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MAIL BRANCH

Bernard Korman GENERAL COUNSEL

November 13, 1992 RECEIVED

Ms. Donna R. Searcy Secretary Federal Communications Commission 1919 M Street, NW, Room 222 Washington, D.C. 20554 欄171992

OFFICE OF CHIEF
DOMESTIC FACILITIES DIVISION
COMMON CAR CHIEFALL

RE: File Nos. 49/50-DSS-P/LA-90 58/59-DSS-AMEND -90 8-DSS-MISC-91(2) RM-7400

Dear Ms. Searcy:

We have reviewed the application of Satellite CD Radio, Inc. for authority to construct, launch and operate a digital audio radio service satellite system.

We take no position on the sufficiency of the application except to note that the budget includes 20% for "programming expenses" and these seem to be limited to payments to be made to the recording industry. There is no reference to the cost of obtaining permission from writers and publishers or the performing rights organizations that represent them to perform their works. This is an expense that ought to be included in the service's operating budget.

The applicant may be under the misapprehension that recording companies license the performing rights in copyrighted musical compositions.

Very truly yours,

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Bernard Korman

BK:rp

cc: Rosalee Chiara