

APPENDIX 1

APPENDIX 1. NAB STATEMENTS ON TERRESTRIAL VS. SATELLITE RADIO COMPETITION			
<i>Name of FCC Proceeding</i>	<i>Date Filed</i>	<i>NAB Position</i>	<i>page</i>
Response of NAB to American Mobile Radio Corporations' Reply and Opposition to Petitions to Deny in File Nos. 26/27-DSS-LA-93; IO/I I-DSS-P-93	25-Jun-93	[U]nderlying NAB’s concern over the proposed expansion of an already saturated marketplace is the loss of local service communities will face as currently struggling stations are pushed over the financial precipice.	3
Response of NAB to American Mobile Radio Corporations' Reply and Opposition to Petitions to Deny in File Nos. 26/27-DSS-LA-93; IO/I I-DSS-P-93	25-Jun-93	[S]atellite DARS systems will immeasurably injure terrestrial radio stations by siphoning off listeners with their thirty or more channels of new programming.	3
Response of NAB to American Mobile Radio Corporations' Reply and Opposition to Petitions to Deny in File Nos. 26/27-DSS-LA-93; IO/I I-DSS-P-93	25-Jun-93	AMRC asserts that because it intends to rely on subscriptions and not advertising sales for profits, it would not be competing with terrestrial broadcasters in a manner sufficient to drive marginal stations off the air, and it summarily dismisses competitive concerns. This conclusion is untenable. A radio station’s “product,” what it sells, is numbers of listeners, its “ratings.” Satellite DARS of necessity will cut into terrestrial broadcasting audiences. As a result, stations which are already struggling to remain financially viable will be incredibly hard pressed to persevere, with lower ratings, and thus lower ad dollars paid for lower “numbers.”	3-4
Response of NAB to American Mobile Radio Corporations' Reply and Opposition to Petitions to Deny in File Nos. 26/27-DSS-LA-93; IO/I I-DSS-P-93	25-Jun-93	[L]ocal programming is relatively expensive to produce. As the audience for such programming is fractured between the local station(s) and satellite DARS programming, the ability of a terrestrial station to support its local product will evaporate.	5

Comments of the NAB, Gen. Docket No. 90-357	13-Nov-90	Any success of satellite-based audio broadcast services would likely be at the expense of local broadcast stations, in that satellite services would affect the amount of advertising placed on local radio stations, and the related cost of air time on the station's rate card. Due to the inherent non-local nature of satellite-distributed services, if commercial satellite audio broadcasting services were to be based on advertising, rather than on subscription fees, a substantial percentage of the revenues would likely come from existing national and/or regional advertisers. Consequently, the existing foundation of advertising revenues, supporting current local radio services, would be affected, perhaps significantly.	14
Comments of the NAB, Gen. Docket No. 90-357	13-Nov-90	Should radio's national/regional advertising revenues migrate to new satellite-delivered audio services, conceivably this could translate into a potential loss of almost a fifth of the total economic base of the entire radio broadcasting industry in the United States. While total loss of all national/regional revenues is possible, a more likely scenario is a loss of an increasing percentage of national/regional ad dollars.	14
Comments of the NAB, Gen. Docket No. 90-357	13-Nov-90	The viability of local radio stations in the United States could be seriously threatened by major advertising market realignments caused by communications policies promoting two rival radio distribution markets -- one local, and one national/regional. The effect of heavy losses in national/regional revenues would not likely be evenly distributed among local broadcasting stations. The impact would most likely fall hardest on the class of stations most vulnerable at this time -- AM stations.	15
Comments of the NAB, Gen. Docket No. 90-357	13-Nov-90	[W]ith the advent of a satellite-audio service configured on a nationwide distribution model, financial support is more likely to be siphoned from radio's national advertising base rather than from new, unknown and unidentified sources.	17
Comments of the NAB, Gen. Docket No. 90-357	13-Nov-90	[T]he introduction of a new, national radio broadcast competitor could be expected to have a more direct effect on audiences and advertisers than any of today's non-broadcast media services. The system and concept of broadcasting is well-known and understood by American audiences. Due to this familiarity factor alone, satellite-delivered digital audio services may have an edge in competing with non-broadcast distribution media. And more to the point, services that generally sound, operate, and are received over-the-air, "just like radio," on automobile, home stereo, and portable receivers, might attract specific segments of the listening audience (i.e., especially those in mobile vehicles) and thus affect local broadcasting stations much more than do CDs, DAT or new cable audio services.	18
NAB petition to deny in re: Satellite Radio, Inc. 8-DSS-DISC-91(Z); 49/50-DSS-P/U-90; I58/59-DSS-&VEND-90	18-Mar-91	Satellite CD's proposed private satellite sound broadcasting system will compete directly with NAB member stations for listening audience. Because the stations' revenues depend on the size of their listening audience, the loss of listening audience to Satellite CD will adversely affect the stations economically.	1-2

Reply comments of the NAB, Gen. Docket No. 90-357	20-Oct-95	DARS will bring only minimal new benefits to the vast majority of the listening public, but will, with its certain duplication of mainstream formats and its sure diversion of audiences and fragmentation of advertising, lessen the ability of traditional radio stations everywhere to provide quality local programming and community services.	2
Reply comments of the NAB, Gen. Docket No. 90-357	20-Oct-95	[T]he efficiencies to be offered to advertisers suggest that nationwide DARS would have competitive advantages to compete with incumbent broadcasters.	4
Reply comments of the NAB, Gen. Docket No. 90-357	20-Oct-95	Three of the DARS Proponents, in their comments, blatantly misrepresent the reach of terrestrial radio by referencing only the reach of FM radio signals . . . by referencing only FM stations as just described, it becomes clear that the DARS applicants are really focused not on the smaller stations, but on the audience of the larger stations (FM), the larger populations, the real numbers and the real dollars.	6-7
Reply comments of the NAB, Gen. Docket No. 90-359	20-Oct-95	[T]he fact that radio listenership in cars continues to grow does not mean that the inclusion of CD and cassette players in cars has not diverted radio listenership in cars. We submit that the fact that radio listenership in autos has continued to grow is much more a function of the fact that over the last several years people have been experiencing longer commutes in their cars and therefore all listening in cars has dramatically increases. Moreover CD's and cassettes are simply not fungible products with "radio," in that CD's and cassettes must be purchased, transported to the car and selected -- and, they do not have the "personality" or commentary of announcers.	24
Reply comments of the NAB, Gen. Docket No. 90-359	20-Oct-95	[S]atellite DARS will have a competitive impact on terrestrial stations in every radio market no matter what its regulatory classification . . .	34
Reply Comments of the NAB, Gen. Docket No. 90-359; The Truth About Satellite Radio, Attachment	20-Oct-95	The primary audiences of local radio and satellite radio are the same: home/office/auto. They will compete directly for local market share.	2
NAB Petition for Declaratory Ruling, IB Docket No. 95-91 GEN Docket No. 90-357	14-Apr-04	In lieu of the promised niche audiences, foreign language services, senior and children's programming, [XM and Sirius] have instead devoted substantial bandwidth to compete directly with local broadcasters with local content, without being subject to any public interest obligations.	i
NAB Petition for Declaratory Ruling, IB Docket No. 95-91 GEN Docket No. 90-357	14-Apr-04	NAB conducted extensive studies which showed the economic harm a national satellite radio service would have on local broadcasters and their ability to serve their local communities... The SPR Study, along with a study provided by Kagan Media Appraisals, are replete with evidence of the relative fragility of local radio service and how it could be severely impacted by diversion of the audience to SDARS.	8

NAB Petition for Declaratory Ruling, IB Docket No. 95-91 GEN Docket No. 90-357	14-Apr-04	[T]he majority of XM and Sirius’ lineups are music channels that are essentially are [sic] duplicative of formats offered by terrestrial radio, albeit broken down by channels into subcategories by music genre... Instead of fulfilling their commitments to serve children, senior citizens, ethnic and foreign language communities, XM and Sirius have devoted their bandwidth to variations on traditional, mainstream programming.	11-12; 13
NAB Petition for Declaratory Ruling, IB Docket No. 95-91 GEN Docket No. 90-357	14-Apr-04	In lieu of the promised niche audiences ... they have instead devoted substantial bandwidth to compete directly with local broadcasters with local content, without being subject to any public interest obligations... A centralized “localized” service, which is essentially duplicative of existing programming, does little to foster diversity and localism: it can only exist to the detriment of the dissemination of free and over-the-air local services to local communities.	17
NAB Reply Comments to NAB Petition for Declaratory Ruling, MB Docket No. 04-160	21-June-04	What was true in 1995 is still true today – if SDARS is allowed to penetrate the local market, local broadcasting, and the voice of the community it provides, will suffer... With the addition of local traffic and weather, satellite radio is no longer an exclusively national service; and its impact on terrestrial broadcasting is growing and could quickly evolve into a force in the local advertising market. How much harm, however, is largely dependent on Commission’s decision in this proceeding and timely FCC action.	15-16

Note: Footnotes omitted