



**Written Testimony submitted by Common Cause,
Member of the Media & Democracy Coalition,
to the Subcommittee on Telecommunications and the Internet,
House Committee on Energy on Commerce**

**March 7 Hearing: “Digital Future of the United States:
Part II – The Future of Radio”**

Common Cause would like to thank the Committee for their interest in the future of media, and for this opportunity to offer written testimony.

Common Cause, a nonpartisan organization that works to strengthen our democracy, strenuously objects to the proposed merger between XM and Sirius satellite radio. Approval of this merger would not only create an unfair monopoly, but could also spark a tidal wave of consolidation among media companies that would leave citizens’ informational needs behind. Common Cause, and its 300,000 members and supporters, urges this subcommittee to carefully scrutinize this merger. At the very least, if this merger is permitted to go forward, the Federal Communications Commission (FCC) and the Department of Justice (DOJ) must ensure that conditions are attached to ensure that the merger’s potential public interest harms are mitigated.

XM and Sirius received licenses to use the publicly-owned airwaves on the condition that the two companies would not merge. The FCC was presumably concerned then about the hazards of a monopoly in satellite radio service. That concern should be even greater today.

The FCC and DOJ must ask hard questions – and demand comprehensive answers – as to why the only two national satellite radio companies should be allowed to become one. This merger is about more than what price consumers will be charged for satellite radio, although that is an area that should be examined. XM and Sirius must also explain how this merger will serve the public interest. Will there be more diversity and more viewpoints aired? Will programming that serves the educational and informational needs of both children and adults be promoted? Will channels be set aside for public service? Can citizens trust any promises of public interest programming made by the merged companies, given that XM and Sirius have broken other promises to consumers, such as development of interoperable radios?

Even if these questions were to be answered satisfactorily, allowing the XM-Sirius merger would set a dangerous precedent. The market for satellite radio consists of exactly two companies, meaning that the DOJ and FCC will have to redefine the market more broadly in order to avoid creating a monopoly. However, a redefinition of the market would open the door for newspapers, cable companies, broadcasters and others to similarly merge. Numerous studies have demonstrated that media consolidation harms communities by depriving citizens of important diverse sources of news, information and opinion.

Common Cause strongly urges the Department of Justice and the Federal Communications Commission to protect the public interest by rejecting the XM-Sirius merger.