



Today's News

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Study Claims: XM/Sirius Merger Would Not Increase Program Choices For Customers

A study prepared by the consulting engineering firm Meintel, Sgrignoli & Wallace finds that the proposed merger between XM and Sirius would not allow existing satellite radio customers to have access to more programs than they have now without buying a new satellite radio.

An article entitled "Radio Deal Could Face Technical Difficulties" in the *Washington Post* also discussed technical challenges to be faced by the satellite radio companies who, according to industry experts cited by *The Post*, are "straining their systems' transmission capacities even before they try to add each other's content."

The MSW study emphasizes the technical differences between the two satellite systems, which prevent Sirius radios from receiving programming from XM satellites, and vice versa. In addition, the study claims that the two satellite systems cannot be expanded to fit in more channels beyond their current level without incurring loss of audio quality.

Some of the specific points in the study include:

- The bandwidths, bit rates, data structures, and digital audio coding algorithms of these two systems are completely different, making it impossible for existing, dedicated XM and Sirius transmission and reception equipment to interoperate;
- The data capacities of both the XM and Sirius systems are filled with programming and significant spare capacity is not available. Expanding the number of program offerings on either the XM or Sirius platforms through more aggressive digital compression would result in degradation of audio quality unacceptable to consumers;
- Taking a program channel from one system and adding it to the other would likely require incumbent program channels to be removed on a one-for-one basis to make room for the new program channels.

The report also notes that, as a condition of their original license, the satellite radio operators were required to deliver designs for interoperable radios. As of today, no radio that is interoperable between both systems has ever been made commercially available.