

CEO Says XM / Sirius Merger Will Not Cost Consumers More

Written by The Staff

Wednesday, 07 March 2007 06:45



Last month, **XM and Sirius Satellite Radio** announced a planned merger worth approximately \$13 billion dollars. The question was, would the FCC approve the deal, and if so, how would it impact consumers?

[announcement](#)

[At the time of the](#)

, the parties were touting the benefits.

Kevin J. Martin, the chairman of the FCC has questioned privately as to whether testimony before Congress by **Mel Karmazin**, the chief executive of Sirius, has been factual as it pertains to the rates that consumers would pay for services after the merger. Karmazin vowed last Wednesday that prices would not be raised and that listeners would benefit enormously by getting the best programming from both companies.

As [reported by the NY Times](#) :

But in separate conversations with two people after Mr. Karmazin's testimony to a House committee, Mr. Martin said that subscribers may be surprised to learn they may actually have to pay more than the current monthly rate of \$12.95 if, for example, they want to receive all the games of **Major League Baseball** (now available only on XM) as well as all the professional football games (now only on Sirius).

Mr. Karmazin, reached on Tuesday, said his testimony was not misleading and that he meant to say two things: subscribers wanting to keep their existing service would not face a price increase, and listeners who wanted the best of both services would pay less than the combined rate of \$25.90.

The comments may reflect skepticism on the part of Mr. Martin and the FCC. As further

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Mr. Martin said that the proposed deal had “not even been filed with the commission yet,” and that he would carefully consider the arguments of both the supporters and the opponents before reaching a decision.