

Filed by Sirius Satellite Radio Inc.
Pursuant to Rule 425 under the
Securities Act of 1933 and deemed filed
pursuant to Rule 14a-6 under the
Securities Exchange Act of 1934

Subject Company: XM Satellite Radio Holdings Inc.
Commission File No.: 0-27441

This communication contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the benefits of the business combination transaction involving Sirius Satellite Radio Inc. and XM Satellite Radio Holdings Inc., including potential synergies and cost savings and the timing thereof, future financial and operating results, the combined company’s plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as “anticipate,” “believe,” “plan,” “estimate,” “expect,” “intend,” “will,” “should,” “may,” or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of SIRIUS’ and XM’s management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of SIRIUS and XM. Actual results may differ materially from the results anticipated in these forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statement: general business and economic conditions; the performance of financial markets and interest rates; the ability to obtain governmental approvals of the transaction on a timely basis; the failure of SIRIUS and XM stockholders to approve the transaction; the failure to realize synergies and cost-savings from the transaction or delay in realization thereof; the businesses of SIRIUS and XM may not be combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected; and operating costs and business disruption following the merger, including adverse effects on employee retention and on our business relationships with third parties, including manufacturers of radios, retailers, automakers and programming providers. Additional factors that could cause SIRIUS’ and XM’s results to differ materially from those described in the forward-looking statements can be found in SIRIUS’ and XM’s Annual Reports on Form 10-K for the year ended December 31, 2006 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007, which are filed with the Securities and Exchange Commission (the “SEC”) and available at the SEC’s Internet site (<http://www.sec.gov>). The information set forth herein speaks only as of the date hereof, and SIRIUS and XM disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this communication.

Important Additional Information and Where to Find It

This communication is being made in respect of the proposed business combination involving SIRIUS and XM. In connection with the proposed transaction, SIRIUS has filed with the SEC a Registration Statement on Form S-4 containing a definitive Joint Proxy Statement/Prospectus and each of SIRIUS and XM may file with the SEC other documents regarding the proposed transaction. The Joint Proxy Statement/Prospectus was first mailed to stockholders of SIRIUS and XM on or about October 9, 2007.

INVESTORS AND SECURITY HOLDERS OF SIRIUS AND XM ARE URGED TO READ THE JOINT PROXY

STATEMENT/PROSPECTUS, AS WELL AS OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and security holders can obtain free copies of the Registration Statement and the Joint Proxy Statement/Prospectus and other documents filed with the SEC by SIRIUS and XM through the web site maintained by the SEC at www.sec.gov. Free copies of the Registration Statement and the Joint Proxy Statement/Prospectus and other documents filed with the SEC can also be obtained by directing a request to Sirius Satellite Radio Inc., 1221 Avenue of the Americas, 36th Floor, New York, NY 10020, Attention: Investor Relations or by directing a request to XM Satellite Radio Holdings Inc., 1500 Eckington Place, N.E. Washington, DC 20002, Attention: Investor Relations.

SIRIUS, XM and their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding SIRIUS' directors and executive officers is available in its Annual Report on Form 10-K for the year ended December 31, 2006, which was filed with the SEC on March 1, 2007, and its proxy statement for its 2007 annual meeting of stockholders, which was filed with the SEC on April 23, 2007, and information regarding XM's directors and executive officers is available in XM's Annual Report on Form 10-K, for the year ended December 31, 2006, which was filed with the SEC on March 1, 2007 and its proxy statement for its 2007 annual meeting of stockholders, which was filed with the SEC on April 17, 2007. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the Joint Proxy Statement/Prospectus filed with the SEC.

SIRIUS' website, which is available at www.SIRIUSmerger.com and has information about SIRIUS' proposed merger, has been updated. The updates include the information being filed herewith.



SIRIUSmerger.com

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HEAR FROM MEL KARMAZIN, CEO OF SIRIUS RADIO.

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70% Support New Programming Packages

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SIRIUS and XM Announce Post Merger Pricing Plans.

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Who supports the merger of SIRIUS and XM Radio?

Just groups representing about every race, creed, religion and political affiliation, that's all.

[see the list of supporters >](#)

WHAT'S IN IT FOR YOU

You may have already heard the news that SIRIUS and XM are talking about combining into one company. And you may also have wondered what that will mean for you.

The answer is simple:

MORE CHOICES

Today, fans of satellite radio must purchase two radios and two subscriptions to get all the program offerings of both SIRIUS and XM. If our merger is approved, the combined company will offer consumers the best of each service on your current radio - at a price well below the cost of the two services today.



BETTER PRICING

Once we merge, you will have better pricing choices. Subscribers who want their current subscription package will not have to pay any more after the merger. There will be

new subscription packages priced below our current offerings. And the best of both SIRIUS and XM will be available at a lower cost than the price of subscribing to both services separately.

SAME RADIOS

We guarantee no radio will become obsolete. Your current radio will continue to provide you with the programming you enjoy, whether you keep your current service or change to a new subscription plan.



[GET MORE DETAIL](#)

Play Merger Mania!

Complete the SIRIUS-XM Crossword Puzzle Here

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IN THE NEWS

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FCC Action Sparks Optimism On XM-Sirius Deal
[Forbes.com](#)

XM + Sirius = Patience
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[Orbitcast](#)

Analyst: DOJ Will Clear Satcaster Merger Radio & Records

Analyst Says DOJ May O.K. Sirius/XM Merger
[TWICE](#)

Sirius Dogged By Good News
[Forbes.com](#)

Glass Lewis Recommends Stockholders Vote 'FOR' XM and SIRIUS Merger Proposal
[CNIMoney.com](#)

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[Satellite Merger Good For Diversity](#) Black Enterprise — September 04, 2007

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[What "Heroes" can teach us about Audio](#) Orbitcast — October 02, 2007

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[Mel Karmazin Editorial on A La Carte packages](#) Orbitcast — August 05, 2007

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WHAT PEOPLE ARE SAYING

"I support the merger because it will best serve the listening public by providing a strong, national platform for the great diversity of voices and opinions that are the fabric of America - especially progressive voices, which are seldom heard on terrestrial radio... Combining the forces of Sirius and XM, I believe, will only make for better programming, expanded reach, lower prices, and ever more listeners."

- [Bill Press, Radio Talk Show Host](#)

"There is no doubt that the merger would be good for consumers of this service. A merger will allow the two companies to pool their resources, cut costs through economies of scale, boost innovation by bringing together their best and brightest talent, and ultimately make more programming available to subscribers."

- [Representative Anthony Weiner \(D-NY\)](#)

"This unprecedented array of offerings greatly will expand consumer choice and will give satellite radio subscribers the chance to achieve substantial savings. Indeed, one of the new a la carte packages will be offered at \$6.99 per month - a savings of 46 percent over the existing standard monthly price of \$12.95. Importantly, these new options also will mean that consumers will not have to receive or pay for content that they do not want. Perhaps most impressively, the new a la carte offerings will pave the way for a unique form of competition in the entertainment industry - one based on the individual programming preferences of listeners."

- [Representative Pete Sessions \(R-TX\)](#)

"We firmly believe that allowing these satellite-radio companies to merge in order to be able to better meet the content needs of this market on a national basis, with exceptional digital sound quality and no commercials, at relatively low costs to the consumer, is in the public interest."

- [Representatives Bobby L. Rush \(D-IL\) and Edolphus Towns \(D-NY\)](#)

"Many of satellite radio's biggest fans are young consumers who are drawn to the cutting edge music and other programming content offered on SIRIUS and XM. I understand that the merger will allow the new company to offer a variety of exciting new programming packages, some of which will enable subscribers to choose specific channels at lower monthly prices than are available today. While these new choices will benefit all subscribers, they may be especially important to young listeners who are looking for innovative music and talk programming geared toward their interests, but who also are on limited budgets."

- [Tony Hawk, Professional Skateboarder and Radio Host](#)

"We believe that the proposed merger will result in a stronger satellite radio platform for NASCAR-related programming in the audio entertainment market and will increase consumer choices on the one platform among NASCAR fans."

- [Paul Brooks, President, NASCAR Digital Entertainment, LLC](#)

"I am excited about the SIRIUS and XM merger and the prospect of increased listenership for niche programming such as mine. Merger synergies will decrease duplicative programming and result in expanded variety and more unique content unavailable anywhere else. Additionally, these synergies will also allow the companies to offer new programming options - customers will be able to select packages that include content from both XM and SIRIUS. For the first time ever in subscription media, consumers will also have the option of a la carte programming, where they can truly tailor their radio to fit their listening tastes."

- [Senator Bill Bradley, Radio Host](#)

"Both SIRIUS and XM are competing in a complex, rapidly evolving market of cutting edge technology and innovation. By merging, the companies will stand to greatly benefit from shared technical knowledge and combined resources that will in turn improve opportunities for Hispanics in this field. The two companies are using their role as innovators to help educate and train more Hispanic engineers, programmers, and others integral to satellite radio while developing opportunities in business."

- [Jose Marquez-Leon, President & CEO, Latinos in Information Sciences and Technology Association](#)

"Too often, traditional AM/FM radio lacks the kind of programming that speaks to a diverse point of view, such as mine. Satellite radio provides me a unique forum for content aimed at empowering listeners to improve their own lives and the lives of those around them. I am very excited at the prospect of the SIRIUS-XM merger, as it will enable an even greater number of Americans to have access to this kind of content."

- [Deepak Chopra, Leader in Mind-Body Medicine](#)

"Like Elvis fans, satellite radio listeners are diverse. This merger not only promises to provide more options and a wider array of content for varied interests, but through the recently announced a la carte packages, it will also allow listeners to make more individualized choices regarding the programming they wish to receive. A range of programming options will be available at varied price points, promoting greater satellite radio accessibility and consequently expanding the universe of potential listeners."

- [Jack Soden, CEO, Elvis Presley Enterprises, Inc.](#)

"As one who travels the length and breadth of this nation every year and someone who is very aware of the convenience and variety of satellite radio, I would like to add my name to the long list of friends of the trucking industry who strongly believe this merger should be approved as quickly as possible."

- [Charlie Daniels, Country Music Legend](#)

"I am proud to have been a part of the evolution of the audio entertainment market it has developed from AM to FM to satellite and all the other options available to today's listeners. The merger of SIRIUS and XM will ensure that satellite radio remains a strong alternative to ubiquitous Top 40 stations that often neglect other kinds of programming."

- [Bruce Morrow \(a.k.a. Cousin Bruce\), Radio Host](#)

"We find claims that a SIRIUS/XM merger would be anti-competitive to be without merit. Satellite radio currently makes up a mere 3 percent of the audio market compared with over 50 percent for terrestrial radio. The free market principle will guarantee terrestrial radio's dominance of the audio entertainment marketplace because they provide their services to consumers at no charge, whereas satellite radio is a paid subscription service, where customers must opt to subscribe and can just as easily opt to unsubscribe if they are not happy with the services provided to them by the newly formed company. This will ensure that prices stay low and that the demands of consumers are consistently met."

- [Michelle D. Bernard, President and CEO, Independent Women's Forum](#)

"Right now a customer desiring pay radio must choose between the two companies and select programming rather than having access to all channels. This often results in a consumer being unable to get some desired programs. The merger will allow subscribers to get all the programs they wish to hear, which is often not possible and feasible currently."

- [Congressman Eliot Engel \(D-NY\)](#)

"The proposed merger should be considered in the context of a broad market definition, which includes the entire marketplace for audio entertainment. Under such an appropriate definition, the merger would combine only a small percentage of the market, but would lead to significant pro-consumer benefits. I, therefore, believe the merger is in the public interest and urge that the Commission approve it."

- [Congressman Rick Boucher \(D-VA\)](#)

"We should not expect our customers to incur additional hassle and fees to install a second satellite radio receiver or be forced to choose between the NFL and the MLB and Martha Stewart and Oprah. Additionally, the merger will allow Kia customers to select smaller packages at much lower prices. This expanded choice and lower price is exactly the value our consumers want and deserve."

- [Len Hunt, Executive Vice President and COO, Kia Motors America](#)

"More broadly, this merger proposes to combine two small players in the audio entertainment market. As a result, the merger will bring greater vitality and financial resources to this upstart technology. Allowing this to happen will, in turn, spark a new generation of services and products with more advanced and user-friendly features. Consumers, of course, will be better off as a result."

- [Julian C. Day, Chairman and Chief Executive Officer, RadioShack](#)

"In Washington and elsewhere, many people much more expert than I in these matters are working diligently to examine the merger. From my perspective, however, it offers a unique opportunity to extend the reach and breadth of religious programming. It is also an unmatched opportunity to strengthen this new medium and position satellite radio to compete with the ever-growing list of audio entertainment providers."

- [Edward Cardinal Egan, Archbishop, Archdiocese of New York](#)

"In this plentiful environment, satellite radio remains a small player. Instead of blocking this merger out of unrealistic concerns that a merged SIRIUS/XM somehow will be able to dominate the market, regulators should move quickly to permit these two emerging companies to combine their operations."

- [William G. Crutchfield Jr., Founder and CEO, Crutchfield Corporation](#)

"Rather than being forced to choose between content that currently is exclusive to one satellite provider, consumers will gain access to packages offering the "best of both" services for significantly less than the current combined price."

- [Richard Holcomb, Senior Vice President, American Trucking Associations](#)

"Traditional Radio will continue to serve the masses and their vast commercial needs, while Satellite will fulfill the ever-growing number of profoundly important niches, which include nothing less than the entire musical history of American culture. These niches, when separated into genres-the history of Rock & Roll, the history of Blues, the history of Jazz, the history of Gospel, etc.-are no longer commercially viable individually, but when offered in combination, are."

- [Steven Van Zandt, Musician and Actor](#)

"Critics have also argued that if competition does exist between satellite radio and broadcast radio, it is on a "one-way" basis. Specifically, they have argued that XM and Sirius compete with traditional radio in local markets, but that traditional radio doesn't compete with satellite for national programming. However, while broadcasters transmit signals locally, national programming - through networks and syndication - is commonplace."

- [Edwin Meese and James Gattuso, The Heritage Foundation](#)

"Frank Sinatra Enterprises understands that opponents of this merger claim that the merger of Sirius and XM will result in a monopoly that will harm consumers. Given the broad selection of products and services used by consumers to listen to Frank Sinatra's works, we have a hard time understanding this argument. The music of Frank Sinatra and other big band, swing, and traditional pop music is available on terrestrial radio, internet radio, and available for download to MP3 players."

- [Robert Finklestein, Frank Sinatra Enterprises](#)

"Satellite company mergers are one element of an evolving marketplace that increasingly magnifies consumer choice and ability to customize information; not merely information received, but also that which individuals themselves create or assemble for distribution to others."

- [Clyde Wayne Crews Jr., VP Policy & Director of Technology Studies, Competitive Enterprise Institute](#)

"Perhaps the most convincing confirmation comes in the form of the National Association of Broadcasters' fierce opposition to the proposed merger. If satellite radio constitutes a distinct market, why would the terrestrial broadcasters devote so many resources to trying to defeat the merger?"

- [Randolph J. May, President, The Free State Foundation](#)

"Circuit City believes that the interests of consumers should be paramount in the FCC's consideration of this proposed merger. When viewed from this perspective, we believe that this merger should be approved by the FCC."

- [Philip J. Schoonover, Chairman, President & CEO, Circuit City](#)

"FamilyNet has found satellite radio to be an ideal medium for bringing our message to consumers, particularly those that live in remote areas, and may not be able to access such programming through traditional radio or other means. We support any efforts, including the proposed Sirius-XM merger, that will help satellite radio survive and continue to benefit the public for many years to come."

- [R. Martin Coleman, Chief Operating Officer, FamilyNet Radio](#)

"The proposed new company will benefit the audio market in general as well as individual consumers. Sirius and XM have shown in their public filings and congressional testimony that a combined satellite radio company will expand consumer programming choices, result in lower prices, and spur deployment of technology."

- [Grover Norquist, President, Americans for Tax Reform](#)

"As an organization that represents over 11 million diverse and talented American women, NCWO believes the proposed merger will result in considerable benefits via greater competition, lower prices, and more diverse programming for women and other minority groups all over the nation."

- [Susan Scanlan, Chair, National Council of Women's Organizations](#)

"While African American music and culture have moved more into the mainstream in the last decade, our community still remains largely neglected by major media companies as a niche audience. Satellite radio has afforded our community access to a wealth of new programs, from the modern gospel station "Praise" to sports commentary with Tiki Barber and Keyshawn Johnson. Satellite radio companies like XM and Sirius have provided much needed competition for traditional radio outlets as well as HD radio and online podcasts."

- [Adam J. Richardson, Jr., Presiding Bishop, African Methodist Episcopal Church - 2nd District](#)

"WIPP believes approval of the merger between Sirius and XM will substantially enhance programming choices by creating a stronger satellite radio company. In turn, it will elevate the quality and choice of other service providers allowing for the improved diversity and quality of an already robust and competitive market. Especially relevant to

WHP membership is the prospect of increasing the number of channels offering small business content, particularly issues of special interest to women and minorities in business."

- [Barbara Kasoff, President, Women Impacting Public Policy](#)

"Radio station owners have long studied the issue of radio rivalry, and have - for over a decade - asserted that satellite radio offers a dangerous competitive threat. In advocating that regulators deny the proposed merger, broadcasters document that its likely effect will be to provide satellite radio listeners more, not less, service for their subscription dollar."

- [Thomas Hazlett, Professor of Law & Economics, George Mason University](#)

"For the most part, the mainstream media companies offer very limited music and entertainment programming targeted to the Hispanic community. Satellite radio, by contrast, does provide sought after programming such as CNN en Espanol, ESPN Deportes, and Mexico Canta. We believe that satellite radio provides expanding and vibrant platforms for news and entertainment for Hispanic Americans."

- [Lillian Rodriguez-Lopez, President, Hispanic Federation](#)

"The farms and rural communities we represent have been well served by satellite radio. Approval of the merger between Sirius and XM will ensure that our rural communities continue to receive important informational service via satellite radio and will provide our members and rural neighbors with more programming choices at improved prices."

- [Pam Potthoff, National President, Women Involved in Farm Economics](#)

"Especially important to our membership is the commitment the parties have made to issue refunds to satellite radio subscribers who choose to block adult-themed programming... With all of the indecent and violent programming bombarding American families today, we applaud the efforts of Sirius and XM to empower consumers who want to avoid such content. This is clearly a step in the right direction."

- [Gary Bauer, President, American Values](#)

"Consolidation of the terrestrial radio industry over the last decade has left much of rural America behind in recent years, as locally owned stations are replaced by mega-corporate conglomerates which produce homogenized content and so-called local news and weather delivered from hundreds of miles away. The emergence of satellite radio has offered listeners in rural areas a robust alternative with hundreds of specialized channels that cater to the programming needs of rural America."

- [Niel Ritchie, Executive Director, League of Rural Voters](#)

"For far too long, the Latino market has fallen victim to traditional radio companies that target very narrow and highly profitable audiences. Under this framework, Hispanics lose out on news, sports, music and diverse cultural programming that is widely available on alternative sources such as satellite, HD and internet radio. The satellite radio industry, by contrast, has been a launching pad for Hispanic programmers and an increasingly popular service for vast numbers of Latino consumers and other listeners who enjoy the richness of Hispanic culture, arts and news."

- [Robert G. de Posada, President, The Latino Coalition](#)

"Competitors that are threatened by the prospect of a thriving satellite radio company have launched a self-interested campaign aimed at killing the merger, by asserting that an XM-Sirius alliance would constitute a monopoly. Despite their claims, the merger of XM and Sirius would be beneficial to consumers and deserves support."

- [John Berthoud, President, National Taxpayers Union](#)

"Satellite radio is critical to the programming needs of African Americans. The medium offers dozens of channels that are targeted to the programming needs of African American entrepreneurs, entertainers, and consumers. In fact, Internet radio, music download services, and satellite radio have all played critical roles in democratizing the music and audio industry allowing consumers access to a virtual on-demand world."

- [Harry Alford, President, National Black Chamber of Commerce](#)

"Satellite radio is a critical medium for Hispanic Americans, making available a wide range of listening choices that are not generally available on traditional broadcast radio. For example, ESPN Deportes, CNN Español, and several Latin music channels."

- [Brent Wilkes, Executive Director, League of United Latin American Citizens](#)

"The bottom line is that with expanded choices and better prices, satellite radio will be an even more attractive option for consumers, and this ultimately benefits our Chamber members and the two-million Latino-owned businesses in the U.S. There is no doubt that the XM-Sirius merger will be a win-win for Hispanic businesses and the community and we strongly urge its approval."

- [Alfred P. Placeres, Esq., President, New York State Federation of Hispanic Chambers of Commerce](#)

"Indeed, if the National Association of Broadcasters and its terrestrial broadcaster allies are able to persuade the Department of Justice and the FCC to prevent the Sirius/XM merger on the basis that satellite radio constitutes a

discrete product market, well then, maybe I'll become a believer in the Easter Bunny too."

- Randy May, Thinking "Siriusly" About Satellite Radio Competition April 9, 2007

"I think all of us would agree, though, that these two, the merger of these two is not going to create a monopoly in any sense because there is a lot of competition out there with the broadcast and the Internet and wireless and iPod, as others have mentioned."

- Rep. Cliff Stearns (FL), 3/7 House Committee on Energy and Commerce's panel on "The Future of Radio"

"Stop throwing around the word 'monopoly.' The competition they have is with radio stations charging zero dollars for the same or a similar product."

- Rep. Anthony Weiner (NY), 2/28 House Judiciary Committee antitrust task force

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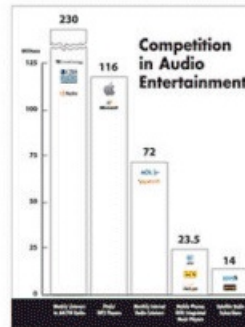
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**FINALLY,
DEMOCRATS
AND
REPUBLICANS
AGREE
ON SOMETHING.**

70% ARE IN FAVOR OF A LA CARTE AND BEST OF BOTH PROGRAMMING PACKAGES THAT WOULD BE OFFERED IN A XM SIRIUS MERGER.

XM's online survey that the merger is in the public interest by a margin of more than 3 to 1. Based on a survey of Democrats and Republicans who agree. The number of groups. People who are in the country and the city. People of all races. Response levels in a good way.

SIRIUS SATELLITE RADIO XM

**Who supports the merger of
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Just groups representing
about every race, creed, religion
and political affiliation.
That's all.

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- [House Judiciary Committee's Antitrust Task Force - February 28, 2007](#)
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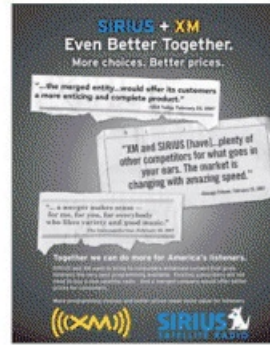
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In addition, the “In the News” page of the website also contains links to the following third-party articles:

TRIBUNE EDITORIAL BOARD INTERVIEW: MEL KARMAZIN

A conversation with Mel Karmazin, CEO of Sirius Satellite Radio

November 9, 2007

Mel Karmazin, chief executive officer of Sirius Satellite Radio, met with the Tribune editorial board Wednesday to discuss the proposed merger of Sirius with XM Satellite Radio, shock jock Howard Stern and the intense competition in media markets.

Tribune: Why should the Federal Communications Commission and the Justice Department approve the merger of Sirius and XM Satellite Radio?

Karmazin: Arbitron says that XM and Sirius together represent 4 percent of the radio listening market. It's bizarre for me to think that anybody could think that in this whole area of audio entertainment there isn't plenty of competition, and new competition coming every day. Not only do we compete with all of the radio stations that exist, we also compete with all of the other alternatives that have come along since we've gotten our license.

We currently compete with free [radio].

You're listening to this boring AM and FM radio that's around. And one day, you want satellite radio, or you buy a car that has satellite radio, and after a trial period you decide you don't want to have satellite radio, and then you go back to free. So when we compete with free, we're more apt to get a subscriber at \$6.99 than at \$12.95. So when you're a company that has lost all of this money, and we are continuing to lose money, the ability to reduce prices — which is what we would like to do — doesn't happen.

The way it happens is through this merger. The efficiencies have been estimated between \$3 [billion] and \$9 billion. Our plan would be that we would offer consumers lower prices and more choice. By giving them lower prices and more choice, including a la carte offerings, we think that serves the public interest. From our point of view, the merger should be a no-brainer.

Tribune: What happens if the FCC does not approve the merger?

Karmazin: Sirius will sue.

Tribune: Was the Howard Stern deal a winner? He all but credits you for saving his life, his career.

Karmazin: I'm not sure I'd like to be known for that. Howard got \$80 million a year in cash. To make that deal work, you need a million subscribers paying \$120 a year or \$12.95 a month.

The day I started, which was a month after he started, there were 700,000 [Sirius] subscribers. Our last number that we issued was 7.7 million. Now, if you ask Howard, those 7 million subscribers all came because of him. But, do we believe that we received over a million subscribers [because of Stern]? Yes. I think Howard has helped satellite radio.

Tribune: There was all this buildup about what Stern would be like once he had the shackles off. Did you get what you expected?

Karmazin: Part of his act was that he'd always complain about things. Well, he's a pretty happy guy now. It used to be better radio when he was bitching, right? But he doesn't have the FCC [Federal Communications Commission] to complain about. From my point of view, just using the "F-word" or using some of the language that you're allowed to use on satellite radio that you couldn't use in terrestrial radio, I mean, at my age, I don't find that to be the attraction. I've always thought that Howard was a comedian. I used to commute to work, I'd listen to him to make my commute go better.

Tribune: What is your take on Google announcing it was moving toward wireless phones?

Karmazin: When I see these announcements, my hope is that somebody at the Department of Justice and the FCC are reading these same announcements. Because I'm aware of all of this competition. I'm just hoping they're seeing it as well.

I've never seen as quick a movement on technology. The consumer has sort of won, right? The consumer is now able to get all of his content, whatever kind of content he wants — whether it be video, whether it be audio, whether you want it in your car, you want it in your home, you want it while you're walking down the street, you want it in any form. A company, in order to survive, is going to have to have great content.

Tribune: Do you censor your own channels?

Karmazin: Someone has to draw the line. We censor ourselves on where the line is. Our president of programming, it's his responsibility for everything that comes through his speakers. I hear things from time to time that I disagree with and I will discuss it with him. You have to have that responsibility and I think that everybody does. But in our case where the FCC's issue was that "you say the 'F-word' and you're gonna get fined," now we don't have that issue, and our talk-show hosts do say the "F-word" from time to time, but I want to make sure they're not saying it for the shock value.

FCC Action Sparks Optimism On XM-Sirius Deal

Forbes.com

Ruthie Ackerman, 11.06.07, 11:30 PM ET

The Federal Communications Commission doesn't ring twice. So when news broke Tuesday that the FCC had sent XM Satellite Radio Holdings and Sirius Satellite Radio questionnaires last week seeking detailed information pertaining to their planned merger as well as their business operations over the last two years, investors bet it meant the deal will win approval.

Sirius' shares shot up 4.8%, or 16 cents, to \$3.51 at the close on Tuesday, while XM's shares soared 11.7%, or \$1.55, to \$14.82.

Bear Stearns analyst Robert Peck said the requests were extremely detailed and structured around four topics including corporate documents and agreements, studies and analyses, technical questions, and claimed public interest benefits. The FCC also devoted a whole section to requests for information on interoperable radios, which would allow programming for both services to run on satellite radios. The FCC asked both companies to respond to the requests by November 16.

Given the specificity of the questions, Peck said, he wouldn't be surprised if the FCC was close to finalizing its order on the merger. Given the tight deadline the companies have to respond and the fact that the FCC still plans to make its decision by the end of the 180-day period, which ends on December 6, Peck thinks the FCC's urgency is a positive sign. "The Department of Justice likely is close to allowing the deal, which would necessitate the FCC to expeditiously complete the documentation process," Peck said. "If the Department of Justice were close to denying the deal, the need for such detailed information would not have arisen in the first place."

Peck recently announced his revised synergy estimate on the value of the two companies once they merged at \$5 billion, implying Sirius could be worth about \$5.50 per share and XM could be worth \$23.50 per share in fiscal year 2008.

Meanwhile, on October 25, XM's tumbled after the company announced that its third-quarter loss jumped 70.1% to \$145.4 million, or 47 cents per share, from \$85.5 million, or 32 cents per share, a year ago.

The widening loss at XM, which has never had a profitable year, makes a successful outcome of its proposed merger with Sirius even more important. (See [XM Sinks Further Into The Red](#)) The companies are hoping their combination will boost profitability with big cost savings. (See [XM and Sirius: When Satellites Collide](#)).

The FCC and Department of Justice are reviewing the merger request to deem whether it's legal under antitrust regulations. Shareholders of both XM and Sirius are slated to vote on the proposed roughly 50-50 ownership on November 13. If approved, the union would not be sealed until the Justice Department and the FCC sign the dotted line.

XM + Sirius = Patience

The Motley Fool

<http://www.fool.com/investing/high-growth/2007/11/06/xm-sirius-patience.aspx>

Rick Aristotle Munarriz
November 6, 2007

Is this what we're down to? The FCC is sending out a questionnaire to **Sirius** (Nasdaq: [SIRI](#)) and **XM** (Nasdaq: [XM SR](#)), requesting *even more* information? It wants to know about content overlap and radio interoperability. Hmmm. Don't you think these questions could have been raised when the merger was first announced nearly nine months ago?

A lot has happened in that time. An entire baseball season has played itself out, and those cats play more than 160 games before heading into the postseason!

Then again, this is probably the most encouraging sign yet that the two companies will be allowed to combine within the next few months, if not sooner. The deal regulators are now like a girl at the bar who has dodged your advances but hasn't shot you down completely. All Mel Karmazin needs now is one more drink and the perfect pickup line to seal the deal.

A hookup didn't seem possible back in February. There were too many negative precedents, including the satellite television deal between **DIRECTV** (NYSE: [DTV](#)) and DISH Network parent **EchoStar** (Nasdaq: [DISH](#)) that was shot down five years ago.

However, Sirius and XM have responded like champs to every hoop that they have been asked to jump through. They are now on record as saying that lower-priced plans will be available post-merger, a major sticking point with critics of the deal.

So now it's time for the FCC to jump through many of those hoops. If the deal goes through, which concessions must take place? Which assets need to be sold off? What assurances must it require?

XM and Sirius are likely to comply. Both companies continue to lose money as they grow their subscriber bases, though a combination would result in billions in realized savings. Now with more than 16 million subscribers combined, the long wait has actually worked to the deal's advantage.

It's not just the long baseball season that has played itself out. A lot has happened since February.

- Some carmakers announced the availability of terrestrial radio-friendly HD receivers.
 - Audio jacks for **Apple** (Nasdaq: [AAPL](#)) iPods are standard equipment in even more cars.
-

- Apple rolled out the iPhone and iPod Touch, making music even more portable via WiFi.
- **Napster** (Nasdaq: NAPS) and **RealNetworks** (Nasdaq: RNWK) have grown their base of music service subscribers.

It all adds up to an even more competitive landscape in audio content delivery than where we were when XM and Sirius were proposing to get hitched.

The FCC's got questions? I know why. It's because it already knows the inevitable answer.

Other things to read before the wedding invitation arrives:

- [Save the Date, Satellite Radio](#)
 - [The Satellite Radio Wedding Album](#)
 - [Before XM Kisses Sirius](#)
-



Radio & Records

Originally Posted On Nov 2, 2007 6:57 PM ET

Analyst: DOJ Will Clear Satcaster Merger

By Jeffrey Yorke

Shares of Sirius and XM jumped 5% apiece Friday (Nov. 2) after Cowen & Co. analyst Tom Watts sent a morning note to his clients that Thomas Barnett, assistant attorney general for the Justice Department's Antitrust Division, "will approve" the proposed \$13.6 billion merger between the two satellite radio companies.

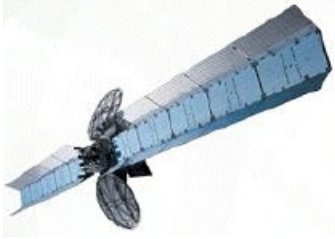
In his "Quick Take" note, Watts said that "the approval would come despite a staff recommendation against the deal, which could be heard as early as next week." Watts said the assistant AG's "acting contrary to the recommendations of his staff would be similar to the DOJ's approval of Whirlpool's acquisition of Maytag." Last year, Whirlpool bid to acquire Maytag, consolidating the U.S. dishwasher market to a 50% share and the washer/dryer market to a 70% share. While the DOJ staff was positioning to block the deal — and had even taken sworn testimony from competitors and suppliers to prepare a court challenge to the deal — it was approved by Barnett.

"We continue to expect both DOJ and FCC approval of the deal," Watts wrote. "Denying the deal would have to be based on the ludicrous position that satellite radio does not compete with terrestrial radio and any other form of mobile communications."

Watts added that he believes a decision could be "as soon as next week."


Nearly 60 million shares of SIRI traded hands Friday as the stock price increased 16 cents to close at \$3.28, while 6.7 million shares of XMSR were sold, ending the day with a gain of 67 cents to \$13.12 a share.


Meanwhile, ISS, the independent proxy advisory firm, on Friday recommended that Sirius and XM shareholders vote in favor of the proposed merger. The recommendation comes on the heels of same recommendation from Glass, Lewis & Co. earlier in the week.




Orbitcast

More support for the merger coming in...

 [3 comments](#)

 Monday, November 5, 2007 at 10:59 AM

 Tags: [Merger](#), [Merger Support](#), [Satellite Radio](#), [Sirius](#), [XM](#)

XM and Sirius have just issued a [press release](#) highlighting additional support for their pending merger.

Among those cited in the release are NASCAR and Senators John Ensign (R-NV) and Jim DeMint (R-SC), as well as some on-air talent like Former U.S. Senator Bill Bradley, Tony Hawk and progressive talk radio/television personality Bill Press.

We already saw the [Senators' support last week](#), though it would be nice to see some additional support from others on The Hill.

Then there's NASCAR Digital Entertainment, which filed some comments with the FCC on behalf of NASCAR fans who subscribe to satellite radio:

"We hope that the proposed merger will lead to more flexible programming options for consumers, which will lead to an increase in the number of people that receive NASCAR-related satellite radio programming. Also, I understand that, post-merger, NASCAR fans that are satellite radio subscribers will be able to enjoy the best of both SIRIUS and XM without having to purchase two radios or pay for two separate subscriptions."

As well as other comments:

"Merger synergies will decrease duplicative programming and result in expanded variety and more unique content unavailable anywhere else," wrote Bill Bradley

"...the merger will allow the new company to offer a variety of exciting new programming packages, some of which will enable subscribers to chose specific channels at lower monthly prices than are available today," wrote Tony Hawk.

"I support the merger because it will best serve the listening public by providing a strong, national platform for the great diversity of voices and opinions that are the fabric of America — especially progressive voices, which are seldom heard on terrestrial radio," said Bill Press.

I guess it's always a good thing to flex some PR muscle and highlight support. And I understand the underlying message: government, content partners, and hosts/employees all support the merger — but is it me, or does this seems somewhat... uninspired?

In addition, the “What People Are Saying” and “Merger Resources” pages of the website also contain links to the following information included on the website:

.....

217 – 8th. St., S.E.
Washington, D.C. 20003

The Bill Press Show

November 7, 2007

Honorable Kevin J. Martin
Chairman, FCC
455 – 12th. St., SW
Washington, D.C. 20554

Dear Chairman Martin:



As host of “The Bill Press Show,” heard daily, 6-9 a.m., on Sirius Left, Channel 146, I am writing to strongly endorse the proposed merger of Sirius and XM Satellite Radio.

I support the merger because it will best serve the listening public by providing a strong, national platform for the great diversity of voices and opinions that are the fabric of America – especially progressive voices, which are seldom heard on terrestrial radio.

Satellite radio is everywhere. It offers a wide menu of listening options, from news to music to talk. And, as I can tell from calls to my own show, it is attracting a growing number of listeners from across the political spectrum. Combining the forces of Sirius and XM, I believe, will only make for better programming, expanded reach, lower prices, and ever more listeners.

I respectfully urge your timely approval of the Sirius and XM merger as in the best interest of radio listeners everywhere.

Sincere regards,

Bill Press

“The radio revolution has begun.”

.....





October 15, 2007

Mr. Thomas Barnett
Assistant Attorney General
Antitrust Division
United States Department of Justice
950 Constitution Avenue, NW
Washington, DC 20530

Dear Assistant Attorney General Barnett:

On behalf of NASCAR Digital Entertainment, LLC ("NASCAR Digital"), I write in support of the proposed merger between XM Satellite Radio and Sirius Satellite Radio Inc. We believe that the proposed merger will result in a stronger satellite radio platform for NASCAR-related programming in the audio entertainment market and will increase consumer choices on the one platform among NASCAR fans.

NASCAR and its drivers have a number of programming partnerships with satellite radio. Today, Sirius, the Official Satellite Radio Partner of NASCAR®, broadcasts turn-by-turn coverage of every race, including the NASCAR NEXTEL Cup Series™, NASCAR Busch Series™, and NASCAR Craftsman Truck Series™ races. Sirius also offers ten channels of driver-to-crew in-car audio during races, giving race fans the inside details on their favorite drivers. Additionally, Sirius broadcasts NASCAR-related news and information, featuring programming by Tony Stewart, John Andretti, and Buddy Baker. XM features several NASCAR drivers on XM Sports Nation, Channel 144, including Dale Earnhardt, Jr., Jimmie Johnson, and Michael Waltrip. Satellite radio has proven to be a great way for NASCAR fans to get all the important news and updates on race day and beyond.

We hope that the proposed merger will lead to more flexible programming options for consumers, which will lead to an increase in the number of people that receive NASCAR-related satellite radio programming. Also, I understand that, post-merger, NASCAR fans that are satellite radio subscribers will be able to enjoy the best of both Sirius and XM without having to purchase two radios or pay for two separate subscriptions.

In conclusion, we think that the proposed merger will benefit NASCAR fans and the NASCAR industry by increasing the satellite radio-listening audience of NASCAR-related programming, and we support it.

Respectfully,

A handwritten signature in black ink that reads "Paul Brooks". The signature is stylized and cursive.

Paul Brooks
President
NASCAR Digital Entertainment, LLC

P.O. Box 2875 ♦ Daytona Beach, FL 32120-2875
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www.nascar.com

Congress of the United States

Washington, DC 20515

08/17

ORIGINAL

October 25, 2007

FILED/ACCEPTED

NOV - 1 2007

07-57

Federal Communications Commission
Office of the Secretary

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

Dear Chairman Martin:

We are writing to express our ardent support for the consolidated transfer applications of XM Satellite Radio Holdings Inc. ("XM") and Sirius Satellite Radio Inc. ("Sirius").

As you know, consumers have a plethora of choices for their music and audio entertainment needs – the Apple I-Pod, their personal music collections, HD Radio, internet music services like Rhapsody and Yahoo music, music and audio content through their cable or satellite TV subscriptions, content streaming through cellular phone technology, and terrestrial and satellite radio.

Over the last ten years, we have witnessed an overwhelming consolidation of the radio industry, which, we believe, has led to decreased diversity in programming. Satellite radio has already created the model for incorporating new artists, old favorites, and the current top forty in the same play list. Synergies created by the merger of Sirius and XM will create new opportunities for this type of diverse programming that has been overlooked by terrestrial-radio broadcasters. This merger will allow the companies to offer more diverse content by consolidating programming and better utilizing capacity to offer even more unique and diverse programming to currently underserved populations.

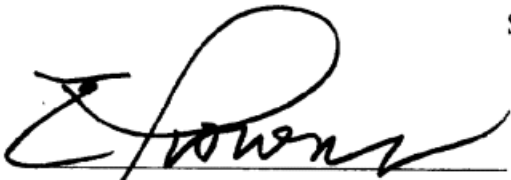
We firmly believe that allowing these satellite-radio companies to merge in order to be able to better meet the content needs of this market on a national basis, with exceptional digital sound quality and no commercials, at relatively low costs to the consumer, is in the public interest.


Satellite radio is a relatively new service, the cost of which to provide the service is expensive, due to satellite launches, maintenance and service. Currently, the satellite-radio service is only 4% of the radio market, with 96% of the market being commanded by terrestrial-radio broadcasters. If these satellite-radio companies are allowed to merge, it will allow the companies to achieve better economies of scale and scope, while enabling this new industry alternative to terrestrial-radio broadcasting, to provide innovative and diverse content, jobs and business partnering opportunities.

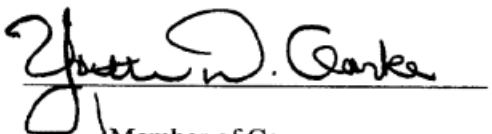
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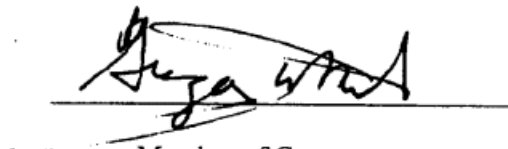
For these reasons, we urge you to support the merger.

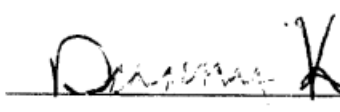
Sincerely,

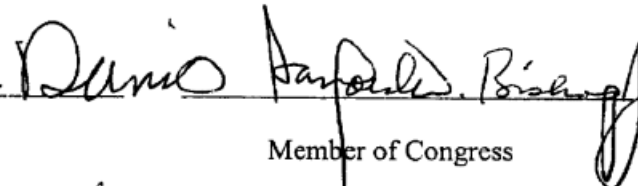


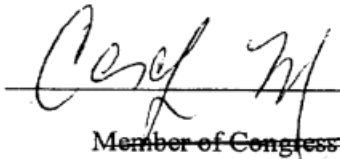
Member of Congress

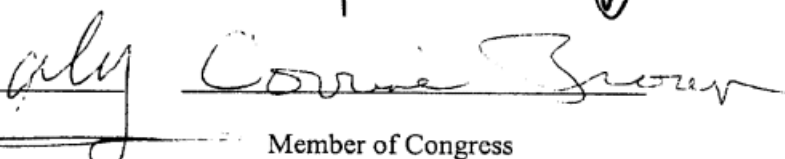
Member of Congress

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Member of Congress

Member of Congress

cc: Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell

PETE SESSIONS

32ND DISTRICT, TEXAS

COMMITTEE ON RULES

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RESULTS CAUCUS CHAIRMAN



**Congress of the United States
House of Representatives**

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September 27, 2009

Kevin Martin, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

DOCKET NO. 07-57 ORIGINAL

FILED/ACCEPTED

NOV - 1 2007

Federal Communications Commission
Office of the Secretary

**Re: Application for Authority to Transfer Control of XM Radio Inc. and Sirius
Satellite Radio Inc., MB Docket No. 07-57**

Dear Chairman Martin:

Recently, Sirius and XM announced detailed plans for a variety of new programming packages that the combined company will offer to consumers once its pending merger is approved by the FCC and the Department of Justice. Among these new offerings are two packages that, for the first time in subscription entertainment, will enable consumers to pick programming on an a la carte basis.

In addition to the two a la carte packages, the new offerings will include several packages geared toward consumers with specific programming interests. For example, a combined Sirius/XM plans to offer a "Mostly Music" package, a "News, Sports & Talk" package, and two "Family Friendly" packages that exclude adult-themed content. In addition, some of the new offerings will include "best of" programming from both Sirius and XM, giving consumers the opportunity to receive the most appealing channels from both providers without having to subscribe to, and pay separately for, two services.

This unprecedented array of offerings greatly will expand consumer choice and will give satellite radio subscribers the chance to achieve substantial savings. Indeed, one of the new a la carte packages will be offered at \$6.99 per month—a savings of 46 percent over the existing standard monthly price of \$12.95. Importantly, these new options also will mean that consumers will not have to receive or pay for content that they do not want. Perhaps most impressively, the new a la carte offerings will pave the way for a unique form of competition in the entertainment industry—one based on the individual programming preferences of listeners.

As the companies have made clear, however, these innovative offerings will be possible only if the merger is approved. Without the efficiencies and synergies that will be generated by the merger, these new options simply will not be feasible.

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In order to bring these exciting opportunities to consumers as quickly as possible, I urge the FCC to move forward with its review of this pending merger.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Sessions", with a long horizontal flourish extending to the right.

Pete Sessions
Member of Congress



1611-A S. MELROSE DRIVE #362 • VISTA, CA 92081 • PH: 760.477.2477 • FAX 760.477.2474

October 30, 2007

The Honorable Thomas Barnett
Assistant Attorney General
Antitrust Division
United States Department of Justice
950 Constitution Avenue, NW
Washington, DC 20530

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

Dear Assistant Attorney General Barnett and Chairman Martin:

As the host of "*Demolition Radio*," I support the pending merger of SIRIUS and XM. My weekly program airs on "Faction," Channel 28, which was created by SIRIUS for action sports fans. "*Demolition Radio*" provides a forum to discuss skating and the action sports lifestyle, to play music that caters to enthusiasts of this lifestyle, and to have conversations with special guests and listeners.

Many of satellite radio's biggest fans are young consumers who are drawn to the cutting edge music and other progressive content offered on SIRIUS and XM. I understand that the merger will allow the new company to offer a variety of exciting new programming packages, some of which will enable subscribers to choose specific channels at lower monthly prices than are available today.

While these new choices will benefit all subscribers, they may be especially important to young listeners who are looking for innovative music and talk programming geared toward their interests, but who also are on limited budgets. With some packages available for as little as \$6.99 a month after the merger, some young consumers may be able to afford satellite radio for the first time once this deal is finalized.

Those same inexpensive programming packages will also allow young listeners to select the specific channels they want. With the a la carte "Pick 50" option, listeners can choose 50 channels to receive on their radios, without having to shuffle through –or pay for – the stations they don't like.



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For these reasons I believe that this merger is in the public interest and I look forward to the merger of SIRIUS and XM being approved as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Tony Hawk". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tony Hawk



ANTHONY D. WEINER
9TH DISTRICT, NEW YORK

COMMITTEE ON THE JUDICIARY

COMMITTEE ON
ENERGY AND COMMERCE

DEMOCRATIC WHIP

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September 12, 2007

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90-16 ROCKAWAY BEACH BOULEVARD
ROCKAWAY, NY 11853
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Kevin Martin, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Application for Authority to Transfer Control of XM Radio Inc.
and Sirius Satellite Radio Inc., MB Docket No. 07-57

Dear Chairman Martin:

I am writing to support the pending merger of Sirius Satellite Radio Inc. and XM Radio Inc. This merger will improve the variety and quality of audio news and entertainment services available to consumers.

Critics of the merger claim that it would be a seismic change to the competitive balance in the telecommunications, mass media, and broadband world. The proposed deal would not actually make much more than a ripple.

Satellite companies are not competing against each other as much as they are competing against a panoply of other ways to get music and other audio entertainment. In addition to terrestrial radio, audio programs are delivered through podcasts, on-demand services, cable television providers, cellular phones, RSS, and real time streaming on the internet.

The two satellite companies have not been the strongest possible competitors in this market, as their \$6 billion in accumulated losses to date demonstrate. And while it seems like satellite radio is growing, it has a long way to go before it puts a scare into the terrestrial radio industry, which has something on the order of 280 million listeners. Furthermore, terrestrial radio has a huge price advantage – it is free.

There is no doubt that the merger would be good for consumers of this service. A merger will allow the two companies to pool their resources, cut costs through economies of scale, boost innovation by bringing together their best and brightest talent, and ultimately make more programming available to subscribers.

Customers would no longer need an XM subscription for baseball games and a Sirius subscription for football games. Car companies wouldn't have to choose between appealing to Oprah listeners or satisfying Howard Stern fans. And finally, manufacturers could get to work on perfecting the hardware for an industry that has been split between two different technical standards.

Opponents of the merger have pointed to the precedent of the 2002 proposed merger between DIRECTV and EchoStar. That merger was denied because regulators assumed a

2 - Application for Authority to Transfer Control of XM Radio Inc. and Sirius Satellite Radio Inc., MB Docket No. 07-57

stronger satellite TV presence would harm competition. In fact, since the merger was presented, satellite's entry into the broadband arena – a much promised development – has ground to a halt as companies struggle to survive.

For these reasons, I urge the FCC to complete its review of this transaction and allow the companies to proceed with their merger plans.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony Weiner', with a long, sweeping flourish extending to the right.

ANTHONY WEINER
Member of Congress

cc: Commissioner Michael J. Copps Commissioner Jonathan Adelstein
Commissioner Deborah Taylor Tate Commissioner Robert M. McDowell