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HRRC REPLIES TO RECORDING INDUSTRY ATTEMPT TO BRING DOWN SATELLITE RADIO

CONDEMNS RIAA PLEA FOR FCC TO MANDATE COPY PROTECTION AS MERGER CONDITION

Washington, D.C., July 25, 2007—The Home Recording Rights Coalition yesterday filed Reply Comments with the Federal Communications Commission, condemning the plea of the Recording Industry Association of America (RIAA) for the Commission to legislate copy protection provisions as a condition of any approval of the proposed merger of the Sirius and XM satellite radio services. While HRRC, like the RIAA, takes no position on whether the proposed merger should be approved, HRRC strongly condemned RIAA's focus on the merger as a target of opportunity for mandating copy protection restrictions that neither the Congress nor the courts have seen fit to impose.

The HRRC Reply Comments point out that in the last Congress, the legislation was filed in the House and the Senate that would have given such power and direction to the Commission, but

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did not move forward. Moreover, RIAA is seeking the same relief in pending lawsuits that remain in their early stages, and RIAA had made a similar application to the Commission, with respect to terrestrial broadcasts, in 2004. HRRC Chairman Gary Shapiro commented:

"Now, with these lawsuits still pending, RIAA is asking the Commission yet again for a broad and unwarranted copy protection mandate, this time in the form of a condition on the merger of XM and Sirius. A mandate today is no more necessary than it was in 2004 or in 2006, and would punish the very innovators who are developing new markets for music and ways of enjoying it. Like their previous proposals, RIAA's current request exceeds the Commission's jurisdiction and usurp the role of the Federal courts in interpreting the copyright law."

Shapiro observed that this RIAA initiative fits a recent pattern of entertainment industry interests, with insufficient traction in the Congress and impatient in the courts, seeking to have extraneous copy protection conditions imposed in any and all regulatory proceedings, ranging from the setting of royalty rates for webcasting, to the recent Commission's Notice of Inquiry on broadband policy, in which NBC-Universal proposed that unspecified "filtering" obligations be imposed on all Internet Service Providers. Now, colleges and universities that receive federal funds may come under pressure as well. He said that a competitive society requires such "targets of opportunity" to resist all such pressure to agree to quasi-legislative mandates.

For updates on congressional, regulatory and judicial proceedings, please visit the HRRC website at www.HRRC.org.

About HRRC

The Home Recording Rights Coalition, founded in 1981, is a leading advocacy group for consumers' rights to use home electronics products for private, non-commercial purposes. The members of HRRC include consumers, retailers, manufacturers and professional servicers of consumer electronics products. Further information on this and related issues can be found on the HRRC website, www.hrrc.org.

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