Commission's Internet site (<http://www.sec.gov> <<http://www.sec.gov/>>). Copies of the Joint Proxy Statement/Prospectus and the Securities and Exchange Commission filings that will be incorporated may be obtained by directing a request to Sirius Satellite Radio Inc., 1221 Avenue of the Americas, New York, NY 10020, Attention: Investor Relations, or to XM Satellite Radio Holdings Inc., 1500 Eckington Place, NE Washington, DC 20002, Attention: Investor Relations. Information regarding SIRIUS' and XM's directors and executive officers and other participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be available in the Joint Proxy Statement/Prospectus.

# In It for Consumers?”



“What’s in it for me?” The question every consumer asks.

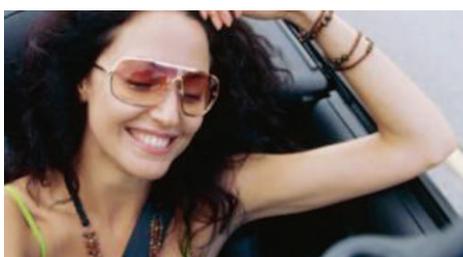
With the proposed merger between SIRIUS and XM, here’s what’s in it for consumers.

**1. The XM-SIRIUS merger will increase consumer choice.**

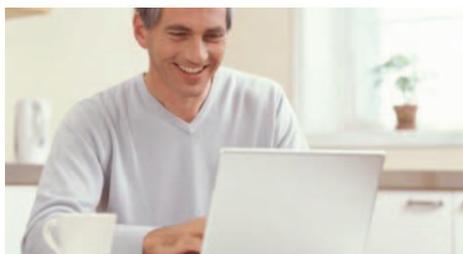
*USA Today* says, “SIRIUS and XM together makes sense for listeners.” (2/23/07) Today, consumers must purchase two radios and two subscriptions to get the best programming. If our merger is approved, SIRIUS-XM will offer consumers the best of each service on your current radio – at a modest premium over today’s \$12.95 price.



**2. We will offer better pricing.** Subscribers who stay with their current SIRIUS or XM service will not pay any more after the merger. New services, like the best of both program line-ups, will cost much less than subscribing to both services today. And consumers will have the option of new packages that cost less than the \$12.95 charged today.



**3. No one will need to purchase a new radio.** Whether you keep your service or subscribe to the “best of both,” you will be able to receive great programming from both XM and SIRIUS on your current radio. No one will need a new radio.



**4. You will have the power.** Consumers will continue to have the ability to block programming they deem objectionable, and they will receive credit for certain channels that they opt not to receive.

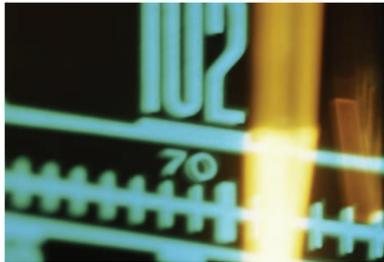
What’s in it for you? SIRIUS and XM together will bring you more choices and better pricing.

XMradio.com

SIRIUS.com

## *Even Better Together*

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# Listen to the Numbers

The world of audio entertainment has changed dramatically since SIRIUS and XM received their licenses in 1997.

Consumers today have a dizzying and ever-expanding array of options to choose from.

Now, XM and SIRIUS want to team up to offer a great new option. Each already provides over a hundred channels of music, talk and sports commercial-free. Together, XM and SIRIUS will offer more choices, including the best of both services. No one will need a new radio. No one will pay more for existing service, and some services will cost less.

That's why *USA Today* says, "SIRIUS and XM together makes sense for listeners." (2/23/07)

XM and SIRIUS: more choices, better prices.

SIRIUS.com

XMradio.com

## Even Better Together

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# **SIRIUS and XM Radio.**

# **The people who**

# **support our merger**

# **are as diverse**

# **as our programs.**

**Among the groups that have voiced their support:**

**League of Rural Voters • National Consumers League • National Black Chamber of Commerce  
Hispanic Federation • The Latino Coalition • League of United Latin American Citizens (LULAC)  
New York State Federation of Hispanic Chambers of Commerce • Women Involved in Farm Economics (WIFE)**

[SIRIUSmerger.com](http://SIRIUSmerger.com)

[XMmerger.com](http://XMmerger.com)

**How can we be a monopoly and have more than 10,000 competitors?**

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# Who supports the merger of SIRIUS and XM Radio?

**Just groups representing  
about every race, creed, religion  
and political affiliation.**

**That's all.**

**Among the groups that have voiced their support for the merger:**

**60 Plus Association**

**African Methodist Episcopal Church (AME Church)**

**Americans for Tax Reform • American Values**

**Competitive Enterprise Institute • FamilyNet**

**Hispanic Federation • League of Rural Voters**

**League of United Latin American Citizens (LULAC)**

**NAACP • National Black Chamber of Commerce**

**National Council of Women's Organizations**

**New York State Federation of Hispanic Chambers of Commerce**

**The Latino Coalition • Women Involved in Farm Economics (WIFE)**

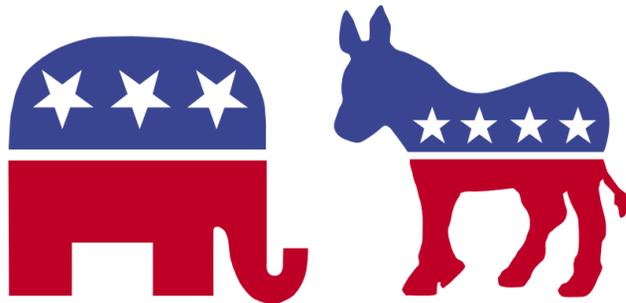


[SIRIUSmerger.com](http://SIRIUSmerger.com)



[XMmerger.com](http://XMmerger.com)

**programming as diverse as the people who support our merger.**



**FINALLY,  
DEMOCRATS  
AND  
REPUBLICANS  
AGREE  
ON SOMETHING.**

**OVER 70%\* ARE IN FAVOR OF A LA CARTE  
AND BEST OF BOTH PROGRAMMING PACKAGES  
THAT WOULD BE OFFERED IN A SIRIUS XM MERGER.**

In fact, voters agree that the merger is in the public interest by a margin of more than 2 to 1. But it's not just Republicans and Democrats who agree. It's every segment of the population. People of all ages. People who live in the country and the city. People of all races.

\*Based on a national survey of 800 registered voters, August 7-9, 2007, with a margin of error of +/- 3.46%.



For more information on the poll, please visit:  
[SIRIUSmerger.com](http://SIRIUSmerger.com)



For more information on the poll, please visit:  
[XMmerger.com](http://XMmerger.com)