

C3sr has gotten their meeting with the FCC, and they it looks like they got everyone in the building involved as they dropped their own "bombshell" that they promised last week.

In that meeting, they provided documentation to say that sirius and xm intentionally did not comply with the FCC requirement for interoperable radios.

They are now demanding that sirius and xm be "tried" and fined to the tune of hundreds of billions of dollars. They had some documents also filed which they feel strengthens their opinion. However, I checked the facts. At least those that are public, and they are simply wrong! I could just imagine the scene as Jesse Jackson & Co. passed out these papers and exalted themselves as the wizards of satellite sleuth technology!

The question I'm left asking is: Did the companies act in good faith and disclose the information. The facts are , YES! THEY DID!

Going back to 1999, here is an SEC filing pertaining to interoperability, in which they state that manufacturing costs may be a barrier to interoperability:

The IB Order conditions our FCC license on us certifying that our system includes a receiver design that will permit end users to access the other licensee's system. In November 1998, WCSR submitted an application to the FCC to provide a satellite-based digital audio radio service. We also may have to comply with the interoperability requirement for any system launched by WCSR. We have made progress towards developing a receiver which is interoperable with the satellite digital audio radio system XM is constructing. However, because of the various technological challenges involved in designing an interoperable receiver, we cannot predict whether we will be able to satisfy this interoperability requirement. Complying with this interoperability requirement could make the devices capable of receiving CD Radio broadcasts and the related antenna more difficult and costly to manufacture. Accordingly, this interoperability requirement could delay the commercial introduction of these products or require that they be sold at higher prices.

Fast forward to 2003 and we find this filing:

On February 16, 2000, we signed an agreement with XM Radio, the holder of the other FCC license to provide a satellite-based digital audio radio service, to develop a unified standard for satellite radios to enable consumers to purchase one radio capable of receiving both SIRIUS and XM Radio's services.

We expect the unified standard to detail the technology to be employed by manufacturers of such dual-mode radios. The technology relating to this unified standard is being developed, funded and will

be owned jointly by the two companies. This unified standard is also intended to meet FCC rules that require interoperability of both licensed satellite radio systems. We anticipate that it will still take several years to develop radios capable of receiving both services.

As part of this joint development agreement, we and XM Radio have licensed our intellectual property to one another.

Both companies expect to work with their automakers and radio manufacturers to integrate the new unified standard and have agreed that future agreements with automakers and radio manufacturers will specify the unified satellite radio standard. Furthermore, we and XM Radio have agreed that future agreements with retail and automotive distribution partners and content providers will be on a non-exclusive basis.

It is obvious that the companies have acted in such a way, that the only reasonable conclusion is that they have in fact acted in good faith, openly and honestly.