

Communications Commission (the "FCC") to broadcast a satellite digital audio radio service. XM's satellites are being constructed by Hughes Electronics Corporation ("Hughes"), a subsidiary of GM, pursuant to a contract valued at approximately \$550 million. In addition, Hughes has provided vendor financing to XM in connection with this satellite contract. GM, through Hughes, also owns approximately 25% of XM and is represented on the Board of Directors of XM.

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We believe an agreement between XM and GM would be a positive development for satellite radio in the United States and would be beneficial to us, in both the short and the long term. An agreement between GM and XM would represent an important validation of the satellite digital radio industry.

We are in discussions with several other automotive manufacturers to include CD Radio reception capability either as standard or optional equipment in new vehicles. Our long-term objective is to promote the adoption of CD Radio receivers as standard equipment in automobiles sold in the United States. While we cannot assure you that CD Radio will be able to reach agreements with other automotive manufacturers, we believe that GM's numerous business connections with XM could cause other automotive manufacturers to view us more favorably than XM.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CD RADIO INC.

By: /s/ Patrick L. Donnelly

Patrick L. Donnelly
Executive Vice President,
General Counsel
and Secretary

Dated: April 16, 1999

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