Mary Quass
President and CEO, NRG Media
On behalf of the National Association of Broadcasters

Hearing before the Senate Committee on the Judiciary
Subcommittee on Antitrust, Competition Policy and Consumer Rights
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Follow-up Questions from Senator Kohl:

1. If FCC rules limiting radio station ownership to 8 stations in the largest markets were eliminated, would you still oppose the Sirius / XM merger? If so, please explain why.

Complete elimination of the FCC ownership rules is very unlikely. And even with a modest relaxation of the ownership limitations, radio stations still would not compete against Sirius and XM in their national platform. Presently, both Sirius and XM can each bring over 150 channels into local radio markets. A combined satellite monopoly gives them an even more overwhelming presence in the local market. No local broadcaster will ever obtain enough spectrum, with or without an ownership rule change, to provide that much programming in local markets.

NRG Media has local radio stations in small to medium sized markets. We are confined by our FCC-defined market and geographic reach. With any potential change in local ownership rules, we would still be limited by markets and would remain unable to replicate their national, multi-channel service.

2. Does the development of new technologies like HD radio lessen the threat terrestrial radio stations believe would result from the Sirius / XM merger?

No, it does not. HD Radio is still at its inception. While we are very encouraged about the ongoing rollout of HD Radio in many markets across the country, we still have work to do with manufacturer and consumer penetration.

Hopefully, the future will see a great variety of products available to consumers within each digital platform. Notwithstanding that, it does not lessen the threat of a Sirius / XM monopoly. Like analog radio, HD Radio will remain constrained by market definition and geographic reach - unable to compete in the national, satellite radio market. A satellite radio monopoly allows them a great and unfair advantage to cross-subsidize products and set monopolistic prices for devices.