

NORTH CAROLINA'S PUBLIC RADIO STATIONS

July 1, 2008

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

Dear Chairman Martin:

On behalf of North Carolina's Public Radio Stations, we are writing to express our opposition to the proposed merger of XM Satellite Radio (XM) and Sirius Satellite Radio (Sirius). The public radio community remains steadfast in its opposition to the proposed XM-Sirius merger. However, if the merger is to proceed, then we urge you and your colleagues on the Commission to condition it by requiring the merged entity to incorporate HD Radio technology in all new satellite radio receivers.

Each week, more than 900,000 residents of North Carolina listen to public radio. We oppose the merger between XM and Sirius on the grounds that a combined satellite radio provider would substantially harm the public interest by creating a monopoly satellite radio provider. We fear that a merged satellite company could leverage its business relationships with companies dominating the satellite receiver distribution and retail channel to frustrate the rollout of terrestrial digital radio receivers.

Public radio stations have been on the forefront of developing the digital broadcasting standard. Today, more than 380 public radio stations are broadcasting in digital and 300 more stations will soon be on the air. North Carolina's public radio stations are at the forefront of digital broadcasting, with nearly all of our state's public radio stations broadcasting in digital or in the process of transitioning. Our investments, with considerable help from Congress, total millions of dollars in this next generation of broadcasting.

Just a few weeks ago, the House Appropriations Committee approved an additional \$40 million to assist public radio stations' transition to HD radio technology. Clearly, the Congress supports our transition to terrestrial digital broadcasting. Congress' investment in our broadcasting infrastructure will be marginalized by the merger of XM and Sirius unless the merged entity is required to insert HD Radio technology in all new satellite receivers.

A merger condition requiring the inclusion of HD Radio technology in all new satellite receivers would ensure a competitive market for digital terrestrial broadcasting, while preventing monopolistic market forces from squeezing out this growing service.

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Your interest in promoting competition while fostering innovation should remain at the forefront of this critical decision-making process. We urge your continued support in working with your colleagues at the FCC to promote and preserve the public interest in the historic proceeding by urging the inclusion of HD Radio technology in all new satellite radio receivers. The citizens of North Carolina deserve to continue reaping the benefits of public radio. With your support, terrestrial broadcasting can remain healthy and vibrant for years to come.

Sincerely,

Charles Wethington

Station Manager
WTEB-FM (New Bern)
WBJD-FM (Atlantic Beach)
WKNS-FM (Kinston)
WZNB-FM (New Bern)

Deborah Proctor

President
WCPE-FM (Raleigh)
WZPE-FM (Bath)

Ed Subkis

General Manager
WCQS-FM (Asheville)
WFQS-FM (Franklin)

F. Kim Hodgson

General Manager
WDAV-FM (Davidson)

Roger Sarow

President and General Manager
WFAE-FM (Charlotte)
WFHE-FM (Hickory)

Emeka Emekauwa

General Manager
WSHA-FM (Raleigh)

Denise Franklin

General Manager
WFDD-FM (Winston-Salem)

Jeffery M. Womble

General Manager/Director of Public
Relations
WFSS-FM (Fayetteville)

John Miligan

General Manager
WHQR-FM (Wilmington)

Elvin Jenkins

General Manager
WSNC-FM (Winston-Salem)

cc: Ms. Marlene Dortch (for inclusion in MB Docket 07-57)