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Federal Communications Commission
Office of the Secretary

Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In the Matter of	)	
	)	
Application for Consent to the Transfer of	)	
Control of Licenses, XM Satellite Radio	)	MB Docket No.: 07-57
Holdings, Inc., Transferor To Sirius Satellite)		
Radio, Inc., Transferee	)	

COMMENTS OF JOHN PAVLICA, JR.

As an American consumer, as an electrical engineer, and as a continuous XM Satellite Radio subscriber since December 2004, I respectfully submit my comments regarding the sad state of the merger of XM Satellite Radio and Sirius Satellite Radio for MB Docket 07-57. As an original XM subscriber, this monopolistic merger has been nothing short of a disaster for XM customers with this forced marriage and without a competitive Satellite Radio outlet available, I can't subscribe to another service like XM anymore if I don't like the poor product that Sirius is providing with increased pricing and reduced benefits. I also feel that there should have been a "grandfather clause" for XM customers prior to so-called merger (take-over of XM) with Sirius.

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There are four points that I would like to make:

COMMENT ONE: Increased Pricing, Loss of Free Online Access, Excessive Royalty Fees.

COMMENT TWO: Broadcast Audio Quality Reduction on XM Music Channels.

COMMENT THREE: Music Programming, Firing of XM Programming Staff, "Re-runs".

COMMENT FOUR: FREE 'set-aside' minority channels are no longer free per original merger agreement made between the FCC and Sirius/XM.

COMMENT ONE:

I thought that in order to permit this satellite radio 'monopoly, Sirius made an "agreement" with the FCC NOT to increase prices or reduce services for two to three years after the merger? Am I correct?

While the "Base Price" has technically remained the same, there has been a reduction in what you get for that same 'base price'. As a pre-monopoly XM customer, when XM increased their pricing from $9.99 a month to $12.95 a month, they included "XM Online" as a part of that price increase. After the merger, Mr. Karmazin and Sirius management announced that "XM Online" was removed from the base price and that you will be charged an additional $2.99 a month for Internet/XM Online access. Shame on you Mr. Mel Karmazin, to me, that is indeed a price increase and not in the spirit of the merger that you agreed to with the FCC.

Then, Sirius management increased pricing, on my two additional radios, with the base price going from $6.99 a month each, to $8.99 a month each. Shame on you again Mr. Mel Karmazin, that is another price increase and not in the spirit of the merger that you agreed to with the FCC.

Regarding the "Royalty Fee" – that is a specific percentage agreed upon – however, it appears that we – the customers – are being billed far in excess of the actual percentage required. Is Sirius trying to "back-bill" us for royalties previously paid as part of our subscriptions? If so, how long will they be allowed to bill us in excess of the actual royalty fee that they pass-on?

In summary of COMMENT ONE: you ask if Sirius should be allowed to have their price cap expire in July 2011 – well, in my opinion the price cap ALREADY expired shortly after the merger when I had to pay an ADDITIONAL $83.88 a year to keep what I already had: two extra radios and online service. I call an additional $83.88 a PRICE INCREASE not in the spirit of the merger. XM customers should have been given a "grandfather clause" that would have "frozen prices AND services" for whatever services and rates you had in 2007 you would still have today at the same rates. That is NOT the case. The FCC –mandated price-cap is worthless and has already been violated, and I have no second satellite radio company to go to for service either. You have also reduced the value of the 'free' "Emergency Alert – Weather Channel" and no longer offer full-service weather forecasts and weather warnings like you once did pre-merger on XM 247 and on Sirius 184.

COMMENT TWO:

Since the so-called "merger" the broadcast audio quality on the XM Music Channels has seriously deteriorated. Even the online service is riddled with "pops", "clicks" and "dropouts" that I didn't experience prior to the merger, despite XM's Online being at a lower bitrate! Pre-merger, XM Satellite radio offered two "HD-quality" channels – those are now gone. Many of the XM music channels transmitted audio at a rate of 48KB, and then reduced to 42KB, and then 40KB, now the

merger has the music channels down to an unacceptable 32KB transmission rate, and some even less. The audio processing is so bad that your home stereo tone controls and/or equalizer cannot make the audio quality decent anymore, or anywhere near the high quality XM had back in 2004-2006. The merger has ruined broadcast audio quality, as any audio engineer can tell you.

COMMENT THREE:

By November of the merger, Sirius had fired 75% of the superb on-air music DJ's or music channel programmers. This is another reason that the merger should not have been allowed. Pre-merger, you had two choices: XM and Sirius. Let's take the music channel "7" for example. In 2006, if you wanted to hear a choice of over 2000 songs, including rare and lower-charting hits, plus talk to a live on-air DJ who took requests, you subscribed to XM and could call Mr. John Clay and make a live request for a song that charted #39 in 1978. On the other hand, if you wanted to hear just the same Top 10 hits from a library of 800 songs with a voice-tracked DJ, then you subscribed to Sirius. You had a choice – a huge selection of rare gold hits, or very familiar songs played often (XM vs. Sirius). Now, we have no choice on Channel 7 – it is voicetracked with a much, much smaller library that what XM used to play. The merger has ruined the music selections and there is no competing satellite company I can go to for my wide range of 2000+ songs from the 70's.

COMMENT FOUR:

In my opinion, I consider this an outright boldfaced lie from the Sirius/FCC agreement: the lack of totally free minority 'set-aside' channels.