

Pioneer North America, Inc.
8000 Towers Crescent Dr., 13th Floor
Vienna, VA 22182

June 17, 2008

VIA ECFS AND E-MAIL

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

Re: Ex Parte notice, MB Docket No. 07-57

Dear Ms. Dortch:

On June 16, 2008, the undersigned met with Rick Chessen, Senior Legal Advisor to Commissioner Copps and Michael Steffen of Commissioner Copps' office, and separately with Rudy Brioché, Legal Advisor to Commissioner Adelstein and Shawn Donilon of Commissioner Adelstein's office regarding certain proposed conditions to the proposed merger of Sirius Satellite Radio Inc. ("Sirius") and XM Radio Inc. ("XM").

At the meetings, I reiterated our position that Pioneer North America, Inc. ("PNA") does not take a position as to whether the proposed merger should be approved. However, iBiquity Digital Corporation ("iBiquity") has proposed certain conditions on the merger, should it be approved.¹ I explained PNA's opposition to these conditions.

The iBiquity condition would limit the breadth of radio product offerings to consumers, limiting consumer choices. There are myriad features which may be incorporated into home, mobile and OEM automotive products and each product incorporates one or several of them. Eliminating the product choice of whether to include HD Radio or not in a particular product cuts by at least half the number of choices we may offer to our customers.

The condition would limit which radio component suppliers' products be designed into radios, granting some form of oligopoly to iBiquity and component manufacturers that incorporate iBiquity technology. This could yield predatory practices on the part of the technology vendors. Furthermore, existing AM/FM/HD components have poorer AM/FM reception capability than the existing AM/FM devices. This condition would have the effect of decreasing AM/FM tuning performance, while at the same time significantly increasing consumer prices (even for consumers uninterested in HD Radio).

Moreover, the condition would interfere with the useful and healthy free market mechanisms extant in radio electronics purchases. Free terrestrial analog and terrestrial

¹ See Letter from Albert Shuldiner and Robert A. Mazer, *May 1, 2008*.

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digital radio services should be allowed to compete with paid satellite digital radio services on an even playing field. Consumers should be allowed to choose radios which meet their needs, without undue government influence.

It is our belief that HD Radio should compete in the marketplace with other radio services: if free local digital terrestrial radio services are compelling to consumers, HD Radio technology will succeed in the marketplace. In this case, the free market is the best measure of the public interest.

In accordance with §1.1206 of the Commission's Rules, one copy of this letter is being filed electronically via ECFS, and delivered via email to each participant.

Regards,

A handwritten signature in blue ink, appearing to read "Adam Goldberg".

Adam Goldberg
Vice President
Government and Industry Affairs
Pioneer North America, Inc.
(703) 846-3650

Cc: Rick Chessen
Michael Steffen
Rudy Brioché
Shawn Donilon