

December 5, 2008



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

RE: FCC Proceeding 08-172

Dear Chairman Martin:

This letter is a reiteration of my letter sent electronically to Chairman Edward Markey of the Subcommittee on Telecommunications and the Internet on July 18, 2008 and is in response to proposed legislation before the FCC to mandate the inclusion of HD radio technology into all Sirius XM Satellite Radio hardware. As a small manufacturer, my purpose is to make it known that such legislation would be oppressive to my business and others like mine that currently design, manufacture and sell Sirius XM satellite radio receiver hardware.

I'm sure you understand that Sirius XM Radio is not responsible for the design, manufacture or sales of all respectively enabled satellite radio receivers. My company, Antex Electronics Corp. in Torrance, CA, currently manufactures three distinct SDARS receivers for the commercial and high-end consumer A/V installation markets. We receive no design direction from Sirius XM Radio, no subsidies for tuner hardware, and we control all of our own design, sales and marketing direction.

We introduced our first multi-zone receiver for Sirius Radio programming over five years ago, and followed the next year with an XM Radio multi-zone receiver for residential applications. A single-zone XM unit designed for commercial background music applications (think restaurants/retail stores/bars) was released another year later. Although we rely upon Sirius XM Radio third-party vendors for the tuner hardware for each of our products, the receiver designs are wholly our own. Our units are dedicated to only the respective satellite radio service and no other technologies (iPod, AM/FM, HD) are integrated.

We, like many other manufacturers, chose not to include HD radio technology in our receivers due to the increased costs that showed no guaranteed ROI, and due to the fact that HD is already making great inroads with other device manufacturers who chose to pursue that technology as part (or whole) of their product strategy. HD radio is a great benefit to consumers and the terrestrial radio industry alike – consumers get more

information and more choices, and terrestrial radio can disseminate more information and reap the rewards of greater advertising revenue vehicles. But, HD radio does not benefit my company's product or revenue growth at this time and, as a free-trade manufacturer, I should have the right to choose what technology path is best for my company.

To insist that all new satellite radio receivers include HD radio technology as a requirement is onerous to manufacturers like Antex that have consciously chosen to not include it in our product offerings. It will add unnecessary cost to our products with no guarantee of additional revenue and will increase our product development cycles should we decide to continue with our SDARS products. Such a requirement does not help control the combined Sirius/XM entity, but rather inhibits manufacturers like myself, who do not receive any component subsidies from Sirius XM Radio, from participating freely in the market. In addition, the commercial BGM market to which we sell our XM-100 receiver does not allow terrestrial radio play in certain defined size and customer volume establishments – the mandatory inclusion of HD radio in our commercial receiver would provide a source considered illegal by the FCC in certain installations.

On May 1, 2008 Chairman Edward Markey offered an excellent solution of requiring “the merged company to permit any device manufacturer to...incorporate in satellite radio receivers any other technology...including hybrid digital (HD) radio technology, iPod ports, Internet connectivity, or other technology.” I agree with his original contention that by leaving the inclusion of HD radio technology as optional for manufacturers that “this principle of openness would serve to promote competition, protect consumers, and spur technical innovation.”

Please understand, the insistence of **mandatory inclusion of HD** radio technology to all new devices **does not** promote competition at my company's level. It instead grossly benefits iBiquity and ties my company and others to a technology we may not wish, and should not be forced, to support. I believe that it is not the FCC's, nor iBiquity's, nor Sirius XM's responsibility to determine what we as a third-party manufacturer must design or sell.

I thank you in advance for your consideration of my views as you enter your deliberations.

Sincerely,

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