

**STATEMENT OF
CHAIRMAN KEVIN J. MARTIN**

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

The applications of XM and Sirius satellite radio to merge did not present the Commission with an easy case. When the Commission originally issued each company its license, the Commission determined that it would not be in the public interest for the same company to hold both licenses. Yet that is exactly what XM and Sirius asked to do.

I said at the time that the two companies announced their intent to merge that I thought they had a high hurdle to meet if they wanted to prove that the transaction would be in the public interest. It has taken some time, but I do believe that with the essential voluntary commitments they have made, the parties have met this burden.

In particular, I commend the parties for committing to offer consumers more choice and flexibility in how they purchase channels. I have long believed that consumers should be able to buy and pay for only those channels that they want. Such a free market approach to programming – whether its music or television – would benefit consumers through lower prices and more control. Consumers will be able to enjoy the best of programming on both services and pick and choose channels at lower prices. With these options as well as the companies’ agreement not to raise prices for three years, consumers should be better off as a result of this merger.

I am pleased that the parties have committed to offering consumers, for the first time, with a specific percentage of diverse programming. The two companies have agreed to dedicate eight percent of their channels -- 24 channels in total -- to minority and public access programming. This will create greater opportunities for more voices to be heard on satellite radio, covering the issues that are important to those communities that may have traditionally been ignored in the past.

I also support the parties’ commitment to an open technical standard that will allow for a competitive market to develop for radios that carry the satellite radio signals. Any device manufacturer will be able to develop satellite receivers and to incorporate other technology, such as HD radio, iPod ports, and Internet connectivity so long as it will not result in harmful interference with the merged company's network.

Finally, I support the Commission soon issuing a notice of inquiry to gather more information about whether HD chips or any other audio technology should be included in all satellite radio receivers.

In conjunction with this merger, I directed Commission staff to negotiate a Consent Decree resolving the two companies' numerous violations regarding the placement and technical properties of their radios and repeaters. I believed these violations to be significant, and was unwilling to support proposed fines that I did not believe held the companies accountable for their disregard for the Commission's rules. I am pleased that the companies eventually agreed to fines collectively totaling approximately \$19.6 million. The Commission will continue to monitor the combined company to ensure that it operates in the public interest and in accordance with all of our rules