soundexchange 1330 CONNECTICUT AVE, NW, SUITE 300, WASHINGTON, DC 20036
P. 202.828.0120 F. 202 833 2141
WWW.SOUNDEXCHANGE.COM

July 28, 2005

VIA FACSIMILE & CERTIFIED MAIL

XM Satellite Radio Inc.
1500 Eckington Place, NE
Washington, D.C. 20002
Attn: General Counsel

Re: Late Fees Applicable Under SDARS Performance and Ephemeral License Agreement Dated March 18, 2003
Licensee ID No. 1240

To Whom It May Concern:

A review of the royalty payments from XM Satellite Radio Inc. ("XM") to SoundExchange, Inc. ("SoundExchange") pursuant to the provisions of the SDARS Performance and Ephemeral License Agreement entered into between XM and SoundExchange on March 18, 2003 (the "Agreement"), revealed that XM has failed to make two royalty payments by the deadlines specified in the Agreement.

Section 4.1(c) of the Agreement provides that XM's quarterly royalty payments are due *on or before* the first day of each calendar quarter of 2005. Only in the event that the first day of a calendar quarter falls on a weekend or holiday is payment deferred until the next business day. See Section 4.7.

Under Section 4.6 of the Agreement, "[i]f a Licensee fails to make any payment under this Agreement when due, the Licensee shall pay a late fee on any overdue amount of 0.75% per month, or the highest lawful rate, whichever is lower, from the due date until the date full payment is received by SoundExchange."

We have calculated that XM owes late fees totaling $9,625.00. The enclosed spreadsheet details how we arrived at this amount. Please remit a check in the amount of $9,625.00 by no later than August 17, 2005, to satisfy the late fee obligation set forth in Section 4.6 of the Agreement.

Please call me at 202.828.0126 if you have any questions.

Sincerely,

Gary R. Greenstein
General Counsel

FINAL

Encl.

SDARS Ex. 29

SE 0022416

SE 0022417
SE 0022417

CALCULATION OF LATE FEES PAYABLE BY
XM SATELLITE RADIO INC.

Service	Due date	Calendar Day	Received	Days late	Amount paid	Late fee (.75%)	Late fee per day	Total
XM	4/1/2005	Friday	4/5/2005	4	$ 3,500,000.00	$ 26,250.00	$ 875.00	$ 3,500.00
XM	7/1/2005	Friday	7/8/2005	7	$ 3,500,000.00	$ 26,250.00	$ 875.00	$ 6,125.00

Total= $ 9,625.00