

Comments to media:

Hello Fawn,

I read your Dow Jones article today covering David Frear's comments on the merger. It was a good article, and I am glad someone chose to report his comments. However, it left me wondering why more coverage has not gone into the convoluted process occurring at the FCC. As often stated, there have been more congressional hearings on this merger than the war with Iraq. It has now taken longer for the FCC to review this merger than any merger in history. One must begin to ask why two companies with less than 1% (1) of the listening market require so much scrutiny. From my perspective the whole review process has been hijacked by "selfish interest" groups and paid-for politicians:

Georgetown Partners and Jesse Jackson oppose the merger unless the FCC hands over to them 20% of Sirius's and XM's spectrum instantly giving them access to the market Sirius and XM developed and subsidized.

The NAB claimed satellite radio as a competitor for years until Sirius and XM decided to merge and it became more self-serving for the NAB to spin the satellite industry as unique and the merger a monopoly. The NAB opposes the merger and the ability of satellite radio to provide local content, weather, and traffic. It seems the NAB prefers being the monopoly.

HD/digital radio groups want the FCC to mandate that their chip sets be installed in all satellite radios and expect Sirius to subsidize the cost to do so. The cowbird should be their emblem!

Select equipment manufacturers want open architecture on all hardware so that the designs and technologies that Sirius and XM have developed no longer remain proprietary and can be used without license or royalty.

A minority of state attorneys general and congressmen mostly with direct/indirect ties to terrestrial radio and/or the beneficiaries of significant campaign donations from the NAB enjoy imposing their influence on the process wrapped in the flag and the mantra of protecting the consumer.

A handful of consumer groups, some even supported by the NAB, have voiced their opposition. But, one has to wonder whose voice they represent since the vast majority of publicly filed documents are in favor of the merger.

The voices of real consumers seem to have become lost in the feeding frenzy at the FCC. The real consumers are the users of satellite radio who almost unanimously support the merger. And, why

wouldn't they? Sirius and XM have already promised to keep prices from rising, provide an ala carte plan with lower priced options and content from both companies, and market a universal satellite radio. How does the consumer lose? To top it all off, Sirius and XM have even agreed to provide 8 stations to minority content providers. Keep in mind that the diversity in programming for minorities already represented by Sirius and XM rivals anything found in the media industry.

This merger process highlights everything that is wrong with the political system and US government. Holding the FCC, "selfish interest" groups, and paid-for politicians accountable for their actions by bringing them to the light of day is the only hope to reform the process, protect the consumer, and foster competition. Isn't this why we have freedom of the press? But, how do you make the press care?

Sincerely,
Chris Johnston

PS The FCC web site has 10's of thousands of documents related to this Proceeding: 07-57! The ex parte filings by these "selfish interest" groups are very revealing!

http://fjallfoss.fcc.gov/prod/ecfs/comsrch_v2.cgi

(1) National Association of Broadcasters (NAB) position paper:

http://www.nab.org/AM/Template.cfm?Section=Issue_Papers1&CONTENTID=7143&TEMPLATE=/CM/ContentDisplay.cfm

"From a competitive standpoint, hometown radio broadcasters have little to fear from satellite radio companies. With 96% of Americans listening to free, local radio once a week and three-quarters tuning in daily – and satellite occupying less than 1% of the market – hometown radio continues to be the dominant source for compelling audio entertainment"