

Filed by Sirius Satellite Radio Inc.  
Pursuant to Rule 425 under the  
Securities Act of 1933 and deemed filed  
pursuant to Rule 14a-12 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 and June 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 Will be Filed with the SEC

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 preliminary Joint Proxy Statement/Prospectus and each of SIRIUS and XM plans to file with the SEC other documents regarding the proposed transaction. The definitive Joint Proxy Statement/Prospectus will be mailed to stockholders of SIRIUS and XM. **INVESTORS AND SECURITY HOLDERS OF SIRIUS AND XM ARE URGED TO READ THE PRELIMINARY JOINT**

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**PROXY STATEMENT/PROSPECTUS AND THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE, 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](http://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, 36<sup>th</sup> 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 preliminary Joint Proxy Statement/Prospectus filed with the SEC.

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SIRIUS' website, which is available at [www.SIRIUSmerger.com](http://www.SIRIUSmerger.com) and has information about SIRIUS' proposed merger, has been updated. The updates include the information being filed herewith.

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HEAR FROM MEL KARMAZIN, CEO OF SIRIUS RADIO.

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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](#)

## IN THE NEWS

Phantom threatens to consumer choice  
Rocky Mountain News

Orbitcast interview with Mel Karmazin  
Orbitcast

Karmazin Swings Back at NAB  
Broadcasting & Cable

FCC's Martin: Pleased With Sirius/XM A La Carte Proposal  
Associated Press

The a la carte alternative  
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PTC Lauds XM/Sirius for Promising Real Choices for Families  
The Parents Television Council

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Cardinal puts his faith in proposed satellite merger  
NY Daily News

Satellite Radio Hands Out Appetizers  
The Motley Fool

Sirius, XM Offer Plan to Let Users Choose Channels  
Bloomberg

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The subject matter discussed in this communication will be addressed in a Joint Proxy Statement/Prospectus to be filed with the Securities and Exchange Commission. Stockholders are urged to read the Joint Proxy Statement/Prospectus regarding the proposed transaction when it becomes available, because it will contain important information. Stockholders will be able to obtain a free copy of the Joint Proxy Statement/Prospectus, as well as other filings containing information about SIRIUS and XM, without charge, at the Securities and Exchange Commission's Internet site (<http://www.sec.gov>). Copies of the Joint Proxy Statement/Prospectus and the Securities and Exchange Commission filings that will be incorporated may be obtained by directing a request to SIRIUS Satellite Radio, Inc., 1321 Avenue of the Americas, New York, NY 10020, Attention: Investor Relations, or to XM Satellite Radio Holdings Inc., 1001 Edlington Place, NE Washington, DC 20002, Attention: Investor Relations. Information regarding SIRIUS and XM's directors and executive officers and other participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be available in the Joint Proxy Statement/Prospectus.

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## WHAT PEOPLE ARE SAYING

"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?"

manufacturers serve so many resources to trying to control 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 WIPP 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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### Articles

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- [Karmazin Swings Back at NAB Broadcasting & Cable](#) — August 13, 2007
- [FCC's Martin: Pleased With Sirius/XM A La Carte Proposal](#) Associated Press — August 07, 2007
- ['A la carte' looks choice to them](#) New York Daily News — August 04, 2007
- [Cardinal puts his faith in proposed satellite merger](#) NY Daily News — July 25, 2007
- [Satellite Radio Hands Out Appetizers](#) The Motley Fool — July 24, 2007
- [Radio Plan: A Price Shift for Satellite](#) The New York Times — July 24, 2007
- [Sirius, XM Offer Plan to Let Users Choose Channels](#) Bloomberg — July 24, 2007
- [Sirius-XM Radio Would Offer A La Carte Pricing](#) CNNMoney.com — July 24, 2007
- [XM, Sirius offer a la carte options](#) Variety — July 23, 2007
- [XM-Sirius in New Pitch for Merger](#) Associated Press — July 23, 2007
- [XM, Sirius plan a la carte offerings](#) USA Today — July 23, 2007
- [A La Carte Packages Could Help Sirius-XM Merger](#) TWICE — July 23, 2007
- [Is A La Carte The Answer For Satellite Radio?](#) Forbes — July 23, 2007
- [Peck Predicts Pending Satellite Merge Will Be Approved](#) Radio Ink — July 17, 2007
- [CEI: XM-Sirius Merger Should Go Forward](#) SatNews Daily — July 10, 2007
- [XM & Sirius Cite "Growing Momentum" For Merger](#) Radio Ink — July 10, 2007
- [HD Radio Grabs the Ear of Satellite Rivals](#) The Washington Post — July 03, 2007
- [Karmazin Raps NAB Spin on Merger](#) TWICE — July 02, 2007
- [AME Church Backs XM/Sirius](#) Broadcasting & Cable — June 19, 2007
- [Karmazin: NAB Reaction Proves Our Point](#) TWICE — June 19, 2007
- [Satellite Sisters](#) The New Yorker, James Surowiecki — March 19, 2007

### Editorials & Op-Eds

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- [Phantom threats to consumer choice](#) Rocky Mountain News — August 18, 2007
- [The a la carte alternative](#) The Washington Times — August 06, 2007
- [Approve the Sirius/XM merger](#) The Washington Times — July 26, 2007
- [The Good Word - Via Satellite](#) New York Post — July 20, 2007
- [A good merger](#) The Washington Times — July 06, 2007
- [Sirius, XM and American values](#) Los Angeles Times — June 25, 2007
- [Who's afraid of mergers? \(registration required\)](#) Chicago Tribune — June 21, 2007
- [What's the Frequency, NAB?](#) The Wall Street Journal — April 21, 2007
- [Dinosaurs vs. Satellites](#) Reason Magazine, Radley Balko — April 19, 2007
- [A Merger and a Prayer \(subscription required\)](#) Forbes — April 09, 2007
- [Let XM and Sirius Merge](#) Los Angeles Times — February 27, 2007

[A Monopoly - Not](#) San Francisco Chronicle — February 26, 2007

[They Cannot Be SIRIUS - Satellite Radio \(subscription required\)](#) The Economist — February 24, 2007

[SIRIUS and XM Together Makes Sense for Listeners](#) USA Today — February 23, 2007

[Money, Not Outrage, Fuels Anti-Merger Fight](#) The Miami Herald — February 22, 2007

[Making Radio Waves](#) Wall Street Journal — February 21, 2007

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[Orbitcast Interview with Mel Karmazin](#) Orbitcast — August 16, 2007

[Busted: NAB cites satellite radio as competition on website](#) Orbitcast — August 06, 2007

[Mel Karmazin Editorial on A La Carte packages](#) Orbitcast — August 06, 2007

[Parents Television Council praises Sirius-XM](#) Orbitcast — July 30, 2007

[XM-Sirius Deal Receives Church's Blessing](#) WSJ: Deal Journal — July 20, 2007

[Yea Chorus on XM-Sirius Grows](#) WSJ: Deal Journal — July 17, 2007

[Company Says If XM and Sirius Merge, It Wants To Enter The Market](#) Techdirt — July 13, 2007

[A Sirius Message From the Consigliere](#) WSJ: Deal Journal — July 10, 2007

[American Values urges approval of Sirius, XM merger](#) Orbitcast — July 09, 2007

[NAB concedes that XM/Sirius are "winning the war of words"](#) Orbitcast — June 27, 2007

[Internet Radio on Wheels: Reason to Cut XM and SIRIUS Some Slack?](#) Public Knowledge — June 19, 2007

[National Association of Broadcasters v. National Association of Broadcasters](#) The Technology Liberation Front — June 15, 2007

[WSJ Notices That The NAB Has An Agenda](#) Techdirt — April 23, 2007

[Terrestrial Radio Looks To Charge Subscription Fees, But Still Doesn't Compete With Satellite](#) Techdirt — April 19, 2007

[More on XM-Sirius](#) The Technology Liberation Front — April 11, 2007

[Thinking "Siriusly" About Satellite Radio Competition](#) The Free State Foundation — April 09, 2007

[Two Can Play: Mock ad showing NAB flip-flops](#) Orbitcast — April 07, 2007

[NAB Shill Says He Didn't Flip-Flop, Adds Sky Is Green And Down Is Up](#) Techdirt — April 06, 2007

[Busted: Carmel Group has already defined Satellite Radio's competitors](#) Orbitcast — April 04, 2007

[How Can New Satellite Radio Merger Analysis Be 'Independent' When The NAB Paid For It?](#) Techdirt — April 03, 2007

[Busted: Mike Hubbard, sponsor of Alabama anti-merger resolution, owns radio station \(and more\)](#) Orbitcast — March 31, 2007

[If Terrestrial Radio Broadcasters Don't Compete With Satellite Radio...](#) Techdirt — March 01, 2007

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- [House Energy and Commerce Committee's Subcommittee on Telecommunications and the Internet - March 7, 2007](#)
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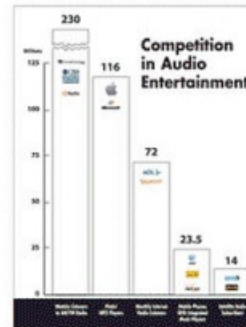
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### LATEST PRINT ADS

**Who supports the merger of SIRIUS and XM Radio?**

Just groups representing about every race, creed, religion and political affiliation.

**That's all.**

Among the groups that have voiced their support for the merger:

20 Plus Association  
African Methodist Episcopal Church (AME) Church  
Americans for Tax Reform • American Values  
Competitive Enterprise Institute • FamilyNet  
Hispanic Federation • League of Rural Voters  
League of United Latin American Citizens (LULAC)  
NAACP • National Black Chamber of Commerce  
National Council of Women's Organizations  
New York State Federation of Hispanic Chambers of Commerce  
The Latino Coalition • Women Involved in Farm Economics (WIFE)

**SIRIUS + XM**  
Even Better Together.  
More choices. Better prices.

"...the merged entity...would offer its customers a more exciting and complete product."  
— [Name], [Organization]

"XM and SIRIUS [have] plenty of other competitors for what goes in your ears. The market is changing with amazing speed."  
— [Name], [Organization]

"...a stronger product indeed...for you, for your, for yours! Ready to be there singing and good music."  
— [Name], [Organization]

Together we can do more for America's listeners. SIRIUS and XM are joining forces to create a stronger and more diverse, more exciting and more complete audio entertainment product. We're excited to be there singing and good music. We're excited to be there singing and good music. We're excited to be there singing and good music.

### Supportive FCC filings

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- [American Values](#)
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- [FamilyNet Radio](#)
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- [Frank Sinatra Enterprises](#)
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- [The Heritage Foundation](#)
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### Merger Analysis

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- [An Economic Review of the Proposed Merger of XM and SIRIUS](#)



### "What's In It for Consumers?"

What's in it for consumers? The answer is simple: more choice, more control, and more value.

- 1. **The XM and SIRIUS merger will increase consumer choice.** The merger will create a new satellite radio service that will offer more choice than either XM or SIRIUS could offer on their own. This new service will offer more choice than either XM or SIRIUS could offer on their own.
- 2. **The merger will increase consumer control.** The merger will create a new satellite radio service that will offer more control than either XM or SIRIUS could offer on their own. This new service will offer more control than either XM or SIRIUS could offer on their own.
- 3. **The merger will increase consumer value.** The merger will create a new satellite radio service that will offer more value than either XM or SIRIUS could offer on their own. This new service will offer more value than either XM or SIRIUS could offer on their own.

Consider your choice.

Even Better Together

### Listen to the Numbers

The world of audio entertainment has changed dramatically, now XM and SIRIUS are the new standard.

- 257 Million: The number of people who listen to satellite radio.
- 240 Million: The number of people who listen to XM.
- 225 Million: The number of people who listen to SIRIUS.
- 90 Million: The number of people who listen to XM and SIRIUS.
- 14 Million: The number of people who listen to XM and SIRIUS.

More Choices: XM and SIRIUS offer more choices, including the best of both worlds. XM and SIRIUS offer more choices, including the best of both worlds. XM and SIRIUS offer more choices, including the best of both worlds.

Even Better Together

### SIRIUS and XM Radio

The people who support our merger are as diverse as our programs.

Phantom threats to consumer choice  
Rocky Mountain News  
August 18, 2007

The Federal Trade Commission's so-far futile attempt to block the purchase of Wild Oats by Whole Foods has wasted loads of time and money. Assuming the FTC's court appeal fails, too, the exercise could still have at least one healthy outcome if it prompts federal officials to reassess their outdated theories about what qualifies as a monopoly.

Anyone who regularly shops for groceries knows that Whole Foods is not about to enjoy anything close to a stranglehold on "natural" and organic foods if this merger goes through. So how did FTC officials convince themselves that captive consumers were about to be fleeced?

In part by examining only a narrow slice of the retail grocery market while discounting the broader competition that dwarfs the mini-rivalry between Wild Oats and Whole Foods.

The same mistake was made a few years ago when Douglas County-based EchoStar tried to buy DirecTV but was blocked by the Federal Communications Commission, which acted as if satellite TV were a telecom world unto itself. In fact, even had the two merged, the resulting company would have controlled only 17 percent of the pay TV market.

The proposed merger of XM Satellite Radio and Sirius is provoking similarly blinkered arguments about its alleged threat to competition — as if music lovers don't enjoy a host of other options. If satellite radio is such an insulated cash cow, you have to wonder why Sirius reported yet another loss earlier this month.

We're not suggesting regulators give a pass to every merger plan. Anti-competitive deals that leave consumers with no place to turn are rare, but they occur. Unfortunately, the tendency to see market dominance where none exists is prevalent even for industries undergoing rapid transformation.

The most vivid example of this concerns the news media. Federal ownership rules ban or limit, among other things, the number of TV stations that can be owned by one company in a local market, the number of radio stations that can be owned by a TV station in the same city, the ownership of a TV or radio station and a newspaper in the same market, and even the percentage of U.S. households a broadcast TV owner can reach.

To say these rules are antiquated in the age of the Internet and such devices as the iPhone is an understatement. Yet every plea to bring them into the 21st century is met by outrage from politicians and consumer advocates, who claim the rules protect a diversity of views.

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Incredibly, sentiment may be growing for greater regulation. Democratic presidential candidate John Edwards and others worry that News Corp.'s purchase of Dow Jones & Co., which owns The Wall Street Journal, signals the need for more restrictions on the cross- ownership of media. In a letter to the FCC, Sen. Christopher Dodd, D-Conn., claimed "this buyout will result in an overly consolidated media market, imperiling the diversity of opinions available to residents of the greater New York area and across the country."

Would someone introduce that man to wireless service and cable, and then escort him to the periodical section of the nearest Barnes & Noble to give him an inkling of the diversity of opinions available in this land?

In appealing a judge's ruling allowing the Wild Oats/ Whole Foods merger, the FTC is refusing to learn from its mistakes. We can only hope other federal officials are more open to the realities of competition in an age where consumers enjoy such a cornucopia of choice.

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Julian C. Day

July 13, 2007

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, SW  
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 Ms. Dortch:

RadioShack Corporation ("RadioShack") supports the above-referenced application concerning the proposed merger of Sirius Satellite Radio Inc. ("Sirius") and XM Radio Inc. ("XM"). RadioShack is one of the nation's most experienced and trusted consumer electronics specialty retailers. We sell Sirius satellite radios, services, and plans in our stores and dealer outlets, as well as through our web site. We believe that a merger of Sirius and XM will benefit consumers, including those that purchase satellite radio products and services from RadioShack.

Simply put, a merger of Sirius and XM will enhance the choices available to subscribers of one or the other service. Once the merger is approved, for example, consumers who have purchased Sirius service from one of our outlets will have access to a broader variety of satellite radio programming. Today, consumers with an interest in satellite radio must either: (1) choose between Sirius and XM, foregoing some of the most appealing channels available on the other service or (2) subscribe to both services, which means purchasing two satellite radios and paying for two subscriptions. Soon after the merger closes, these choices will increase. In addition to the two options noted, consumers also will be able to receive the most popular channels offered by both services over a single device and for a single monthly fee.

Further, the merger will help speed the development and future commercial release of interoperable satellite radios. Once this occurs, all satellite radio subscribers will have the added ability to receive the complete line-up offered by both Sirius and XM on one receiver at a monthly price that is considerably lower than that of subscribing to both services today.

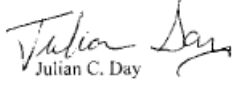
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Marlene H. Dortch, Secretary  
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More broadly, this merger proposes to combine two small players in the audio entertainment market. As a result, the merger will bring greater vitality and financial 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.

For these reasons, RadioShack urges the FCC to approve the Sirius-XM application.

Respectfully submitted,

  
Julian C. Day

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*Federation of Southern Cooperatives • Land Assistance Fund*  
2769 Church Street • East Point, GA 30344 • (404) 765-0991

## Press Release

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**FOR IMMEDIATE RELEASE**  
August 21, 2007

**Contact:** John Zippert — 205 652 9676

### **The Federation/LAF Throws Its Support Behind SIRIUS/XM Satellite Radio Merger**

**EPES, ALABAMA...** The Federation of Southern Cooperatives/Land Assistance Fund today announced it is in favor of the merger between SIRIUS Satellite Radio (Nasdaq: SIRI) and XM Satellite Radio (Nasdaq: XMSR) in a letter filed with the Federal Communications Commission (FCC).

“Rural communities are consistently underserved by the lack of diversity in programming that local terrestrial radio broadcasters provide,” said Ralph Paige, Executive Director of the Federation of Southern Cooperatives/LAF. “A merger of SIRIUS and XM will bring lower prices and increased programming choices to the over 20,000 rural member families of the Federation/LAF in twelve southern states.”

In its letter to the FCC, the Federation/LAF cited the benefits that “a la carte” options and other low-cost, bundled programming packages would provide for rural and minority consumers.

“Our members clearly benefit from the ability to select the programs that are most applicable to their businesses, families, and personal interests,” added Paige. “We are also encouraged by the commitments that SIRIUS and XM have made to enhance the diversity and breadth of programming for minority audiences.”

A merger of the two companies will enhance its capacity to deliver emergency alerts and up-to-date weather information to even more remote areas, helping guide agricultural planning and preparation for potential natural disasters. By lowering the monthly cost in many of its packages, a merged company will add more subscribers among black family farmers across the South who would greatly benefit from these services.

The Federation/LAF filed its letter with the FCC on August 13<sup>th</sup> and urged the Commission to act swiftly in its approval.

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*Note: The Federation/LAF, now in its 40th year, assists Black family farmers across the South with farm management, debt restructuring, alternative crop suggestions, marketing expertise and a whole range of services to ensure family farm survivability.*