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July 14, 2008

The Honorable Kevin J. Martin
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Ex Parte Presentation (MB Docket No. 07-57)

Dear Mr. Chairman:

Last July, NPR filed a Petition to Deny with the Commission on the matter of the proposed merger of XM Satellite Radio Holdings and Sirius Satellite Radio. Our opposition was grounded in the position that the marketplace for satellite radio is distinct from other audio markets and that the combination of XM and Sirius would constitute a monopoly with detrimental consequences for NPR and its member stations. We also suggested to the Commission that if the Commission were to approve the proposed merger, it should do so only if it also imposes comprehensive structural and regulatory conditions, including requiring all SDARS receivers to include the capability to receive HD Radio.

Recently, it has been reported that the Commission is moving forward with the merger. NPR continues to believe a merger of XM and Sirius would undoubtedly diminish viewpoint diversity. From the perspective of a program producer, reducing the number of SDARS providers from 2 to 1 can only diminish the opportunities for NPR, other public radio licensees and public radio program producers to develop and distribute programming to SDARS subscribers.

If the Commission moves to approve this merger, then it should do so only after requiring the merged entity to incorporate HD Radio technology in all new satellite 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, 300 more stations will soon be on the air and more than 160 are multicasting. Our investments, with considerable help from Congress, total millions of dollars in this next generation of broadcasting. 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.

Last month, the House Appropriations subcommittee approved an additional \$40 million to assist public radio stations transition to HD radio technology. Clearly, the

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Congress supports our transition to terrestrial digital broadcasting and the increased programming diversity that represents. Congress' investment in our broadcasting infrastructure will be marginalized unless the merged entity is required to insert HD Radio technology in all new satellite receivers.

Secondly, the Commission must condition the merger on the establishment of a satellite radio spectrum set-aside totaling 25 percent of total SDARS spectrum. This set-aside should be for non-commercial public service channels, for minority broadcasters and emergency services. Reserving an appropriate percent of the satellite radio spectrum for programming from non-commercial public and minority broadcasters will contribute to the multiplicity of voices that is an inherent component of the dialogue of America's democracy.

Sincerely,

/s/ Dennis L. Haarsager

Dennis L. Haarsager
Chief Executive Officer

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