Before the
UNITED STATES COPYRIGHT ROYALTY BOARD
LIBRARY OF CONGRESS
Washington, D.C.

In The Matter Of:	
Adjustment of Rates and Terms for Preexisting Subscription and Satellite Digital Audio Radio Services	Docket No. 2006-1 CRB DSTRA

Testimony of

STEPHEN R. COOK

Executive Vice President of Automotive, XM Satellite Radio Inc.

FINAL

Witness for XM Satellite Radio Inc.

XM Exhibit 6

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LIBRARY OF CONGRESS
Copyright Royalty Board

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Satellite Digital Audio Radio Services	)
	)

DIRECT TESTIMONY OF STEPHEN R. COOK
(ON BEHALF OF XM SATELLITE RADIO INC.)

Overview

1. My name is Stephen R. Cook. I am currently employed by XM Satellite Radio Inc. ("XM") and was recently named Executive Vice President, Automotive. I have been employed by XM since 1999, when I was hired as Senior Vice President of Sales and Marketing. Prior to joining XM, I held key management positions with GTE Wireless Inc., Procter & Gamble, and Conxus Communications.

2. To succeed, XM must market its satellite radio business through multiple automotive and retail channels in order to acquire and retain subscribers cost-effectively. XM is proud that currently it has more than 7 million subscribers to date. My testimony will focus primarily on XM's early and ongoing marketing and sales efforts that are responsible for creating this subscriber base.

3. Marketing a new product like XM is particularly challenging and expensive for several reasons. As an initial matter, XM must convince consumers that its product is different enough from FM radio and other audio entertainment, and compelling and unique enough in

itself, to justify purchasing new equipment and paying an ongoing monthly subscription fee. It was also important to generate rapid subscriber growth to demonstrate the viability of the service considering the large capital investment. Further, actual and potential satellite radio customers are spread across a wide variety of different demographic segments. In order to attract, build and maintain its subscriber base, XM's marketing has emphasized several of its differentiating features:

- Diversity and depth of XM's programming appealing to mass and niche key market segments
- More channels and more choice than our competitors
- Exclusive non-music programming available on XM
- Absence of commercials and unique and exclusive programming on XM's music channels
- Nationwide coverage and outstanding digital sound quality of XM's signal

Additional drivers of subscriber growth include the competitive price of XM's monthly subscription as well as the competitive price and quality of the radio receivers using technology that XM develops in-house.

4. The automotive and retail distribution channels are crucial to XM's marketing strategy. While expensive, these distribution channels are necessary to expose consumers to XM's service and radio options. Broad distribution of XM Radio through the new automobile market is essential to our success. Looking forward, the automotive industry is increasingly focused on XM's ability to provide data services to subscribers, such as traffic flow and parking information, sports scores, stock quotes, and messaging (e.g. maintenance reminders). This emphasis on data services by our automotive partners complements other growth areas for XM,

including increasingly popular navigational offerings, consisting primarily of weather information, for airplanes and boats.

5. From a marketing/distribution perspective, I believe that a significant increase in royalties for music rights would impose a tremendous burden on XM's ability to market and grow its service. Many of our equipment subsidies and partner distribution costs are fixed. Any attempt to increase subscription fees to offset a significant royalty increase could increase subscriber cancellations and decrease automotive trial conversion rate. In addition, any large cuts in our marketing and distribution efforts could likewise limit growth. XM is still at an early enough stage of its life cycle that exogenous financial shocks, such as that caused by a significant increase in royalties, could cause irreparable long-term harm.

Marketing and Sales Experience Prior to Joining XM

6. I have over 20 years of experience as a marketing professional and executive. I received an undergraduate degree at Duke University in 1978 and an MBA in marketing and marketing strategy from the University of North Carolina in 1983. My first marketing job was at Procter and Gamble. From 1983 to 1988, I was a Procter & Gamble Brand Manager, and ran the marketing efforts of several national household cleaning product brands.

7. In 1988, I moved over to Providence Journal Cellular, an early cellular service provider that was later acquired by GTE, to become part of GTE MobilNet (later named GTE Wireless). Like XM, Providence Journal Cellular had to purchase licenses, build a subscriber base from scratch, and convince consumers to purchase receivers in order to use the service. Initially, these receivers (referred to by many users in that early period as "car phones") were large and expensive, and almost all billing was per minute, with limited availability of heavy use plans. Over time, phone size was reduced and our costs and pricing came down. I held senior

marketing positions (including Vice President of Marketing for the post-merger company), and in 1993, became President of GTE's Southeast Region, which included Kentucky, Tennessee, Northern Alabama, and parts of Virginia.

8. In 1996, I left GTE to become Chief Operating Officer of Conxus Communications, a start-up company. Conxus marketed "Pocketalk," an innovative service that used paging spectrum to carry voice messages. At Conxus, I was responsible for marketing, sales and distribution, advertising, product development, customer service, and network engineering. I also directed distribution alliances with several regional paging companies and voice messaging providers. After initially raising $500 million in capital, we paid $90 million for 1 of the 2 national licenses available, and launched service in top ten markets such as New York and Washington, D.C. However, the service proved to be ahead of its time. We were unable to raise additional money, and the company went out of business. At that point, I was recruited for XM.

Marketing and Sales Roles at XM

9. In 1999, I joined XM as Senior Vice President of Sales and Marketing. For the past seven years in that position (and later as Executive Vice President, Sales and Marketing), I was responsible for all aspects of XM's sales and marketing, including the development of distribution channels, pricing strategy, hardware promotional spending, and marketing campaigns.

10. XM's key marketing and sales goal is to acquire and retain subscribers. My particular focus with respect to subscriber acquisition was to build XM brand awareness, educate consumers about satellite radio and the XM service, develop retail and automotive distribution channels, execute promotions to drive sales, and develop radio receivers that were attractive in

terms of price and design -- all while minimizing subscriber acquisition costs. With regard to retention, my primary focus was on customer care with regard to both XM's billing operations and call center. As I discuss in detail below, important metrics regarding subscriber acquisition and retention include subscriber acquisition costs, costs per gross addition, subscription cancellations (known in our industry as "churn"), and the rate of conversion from trial subscriptions to long-term subscriptions.

11. There are approximately 110 people in the marketing and sales department of XM. The department's budget – including payments of various subsidies to automakers and retailers that I discuss more thoroughly below – totaled $604 million in 2005.

12. Because of the critical importance of our relationship with the automotive industry to the marketing and distribution of XM radios and the XM service, it was decided that I should focus all of my time and energy on this part of the business. In July 2006, I was named Executive Vice President, Automotive. Nearly 60% of the automotive manufacturers who sell cars in the United States, including General Motors, Honda, Hyundai, Toyota and Nissan choose XM as their exclusive factory-installed satellite radio provider. GM offered XM satellite radio factory-installed in more than 50 car, truck and SUV models for the 2006 model year.

XM's Marketing and Sales Strategy

13. XM's fundamental marketing and sales goal is to acquire and retain subscribers as cost-effectively as possible. Satellite radio has a significant cost structure and is not viable solely as a niche market service. XM is a mass market product and needs to be adopted by a large cross-section of U.S. consumers to achieve the scale needed to support satellite radio's large fixed-costs, infrastructure maintenance and upgrades. Our target market is the 230 million registered vehicles and over 110 million households in the United States, including a focus on

the portable audio market. By reducing the cost of the radios and keeping the subscription rate reasonable, XM can become a viable mass market service; however, today analysts estimate that XM is still losing $1.9 million a day in 2006.

14. Our on-going challenge is to create consumer demand for XM's service. Early on, the primary marketing messages were XM's breadth of programming, digital sound quality, coast-to-coast coverage, absence of commercials on XM produced music channels and its exclusive non-music programming. Nationwide transmission coupled with robust signal strength was crucial, especially since ten percent of XM's early adopters were long-haul truck drivers. Over time, XM's marketing has evolved to focus more on programming. Our value proposition relative to terrestrial radio includes the following offerings: exclusive programming (especially certain sports, news and talk programming); the most channels, diversity and breadth of programming; absence of commercials on XM produced music channels; and digital sound quality. We must effectively communicate to consumers reasons to pay for XM service and radio instead of staying with traditional commercial-supported AM/FM radio even as those traditional terrestrial radio broadcasters are moving to a digital platform and reducing their commercial load in response to competition.

15. In addition to our primary competition from terrestrial radio broadcasters and other sources of audio entertainment (iPod, MP3s, cellphone, etc.), XM must compete with Sirius for satellite radio subscribers. We compete with Sirius in a number of ways. For example, we promote our exclusive content and breadth and quality of XM programming. We also compete by constantly innovating our device offerings to consumers. And, importantly, we compete with our distribution deals, particularly with regard to distribution of our radios factory-installed in automobiles ("Original Equipment Manufacturer" or "OEM" distribution).

XM's Relationships With Automotive Companies

16. With the automotive distribution channel, we are literally and figuratively along for the ride when XM receivers are "factory installed" in the manufacturer's vehicles. Initially, convincing automakers there was a demand for XM radio was a difficult and expensive proposition. General Motors, for example, negotiated very favorable terms when it became XM's first automotive partner in 1999, two years prior to the launch of our service. In exchange for a 12-year exclusive commitment, we have substantial payment obligations to GM. In my view, this partnership was necessary for XM's survival, as GM has the largest share of the United States automobile market and based upon experience to date, XM believes one of the best ways to penetrate the mass market is via the automotive channel. More than 90 percent of GM's model-year 2006 and 2007 U.S. vehicles offer factory-installed XM radios as either an option or as standard equipment. During the summer of 2006, GM announced that it had produced its five millionth vehicle with factory-installed XM Radio. Other automakers such as Honda, Toyota, Nissan and Hyundai followed GM's lead and signed up as XM partners.

17. Reaching agreements with our automotive partners continues to require economic incentives from XM. Specifically, XM subsidizes the hardware installed in cars and often gives these automotive companies an activation commission. Some automakers also get a revenue share from XM on the monthly service fee paid by subscribers. There are other types of costs involved as well. For example, XM supports the Honda/Acura auto racing program. These new car buyers generally receive three free months of XM service with their purchase of a new automobile with a factory-installed XM radio. The goal is expose the car owner to XM and to "convert" (a metric described in more detail below) as many as possible into self-paying subscribers.

18. While distribution through automotive companies is fruitful, it requires substantial ongoing investment over many years to bear this fruit because car models are designed so far in advance. *See* Cook Exhibit 1 (Flow of Marketing Costs of the Automotive Distribution Channel). To date, XM estimates that it has acquired more than 3 million subscribers through the automotive distribution channel. We expect the automotive channel to increasingly serve as a significant source of new subscribers.

XM's Relationships With Retailers

19. Through the retail distribution channel, we market directly to consumers with the assistance of mass market retailers of electronics products, such as Circuit City, Best Buy, and Wal-Mart. Like our automotive partnerships, initially these retailers had to be aggressively pursued. We had to pay substantial fees to convince them to dedicate scarce shelf space in their stores to carry hardware for XM's service. We continue to subsidize retail sales of XM radio receivers in several ways. Over and above the margin they receive on the hardware, we pay the retailers a commission for each radio sold through that retailer that subsequently is activated by the consumer. Certain retailers also receive a small portion of XM's subscription fee from radios sold through that retail outlet. With some retailers, this subscription fee payment is capped at four years, and with others it continues for the life of the subscription. XM also pays a subsidy to the manufacturers and distributors of the XM radios, such as Delphi, Pioneer and Audiovox, in order to keep the wholesale price to retailers at levels that will allow XM to achieve a target retail price point. Finally, XM also provides substantial market development funds to its retail partners, which pay the retailers to advertise XM's receivers and service in newspaper circulars, in-store displays, etc. We develop and pay for in-store merchandising materials, including end-

aisle displays for several retailers, and train the sales forces of all major retailers. *See* Cook Exhibit 2 (Flow of Marketing Sales Costs of Retail Distribution Channels).

20. Growth trends are slightly different for the retail channel than for the automotive channel. The key to driving growth at retail is developing receivers that consumers want in terms of look and functionality, and at a price (for the monthly subscription and hardware), that is consistent with the consumers' perceived value of the service. This process has a very fast development cycle requiring significant research and development expense to keep pace with the changing trends in consumer electronics. XM estimates that it has obtained more than 4 million subscribers through this channel. In total, XM spends $300 million annually on its retail distribution channel.

XM's Exclusive Content Deals

21. XM's exclusive content deals are vital to our effort to acquire subscribers by offering programming not available on Sirius, terrestrial radio, or other entertainment services. For example, our sports programming includes live coverage of every Major League Baseball game, and National Hockey League team, and full coverage of certain Division One college football and basketball conferences. Fans nationwide can follow games of their favorite teams on XM's service, regardless of whether those games are broadcast in their local media market. Indeed, after the launch of Major League Baseball on XM, 21% of new subscribers surveyed in the spring of 2005 said they signed up for XM because of its MLB programming. A new channel, Oprah and Friends, also provides XM with compelling original programming from Oprah Winfrey's company. In order to launch this channel, we had to spend $55 million to acquire the programming and launch the channel, and $1.6 million to construct a Chicago studio

in conjunction with Oprah Winfrey's company. We did this with the belief that we could attract Oprah's millions of fans to become XM subscribers.

XM's Subscription Rate Structure

22. We also seek to retain subscribers through multi-year commitments and multiple receivers within the same household, on-time and accurate billing and by incentivizing subscribers to pay by credit card. XM offers its service at a subscription fee of $12.95 per month for the first receiver, and a "family" plan rate of $6.99 per month is available for each additional receiver. XM also offers discounted service fees for paying one to five years in advance.

23. XM launched service in 2001, charging $9.99 a month for our service. When we later raised our rate to $12.95, it resulted in higher churn, or the number of paying subscribers who cancel their service after a period of time. *See* Cook Exhibit 3 (Rate Increase Impact on XM Subscriber Churn). Raising our service fee also negatively affected our conversion rate from the automobile channel, decreasing the number of new subscribers we acquire through this important channel. *See* Cook Exhibit 4 (Automotive Trial Conversion Impact Following Rate Increase). The conversion rate is the number of subscribers who receive a free three month trial with the purchase of a new car with an XM radio installed, and elect to become self-paying subscribers when the trial period expires. We continually analyze the possibility of increasing the subscription rates but are concerned about the adverse effect it would have on subscriber growth. In fact, competition from various existing services such as iPods, and other audio entertainment services, may exert downward pressure on our pricing in future years. Free HD Radio digital channels, whose music programming competes directly with XM's, are not subject to sound recording performance royalty fees or statutory sound recording performance license limitations such as the sound recording performance complement. Most major cellular carriers

offer streaming audio services and Wi-Max networks, as well as new "rich multimedia" technologies such as MedioFlo and DVB-H, will also carry music in the future, adding other competitors for satellite radio.

Results and Effectiveness of Marketing Approach

24. XM now has more than seven million subscribers. According to Greystone Communications, a media research and planning firm, the pace to the first five million subscribers was faster than other new technology introductions, other than DVDs, such as cable television, internet service, cell phones and MP3 players.

25. I look to several key indicators on a monthly basis to evaluate the effectiveness of XM's marketing efforts to drive subscription growth. I first consider gross additions of new subscribers, which is all new self-paying subscribers and all new subscribers who purchased a car with an XM radio from our automotive partners and are in their three month trial period. Looking at Cost Per Gross Addition (CPGA) gives me a broad sense of how cost-effectively we are adding subscribers. Overall, XM's cost to acquire a new subscriber has averaged a bit over $100. I also look at subscriber disconnects, as measured by churn and conversion rates. Data concerning subscriber disconnects help me to gauge the effectiveness of our retention strategies and the ongoing appeal of XM's service. XM's churn rate has averaged between 1.6% to 1.85% of our self-paying customer base per quarter for 2006 to date. Regarding our automotive trial conversion rate, in the first half of 2006 approximately 54% of new car buyers converted to self-paying subscribers. *See* Cook Exhibit 4. Overall, these metrics allow me to gauge XM's growth, and determine how cost effective we are at adding new subscribers and retaining existing subscribers as a result of our marketing and retention strategies.

26. Our service has achieved broad listener appeal across subscribers of different ages. On a pie chart showing XM's demographics by age group, the "slices" are fairly even. *See* Cook Exhibit 5 (The Breadth of XM Radio's Appeal Creates Challenges for a Limited Marketing Budget). This demonstrates a pattern of mass product adoption across the age spectrum. We believe the broad appeal of our service is due to the combination of XM's music, news, sports and talk offerings, which appeal to a wide demographic. By contrast, other new technologies such as iPods have a younger user demographic. Our subscribers are currently 63% men, but we expect our gender demographic to move towards a more even split between men and women as more women convert to paying subscribers through our automotive partnerships. *See id.*

27. The broad appeal that XM strives for makes marketing an expensive, on-going challenge. We need to advertise the broad benefits of XM with an easy-to-convey message. Internet, newspaper and magazine advertisements can be used on a limited basis for targeted marketing to reach specific segments of the population. However, expensive national television is required to reach the mass market.

28. As discussed previously, XM's relationships with automotive companies and retailers and their marketing support also play a crucial role in subscriber acquisition and retention, as does XM's exclusive programming. XM also realizes tremendous benefits from adding well-established, major brands to its programming. Our entire channel line-up, particularly on the news, talk and sports side, is replete with brands that are well-known to consumers, thanks to the extensive marketing efforts of other companies. These include information sources, such as CNN, Fox News, ESPN and Bloomberg, and personalities, such as Willie Nelson, Oprah Winfrey, and Dale Earnhardt, Jr., who are recognized and associated with certain programming by millions of Americans. *See* Cook Exhibit 6 (XM Program Guide). Our

ability to market the new XM brand is greatly helped by aligning XM with established programming sources.

29. We also conduct ongoing advertising and promotional activities, such as television, radio, print and Internet advertising, and distributing sample programming and marketing materials at retail outlets, concert venues, motor sports events, and on the Internet to generate consumer interest. General Motors and Honda sponsor national and local print and television advertising that features the XM logo and message. Our 2005 holiday season "Listen Large" marketing campaign featured TV spots with Ellen DeGeneres, Snoop Dogg, Derek Jeter, David Bowie and Martina McBride. We promoted our exclusive relationship with the PGA Tour by offering handheld radios for rental and purchase at PGA events. XM's current "ON" TV and print advertising campaign seeks to deliver a distinctive, creative message about the breadth and appeal of XM's programming, and represents a new strategy to reach potential subscribers in the "early majority" category. Our strategy of providing potential subscribers with the opportunity to experience the XM service leads to a number of marketing alliances where consumers sample our service offering. Consumers test-driving XM-enabled General Motors and Honda/Acura vehicles or renting AVIS, Alamo, National and Zipcar rental cars can experience XM radio first-hand and passengers flying JetBlue, AirTran or United sample a subset of XM's programming during their flights.

Marketing Impact of New Product Development

30. XM's internal research and technology development capability allows us to create more marketable receivers than would sole reliance on third-party manufacturers. Our product development team can easily identify and design features that, from a marketing perspective, should be included in radio design. Based on our research and contact with consumers, we can

determine features that subscribers and potential subscribers want -- for example, the number of presets they would like or how the navigation controls should work -- and work with R&D to develop user-friendly radios. The channels of communication are more open and the process of product development faster and more efficient than an outsourcing arrangement would allow.

31. One example of the benefits of XM's in-house R&D is the development of the Inno and other portable radios. The ubiquity of Apple's iPod and the need to compete with it and other MP3 players led XM to invest heavily in the development of a portable device that allowed subscribers to take both live XM and their own recorded music with them. XM now has these radios on the market, and we believe that the ability to listen to live and recorded XM as well as the consumer's own MP3 files offers significant advantages over iPods.

32. XM's partnership with Napster, one of the most recognizable brands in digital music, was also instrumental in marketing a device that could store music that the consumer purchased or owned, to be more competitive against iPods and other MP3 players. Apple's iTunes enables users to purchase and organize music for easy upload to their MP3 players. From my perspective, XM needed to market a similarly seamless way for subscribers to purchase music they hear on XM. The "XM + Napster" partnership does just that, by giving XM subscribers a single, user-friendly interface for accessing, purchasing, and managing music. Most importantly, XM + Napster allows subscribers to discover new music via XM's diverse and extensive line-up of music broadcast programming -- a feature that iPods lack. We hope that XM + Napster will give XM a competitive and marketing advantage; however, time will tell whether this effort and whether Napster itself will be successful.

Data Services as a Growth Opportunity

33. Another key component of XM's long-term success will be data services, an innovative line of business that XM has helped develop from scratch. *See* Cook Exhibit 7 (XM Advanced Capabilities – Beyond Audio). Automakers are particularly focused on data services, and XM's offerings have been a factor in XM's success in getting automakers to include XM receivers as factory-installed equipment in their cars. GM, for example, sees XM's data services as a complement to its popular On-Star system, and is even considering building XM's receiver into the very same module as On-Star. I believe XM would not have reached a long-term agreement with many of these automakers without providing access to data services and dedicating private bandwidth to those manufacturers.

34. One data service currently offered by XM is "NavTraffic," the first nationwide satellite-based data traffic information service that enables an overlay of current traffic conditions on a map on the navigation system in subscribers' vehicles. *See* Cook Exhibit 8. The NavTraffic service is available in some Acura, Cadillac, Infiniti, Nissan and Lexus models, and also is available in some aftermarket equipment. XM is also working with leading parking industry operators to develop source data availability and a network to provide real-time parking space availability information through "ParkingLink." *See* Cook Exhibit 9. XM also is developing "XM WeatherLink," a new approach to weather for the automobile, optimized for vehicle navigation systems and focused on driver needs for information such as adverse road conditions and warnings and advisories. *See* Cook Exhibit 10. Subscribers pay premium prices for these data services, with packages starting around $30 per month. XM is currently working with the product planning and engineering development teams of various automakers to provide subscribers the ability to access information such as stock quotes, sports scores, weather updates, and flight information by voice command. *See* Cook Exhibit 11. This exciting project has

helped to fuel the development of new technology allowing access to such information through conversational speech (e.g., "Did the Tigers win their game last night?") rather than rigid commands requiring the use of only particular words for limited functions (e.g., "turn radio on").

Certification

I declare under penalty of perjury that the foregoing is true and correct.

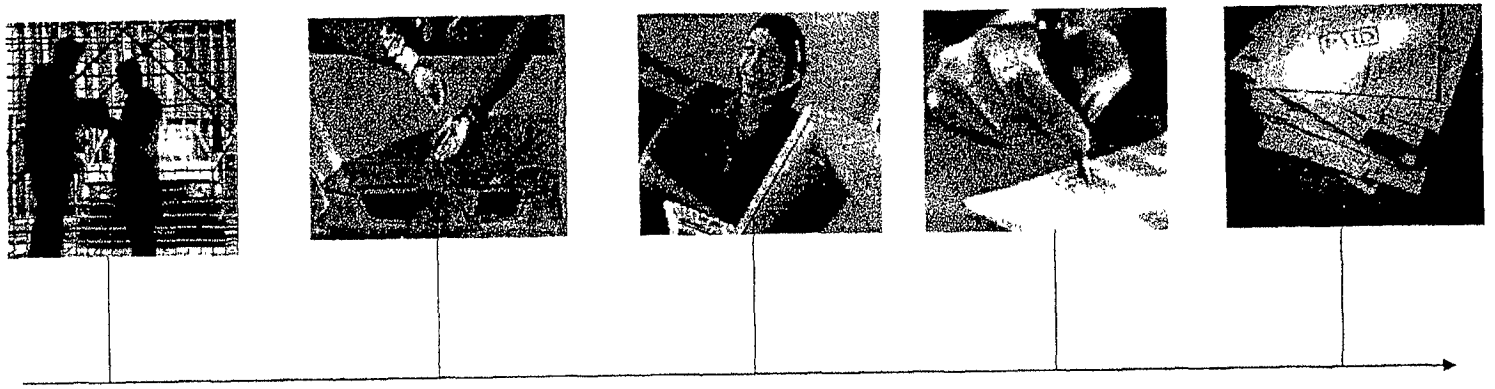
Dated: Washington, DC
October 30, 2006

Stephen R. Cook
Executive Vice President,
Automotive,
XM Satellite Radio Inc.

37 CFR 351.10(c) Statement For Exhibits to Testimony of **Stephen R. Cook**:

Exhibit 1	Flow of Marketing Costs of the Automotive Distribution Channel
Exhibit 2	Flow of Marketing/Sales Costs of Retail Distribution Channel
Exhibit 3	Restricted- Subject to Protective Order in Docket No. 2006-1 CRB DSTRA
Exhibit 4	Restricted- Subject to Protective Order in Docket No. 2006-1 CRB DSTRA
Exhibit 5	The Breadth of XM Radio's Appeal Creates Challenges for a Limited Marketing Budget
Exhibit 6	XM Satellite Radio Channel Line-Up
Exhibit 7	XM Advanced Capabilities-Beyond Audio
Exhibit 8	XM NavTraffic
Exhibit 9	XM ParkingLink Concept
Exhibit 10	XM WeatherLink
Exhibit 11	XM Voice User Interface

Flow of Marketing Costs of the Automotive Distribution Channel



Installation Commission

Activation Commission

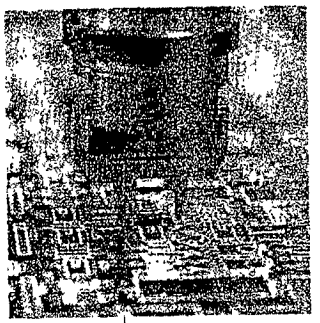
Customer Contact Expenses During Trial Period

Self-Paying Subscriber Commission

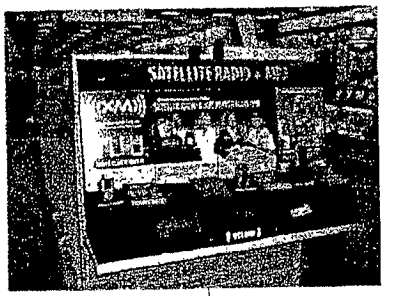
Revenue Sharing

XM-Cook Ex. 1

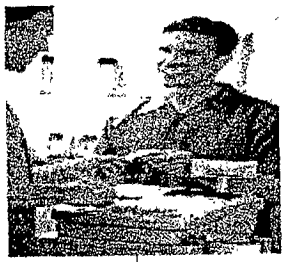
Flow of Marketing/Sales Costs of Retail Distribution Channel



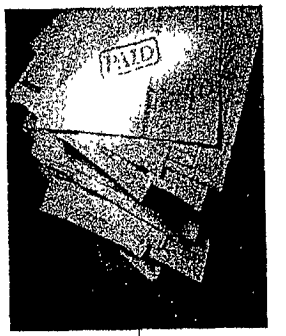
Hardware subsidy at time of radio manufacture



Market development funds paid to Retailer (shelf position, Sunday flyers, etc.)



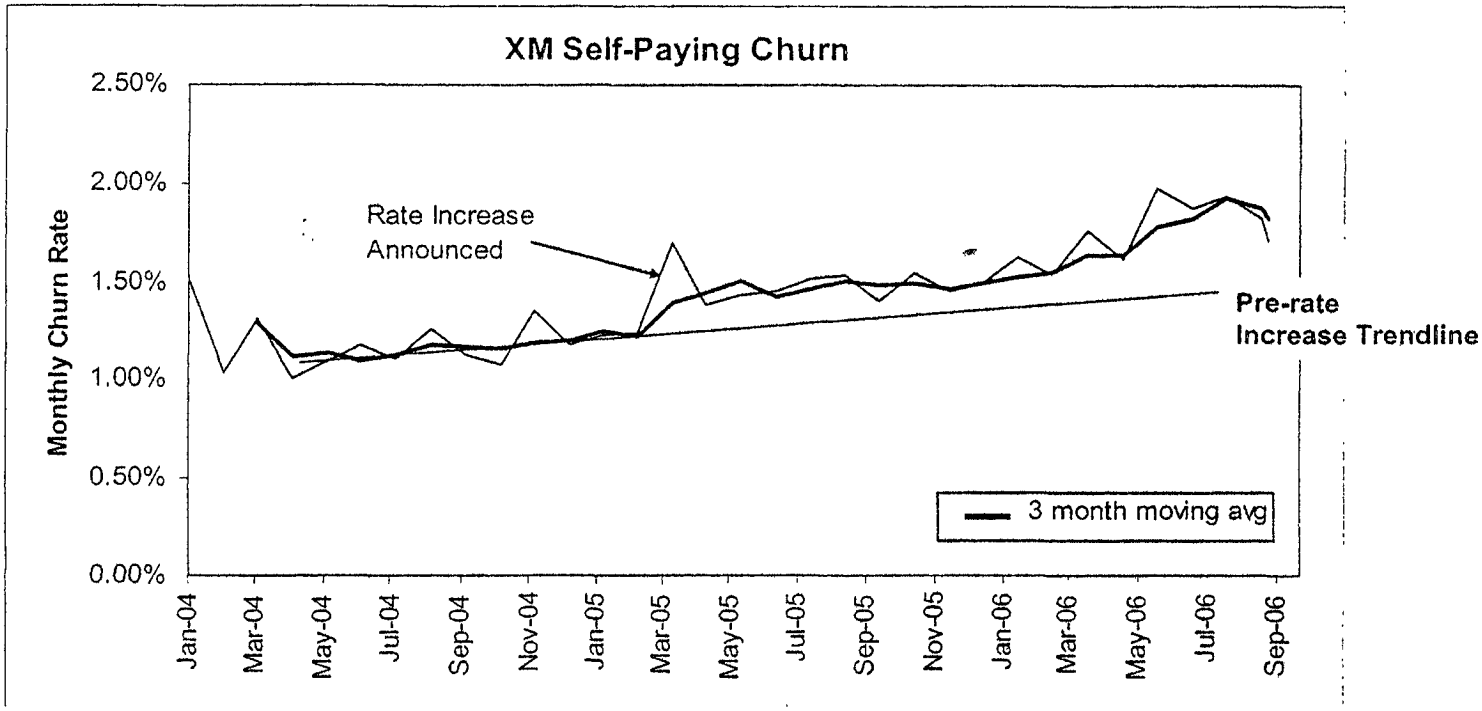
Activation commission at time of sale



Ongoing subscriber revenue sharing

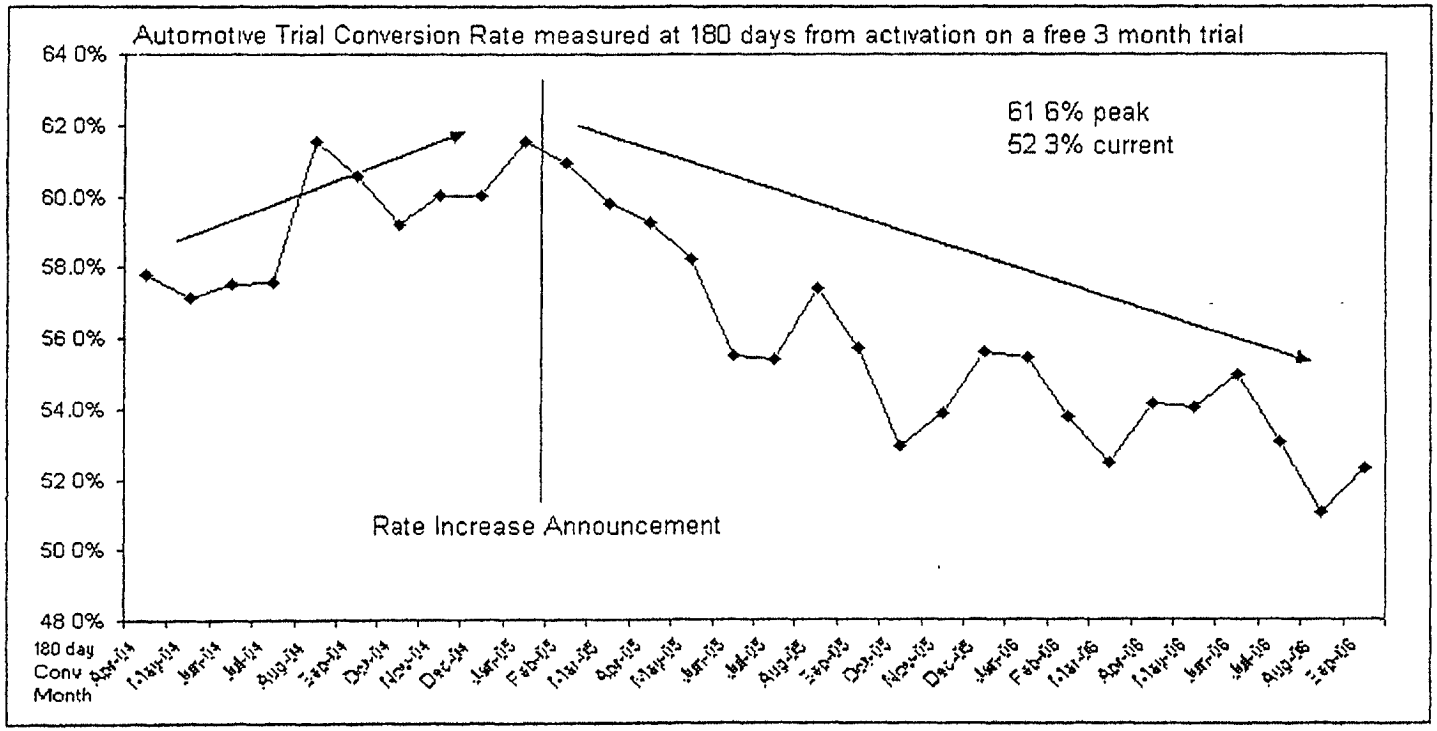
XM-Cook Ex. 2

Rate Increase Impact on XM Subscriber Churn



Conclusion: XM's rate increase in April '05 changed the value equation for price sensitive subscribers and increased subscriber churn.

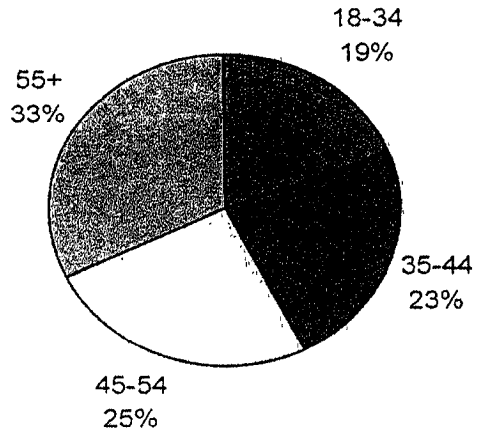
Automotive Trial Conversion Impact Following Rate Increase



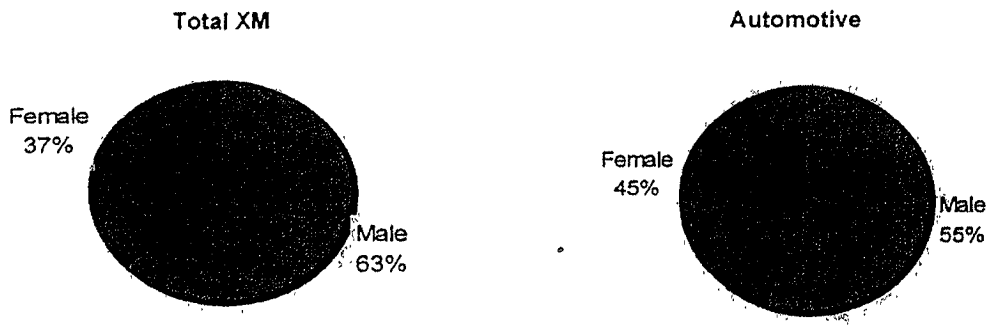
XM-Cook Ex. 4

The Breadth of XM Radio's Appeal Creates Challenges for a Limited Marketing Budget

Age Break-out of XM Subscribers



Gender Break-out of XM Subscribers



OVER 170 DIGITAL CHANNELS COAST TO COAST

XM SATELLITE RADIO

100% COMMERCIAL-FREE MUSIC CHANNELS

Decades

4	the 40s	'40s Pop Hits/Big Band
5	the 50s	'50s Pop Hits
6	the 60s	'60s Pop Hits
7	the 70s	'70s Pop Hits
8	the 80s	'80s Pop Hits
9	the 90s	'90s Pop Hits

Country

10	America	Classic Country
12	X Country	Americana
13	Willie's Stash	Willie Nelson's Traditional Country
14	Bluegrass	Bluegrass
15	Village	Folk
16	Hitville	New Country Hits
17	US Country	'80s & '90s Country SuperStars

Pop & Hits

20	40	Top 20 Hits
23	Heart	Love Songs/Lite Pop
25	blend	Adult Contemporary
26	Flight 26	Modern Adult Hits
27	Cinema	Movie Soundtracks
28	Broadway	Show Tunes
29	Latin	International Hits
30	Hitz	Contemporary Hits

Christian

32	message	Christian Pop & Rock
33	Spirit	Gospel
34	enlight en	Southern Gospel

Rock

40	Deep Tracks	Deep Classic Rock
41	Hard Rock	'80s Hard Rock Y!
42	XM Metal	Heavy Metal Y!
43	XM U	Indie/College/Unsigned
44	Fred	Classic Alternative
45	XM Cafe	Adult Album Rock
46	Too Tracks	Early Classic Rock
47	Edge	New Alternative
48	Squizz	New Hard Rock Y!
49	Blast	Later Classic Rock
50	Loft	Acoustic Rock
52	The Verge	Emerging Artists
53	Punk	Punk/Hardcore/Ska Y!
54	Lucy	'90s Alternative

Hip-Hop & Urban

60	Soul Vista	Classic Soul
62	Urban	Adult R&B Hits
64	Groove	Old Skool R&B
65	Snoop	Snoop Dogg's Classic Hip-Hop/Rap Y!
66	Raw	New Uncut Hip-Hop Y!
67	City	Urban/R&B/Mix Shows
68	the heat	Hip-Hop/Crossover Hits

Jazz & Blues

70	Real Jazz	Traditional Jazz
71	Smooth Jazz	Smooth/Contemporary Jazz
72	Beyond Jazz	Modern Jazz
73	Standards	American Standards
74	bluesville	Blues

Lifestyle

75	Hear Music	The Sound of Starbucks
76	Fine tuning	Eclectic/Free Form XM-HD
77	audio visions	New Age
78	Escape	Beautiful Music

Dance

80	Move	House/Progressive
81	bpm	Dance Hits
82	System	Electronica/Trance
83	Groove	Disco/Classic Dance
84	Chill	Smooth Electronic

Latin

90	FUEGO	Reggaeton *SP*
91	viva	Latin Pop Hits *SP*
92	Alegria	Regional Mexican *SP*
94	Tropical	Tropical *SP*

World

100	Music	New & Emerging Music *FR*
101	Joint	Reggae
102	Source	Pop Hits *FR*

Classical

110	Classics	Traditional Classical
112	Vox	Opera/Classical Vocals
113	Mystique	Classical Favorites XM-HD

THE BIGGEST NAMES IN NEWS

121	FOX	FOX News Channel
122	CNN	CNN
123	Headline News	CNN Headline News
124	ABC	ABC News & Talk
125	The Weather Channel	The Weather Channel
126	CNN en Español	CNN en Español *SP*
127	CNBC	CNBC
129	Bloomberg	Bloomberg Radio
131	BBC	BBC World Service
132	C-SPAN	C-SPAN Radio
133	XM	The Bob Edwards Show, PRI, APM & WBUR
244	Canada 360	News & Information
245	Quoi de Neuf	News & Information *FR*

REGIONAL TALK, NEWS & MUSIC

11	Hot Country	Today's Country Y!
21	Top 40	Top 40 Y!
22	Mix	Variety/Adult Hits Y!
24	Sunny	Soft Pop Oldies Y!
161	WSIX	Nashville Country Y!
173	WLW	Talk & Information

THE BEST SPORTS PACKAGE

XM SUPERSTATION IN OUR COUNTRY'S TV

140	Sports Talk	Sports Talk/Play-by-Play
141	Sports News	Sports News
142	Sports Talk	Sports Talk
143	XM SN	XM Sports Nation – Talk SuperStars Powered by *SPORTING NEWS RADIO*
144	NASCAR	24/7 NASCAR™ Racing/Talk
145	IndyCar	IndyCar® Series Racing
146	PGA TOUR	The PGA TOUR™ Network/ Live Coverage & Golf Talk
147	XM Deportivo	Sports en Español/ Mexican League Soccer *SP*
172	Sportsnet	Men's Lifestyle & Sports Talk *FR*
175		MLB Home Plate™ 24/7 MLB™ News & Talk
176-189		14 Major League Baseball™ Play-by-Play Channels
190		Play-by-Play en Español *SP*
191-193	ACC	ACC Football/Basketball
194-196	Pac-10	Pac-10 Football/Basketball
197-199	Big Ten	Big Ten Football/Basketball
200	Big East	Big East Football/Basketball
204	Home Ice	24/7 Hockey Talk & Play-by-Play
205-209	NHL Hockey Games	NHL Hockey Play-by-Play

Visit sports.xmradio.com for sports broadcast schedules. Games subject to availability. All sports schedules subject to change.

AWARD-WINNING KIDS & FAMILY CHANNELS

115	Radio Disney	Radio Disney
116	xm kids	Children

ESPECIALLY FOR WOMEN

155	Time	Women's Talk & Lifestyle
156	Oprah & Friends	Oprah & Friends

ALL-STAR TALK & ENTERTAINMENT

152	Extreme Talk	Extreme Talk
162	E!	E! Entertainment
163	Books & Drama	Books & Drama
164	Radio Classics	Old Time Radio
165	Talk Radio	Experts & Advice
166	Conservative Talk	Conservative Talk
167	Progressive Talk	Progressive Talk
168	FOX	FOX News Talk
169	the power	African-American Talk
170	Family Talk	Christian Talk
171	Open Road	Truckers' Channel
200	XM Live	Concerts/Festivals/ Special Features & Events
202	High Voltage	The Opie & Anthony Show/ The Ron & Fez Show Y!

SUPERSTAR COMEDY

150	The Comedy	Uncensored Comedy Y!
151	Laugh USA	Comedy
153	Laugh Track	Uncensored Comedy Y!
154	National Lampoon Comedy Radio	National Lampoon Radio

INSTANT TRAFFIC, WEATHER & ALERTS

210 Boston, MA	216 Detroit, MI	222 Los Angeles, CA	228 Tampa/St. Petersburg, FL
211 New York, NY	217 Chicago, IL	223 San Diego, CA	229 Orlando, FL
212 Philadelphia, PA	218 St. Louis, MO	224 Phoenix, AZ	230 Miami/Ft. Lauderdale, FL
213 Baltimore, MD	219 Minneapolis/St. Paul, MN	225 Dallas/Fort Worth, TX	247 XM Emergency Alert
214 Washington, DC	220 Seattle, WA	226 Houston, TX	
215 Pittsburgh, PA	221 San Francisco, CA	227 Atlanta, GA	

XM Previews on Channel 1
Y! May include frequent explicit language
Please call XM Listener Care at 1-800-XM-RADIO for Parental Control/Blocking Option
XM-HD Available in XM-HD Surround Sound on select XM Ready home receivers

Visit xmradio.com for CH. 200 special event dates and times
Ch. 129 are SAM (3-6PM ET Mon-Fri)
FR Broadcast in French
SP Broadcast in Spanish
These music channels include commercials

XM RADIO ONLINE INCLUDED WITH XM SUBSCRIPTION

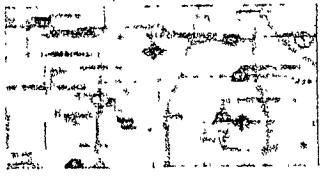
xmradio.com

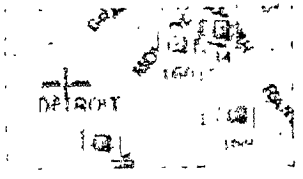
Channel lineup effective October 9, 2006 – All programming/channel lineup/XM service subject to change. Visit xmradio.com for updates. ©2006 XM Satellite Radio Inc.

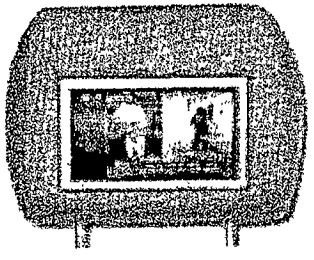
XM Advanced Capabilities – Beyond Audio

XM NavTraffic with ParkingLink

Real-time traffic with parking space availability





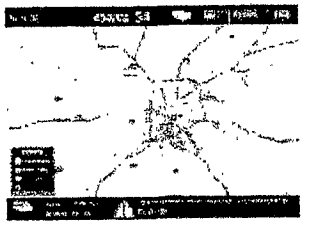


XM Video

Streaming or
Cached Video

XM WeatherLink

Hazardous driving
condition alerts



XM VoiceCommand

Access Sport Scores, Stock Info,
Traffic via Voice Interface

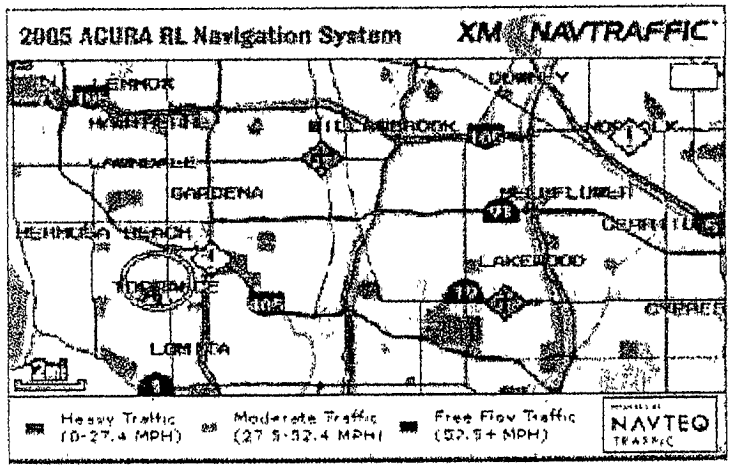
XM Downloads

Cached audio books from
Audible.com

XM NavTraffic

- The nation's leading traffic data information service, enhancing the vehicle's navigation system with continuously updated traffic data
- The best available traffic information, aggregated from multiple government and commercial sources
- Color coded traffic flow data on major interstates:
  - Blue: Traffic flowing 40mph+
  - Yellow: Traffic flowing 20-40mph
  - Red: Traffic flowing 0-20mph
- Widely adopted by leading automotive manufacturers and aftermarket navigation systems providers

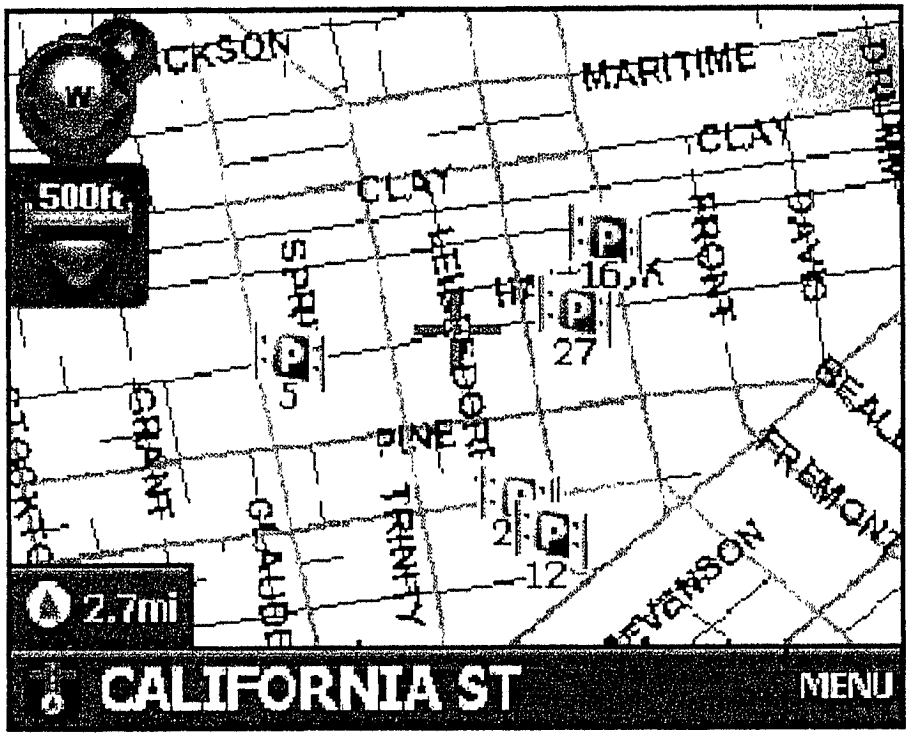
XM NAVTRAFFIC™



HONDA GM NISSAN TOYOTA GARMIN Pioneer

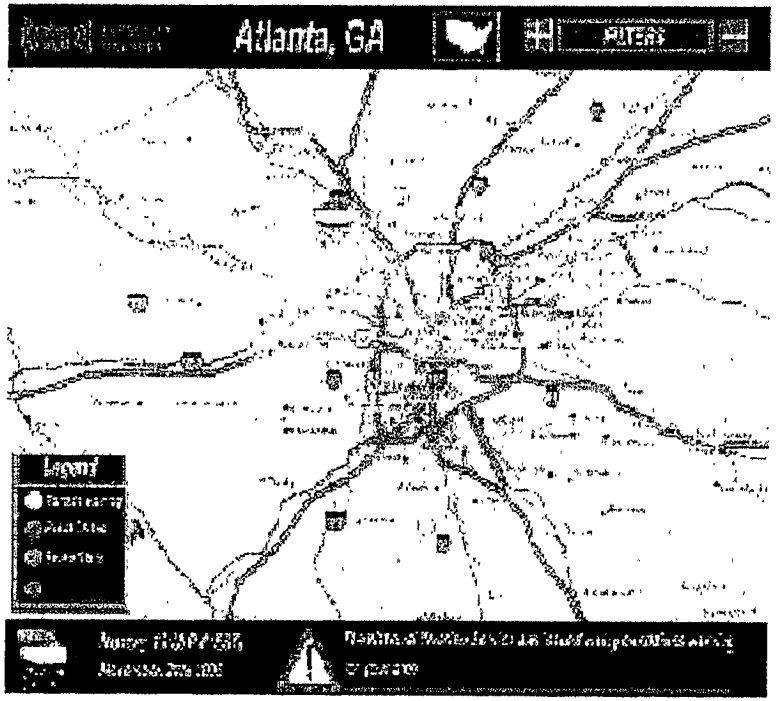
XM ParkingLink Concept (In Development)

- Real-time parking space availability integrated with a navigation system
- Allows user to easily identify a parking facility with available space, and route directly to it
- Working with leading parking industry operators to develop source data



XM WeatherLink (In Development)

- New approach to weather for the automobile, optimized for vehicle navigation systems
- Consolidated weather information derived from multiple data types and advanced analysis
- Focused on driver needs:
  - Adverse road conditions
  - Adverse atmospheric conditions
  - Warnings & Advisories
  - Current conditions/forecasts



XM Voice User Interface (In Development)

- Control XM radio and access XM information services with voice command

VoiceBox Technologies

- Radio Control and Query
  - "Tune to CNN"
  - "Give me traffic and weather for Chicago"

- Data access
  - "What is the price of IBM stock?"
  - "Who is winning the Braves game?"
  - "What is the weather forecast in Atlanta?"
  - "How is traffic moving on I-66?"

- Mitigate driver distraction issues