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October 19, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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(202) 429-7049

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

Received

OCT 26 1998

Satellite Policy Branch
International Section

Re: Satellite CD Radio, Inc.
File Nos. 71-SAT-AMEND-97, 49/50-DSS-P/LA-905,
58/59-DSS-AMEND-90, 8/9-DSS-AMEND-92,
12/13-DSS-AMEND-92, 44/55-DSS-AMEND-92,
42-SAT-AMEND-95, 71-SAT-AMEND-97

Dear Ms. Salas:

In a letter dated October 8, 1998, the National Association of Broadcasters' ("NAB") notified the FCC that Satellite CD Radio, Inc.'s ("CD Radio") Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission ("SEC"), indicates proposed technical modifications to its plans for providing a satellite digital audio radio service ("DARS").¹ The NAB also requested that the Commission require CD Radio and American Mobile Radio Corporation ("AMRC"), the other DARS licensee, to disclose their current technical plans. CD Radio takes seriously its need to apprise the Commission of its technical plans as it moves forward with the deployment of its satellite DARS system. Further, CD Radio notes the NAB position that fundamental changes in technical plans would need to be reported to the Commission for evaluation under the public interest standard. CD Radio is preparing an amendment with the detailed technical data.

However, the standard requiring the report of such proposed changes to the Securities and Exchange Commission is far different from the stringent technical requirements that guide a formal request for modifications pursuant to the Commission's Rules. Under Section 25.114, the Commission requires a "concrete proposal for Commission evaluation" and that the application must "be complete in all pertinent details"² - standards far different from those of the SEC. CD Radio recently has completed its detailed technical design changes and will shortly file an

¹ See Letter from Henry L. Baumann, Exec. V.P. - Law & Regulatory Affairs, NAB, to Magalie Roman Salas, Secretary, FCC 2 (filed Oct. 8, 1998).

² 47 C.F.R. § 25.114.

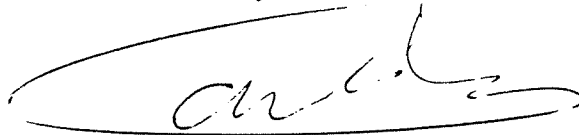
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application requesting the necessary modification to its license. CD Radio's contemplated modifications will fully comport with the Satellite DARS technical rules. In particular, CD Radio's use of terrestrial repeaters, with which the NAB seems most concerned, and adherence to the FCC mandated milestone schedule will not change.

It should come as no surprise that CD Radio would enhance its initial technical plans. As the Commission is well aware, technological changes affecting the satellite industry have been quite dramatic. In fact, the Commission itself noted specifically that "DARS technology was rapidly evolving, but was not yet fully developed."³ CD Radio intends to take advantage of those changes and developments in this technology to provide its future customers with substantially better service and further enhance the public interest benefits underpinning the provision of satellite DARS.

In sum, CD Radio shortly will file a request to modify its technical plans containing the sufficient detail, analysis, and technical information to satisfy the Commission's standards. At that time, the NAB, along with any other interested party, will have the opportunity to comment and discuss these changes in the context of the public interest standard.

Sincerely,



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of
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Its Attorneys

cc: FCC Commissioners
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³ *Establishment of Rules and Policies for the Digital Audio Radio Satellite Service in the 2310-2360 MHz Frequency Band*, 11 FCC Rcd 1, 36 (1995) (NPRM); see also *Geostar Corp.*, 60 Rad. Reg. 2d 1725, 1728 n.8 (1986) ("We have consistently noted the dynamic nature of the satellite industry and changes or improvements ... are not to be discouraged.").