

**STATEMENT OF
CHAIRMAN KEVIN J. MARTIN**

Re: *Sirius Satellite Radio Inc.*

Re: *XM Radio, Inc.*

The Commission has longstanding technical rules regarding the marketing of equipment, including FM modulators, and the construction and operation of terrestrial repeaters pursuant to Special Temporary Authority. These rules serve important consumer protection and competitive goals. As I have said before, the Commission takes a licensee's obligation to comply with our rules very seriously and will not tolerate non-compliance.

In order to resolve the Commission's investigation into whether these license holders were violating the Commission's technical requirements regarding FM modulators, as well as our rules regarding the construction and operation of terrestrial repeaters, the two companies have agreed to undertake significant corrective actions and implement various reforms to ensure future compliance with the Commission's rules. They also have agreed to make significant contributions to the U.S. Treasury totaling nearly \$19.6 million.

In reaching a conclusion to these investigations, the apparently intentional nature of some of the violations was troubling. Indeed, the ability and willingness to conform one's conduct to the requirements of the Commission's rules are central to the qualifications of any Commission licensee. On balance, however, the public's interest in the continued availability and viability of satellite radio services and the impact on the public and other licensees that the violations precipitated, taken together with the rigorous oversight and reporting obligations and substantial voluntary contribution, persuade me that settlement of these matters would best serve the public interest.

Through this strong enforcement action that we take today, the Commission has provided clear guidance to the licensees that we expect them to conform their conduct to the Commission's rules and sends a strong message that we will not tolerate non-compliance.