Before the
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Washington, D.C.

In the Matter of

ADJUSTMENT OF RATES AND TERMS FOR
PREEXISTING SUBSCRIPTION SERVICES
AND SATELLITE DIGITAL AUDIO RADIO SERVICES

Docket No. 2006-1 CRB DSTRA

TESTIMONY OF

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I. INTRODUCTION

My name is Yoram Wind. I am the Lauder Professor and Professor of Marketing at The Wharton School at the University of Pennsylvania, where since 1967 I have taught courses on marketing, marketing research, consumer behavior, and other related topics. I have held visiting professorships at the University of Tokyo, Erasmus University in the Netherlands, and the University of New South Wales, among other institutions. I have served as editor-in-chief of the Journal of Marketing, a leading journal in the field, and I have been on the editorial board of every major marketing journal. I received my Ph.D in Marketing from Stanford University in 1967.

I am the author of 21 books and over 250 papers in the field of marketing, including 111 on measuring consumer preference and marketing research. I have lectured widely on these topics, and I have acted as a consultant to nearly 100 major corporations, including Marriott, Bristol Meyers Squibb, Citibank, IBM, Pepsi, and Pfizer. I have designed and analyzed hundreds of marketing surveys. I have served as an expert witness on marketing survey issues in dozens of cases, including on behalf of AT&T, Avis, Colgate-Palmolive, GlaxoSmithKline, Miramax Films, and others. A copy of my curriculum vitae is attached as Appendix A.

I was retained by SoundExchange, Inc. (“SoundExchange”) to conduct a survey to examine the value that subscribers and potential subscribers to satellite radio place on the various types of programming and the non-programming features of satellite radio. As I explain in detail below, I designed the double-blind survey, oversaw its administration, and analyzed the results. 428 randomly selected individuals – either current subscribers to XM Satellite Radio (“XM”) or Sirius Satellite Radio (“Sirius”), or individuals considering subscribing within 30 days – were asked a series of questions pertaining to how they valued satellite radio’s music programming, as
well as other features of the service. The survey employed several different approaches to measure the relative value of music and other types of programming and non-programming features, but the results of each approach were remarkably consistent in showing that music programming is, by a substantial margin, the single attribute of satellite radio that current and prospective listeners consider most valuable, and is the most important reason they subscribed and have retained their subscription to satellite radio.

II. SUMMARY OF SURVEY RESULTS

The survey results provide strong evidence that consumers value satellite radio music programming far more than other programming formats (e.g., talk, news, and sports) and satellite radio’s non-programming attributes (e.g., lack of commercials, nationwide coverage or price). According to every measure of value in the survey, music generally proved to be two to five times as valuable as any other programming offering or feature of satellite radio. Put simply, in the eyes of satellite radio subscribers and potential subscribers, music is the foundation of the service. The following are some of the key findings of the survey.¹

- **Cancellation.** Almost half of all respondents (43 percent) said they would cancel their service (or would not subscribe in the first place) if satellite radio lacked music. That is triple the number of respondents who would cancel if any other type of programming were unavailable. (Figures 6-7).

- **Willingness to pay.** If music were not available, respondents on average would only be willing to pay $6.15 for satellite service. That is, looking at all respondents, including those who would change (or cancel) and those who would pay full price, the average respondent would only pay $6.15 for a service without music. Respondents would be willing to pay substantially more for a service that lacked talk ($9.99), sports ($9.99), or news programming ($10.14) (Figure 8).

- **General Draw.** When asked to name the top reason that caused them to subscribe (or consider subscribing), respondents cited music more than any other programming type or price, coverage, or commercial-free, and more than three

¹ All of these findings are substantially the same when broken down for current and considering subscribers, as well as for XM and Sirius subscribers. See Appendices J and K.
times as often as any other programming type. (Figure 11).

- **Programming Draw.** Similarly, when asked to name the type of satellite radio programming that was most critical in causing them to subscribe (or consider subscribing), respondents cited music as their top choice 53 percent of the time, or more than five times as often as any other programming type. (Figures 12-13).

- **Retention.** When asked to name the type of programming that was most critical to their decision to continue to subscribe, music received more than four times the responses of any other type of programming. (Figures 14-15).

- **Most Missed Aspect.** When asked to name the aspect of satellite radio that they would miss most if the service were unavailable, music again received more than four times the responses of any other type of programming. (Figures 16-17).

- **Importance.** When asked to allocate 100 points among the seven different programming types in amounts that reflected their relative importance to their decision to subscribe (a constant sum methodology), respondents gave more than three times as many points to music as they did to any other type of content. On average, music received 44 points, while no other programming content received more than 13 points. Moreover, music was the top choice for 74 percent of respondents, and no other type of content was the top choice for more than 17 percent of respondents. (Figures 18-20).

- **Usage.** When asked to recall the percentage of time they spent listening to satellite radio programming types in a given week, respondents reported that they spent nearly half their time (49 percent) listening to music. No other programming type received more than 12 percent. (Figures 21-23).

- **Value.** Even when music was compared to non-programming features (such as price and number of commercials) in addition to other types of programming, respondents still found it at least twice as valuable as any other attribute of the service. And nearly half of all respondents cited it as the most valuable attribute, a number three times greater than the next highest attribute. (Figures 24-26).

- **Choice.** When asked to compare two satellite radio services – one identical to the current service, and one that was identical but lacked music programming, respondents rated the service with music nearly three times as high as the service without music. More than half of all respondents rated the service without music a “0” on a scale 0 to 10 in terms of their willingness to purchase it. (Figure 27).

In sum, all the data strongly point in the same direction: music clearly predominates as the single most important attribute of satellite radio. Whether measured by draw, value, usage,
or any other means, music consistently outpaced all other satellite radio programming types and non-programming features by a large margin.

Figure 1 on the following page summarizes the extent to which music outpaces the next highest programming type for each of the key measures of value in the survey. Figure 1 expresses music’s dominance in terms of the multiple by which it exceeded the next best programming choice for the question. For example, 3.1 times as many respondents would cancel their subscription if satellite radio contained no music programming, as compared to the next most popular programming types for that question, sports and talk/entertainment. And 4.1 times as many people cited music as the top reason why they have continued to subscribe as compared to the next highest programming type, talk/entertainment. Averaging these multiples together reveals that overall music performed 3.5 times better than the next best type of programming.

\[^2\] Note, in most of the figures reporting the results of the study we identify a number of measures for each of the metrics. For example, in figures 9, 11, 12, 14, and 16, we report on three measures – “top mention” percent, “top 3” mention percent, and “any mention” percent.
The survey reveals three other important results that further confirm music’s importance.

- **The Value of Music and Commercial-Free Music Programming.** The survey results show that music is far more important to the consumer than commercial free programming. The conjoint analysis, which I describe below, shows that consumers value music more than twice as much as having no commercials. (Figure 24-25). This result is consistent with the answers provided to the open-ended questions on draw, retention, and aspect missed most in which music was cited far more often than commercial-free programming as a reason for

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3For “willingness to pay,” a lower price indicates a higher importance (i.e., it shows that a respondent would be willing to pay less if a particular programming type were absent.). The multiple here therefore represents the degree to which the next lowest priced programming type exceeded the price respondents were willing to pay for the service without music. Similarly, “choice” measures the degree to which respondents would choose the current service over the current service without music, and thus rates music’s value against all three other programming types.
subscribing (or considering subscribing). (Figures 9, 11, 12, 14, 16, 28).

• **Recorded Content.** It is my understanding that in addition to the programming on music channels, the sound performance rights for the vast majority of the recorded content on comedy and kids channels are owned by SoundExchange’s members, and are subject to the compulsory license rate to be set in this proceeding. When these additional forms of Recorded Content are combined with music, they constitute an even larger share of the content valued by consumers. (Figures 29-30).

• **Music v. Talk and Entertainment.** Entertainers like Howard Stern and Oprah Winfrey have struck highly publicized and lucrative deals with satellite radio companies. Presumably, the high payments they have commanded on the market indicate the value of their programming to consumers. The survey results reveal, however, that consumers value music programming two, three, four, or even five times as much as talk and entertainment programming. This suggests that the market value of music rights is *substantially higher* than the market value of the talk and entertainment programming rights. (Figures 31-32).

### III. SURVEY DESIGN AND METHODOLOGY

#### A. The Survey Objectives

The primary objective of this survey was to determine the value of satellite radio music programming to subscribers and potential subscribers to XM and Sirius. A secondary objective was to determine music programming’s value relative to talk and entertainment programming.

#### B. The Survey Design

As discussed in detail below, this survey is a double-blind consumer research study that uses a series of interrelated questions of different types (open-ended, constant sum, behavioral, and conjoint analysis) to accomplish the survey objectives. By assessing the value of music in multiple ways, we can obtain a more robust measure of its value than any one method could provide alone. The survey reports the results of 428 subscribers and those considering subscribing to XM or Sirius within 30 days.

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4 The sound recordings subject to the compulsory license and played on music, kids and comedy channels will be collectively referred to as “Recorded Content.”
C. The Survey Respondents

The universe for this survey is comprised of adults, 18 years of age or older, who currently subscribe to either the XM or Sirius satellite radio service, or who are considering subscribing in the next 30 days. Only respondents who indicated that they make or take part in making the decision to subscribe to satellite radio for their household were included in the universe. And only subscribers to a satellite radio service (as opposed to XM and Sirius’s services over satellite television or the Internet) were included.

The survey was conducted using a mall-intercept method, which is a common method of obtaining survey data in the business world, and is recognized as valid. E.g., Diamond, Reference Guide on Survey Research, in Federal Judicial Center Reference Manual on Scientific Evidence (4th ed. 2002) 238, 239 n.52 (citing statistic that “95% of the in-person interview studies done in 1985 took place in malls or shopping centers.”); Arlene Fink, The Survey Handbook 41 (2003). In accordance with standard survey practice, 24 markets (six from each of the four census areas) were randomly selected. Those markets are listed in Figure 2 below.

### Figure 2. Survey Locations

<table>
<thead>
<tr>
<th>EAST</th>
<th>CENTRAL</th>
<th>SOUTH</th>
<th>WEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Springfield, MA</td>
<td>Eau Claire, WI</td>
<td>Houston, TX</td>
<td>Seattle, WA</td>
</tr>
<tr>
<td>White Plains, NY</td>
<td>Indianapolis, IN</td>
<td>Raleigh, NC</td>
<td>Los Angeles, CA</td>
</tr>
<tr>
<td>Waterbury, CT</td>
<td>Chicago, IL</td>
<td>Atlanta, GA</td>
<td>San Francisco, CA</td>
</tr>
<tr>
<td>Yorktown Heights, NY</td>
<td>St. Louis, MO</td>
<td>Memphis, TN</td>
<td>Denver, CO</td>
</tr>
<tr>
<td>Philadelphia, PA</td>
<td>Detroit, MI</td>
<td>Tallahassee, FL</td>
<td>Portland, OR</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>Minneapolis, MN</td>
<td>Tulsa, OK</td>
<td>Las Vegas, NV</td>
</tr>
</tbody>
</table>
In each of these markets, a mall with an interviewing facility was randomly selected. Potential survey respondents were then selected as randomly as possible from all parts of the mall. Half of all interviews were conducted on weekends and in the evenings to ensure the inclusion of working respondents. This methodology is the best approach for ensuring the generalizability of mall-intercept surveys and has been the methodology I have used in all my mall-intercept studies.

Potential respondents were initially screened to meet census age/sex quotas, i.e., to make sure that the pool of potential respondents was representative of the U.S. population as a whole. This pool of respondents was further screened to meet the universe definition, including whether they subscribe or intend to subscribe to XM or Sirius, and the regular security requirements (not working for an advertising agency or marketing research firm, etc.). A copy of the screening questionnaire and a summary of the screening results are attached as Appendix B.

Those respondents who qualified based on the screening questionnaire were invited to participate in the main survey. Respondents who accepted were taken to a separate interviewing facility within the mall so that they could complete the survey without distractions. Respondents were paid $10 if they completed the entire survey. Such incentive payments are common for mall-intercept surveys and, given the double-blind nature of the survey, have no impact on the results of the survey.

Responses to the survey were obtained from 428 individuals, 307 of whom currently subscribe to a satellite radio service, and 121 of whom are considering subscribing to a satellite radio service within the next 30 days (the “considering subscribers”). 4,301 potential respondents were contacted. Of that number, 517 people qualified by meeting the universe

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5 The subscription must have been a paid or trial subscription obtained directly from XM or Sirius for the respondent to be eligible for the survey.
definition and the screening requirements. Of the 517 who qualified, 428 agreed to complete the survey, yielding a response rate of 83 percent, which is extremely high.

D. The Survey Questionnaire

I designed this survey and wrote the survey questionnaire. The survey was designed to determine in an objective and valid way the value that respondents placed on satellite radio’s music offerings. To this end, each respondent was asked a series of interrelated open-ended and closed-ended questions about his or her attitude and behavior with respect to the programming and the non-programming features of satellite radio. Respondents were also asked a series of questions that required them to trade off various programming and non-programming features of satellite radio, which permits us to employ a method known as “conjoint analysis.” Lastly, the survey employed certain controls intended to determine whether respondents were answering without guessing or choosing answers at random. The survey questionnaire is attached as Appendix C.

1. The Open-Ended, Constant Sum, and Behavioral Questions

The questions designed to test the respondents’ evaluations of and behaviors with respect to programming and non-programming features covered the following topics:

1. The reasons why respondents chose to subscribe to satellite radio (or consider subscribing). [Question 1]

2. The types of programming that were most critical to respondents’ decisions to subscribe (or consider subscribing). [Question 2]

3. The types of programming that were the most critical to respondents’ decisions to continue to subscribe. [Question 3]

4. What respondents would miss the most if satellite radio were not available. [Question 11]

Appendix B presents the screening results, i.e., the reason that most of the contacted individuals did not qualify for inclusion in the study.
5. Whether respondents would pay less than the full subscription fee, or even cancel their satellite radio subscription, if a particular type of programming were not available. [Question 9]

6. The relative importance of each satellite radio programming type as measured on a constant sum scale. [Question 4]

7. In a typical week, the percentage of time respondents listen to each programming type as measured on a constant sum scale. [Question 8]

The first four topics used open-ended questions – that is, questions to which the respondent supplies a narrative response. In each case, the respondent’s answer to the question was recorded verbatim, and the respondent was then asked if he or she had anything else to add. Those verbatim answers then were content-analyzed and coded by an experienced coder who was not aware of the purpose of the study or its sponsor, which I then reviewed and approved for presentation here without modification. These questions provide critical information because they reveal, in the respondents’ own words and without any framing or prompting by the interviewer, what the respondents value most about satellite radio. See generally Diamond, Reference Guide on Survey Research, in Federal Judicial Center Reference Manual on Scientific Evidence at 246 (discussing value of open-ended questions).

The fifth topic (what respondents would be willing to pay if satellite radio lacked certain types of programming) employed a two-part question. Respondents were first asked if the absence of one type of programming (e.g., music, news, sports, or talk and programming) would affect the amount he or she would pay for satellite radio. Respondents who responded in the affirmative were then asked how much they would be willing to pay if satellite radio lacked that type of programming. The same question was then repeated for the three other types of programming that are advertised most heavily by XM and Sirius. (As with all questions in the survey, the order of the programming types was rotated to ensure that the order did not influence
the results). These questions provide a useful measure of consumer value because they require
the respondent to quantify the extent to which his or her own willingness to pay would be
affected by the absence of each programming type.

The final two topics used questions that asked the respondent to allocate 100 points
among specified options, a “constant sum” methodology. In question 4, each respondent was
asked to allocate 100 points among seven categories of programming broadcast on satellite
radio – music, news, sports, kids, comedy, talk and entertainment, and local news and weather
programming – based on the importance to the respondent of each type of programming. In
question 7, each respondent allocated 100 points among the seven types of programming, based
on the percentage of satellite radio time the respondent spent listening to each type in a typical
week. For example, an answer to question 4 might look like the table shown below in Figure 3.

<table>
<thead>
<tr>
<th>Programming type</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comedy</td>
<td>15</td>
</tr>
<tr>
<td>Kids</td>
<td>18</td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td>10</td>
</tr>
<tr>
<td>Music</td>
<td>40</td>
</tr>
<tr>
<td>News</td>
<td>2</td>
</tr>
<tr>
<td>Sports</td>
<td>0</td>
</tr>
<tr>
<td>Talk and Entertainment</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

These types of questions are known as “constant sum” questions because they require the
respondent to allocate a fixed number of points across two or more options. The questions are a
common survey tool that excels at showing how a respondent values options relative to each
other beyond a mere ranking. Pamela Alreck & Robert Settle, *The Survey Research Handbook*
137-38 (3d ed. 2004). Constant sum questions have been a fixture of the surveys presented in
prior Copyright Royalty Tribunal and Copyright Arbitration Royalty Panel proceedings. For
example, in CARP proceedings to distribute royalties among owners of various types of
television programming, cable system operators were asked to allocate 100 points among seven
types of programming categories (movies, sports, etc.) in accordance with the value they placed
on each for drawing customers and advertisers, and the CARP used the results of that constant
sum survey to determine the relative marketplace value of the programming being studied. See
26, 2004) (describing and affirming decision of Copyright Arbitration Royalty Panel to
primarily rely on constant sum survey data in determining the value of programming); Program
Suppliers v. Library of Congress, 405 F.3d 395, 401-402 (D.C. Cir. 2005) (approving the
Librarian’s decision).

2. The Conjoint Analysis

In addition to the questions described above, respondents were also asked a series of
tradeoff questions that formed the basis of the conjoint analysis.

Conjoint analysis is a sophisticated methodology that is used to determine how
consumers value various attributes of a given product. Put simply, conjoint is a method that lets
us separate out the various features of a product to see how the consumer values each feature
against the others. Consumers are shown a series of examples of a product, each of which varies
in some way, which allows us to determine which combination of a limited number of factors is
valued most highly. For example, I have used conjoint analysis on behalf of the Marriott
Corporation to help design the multi-billion dollar “Courtyard by Marriott” chain of hotels.
Respondents were shown a series of descriptions of hypothetical hotels (e.g., one with larger
rooms but fewer amenities and a given price, one with smaller rooms but more amenities at the
same price, one with larger rooms and more amenities at a higher price, etc.). By seeing how the
people rated the hypothetical choices, we could determine the relative value the respondents
placed on each attribute of the hotel (room size, amenities, staff size, price, etc.). This allowed us to design an optimal hotel based on people’s choices.

As the above example suggests, conjoint analysis is a fixture in the commercial world. Thousands of conjoint studies have been administered in the 35 years since the technique was first introduced to marketing. Conjoint analysis underlies innumerable corporate decisions regarding product design, pricing, positioning, and segmentation decisions where millions and even billions of dollars are at stake. For example, conjoint analysis was used by AT&T to design its first cellular phone, by FedEx to design their tracking services, and by the Port Authority of New York to design the EZ-Pass system. Conjoint analysis is also extremely well-established in the academic world. It is one of the most studied research methods in marketing, with hundreds of research papers having been written on the subject. I myself have written numerous papers on the subject, as well as co-authored two books, *Multi-Attribute Decisions in Marketing: A Measurement Approach*, which was the first book on conjoint analysis and marketing, and more recently an e-book, *Adventures in Conjoint Analysis: A Practitioners Guide to Trade-Off Modeling and Applications*. I discuss conjoint methodology in Appendix H.

The conjoint analysis used here drew upon the respondents’ answers to a number of the survey questions, all of which in some fashion required respondents to assess the relative value of different types of programming and non-programming features of satellite radio. The “constant sum” questions discussed above – Questions 4 and 7 – were used in the conjoint analysis, as were Questions 5 and 6, which asked respondents to evaluate, on a scale of 1 to 10, the desirability of different amounts of four types of programming (for example, for music, same, more, less, none), the desirability of different levels of non-programming features (for
example, for geographical coverage, typical FM coverage or complete nationwide coverage), and different levels of price.

Finally, respondents were asked to consider a series of cards with hypothetical “satellite radio offerings,” and to rate on a scale of 0 to 10 their likelihood of buying each hypothetical offering. Each card contained a specific level of each of the seven different factors: four programming factors (the quantities of music, sports, news, and entertainment programming), and three non-programming factors (the geographic coverage provided, the number of commercials per hour of music programming, and the price). A given card would list each of the seven factors at a specific level. In other words, each of the cards described a hypothetical satellite radio service that offered a different constellation of features and price (for example, less music, but more talk, and a lower price), and respondents were asked to rate from 0 to 10 the likelihood they would purchase each offering. Figure 4 below presents the various factors and levels, and Figure 5 reproduces a sample conjoint card. The complete set of conjoint stimuli cards is included in Appendix D, and the master design is included in Appendix H.

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A seven-factor conjoint analysis is comfortably manageable for respondents, and is typical of commercial conjoint applications.

The four programming types included (music, news, sports and talk & entertainment) in the conjoint cards were chosen because they are the programming types that are specifically and heavily promoted by XM and Sirius. To the extent that two of the three categories omitted – comedy and kids programming – contained recorded programming subject to the statutory license at issue here, this leads to a conservative estimate of music’s value. See infra.
Figure 4. Factors & Levels for the Conjoint Analysis Task

A. Music Programming
1. No music programming
2. Substantially fewer channels and less variety of music than currently offered
3. The same number of channels and the same variety of music as currently offered
4. Substantially more channels and more variety of music than currently offered

B. News
1. No news programming
2. Substantially fewer channels and less variety of news than currently offered
3. The same number of channels and the same variety of news as currently offered
4. Substantially more channels and more variety of news than currently offered

C. Sports
1. No sports programming
2. Substantially fewer channels and less variety of sports than currently offered
3. The same number of channels and the same variety of sports as currently offered
4. Substantially more channels and more variety of sports than currently offered

D. Talk & Entertainment
1. No talk and entertainment programming
2. Substantially fewer channels and less sports variety than currently offered
3. The same number of channels and the same talk and entertainment variety as currently offered
4. Substantially more channels and more talk and entertainment variety than currently offered

E. The Number of Minutes Of Commercials Per Hour on Music Channels
1. No commercials on music channels
2. 2 minutes of commercials per hour
3. 5 minutes of commercials per hour
4. 12 minutes of commercials per hour

F. Geographic Coverage
1. Typical FM coverage
2. Complete Nationwide Coverage

G. The Monthly Price for a Single Subscription
1. $8.95 per month
2. $10.95 per month
3. $12.95 per month
4. $14.95 per month
Given that we have six different factors offered at four different levels, and a seventh factor offered at two levels, the number of potential combinations of these factors and levels exceeds 8,000. We cannot realistically expect to show survey respondents 8,192 different cards with 8,192 different combinations of factors and levels. Therefore, I selected a subset of 64 of these potential combinations, using a statistical method known as fractional factorial design. This design allows me to estimate the importance of each level of each factor – the full set of 8,192 cases – even though the respondents have not seen all potential combinations. In addition, I broke the set of 64 combinations into 8 blocks of 8 cards each, so that each respondent saw only one of the blocks of 8 cards. Respondents also saw a ninth card that represented the current offerings of XM/Sirius, and a tenth card with the same offerings but without music. The
responses to the last two cards provided not only “controls” for the conjoint tasks but also an additional measure of the importance of music based on a comparison of the respondent’s assessment of the current satellite radio offering versus that same offering without music.

3. The Controls

The survey employed five different controls to ensure the validity of the results, and to ensure that respondents were not given any clues to which answers were desirable. Diamond, Reference Guide on Survey Research, in Federal Judicial Center Reference Manual on Scientific Evidence at 249-52. First, the survey was administered, and its answers coded, in a double-blind process: neither the interviewers nor the respondents knew of the purpose of the survey or who commissioned it. Second, the open-ended questions, which were the first questions in the survey, were asked without any reference to music, again preventing the respondent from determining what answers were desirable. Third, the conjoint analysis always required the respondent to consider multiple attributes, and not just music by itself, which again ensured that the respondent could not simply give a high ranking to music (or any other attribute).

Fourth, as noted above one of the conjoint stimulus cards shown to each respondent reflected satellite radio’s current offerings, and another reflected the current offerings without music. While the response to these two cards provided an independent measure of the value of music, they also served as control cards. That is because the responses to these two cards were not used in estimating the output of the conjoint analysis. Thus, one can predict the rating of the two control cards based on the conjoint results and compare these two predictions to the actual ratings of the two control cards that the respondent gave. For a discussion of this validation procedure and outcomes, see Appendix H. Fifth, the breadth of the range of questions asked
about music’s value acts as a control. Multiple measures of value provide an opportunity to assess the convergence validity of the results.

E. Data Collection

The respondents in this survey were interviewed between October 11 and October 17, 2006. The 72 interviewers and their 24 supervisors were trained by Data Development Worldwide (“DDW”). The survey was conducted on a double-blind basis; none of the interviewers and respondents was aware of the purpose of the survey or its sponsor. The interviewers were not given any information regarding the nature of the study. Moreover, all interviewers were trained to avoid presenting any bias in the administration of the survey. A copy of the field instructions given to the interviewers and supervisors is included as Appendix E.

The survey data were collected using Computer Assisted Personal Interviewing, which allows the responses to the questions to be directly input into a computer. Using this computer methodology ensures that the potential responses presented to respondents in the closed-ended questions were rotated in a random fashion, and also ensures that the survey questionnaires are filled out in their entirety with no questions skipped, and with each constant sum response totaling 100 points. Some questions – those that were open-ended – were asked orally by interviewers, with oral responses from the respondents recorded verbatim by the interviewers. After responding to the first set of open-ended questions, respondents were given the option to

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9 DDW is one of the country’s largest marketing research companies devoted exclusively to custom quantitative research. DDW has carried out more than 20,000 surveys since 1960 on behalf of hundreds of major companies and institutions. DDW was a co-founder of the Council of American Survey Research Organizations (CASRO) and fully subscribes to the standards outlined in its code. Under my supervision, DDW was responsible for all aspects of the administration of this project, including sample selection, the preparation of field materials, data collection, coding and typing of the verbatim responses, and tabulation of the responses.
enter their responses into the computer themselves, or to have the interviewer enter the responses. 61 percent of the respondents chose to enter the responses themselves.

F. The Pre-Test

Before the survey was conducted, DDW conducted a pretest to determine whether survey respondents understood the questions or experienced any difficulty completing the survey. See Diamond, *Reference Guide on Survey Research*, in *Federal Judicial Center Reference Manual on Scientific Evidence* 243. During the pretest, which took place between September 29 and October 2, 2006, DDW administered the survey questionnaire in eight malls\(^\text{10}\) within the four census areas to 55 respondents (33 current subscribers and 22 considering subscribers). The pre-test respondents were selected in precisely the same way that final survey respondents were. Except as noted below, the respondents had no difficulty completing the tasks, and therefore the answers were included in the final results.

During the pretest, three of the respondents who were considering subscribing experienced apparent difficulty with Question 9. Those three respondents each answered that they would be willing to pay more than the current subscription price if a certain type of programming currently offered by XM and Sirius became unavailable. Because I did not know if these answers reflected an accurate understanding of the question, I excluded these respondents from the final survey, removed the words “including price” from the question, and added questions 9(c) and 9(d) to the final survey questionnaire. (The pretest questionnaire is included in Appendix I).

\(^{10}\) The malls selected for the pretest are located in Springfield, MA, White Plains, NY, Eau Claire, WI, Indianapolis, IN, Houston, TX, Raleigh, NC, Seattle, WA, and Los Angeles, CA.
The results from the pretest and the debriefing of the interviewers and supervisors indicated that all other questions were clear and unambiguous, and no changes were made to those questions as a result of the pretest.

G. Verification

The survey results were verified by AVC Research, an independent marketing research firm located in New Jersey. Verification was conducted by telephone. A minimum of two attempts were made to contact each of the respondents. Had any significant problem been uncovered, verification of 100 percent of the interviews done by that interviewer would have been attempted. The Verification Questionnaire and Recording Form are attached as Appendix F.

In total, 54 percent of the respondents have been verified. This procedure is more rigorous and extensive than the industry standard of 20 percent verification. There were no problems found during the verification process.

H. Analysis

Prior to any actual analysis, the questionnaires were reviewed to confirm that the interviewers administered the interview properly and the respondents understood the questions. Following this step, the analysis included a coding and examination of the open-ended responses, a tabulation of the results from both open and closed-ended questions, a statistical analysis reported in Appendix G, and an analysis of the conjoint data, which is reported in Appendix H.

The statistical analysis and the conjoint analysis were conducted under my supervision by Professor Abba Krieger, Chairman of the Statistics Department at Wharton, using the conjoint analysis software that he and Professor Paul Green developed.
IV. MAIN RESULTS REGARDING THE VALUE OF MUSIC

This survey employed multiple measures of the value that consumers place on satellite radio’s music offerings. Every single one of those measures shows that music is by far the most valuable programming type of satellite radio, generally by a two-fold, three-fold, or even five-fold order of magnitude. I will discuss the survey results in detail. Because the results are not substantially different when they are broken out by current subscribers versus considering subscribers, or XM subscribers versus Sirius subscribers, I do not discuss those subresults in the text. Tables containing that information can be found in Appendices J and K.

A. Cancellation and Willingness to Pay (Question 9)

This question asked respondents if the absence of various types of programming (music, news, sports, and talk and entertainment) would affect their willingness to pay for satellite radio and, if so, by what amount. Nearly half of all respondents said they would cancel their service if music were not available. As Figures 6 and 7 on the following pages show, this is more than triple the percentage of any other programming type.
Figure 6. Effect On Willingness To Cancel If A Specific Programming Type Was Not Available (Q9)*

<table>
<thead>
<tr>
<th></th>
<th>No Music (n=428)</th>
<th>No News (n=428)</th>
<th>No Sports (n=428)</th>
<th>No Talk and Entertainment (n=428)</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would change amount willing to pay(^\text{11})</td>
<td>61 (55.58-65.15)</td>
<td>39 (34.63-43.88)</td>
<td>37 (32.80-41.97)</td>
<td>38 (33.71-42.92)</td>
</tr>
<tr>
<td>Would Cancel</td>
<td>43 (37.84-47.21)</td>
<td>13 (10.10-16.54)</td>
<td>14 (11.15-17.82)</td>
<td>14 (11.15-17.82)</td>
</tr>
<tr>
<td>Would reduce price (^\text{12})</td>
<td>16 (13.06-20.11)</td>
<td>22 (18.92-26.88)</td>
<td>20 (16.30-23.89)</td>
<td>21 (17.17-24.89)</td>
</tr>
<tr>
<td>Would not change amount willing to pay</td>
<td>33 (28.49-37.40)</td>
<td>46 (41.07-50.51)</td>
<td>50 (45.26-54.74)</td>
<td>50 (45.03-54.50)</td>
</tr>
<tr>
<td>Don't know if would change amount willing to pay</td>
<td>6 (2.09-10.99)</td>
<td>15 (10.23-19.67)</td>
<td>13 (7.88-17.35)</td>
<td>12 (7.18-16.65)</td>
</tr>
</tbody>
</table>

* See Appendix C for the text of this question.
\(^{11}\) A few respondents indicated a willingness to pay a higher price than $12.95. These included 2% for music, 4% for news, 3% for sports, 3% for talk and entertainment. Adding these respondents to the “would cancel” and “would reduce price,” would result in the number of respondents in “would change amount willing to pay.” The complete distribution of respondents’ answers is included in Appendix L.
\(^{12}\) These figures represent the 95% confidence interval.
On average, respondents said that they would pay only $6.15 per month for a satellite service without music. That amount is less than half of the $12.95 per month price that satellite radio currently charges, and raises the question whether satellite radio could charge a sustainable price if it lacked music programming. In contrast, the absence of other types of programming had a much smaller effect on price, yielding a willingness to pay of $10.14 (no news), $9.99 (no sports), $9.99 (no talk and entertainment).

The results are even more striking looking at the average price given by those respondents who said that they would pay a different price (i.e., not those who said they would pay the same amount). Without music, those individuals would pay only $2.45 on average, a
These results strongly suggest that music is the only “make or break” programming available on satellite radio. Music is the only programming type whose absence would cause more than a 50 percent reduction in subscription revenues ($6.15/month), and its absence would cause three times as many cancellations as any other programming type.

B. Draw, Retention, and Most Missed Aspect (Questions 1-3, 11)

These results show the clear dominance of music in the minds of subscribers when it comes to reasons to subscribe to satellite radio. Specifically, they were asked to state

1. Their top reason for subscribing or considering subscribing (Question 1).
2. The programming type that was most critical to the decision to subscribe or consider subscribing (Question 2).

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* See Appendix C for the text of this question.

13 This category does not include individuals who said “don’t know” in response to this question, but does include the few individuals who said they would pay more than $12.95 a month in the absence of the programming category. See supra n.11

14 These figures represent the 95% confidence intervals.
3. For current subscribers, the programming type that was most critical to their decision to *continue to subscribe* (Question 3).

4. For current subscribers, the aspect of satellite radio they would miss the most if the service *were no longer available* (Question 11).

The results from these questions overwhelmingly demonstrate that music is the most important attribute of the service. As shown in the figures on the following pages, a full 68 percent of respondents cited music as their top choice to at least one of these questions, and 83 percent mentioned music as a top 3 answer in responding to at least one of these questions. *See* Figures 9 and 10.

No other answer came close. Talk and entertainment was the next highest programming type, and was cited first *by just 16 percent of respondents*, and mentioned in the top 3 by only 32 percent of respondents overall. These answers demonstrate that music is the only attribute of satellite radio that enjoys broad, indeed nearly universal, support from respondents. Given that the open-ended questions that did not call for any particular answer or even refer to music programming, it is a very powerful result that music would be cited so much more frequently than any other programming type.
<table>
<thead>
<tr>
<th></th>
<th>% Top Mention</th>
<th>% Top 3 Mention</th>
<th>% Any Mention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Music programming (no mention of commercial free)</strong>&lt;sup&gt;17&lt;/sup&gt;</td>
<td>68</td>
<td>83</td>
<td>84</td>
</tr>
<tr>
<td><strong>Commercial free (no mention of music)</strong></td>
<td>23</td>
<td>35</td>
<td>36</td>
</tr>
<tr>
<td><strong>Talk/Entertainment</strong></td>
<td>16</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td><strong>Sports</strong></td>
<td>14</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td><strong>Commercial Free music</strong></td>
<td>7</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td><strong>News</strong></td>
<td>6</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>5</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>4</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td><strong>Fewer/less commercials</strong></td>
<td>4</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td><strong>Comedy</strong></td>
<td>3</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td><strong>Kids</strong></td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Weather/traffic</strong></td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Any Music Mentions (Net)</strong></td>
<td>71</td>
<td>85</td>
<td>86</td>
</tr>
<tr>
<td><strong>Any Commercial Mentions (Net)</strong></td>
<td>30</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td><strong>Any Commercial Free Mentions (Net)</strong></td>
<td>27</td>
<td>41</td>
<td>42</td>
</tr>
</tbody>
</table>

<sup>15</sup> Net results are presented to avoid double-counting, i.e., a respondent who mentioned music as his top response to all four questions is counted only once. Because the figure shows cumulative results from multiple questions, columns may sum to more than 100%.

<sup>16</sup> Based n=428, the 95 confidence interval is no bigger than ±0.047 [1.96 x .5/square root of n].

<sup>17</sup> In addition to programming, price, commercials, and coverage, numerous other reasons were given by respondents. Typical answers, which are included in Appendix L, include “I like to try new stuff” (ID 20117 Q.1), “I like the radio” (ID 20146 Q.1), and “First year came free w/my car. Liked it and kept it.” (ID 20154 Q.1), “Anything you want to hear at any time” (ID 20054 Q.1), “It was a gift” (ID 20092 Q.1), “Because it looks nice” (ID 20184 Q.1), “My husband wanted it. I also wanted it.” (ID 20191 Q.1), “Its [sic] paid for already” (ID 20144), “I really like the wide verity [sic] of programs, there is something for everyone” (ID 20144), “I would miss the variety of other stations I would be able to listen to if and when I wanted” (ID 20163 Q.11), “There was nothing that I would miss” (ID 20152 Q.11). Such answers, as well as “don’t know” answers are not included in the figure above.
The verbatim answers themselves indicate the importance of music to respondents.

Typical answers for why respondents subscribed or continued to subscribe included:

- “Because it was new plus more music stations. Because I listen to music all day.” (ID 20175 Q.1)
- “Because I wanted to have a variety of music.” (ID 20184 Q.1)
- “Well I wanted a larger selection of music” (ID 20114 Q.1)
- “Because on satellite radio there’s more music and less talking and I can also listen to any genre of music that I’m in a mood for without hearing anything else at that point and time” (ID 20126 Q.1)
- “Music, its [sic] my life. I can record it on my Ipod and not have to put up with a bunch of talk.” (ID 20143 Q.3)

As that last example indicates, in providing these responses, some respondents cited the fact that satellite radio would allow them to avoid buying music from other sources. For example, some verbatim responses included:
I now turn to the individual results for each open-ended question.

1. **Draw (Questions 1-2)**

   *General Draw.* Respondents were asked to say why they chose to subscribe to satellite radio (or were considering subscribing). Music programming dominated over all other programming types. As Figure 11 on the following page shows, 17 percent of respondents gave music as their first answer to the question, and 34 percent gave it as a top 3 response to one of their answers to the question. No other programming type was given as a top mention by more than 5 percent of respondents, or was mentioned in the top 3 by more than 11 percent. Music’s substantially higher value is particularly noteworthy here, as the question did not even call for the respondent to mention a type of programming, but merely to give a reason why s/he subscribed or was considering subscribing.
**Figure 11. Top Reasons for Subscribing/Considering Subscribing—General Draw (Q1)**

<table>
<thead>
<tr>
<th></th>
<th>Total (n=428)(^{18})</th>
<th>% Top Mention</th>
<th>% Top 3 Mention</th>
<th>% Any Mention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Music programming (no mention of commercial free)</strong>(^{19})</td>
<td>17</td>
<td>34</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td><strong>Commercial free (no mention of music)</strong></td>
<td>16</td>
<td>27</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td><strong>Talk/Entertainment</strong></td>
<td>5</td>
<td>11</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>4</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>3</td>
<td>6</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>News</strong></td>
<td>2</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td><strong>Fewer/less commercials</strong></td>
<td>2</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Free music</strong></td>
<td>2</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td><strong>Sports</strong></td>
<td>1</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td><strong>Comedy</strong></td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Kids</strong></td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Weather/traffic</strong></td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Any Music Mentions (Net)</strong></td>
<td>18</td>
<td>38</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td><strong>Any Commercial Mentions (Net)</strong></td>
<td>20</td>
<td>35</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td><strong>Any Commercial Free Mentions (Net)</strong></td>
<td>18</td>
<td>31</td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>

*Programming Draw.* As with the open-ended question regarding reasons for subscribing, respondents also heavily cited music programming when asked which type of satellite radio programming was most critical to their decision to subscribe (or to consider subscribing). As

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\(^{a}\) Q1(a): Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe?/Why are you considering subscribing to satellite radio?
Q1(b): Any other reason?
\(^{18}\) Based on 428 individuals, the 95 percent confidence interval is no bigger than ±.047 [1.96 x .5/square root of n].
\(^{19}\) See supra note 17 for information about the categories included in this figure.
shown in Figures 12-13 on the following pages, over half (53 percent) of respondents said that music programming was the type of programming that was most critical to their decision to subscribe. Sports programming came in a distant second with only 10 percent naming it their first choice. Similarly, only 9 percent of subscribers cited talk and entertainment programming as their first choice. These results show that music was five times more likely to be named as most critical to the decision to subscribe or consider subscribing.

Music’s predominance continues when we consider the top 3 answers given in response to the question. 67 percent of respondents cited music as the type of programming that was most critical to their decision to subscribe; only approximately one-third as many respondents cited sports programming (22 percent) or talk and entertainment programming (21 percent). In other words, two-thirds of respondents cited music in causing them to subscribe; not even one-quarter of respondents cited any other programming type.
**Figure 12. Programming Type Most Critical To Decision To Subscribe/Consider Subscribing—Programming Draw (Q2)**

<table>
<thead>
<tr>
<th>Total (n=428)</th>
<th>% Top Mention</th>
<th>% Top 3 Mention</th>
<th>% Any Mention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Music programming (no mention of commercial free)</strong>&lt;sup&gt;21&lt;/sup&gt;</td>
<td>53</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Sports</td>
<td>10</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Talk/Entertainment</td>
<td>9</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Comedy</td>
<td>3</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>News</td>
<td>3</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Commercial free (no mention of music)</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Commercial Free music</strong></td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Weather/traffic</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Price</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Kids</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Coverage</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Fewer/less commercials</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Any Music Mentions (Net)</strong></td>
<td>55</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td><strong>Any Commercial Mentions (Net)</strong></td>
<td>4</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td><strong>Any Commercial Free Mentions (Net)</strong></td>
<td>4</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

* Q2(a): What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?/What types of satellite radio programming are most critical to your decision whether to subscribe?

Q2(b): Any other reason?

<sup>20</sup> Based on 428 individuals, the 95 percent confidence interval is no bigger than ±.047 [1.96 x .5/square root of n].

<sup>21</sup> See supra note 17 for information about what categories are included on this table.
2. Retention (Question 3)

This question gets at the slightly different issue of what type of satellite radio programming was most important in convincing respondents to keep their satellite radio subscription once they purchased it. This question was germane only to current subscribers, and it shows that music programming is similarly important in causing respondents to maintain their subscriptions as it was in causing them to subscribe in the first place. As Figures 14-15 show on the following pages, respondents gave music programming as the first answer four times more often than any other programming type (45 percent versus 11 percent). And they mentioned music programming more times in the top 3 nearly three times more often than any other type of programming (59 percent versus 20 percent).
### Figure 14. Programming Type Most Critical To Decision To Continue To Subscribe—Retention (Q3)*

<table>
<thead>
<tr>
<th>Total – Only Current Subscribers (n=307)</th>
<th>% Top Mention</th>
<th>% Top 3 Mention</th>
<th>% Any Mention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Music programming (no mention of commercial free)</strong></td>
<td>45</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td><strong>Talk/Entertainment</strong></td>
<td>11</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td><strong>Sports</strong></td>
<td>9</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td><strong>Commercial free (no mention of music)</strong></td>
<td>7</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td><strong>Comedy</strong></td>
<td>2</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>News</strong></td>
<td>2</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td><strong>Commercial Free music</strong></td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Kids</strong></td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Weather/traffic</strong></td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Fewer/less commercials</strong></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Any Music Mentions (Net)</strong></td>
<td>47</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td><strong>Any Commercial Mentions (Net)</strong></td>
<td>9</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td><strong>Any Commercial Free Mentions (Net)</strong></td>
<td>8</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>

* Q3(a): And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe?

Q3(b): Any other reason?

22 Based on 307 individuals, the 95 percent confidence interval is no bigger than ±.056 [1.96 x .5/square root of n].

23 See supra note 17 for information about what categories are included on this table.
3.  *Most Missed Aspect (Question 11)*

In this question, current subscribers were asked to name the feature of satellite radio they would miss the most if the service were not available. Again, features relating to music appeared at the top of the list by a sizeable margin, with 37 percent of respondents naming music as their first choice, and 50 percent mentioning music in their top 3 choices. As shown in Figures 16-17 on the following pages, no other aspect of satellite radio was mentioned as frequently. Instead, music was mentioned as the first choice four times as often as the next highest ranked aspect, talk and entertainment programming (37 percent versus 8 percent). It was the same with top 3 answers: music was mentioned in the top 3 by 50 percent of respondents, as compared to the 16 percent who mentioned talk and entertainment.
Figure 16. Aspects Of Satellite Radio That Would Be Missed Most If The Service Were Not Available (Q11) *

<table>
<thead>
<tr>
<th></th>
<th>Total – Only Current Subscribers (n=307)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Top Mention</td>
</tr>
<tr>
<td><strong>Music programming (no mention of commercial free)</strong></td>
<td>37</td>
</tr>
<tr>
<td><strong>Talk/Entertainment</strong></td>
<td>8</td>
</tr>
<tr>
<td><strong>Sports</strong></td>
<td>6</td>
</tr>
<tr>
<td><strong>Commercial free (no mention of music)</strong></td>
<td>6</td>
</tr>
<tr>
<td><strong>Commercial Free music</strong></td>
<td>6</td>
</tr>
<tr>
<td><strong>News</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>Fewer/less commercials</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>Comedy</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Kids</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Weather/traffic</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Any Music Mentions (Net)</strong></td>
<td>43</td>
</tr>
<tr>
<td><strong>Any Commercial Mentions (Net)</strong></td>
<td>14</td>
</tr>
<tr>
<td><strong>Any Commercial Free Mentions (Net)</strong></td>
<td>12</td>
</tr>
</tbody>
</table>

* Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?  
Q11b: Anything else?

24 Based on 307 individuals, the 95 percent confidence interval is no bigger than ±.056 [1.96 x .5/square root of n].

25 See supra note 17 for information about what categories are included on this table.
C. Importance (Question 4)

Respondents were asked to specify the *relative importance* of seven satellite radio types of programming to their decision to subscribe and retain their subscription to satellite radio.\(^{26}\)

The respondents were asked to allocate 100 points among the different types of programming to reflect their relative importance to them and their families. The answers show that music strongly dominates over other types of programming, receiving 44 points on average from respondents. No other programming type received more than 13 points on average, as Figures 18-19 below show.

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\(^{26}\) In asking the constant sum question in the context of “subscribing” or “retaining their subscription,” this particular constant sum question closely follows the phrasing of the constant sum question employed in the cable royalty distribution proceedings. *See* Report of Copyright Arbitration Royalty Panel in Docket No. 2001-8 CARP CD 98-99, at 19.
Music was also far and away the programming type that the largest percentage of respondents – 74 percent – chose as their most important. This is more than four times as many respondents as for any other programming type, including sports and talk and entertainment.

**Figure 18. Importance Of Programming Type (Q4)**

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Share (n=428) %</th>
<th>Allocated Highest Number of Points %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Music</strong></td>
<td>44 (40.93 – 46.27)</td>
<td>74 (69.42 – 77.77)</td>
</tr>
<tr>
<td><strong>Sports</strong></td>
<td>13 (11.12 – 14.44)</td>
<td>17 (13.71 – 20.87)</td>
</tr>
<tr>
<td><strong>Talk and Entertainment</strong></td>
<td>12 (10.54 – 13.63)</td>
<td>15 (12.00 – 18.84)</td>
</tr>
<tr>
<td><strong>Comedy</strong></td>
<td>10 (9.11 – 11.52)</td>
<td>14 (10.31 – 16.79)</td>
</tr>
<tr>
<td><strong>News</strong></td>
<td>10 (8.59 – 10.73)</td>
<td>14 (10.52 – 17.05)</td>
</tr>
<tr>
<td><strong>Local Weather and Traffic</strong></td>
<td>7 (6.30 – 8.24)</td>
<td>7 (4.39 – 9.16)</td>
</tr>
<tr>
<td><strong>Kids</strong></td>
<td>4 (3.34 – 5.24)</td>
<td>5 (3.24 – 7.51)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

* Q4: Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family’s decision to subscribe and retain your subscription to satellite radio.

27 Total sums to more than 100 because some respondents had two or more content types tied for their highest ranking.

28 These numbers represent the 95% confidence interval.
Figure 19. Average Importance Of Programming Type (Q4)

- Music: 44%
- Sports: 13%
- Talk and Entertainment: 12%
- Comedy: 10%
- News: 10%
- Local Weather and Traffic: 7%
- Kids: 4%

Figure 20. Percent Of Respondents Selecting Each Programming Type As Most Important (Q4)

- Music: 74%
- Sports: 17%
- Talk and Entertainment: 15%
- Comedy: 14%
- News: 14%
- Local Weather and Traffic: 7%
- Kids: 5%
D. Usage (Question 8)

Current subscribers were asked to state, out of the time they spent listening to satellite radio, the percentage of time they spent listening to each of seven types of satellite radio programming in a typical week.

Respondents, on average, spend nearly half (49%) of their satellite radio time listening to music. That percentage is quadruple any other programming type, as shown in Figures 21-22. Similarly, 77 percent of respondents recalled listening to music the most, a figure more than four times in excess of any other type of programming.

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Share (%)</th>
<th>Allocated Highest Number of Points (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Music</td>
<td>49 (45.27 – 51.75)</td>
<td>77 (72.51 – 81.89)</td>
</tr>
<tr>
<td>Talk and Entertainment</td>
<td>12 (10.08 – 13.83)</td>
<td>15 (11.28 – 19.34)</td>
</tr>
<tr>
<td>Comedy</td>
<td>10 (8.47 – 11.69)</td>
<td>12 (8.13 – 15.33)</td>
</tr>
<tr>
<td>News</td>
<td>8 (6.79 – 9.30)</td>
<td>9 (5.63 – 11.96)</td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td>6 (4.88 – 6.75)</td>
<td>5 (2.47 – 7.30)</td>
</tr>
<tr>
<td>Kids</td>
<td>4 (3.13 – 5.38)</td>
<td>6 (3.24 – 8.49)</td>
</tr>
</tbody>
</table>

Figure 21. Usage Of Programming Type (Q8)*

Total sums to more than 100 because some respondents had two or more programming types tied for their highest ranking.

These numbers represent the 95% confidence interval.
Figure 22. Average Weekly Usage Of Programming Type (Q8)

Figure 23. Percent Of Respondents Indicating Highest Usage Of Each Programming Type (Q8)
E. Value (Questions 4-7, 10)

Conjoint analysis, which is described above in Part III.D.2 and in Appendix H, is another method used in the survey to determine the value respondents place on satellite radio’s music offerings. The conjoint results, as outlined in Figures 24-26, strongly confirm music’s high value to consumers.

The conjoint analysis compared music’s value to all other important features of the satellite radio service – both other programming types as well as non-programming features, such as coverage, number of commercials, and price. Despite being compared to both programming and non-programming features, music still was the top-ranked attribute by a large margin, as shown on the figure on the following page. The analysis revealed that a full 30 percent of the value of satellite radio comes from music. The next highest attribute was price, which encompassed only 15 percent of the value. Similarly, the analysis reveals that music was the most important attribute of the service for approximately half of all respondents (47 percent). No other attribute was cited first by more than 14 percent of respondents.
Figure 24. Relative Importance Of The Programming and Non-Programming Attributes Of Satellite Radio Based On Conjoint Analysis– Value (Q4-7,10)*

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Average Importance(^{31})</th>
<th>Top Mention(^{32})</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>A. Music</td>
<td>30 (28.48 – 32.36)(^{33})</td>
<td>47 (44.14 – 49.06)</td>
</tr>
<tr>
<td>B. News</td>
<td>10 (9.37 – 11.55)</td>
<td>7 (5.33 – 7.77)</td>
</tr>
<tr>
<td>C. Sports</td>
<td>13 (12.00 – 14.83)</td>
<td>11 (9.39 – 12.46)</td>
</tr>
<tr>
<td>D. Talk and Entertainment</td>
<td>12 (10.47 – 13.20)</td>
<td>11 (9.16 – 12.20)</td>
</tr>
<tr>
<td>Other Satellite Radio Features and Price</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Number of Minutes Per Hour of Commercials on Music Channels</td>
<td>13 (11.74 – 14.27)</td>
<td>8 (6.90 – 9.61)</td>
</tr>
<tr>
<td>F. Geographic Coverage</td>
<td>6 (5.37 – 7.26)</td>
<td>3 (2.08 – 3.74)</td>
</tr>
</tbody>
</table>

\(^{*}\) See Appendix C for the text of these questions.

\(^{31}\) Total does not sum to 100 because of rounding.

\(^{32}\) Total sums to more than 100 because some respondents had two or more content types tied for their highest ranking.

\(^{33}\) These numbers represent the 95% confidence interval.
Figure 25. Importance Of Satellite Radio Attributes Based On Conjoint Analysis (Q4-7,10)

Figure 26. Percent Of Respondents Who Selected Each Attribute As Most Important Based On Conjoint Analysis (Q4-7,10)
F. Choice (Question 10)

In completing the conjoint section of the survey, respondents were asked to rate two different hypothetical satellite radio services. The first profile described the satellite radio service currently offered by XM and Sirius (e.g., similar music, talk, sports, and news programming, nationwide coverage, no commercials on music channels, and a price of $12.95/month). The second profile was the same as the first but had no music programming.

Respondents were asked to rate each service on a scale from “0” to “10,” with “0” indicating “definitely would not buy” and “10” indicating “definitely would buy.” As shown below in Figure 27, the current offering received an average score of 7.13 on this scale; the current offering without music scored substantially lower, 2.47, or barely more than one third of the current offering’s score. Measured another way, only 5 percent of respondents rated the current offering a “0,” but 57 percent of respondents gave a “0” to the current offering without music, indicating that a majority of respondents would not buy a satellite radio service that lacked music.
V. ADDITIONAL RESULTS

A. Music versus Commercial-Free

The conjoint analysis reveals another important result: music is a significantly more important attribute of satellite radio than is the number of minutes of commercials on music channels. As noted above, music received the highest score in the conjoint analysis – 30 percent of the value of the service. The number of commercial minutes on music channels (including no commercials) only accounted for 13 percent of the value. In other words, consumers valued music programming 2.31 times more than they valued the extent to which there were more commercials on the service.
The open-ended results corroborate this finding. As Figure 9 shows, 68 percent of respondents named music (without mentioning commercial free) as a top answer to at least one of the open-ended questions. Only 23 percent of respondents cited commercial free programming (without mentioning music) as their top choice. (And a few respondents – 7 percent – stated that the hybrid “commercial free music” was their top choice). Thus, consumers cited music as their top choice to an open-ended question 2.96 times as often as they cited commercial free. The figure below shows these multiples for both the conjoint and open-ended questions, demonstrating that it is music, and not the lack of commercials, that consumers value primarily.

Figure 28. “Commercial Free” versus Music (Q 4-7, 10; 1-3, 11)
B. Music versus Recorded Content

This proceeding will determine the compulsory license rate for sound recording performances on satellite radio. Up to this point, we have looked only at sound recordings performed on satellite radio music channels. It is my understanding, however, that the vast bulk of content on comedy and kids satellite radio channels also uses sound recordings for which the copyrights are owned by the SoundExchange members. To the extent this is true, the results above understate the value of the sound recordings copyrights at issue in this proceeding. For example, with respect to the constant sum question regarding the importance of the programming types, Recorded Content would amass 58 points, Music (44) + Comedy (10) + Kids (4). See Figure 29. And with respect to the constant sum question regarding typical usage, Recorded Content constitutes 63 percent of usage, Music (49) + Comedy (10) + Kids (4).34 See Figure 30.

34 To the extent that the comedy and kids channels contain live programming, or other non-recorded content, these figures would represent an upper bound on the value placed on content subject to this proceeding.
Figure 29. Relative Importance of Recorded Content

- Music: 58%
- Other: 13%
- Talk and Entertainment: 12%
- News: 10%
- Local Weather and Traffic: 7%
C. Music versus Talk and Entertainment

This survey has demonstrated that music is the satellite radio programming type that users value the most. The dominance of music gives interesting insight into the well-publicized deals satellite radio has struck with other content providers, such as Howard Stern and Oprah Winfrey. These deals, which were negotiated on the open market, presumably are keyed to the value that consumers place on talk and entertainment satellite radio programming. In setting a rate for sound recording licenses, it is useful to know that consumers value music programming far more than talk and entertainment programming. The figure below compares the value assigned to music versus talk and entertainment programming for several key measures in the survey. In each and every case (as well as the other survey measures not reported here), music scored higher, and often three, four, or more times as much as talk and entertainment. On
average, music scored 3.7 times higher than talk and entertainment. This suggests that the
market rate for music would be considerably higher than the market rate for talk and
entertainment programming.

**Figure 31. Music versus Talk and Entertainment**

<table>
<thead>
<tr>
<th></th>
<th>Total (N=428)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Music</td>
</tr>
<tr>
<td>1. Cancel [Q9: Figure 7]</td>
<td>43%</td>
</tr>
<tr>
<td>2. Willingness to pay [Q9: Figure 8]</td>
<td>$6.15</td>
</tr>
<tr>
<td>3. General Draw [Q1: Figure 11]</td>
<td>17%</td>
</tr>
<tr>
<td>4. Programming Draw [Q2: Figure 12]</td>
<td>53%</td>
</tr>
<tr>
<td>5. Retention [Q3: Figure 15]</td>
<td>45%*</td>
</tr>
<tr>
<td>6. Most missed aspect [Q11: Figure 16]</td>
<td>37%*</td>
</tr>
<tr>
<td>7. Net cumulative open-ended questions [Q1-3, 11: Figure 9]</td>
<td>68%</td>
</tr>
<tr>
<td>8. Importance [Q4: Figure 19]</td>
<td>44%</td>
</tr>
<tr>
<td>9. Usage [Q8: Figure 21]</td>
<td>49%*</td>
</tr>
<tr>
<td>10. Value [Q4-7, 10: Figure 24]⁶⁶</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Average**

| 3.7 |

*Asked only of Current Subscribers (n=307)

---

³⁵ In this measure, a *lower* price indicates a higher importance (*i.e.*, it shows that a respondent
would be willing to pay less if a particular programming type were absent.). The multiple here
therefore represents the degree to which the next *lowest* priced programming type exceeded the
price respondents were willing to pay for the service without music.

⁶⁶ The choice measure (Figure 27) is not included on this chart because it did not measure
music’s value versus that of talk and entertainment in isolation.
V. CONCLUSIONS

Based on the survey results, my conclusion is that music is overwhelmingly the programming attribute of satellite radio that consumers value the most in making their decision to subscribe or retain their subscription to satellite radio. Every one of the thirteen measures of value in the survey supports this conclusion.\(^{37}\) No other programming attribute of satellite radio – including talk and entertainment programming – nor the commercial-free programming, coverage, or price was valued nearly as much by consumers. To the contrary, respondents on average valued music 3.7 times as much as talk and entertainment programming.

\(^{37}\) Namely: Cancellation (Figure 7), Willingness to Pay (Figure 8), Open-Ended Net (Figure 10), Draw (Aspect) (Figure 11), Draw (Programming Type) (Figure 13), Retention (Figure 15), Most Missed Aspect (Figure 17), Average Importance (Figure 19), Greatest Importance (Figure 20), Average Usage (Figure 22), Greatest Usage (Figure 23), Value (Figure 25), Highest Value (26) and Choice (Figure 27).
I declare under penalty of perjury that the foregoing testimony is true and correct to the best of my knowledge and belief.

Date: 10/24/06

Yoram Wind
Yoram (Jerry) Wind

Academic Positions: Jerry Wind is The Lauder Professor and Professor of Marketing at the Wharton School of the University of Pennsylvania. He is the founding director of The Wharton “think tank,” The SEI Center for Advanced Studies in Management. The Center’s mission is to assure through research and development the quality of management research and education and its relevance to the needs of management practice and society in the 21st century. Dr. Wind joined the Wharton staff in January 1967, upon receipt of his doctorate from Stanford University.

Program Development: Dr. Wind is the founder and academic director of The Wharton Fellows program. From 1983 to 1988, he was the founding director of The Joseph H. Lauder Institute of Management and International Studies, and from 1980 to 1983 the founding director of The Wharton Center for International Management Studies. Dr. Wind chaired the Wharton committees that designed The Wharton Executive MBA Program (1974), the new MBA curriculum (1991), and the School’s globalization strategy (1995-1997), the MBA’s, cross-functional integration efforts (2002-04). He also started The Wharton International Forum (1987) and served as the chairman of its faculty council until 1998. He was instrumental in establishing the Alfred West, Jr. Learning Lab and served as a member of its first advisory board (2001-05).

Publications: Dr. Wind is one of the most cited authors in marketing. He is a regular contributor to the professional marketing literature, which has included 21 books and over 250 papers, articles, and monographs encompassing the areas of marketing strategy, marketing research, new product and market development, consumer and industrial buying behavior, and international marketing. His recent books, The Power of Impossible Thinking: How Changing Your Mental Models Will Transform the Business of Your Life and the Life of Your Business, with Colin Crook (Wharton School Publishing, 2004), Convergence Marketing: Strategies for Reaching the New Hybrid Consumer with Vijay Mahajan (Financial Times/Prentice Hall 2002), Leveraging Japan: Marketing to the New Asia (Jossey-Bass 1999) and Driving Change (Free Press, 1998), received wide acclaim. Both The Power of Impossible Thinking and Convergence Marketing were selected by Executive Book Summaries as one of the thirty best business books of 2002 and 2004. His most recent edited books—New Product Diffusion Models (Kluwer 2000), Digital Marketing (Wiley 2001), and Marketing Research and Modeling: Progress and Prospects (Kluwer 2004)—include the works of the leading experts on these topics. Dr. Wind’s books have been translated widely.


Business Experience: Dr. Wind has served as an advisor to many Fortune 500 firms and a number of non-U.S. multinationals in the financial services, pharmaceuticals, information, and consumer packaged goods industries. His consulting focuses on both overall global corporate and business strategy and transformation as well as marketing strategy and especially the development of new businesses. In addition, he has served as an expert witness in various legal cases. Dr. Wind is a member of the board of IDT, and an advisor of a number of start-ups including Mutual Arts and NetXentry (web for phone). He is a former director of Enhance Financial Services Corporation, Contel Corporation, CASA and a number of entrepreneurial ventures.

Professional Activities: Dr. Wind is an active member of the major marketing and management science professional associations. He is the former Chancellor of the International Academy of Management (IAM). He is a former academic trustee of the Marketing Science Institute and a member of a number of its steering committees. He is also a former chairman of the College of Marketing of the Institute of Management Science and a previous member of the Board of Directors of the Philadelphia AMA Chapter. He is one of the founders of the new Israeli university – The Interdisciplinary Center Herzliya (IDC) – chairman of its academic council, and member of its academic appointment and promotion committee. He is also a member of the board of the American Friends of IDC. He is a member of the board of a number of Wharton’s research centers, including the Lauder Institute and the Ackoff Center. Dr. Wind is also a trustee of The Philadelphia Museum of Art and chair of its audience building committee, and a member of the Advisory Board of Business for Diplomatic Action. He is a frequent lecturer in faculty seminars and executive programs in over 50 universities worldwide.

Awards: Dr. Wind is the recipient of various awards, including the three major marketing awards – The Charles Coolidge Parlin Award (1985), the AMA/Institute of Management Science Distinguished Educator Award (1993) and the Paul D. Converse Award (1996). He is the recipient of the first Faculty Impact Award given by Wharton Alumni (1993). In 1984, he was elected as member of the Attitude Research Hall of Fame and has won a number of research awards, including two Alpha Kappa Psi Foundation awards and a recent inclusion in JAR Classics issue of one of 18 articles that have withstood the test of time. In 2001 he was selected as one of the 10 Grand Auteurs in Marketing. Most recently he was named as the 2003 recipient of the Elsevier Science Distinguished Scholar award of the Society for Marketing Advances and an Honorary Fellow of the Decade by the Interdisciplinary Center Herzliya (Israel), May 2004.

8 August 2006
ACADEMIC EXPERIENCE

EDUCATION

Stanford University, Graduate School of Business. Ph.D. (Marketing), September 1964-December 1966.


UNIVERSITY POSITIONS

A. University of Pennsylvania, The Wharton School

Faculty Positions:
- The Lauder Professor, 1983-
- Professor of Marketing, 1973-
- Associate Professor of Marketing, 1970-1973
- Assistant Professor of Marketing and International Business, 1967-1970

Selected Administrative Positions:
- Founding Editor, Wharton School Publishing (WSP), 2003-
- Founding Academic Director, The Wharton Fellows platform and program, 2000-
- Founding Director, The SEI Center for Advanced Studies in Management, 1988-
- Founding Director, the 1st Title VI National Resource Center in International Management Studies, 1985-1988
- Founding Director, The Wharton Center for International Management Studies, 1980-1983

Secondary Faculty Appointments:
- Member of the Graduate Group in International Studies (School of Arts & Sciences), 1984-1998
- Member of the OR Group, 1979-1984 and the OR affiliated faculty, 1984-1989
- Senior Fellow of the Leonard Davis Institute, 1977-1980
- Secondary Appointment as Professor of Management, 1981-1984
- Member of the Extended Faculty of the Social Systems Sciences Dept. 1981-1986

B. Other Universities

The Interdisciplinary Center (IDC) Herzliya Israel, Co-Founder (for specific activities since 1994, see p. 39)

University of Tokyo (Japan) Co-Director of the Marunouchi Global Center (MCG) program, 2002; The first Hakuhodo Visiting Professorship, Spring 1992 and 1993

Erasmus University (The Netherlands) The first visiting Unilever-Erasmus Professorship, Spring 1993

University of New South Wales (Australia) The first visiting Hoover Foundation Professor, 1977

University of California at Berkeley, School of Business Administration Visiting Professor, Fall 1975

University of Tel Aviv, The Leon Recanati Graduate School of Business Administration, Visiting Senior Lecturer, September 1968-August 1969

Stanford University, Graduate School of Business, Research Assistant, June 1965-October 1966

* Senior or sole author
The Hebrew University Jerusalem, Teaching Assistant in the Departments of Political Science and Business Administration, September 1961-June 1963

PUBLICATIONS

I. BOOKS


3.* Convergence Marketing: Strategies for Reaching the New Hybrid Consumer, with Vijay Mahajan [and Robert Gunther] (Prentice Hall/Financial Times), 2001. Selected by Executive Book Summaries as one of the thirty best business books of 2002. Translated editions: Chinese (simplified), Tsingua University Press; Chinese (traditional), Prentice Hall Taiwan; Bahasa (Indonesia); Spanish; Portuguese; Italian [Il Consumatore Centauro: Orvaro il Marketing Della Convergenza, ETAS LAB. IT. 2002; Korean; and Japanese.


8.* Marketing and Product Planning (in Spanish) (Mexico: Expansion). This book is based in part on sections from Product Policy which was selected by the editors of Expansion as the "Book of the Year" 1979.


* Senior or sole author


II. **EDITED BOOKS**


III. **ARTICLES, CONTRIBUTED CHAPTERS, PAPERS IN PROCEEDINGS, AND WORKING PAPERS**

The papers are grouped by the following topics:

A. Portfolio analysis and strategy
B. Marketing and business strategy
C. Marketing and product strategy
D. Research on industrial buying behavior
E. Research on consumer behavior
F. Marketing research and modeling
G. International marketing
H. International management education and the Lauder Institute
I. Management practice and education in the 21st Century
J. Convergence Marketing
K. Mental Models – Power of Impossible Thinking
L. Entries in Dictionaries and Encyclopedias

A number of papers can fit in more than one category. The division is, therefore, somewhat arbitrary and based primarily on the target audience of the paper.

A. **Portfolio Analysis and Strategy**


* Senior or sole author


B. Marketing and Business Strategy


* = Senior author
| = Article published in refereed journal


C. **Marketing and Product Strategy**


31.* "Innovation as a Determinant of Firms' Financial Performance: The View of the Financial Analyst," with Ed Nifssen and Bernend Wierenga (manuscript under review).


D. Research on Industrial Buying Behavior


* = Senior author
| = Article published in refereed journal


* = Senior author
| = Article published in refereed journal


E. Research on Consumer Behavior


* = Senior author  
| = Article published in refereed journal


* = Senior author
| = Article published in refereed journal


* = Senior author
|= Article published in refereed journal
F. Marketing Research and Modeling


* = Senior author  
| = Article published in refereed journal


G. International Marketing


* = Senior author
| = Article published in refereed journal


H. International Management Education and The Lauder Institute


* = Senior author
| = Article published in refereed journal

I. Management Practice and Education in the 21st Century


8.* "Downsizing and Layoffs: Miracle Cure or Prescription for Disaster," February 8, 1994.


J. Convergence Marketing


K. Mental Models – Power of Impossible Thinking


8.* “Rethinking the Board,” Lead article, *Directors & Boards*, Fall 2005.


L. Entries in Dictionaries and Encyclopedias


IV. EDITOR OF SPECIAL ISSUES

- *Journal of Marketing Research*

V. EDITORIALS

*Journal of Consumer Research*  June 1977:  “New Directions for JCR”

*Marketing News*  July 1978:  “New Directions for JM”

  Spring 1979:  “Repositioning the Journal”
  Summer 1979:  “Bridging the Gap Between Practitioners and Academicians”
  Fall 1979:  “On the Status of Marketing Theory”
  Winter 1980:  “Marketing in the 80’s”
  Spring 1980:  “Strategic Planning and Marketing: Time for a Constructive Partnership,” with George Day
  Fall 1980:  “Industrial Marketing: The Sleeping Giant,” with Frederick Webster
  Winter 1981:  “Journals and the Development of a Discipline”
  Spring 1981:  “Research and Management”
  Summer 1981:  “A Positive Perspective on Marketing”
  Fall 1981:  “Reflections”

*The Lauder Quarterly*  All editorials from initiation in 1986 to July 1988.

* = Senior author
| = Article published in refereed journal
VI. ILLUSTRATIVE RECENT OP ED AND COMMENTARIES

- “Reverse mentoring can solidify collaboration among functional groups, but it cannot be the only tool that enforces such teamwork or the sole catalyst for change.” Commentator on HBR “Too Old to Learn?” Case Study. *Harvard Business Review*. November-December 2000.

VII. EDITED PUBLICATIONS OF THE SEI CENTER – ILLUSTRATIVE LIST

- Creating and Implementing a Corporate Vision, January 1990.
- Creating and Implementing Quality in Organizations, March 1990.
- Management in the 21st Century: Predictions From Top Think Tanks, September 1990.
- The Individually Empowered Organization, November 1990.
- The Horizontal Organization, October 1993.
- Deploying Strategic Assets: Beyond Core Capabilities, November 1993.
- The Virtual University, January 1995.
• Information Technology and the Changing Boundaries of the Firm, January 1995.
• EMU – The Road to Europe, February 1995.
• The Bamboo Network, November 1995.
• Corporate Growth Engines, December 1995.
• A Trapezoidal Corporation, February 1996.
• European Venture Capital Industry, November 1996.
• New Media, February 1997.
• From Detection to Action: Processes and Insights Gained from an Early Warning Signal System, March 1997.
• Consumer Choice Behavior in On-line and Regular Stores: The Effects of Brand Name, Price, and Other Search Attributes, January 1998.
• GM for the 21st Century: From “Make and Sell” to “Sense and Respond,” March 1999 (by Vince Barabba).
• The Limits of Privacy, March 1999 (by Amitai Etzioni).
• Japan at the Great Divide, April 1999 (by Yasuhisa Shiozaki).

VIII. EDITOR: WHARTON SCHOOL PUBLISHING BOOKS

2006
2. Stuart Lucas, Wealth
3. Peter Killing, Thomas Malnight, and Tracey Keys, Must-Win Battles
4. Neil Bender, Paul Farris, Philip Pfeifer, and Dave Reibstein, 50+ Marketing Metrics Every Business Executive Should Know
5. Russell Ackoff, Herbert Addison, and Jason Magidson, Idealized Design
6. Lars Kolind, The Second Cycle
7. George Chacko, Credit Derivatives: Introduction to Credit Risk and Credit Instruments

2005
1. Randall Billssey, Understanding Arbitrage: An Intuitive Approach to Financial Analysis
2. Tony Davila, Marc Epstein, and Robert Shelton, Making Innovation Work: How to Manage It, Measure It, and Profit from It
3. Sunil Gupta and Donald Lehmann, Managing Customers as Investments: The Strategic Value of Customers in the Long Run
5. Lawrence Hrebiniak, Making Strategy Work: Leading Effective Execution and Change
6. Jon Huntsman, Winners Never Cheat: Everyday Values We Learned as Children (But May Have Forgotten)
7. Eamonn Kelly, Powerful Times: Rising to the Challenge of Our Uncertain World
10. Alred Marcus, *Big Winners and Big Losers: The 4 Secrets of Long-Term Business Success and Failure*
11. Kenichi Ohmae, *The Next Global Stage: Challenges and Opportunities in Our Borderless World*
12. Michael Roberto, *Why Great Leaders Don’t Take Yes for an Answer: Managing for Conflict and Consensus*
13. Arthur Rubinfeld and Collins Heminway, *Built for Growth: Expanding Your Business Around the Corner or Across the Globe*
15. Thomas Stallkamp, *SCORE!: A Better Way to Do Business: Moving from Conflict to Collaboration*

**2004**

2. Sayan Chatterjee, *FailSafe Strategies: Profit and Grow from Risks that Others Avoid*
3. Robert Mittelstaedt, *Will your Next Mistake Be Fatal? Avoiding the Chain of Mistakes that Can Destroy your Organization*
5. C.K. Prahalad, *The Fortune at the Bottom of the Pyramid*
6. Scott Shane, *Finding Fertile Ground*
8. Jerry Wind and Colin Crook, *The Power of Impossible Thinking*

IX. **ILLUSTRATIVE PUBLISHED ABSTRACTS OF PAPERS DELIVERED IN PROFESSIONAL MEETINGS**


X. CASE STUDIES

• During the academic year 1962-1963, I wrote a number of marketing cases at the Hebrew University, Jerusalem (Israel). One of these cases, The Ozi Ballpoint Pen III, was published in Harper W. Boyd, Jr. et al., (eds.), *Marketing Management: Cases from the Emerging Countries* (Reading, MA: Addison-Wesley Publishing Company), 1966.
• During the academic year 1968-1969, several marketing cases were written under my supervision at the Leon Recanati Graduate School of Business Administration, Tel Aviv University.

CONSULTING EXPERIENCE

A. Marketing, Business Strategy, and Marketing Research Consulting

1. Information and Telecommunication Industry

• AT&T & the Bell companies: Occasional consultant to various units, including:
  • AT&T Technologies Inc. – Design a market segmentation program (1986)
  • Bell Atlantic – Marketing & pricing strategy (1983)
  • Bell Canada – Design of a segmentation study and product portfolio (1979-1980)
• Geometric Data: Segmentation/positioning studies (1981-1982)
• IBM:
  • ABS Division: Developing a procedure for Integrating Marketing and R&D 1988-1989
  • ES Division, Marketing Strategy and Segmentation (1991-1993)
• Next Level Communication: Business strategy consulting (2000)
• Newsweek, Inc.: Marketing consulting (1979-1980)
• RCA, Government Communications Systems: Design of a research program to assess the market response to new Electronic Mail System (1978-1979)
• Samsung, Management of Technological Innovation (2006)
• Telenet, Strategies for “Getting More with Less” (2006)
• Xerox: Marketing consulting to a design integration program (coordinated by Jay Doblin Associates) and design of a market segmentation project (1982-1983)

2. Financial Services

• Chase Manhattan Bank: Process for evaluation of mergers and acquisitions and design of segmentation studies (1978-1979)
• CitiBank: Statistical consulting (1980); marketing strategy consulting (1996-1997)
• Colonial Penn Group: Design and evaluation of most of the firm’s research activities and general consulting to marketing and top management (1973-1980)
• E. F. Hutton: Design and implementation of a marketing planning system and various marketing research projects (1979-1984)
• SEI Investments: Marketing, Business and Corporate Strategy consulting (since 1986)

3. Health Care

• Merck, Sharp, and Dome: General marketing research consulting (1981)
• SmithKline Clinical Laboratories: Marketing planning (1984)
• Upjohn: Strategic planning consulting (1981)
• West Jersey Health System: Marketing and Business Strategy (1985)

4. Transportation

• Air Canada: Market segmentation, positioning and new product development (1973)
• Chrysler: Modeling the advertising budget (1978), advising regarding the analysis of customer satisfaction process (1995-1997)
• Conrail: Design of a positioning/segmentation study (1978-1979)

5. Consumer Goods

• Coors Brewing Company, Pricing and positioning (2001)
• DAYMON: Marketing Strategy (since 2003)
• Eastman Kodak: New product research approaches (1978)
• R.J. Reynolds Tobacco Co.: Evaluation and design of a new product development system (1979-1980)
• S.B. Thomas: Marketing and research consultant (1979-1980)
• Simplicity Patterns, Inc.: Develop a business plan (1982)

6. Industrial Products and Services

• International Harvester: Designing a market segmentation process (1980)
• Stauffer Chemicals: General marketing consulting (1980)
• Exxon Chemicals: Marketing and Business Strategy (1985-1986)
• John Fluke Manufacturing Co., Inc.: Marketing and corporate strategy (1985-1988)
• ITT Water Technology Group (2004-)

7. Retailing

• Sears Roebuck & Company: Advertising and marketing strategy (1972-1973)

8. Professional Service Firms

• Applied Communication Research (1974-1976)
• BBD&O (on an occasional basis, 1974-1985)
• Cunningham and Walsh, Inc. (1978)
• DMB&B (1993)
• Doyle Dane Bernbach: Evaluation of a campaign claim (1980)
• Gahagan Research Associates, Inc. (selected projects, 1972-1978)
• IMS America (1997-)
• Market Research Corporation of America (MRCA) (1975-1987)
• McConnel Advertising (Montreal), (1974)
• Medicus (1989-1997)
• MS&L: Marketing consulting (1995-1997; 2001-)
• National Analysts (1975-1976)
• Oxtoby-Smith (selected projects, 1972-1978)
• Price-Waterhouse Coopers LLP (marketing and corporate strategy consulting, 1996-2001).
• Professional Marketing Research, Inc. (1977-1978)
• Robinson Associates (1969-1975)
• Standard & Poors (1997-2000)
• Whittlesey and Partners (1972-1973)
• Y & R (1989)

9. Trading Companies, Real Estate Development
• Dewey Companies: 2003 Marketing and Business Strategy consulting

B. Directorship
• IDT (2005-)
• Ecquaria (2001-04)
• Enhance Financial Services (1997 until acquisition by Radian Group, Inc. in 2001)
• Credit 2B (2001)
• CASA – Center for Adaptive Systems Applications Inc. (1999 Until acquisition by HNC in 2000)
• Access Technologies Group, co-founder and chairman (1992-1996)
• Contel Corporation, member of the Board of Directors (1988 Until acquisition by GTE in 1991)
• Dover Regional Bank Shares, member of Board of Trustees (1986-1990)
• Shooting Stars, Inc., member of the Board of Directors (1986-1990)
• Reality Technologies, Inc. (1988-until acquisition by SEI Investments in 1990)
• The Cortlandt Group, Inc., Co-founder and Chairman of the Board of Directors, (1979-1986)

C. Illustrative Advisory Boards
• NetXentry (2000-)
• Mutual Arts (2003-)
• Ad4ever (2000-2003)

D. Expert Witness: Marketing and Marketing Research Consulting in Legal Cases
• Arent, Fox, Kitner, Plotkin & Kahn: Marketing research consulting re: Estee Lauder, 1987
• Arnold, White and Dunkee: The Clorox Co. vs. Dow Brands Inc. re: Smart Scrub v. Soft Scrub, 1995
• Arnold & Porter:
  (a) Schering v. Pfizer, Perceived sedation of Zyrtec, 2000
  (b) Pfizer: Physicians' beliefs concerning prescription antihistamine products in terms of their sedating/non-sedating characteristics 2002
• Baker & McKenzie:
  (a) G.D. Searle & Co. and subsidiaries litigation in the U.S. Tax Court, 1982
  (b) American Republic Insurance Co. vs. Americare Inc. and American Dental Centers P.C., 1988
• Berle, Kass and Case: Evaluation of public attitude re: Burlington County Bridge Commission, 1992
• The Calorie Control Council vs. FTC re: the Saccharin case, 1979
• Covington and Burling:
  (a) The Proprietary Association vs. FTC re: over-the-counter (antacids) drugs, 1979
  (b) FTC Staff Report on cigarette advertising investigation 1981-1983 including appearance before congressional committee in hearing on H. R. 1824: “The Comprehensive Smoking Prevention Education Act”
  (c) International Telecharge Inc. vs. AT&T, 1992-1994
  (d) Dream Team Collectibles vs. NBA Properties (re: Dream Team), 1996

• Cravath Swain and Moore:
  (a) Amertech Corporation, et. Al. v. Lucent Technologies Corporation [Arbitration], 1997
  (b) Louis Vuitton v. Dooney & Bourke, Inc., 2004

• Crude Oil Resellers vs. U.S. Department of Energy Economic Regulatory Administration re: the proposed crude oil reseller price regulations, 1979, including presentation at public hearing

• Darby and Darby. Proctor & Gamble vs. Colgate, Palmolive, and Y&R re: China advertising, 1997

• Dechert Price & Rhoads:
  (a) The Mutual Assurance Co. vs. American Council of Life Insurance and Health Insurance Association of America (re: The Green Tree), 1983-1984
  (b) INC vs. Manhattan, Inc., 1985
  (c) Tunis Brothers Co. vs. Ford Motor Credit Co., 1988
  (d) Allerest vs. Alleract, 1988-1990
  (e) Campbell Soup Co. vs. Conagra, Inc. (Various deceptive advertising cases) 1991-1996

• Department of Justice, Antitrust Division: Consulting in a number of cases since 1996, including Microsoft Network, ski resorts, Echostar’s proposed acquisition of DirecTV, and dental supplies

• Dilworth, Paxson, Kalish, Levy and Kauffman: Prince Castle vs. Le-Jo Enterprises, 1977-1978

• Forrest, Hainline III, American Pasta Co. vs. New World Pasta Co. (re: “America’s favorite pasta”), 2002

• Fulbright & Jahorski: Deere and Co. vs. MTD Holdings, 2003

• Gibson, Dunn, & Crutcher:
  (a) Pfizer, Inc. vs. International Rectifier Corp., 1982-1983
  (b) Thompson vs. General Nutrition Corp., 1985
  (c) New Vector vs. Metro Mobile, 1986;1992
  (e) Quintons/Mahirurkar vs. Shiley
  (f) McCaffrey vs. Pfizer re: Plax, 1990
  (g) The Travel Difference vs. The Time Mirror Co. (LA Times), 1992
  (h) Toyota re: class action defense vs. Staples Stillwell on the “destination charge” on Monronery Stickers, 1995-1996; 1999-
  (j) LA Cellular AT&T Wireless class action defense, 2002, 2004-
  (k) Hewlett Packard defense vs. Staple Stillwell in class action suit re economy cartridge, 2003

• Gold, Farrel & Marks: Miramax Film Corp. vs. Columbia Pictures Entertainment, re: I Know What You Did Last Summer (1997)


• Hapgood, Calimafole, Kalil, Blaustein & Judlowe: Merrill Lynch vs. Paine Webber (re. RMA), 1985


• Herling, Lindeman, Goldstein and Siegal: Roli Boli vs. Pizza Hut, 1997

• Hill, Betts, and Nash: Fender Musical Instruments Inc. vs. E.S.P. Co., 1985

• Howrey, Simon, Arnold & White:
  (a) Sands, Taylor and Wood vs. The Quaker Oats Co. re: Thirst-Aid, 1987
  (b) Syntex, Inc. vs. Schering-Plough Healthcare Products, Inc. re: Femcare, 1992
  (c) Anheuser Busch (re Bud Dry commercials), 1993
  (d) Anheuser Busch vs. Labbatt (re: Ice Beer), 1994-1995
  (e) Anheuser Busch vs. Samuel Adams, 1995
  (f) Anheuser Busch vs. United Guinness Distillers (regarded Red Label from Budweiser), 2002
  (g) Nissan North America vs. BMW (re: “Z”), 2002
• IT&T Continental Baking vs. FTC re. Fresh Horizons advertising, 1977-1978
• Jenner & Block:
  (a) General Dynamics vs. AT&T: re: Antitrust litigation, 1987-1990
  (b) AT&T vs. MCI: re: Telemarketing Practices 1990
• Kaye, Scholer, Fierman, Hays & Handler:
  b. Zone Perfect Nutrition Co. vs. Hershey Foods Co., 2004
• Kenyon & Kenyon:
  (a) Mead Data Control, Inc. vs. Toyota Motor Sales, U.S. re: Lexis vs. Lexus, 1988
  (b) Hiram Walker and Sons vs. White Rock Distilleries re: Kapala-Kahlua
  (c) America Online vs. AT&T Corp. re: AT&T’s “You Have Mail”, 1999
  (d) Twentieth Century Fox Film vs. Marvel Enterprises, Inc. (re: Mutant X), 2002
• Kirkland and Ellis
  (a) Kraft Foods Inc. and Capri Sun vs. Minute Maid, 1997
  (b) Time Inc. vs. Peterson Publishing Co. re: Teen vs. Teen People, 1997-1998
  (b) Brach and Brock vs. James River re: Royals candies, 1998-1999
  (c) Hermes vs. Lederer, re: the Kelly Handbag, 1998-2001
• Lee, Toomey, and Kent Pfizer Pharmaceuticals vs. the IRS, 1978-1979
• Liddy, Sullivan, Galway, and Begler:
  (a) Coopervision, Inc. vs. CTL, Inc. (re: Permatint), 1985
  (b) Johnson & Johnson, Inc. vs. Oral-B Laboratories (re: Minute-Gel), 1987
  (c) Soft Sheen’s Care Free Curl vs. Revlon’s I of Nature (Trademark), 1986-1987.
  (d) Oral-B Laboratories, Inc. vs. Johnson & Johnson, Inc. (re: Reach Advertising), 1986-
• Lowenstein, Sandler: Princeton Economics Group vs. AT&T (re: class action defense of spirit), 1994-1995
• Morgan, Lewis and Bockius: Scott paper defense in the Turnabout Marketing Case, 1983
• Munger, Tolles and Olson:
  (a) FTC vs. Polygram Holdings et al. re: Three Tenors Case 2001-2002
  (b) Universal vs. MGM (re: Rollerball) 2002
• Pattishall, McAuliffe, Newbury, Hilliard, & Geraldson:
  (a) S.C. Johnson and Son, Inc. vs. Carter Wallace (“Edge” vs. “Rise”), 1983
  (b) Anheuser Busch vs. Stroh Brewery Co. and vs. Miller and Heilman, (re: LA beer), 1984-1985
  (d) Shelby Motor vs. Ford, 1988.
  (f) AT&T vs. MCI (various deceptive advertising cases) 1991-
  (g) Walt. Disney vs. Good Times, 1993
  (h) Car Freshener Corp. vs. S.C. Johnson and Son, Inc. (re:Glade Plug Ins Air Freshener Design), 1994
  (i) International Telecharge, Inc. vs. AT&T, 1992-1994
  (j) S.C. Johnson and Son, Inc. vs. Avon (re: Skin So Soft) 1996
  (k) GTE Card Services Inc. vs. AT&T, 1996
  (m) Blue Cross Blue Shield vs. American Medical Association, re: CPT, 1998
  (n) Encyclopedia Britannica, Inc. vs. Britannica Home Fashions, Inc., 1999
  (o) Simon Property Group, L.P. v. mySimon Inc., 2001-
  (q) Old World Industries, Inc. vs. AutoMeter Products, 2002
• JLJ Inc. v. Santa’s Best Craft (Christmas tree lights), 2004

- Paul, Weiss, Rifkin, Wheaton and Grasser:
  - (a) Revlon vs. L’OREAL re: Colour Endure Commercials 1995
  - (b) Revlon vs. Cover Girl self renewing lipstick advertising, 1996 [NAD]

- Pepper, Hamilton and Scheetz:
  - (a) Del Monte Corp. vs. Sunkist Growers, Inc. Arbitration, 1990-1991
  - (b) Sun Oil Company defense against class action certification, 1996-1997

- Pennie & Edmonds IT&T Continental Baking (C&C Cola): defense against Coca Cola re: C&C Cola, 1978

- Pillsbury, Madison & Sutro: Consulting re:
  - (b) Green Giant American Mixtures, 1994
  - (c) Chrysler Corp. vs. Replacement Sheet Metalparts Distributors, 1992-1993

- Pillsbury Winthrop LLP
  - (a) Mulligan v. Pacific Bell Telephone Co. (inside wiring), 2004
  - (b) State of California vs. Tri-Union Seafoods, et al. (Canned Tuna, Proposition 65)

- Rogers and Wells [and the Italian Trade Commission], re: Italian pasta dumping case, 1996

- Sidley and Austin:
  - (a) Industrial Gas litigation, 1986
  - (b) Land O’Lakes, Inc. vs. Bakers Franchise Ltd., 1987
  - (c) Ultramar, Inc. vs. CITGO Petroleum Corporation, 1997
  - (d) AT&T vs. US West Communications, re: US West advertising, 1998


- Skadden, Arps, Meagher, & Flom:
  - (a) American Home Products vs. Beecham re: Delicare commercials, 1986
  - (b) Tambrands, Inc. vs. Warner-Lambert Co. re: EPT commercials, 1986-1987
  - (d) American Express vs. MasterCard re: Goldcard, 1988
  - (e) Challenge to the networks by Sterling Drug re: Bristol Myers Tribuffered Bufferin commercials, 1988
  - (f) Challenge by Dow Brands, Inc. of the TV advertisement for Reynolds Metals Company’s “SURE-SEAL” food storage bags, 1989
  - (g) Anheuser-Busch Company vs. Coors Brewing Company (various deceptive advertising cases) 1991-1993
  - (i) Anheuser Busch vs. Boston Beer re: A-B advertising [NAD], 1997


- Van Hagey & Bogan, Ltd.: Consulting re: The Quaker Oats Co, 1991

- Weil, Gotshal and Manges:
  - (a) Johnson & Johnson vs. SmithKline Beecham, Re: Tums Advertising, 1991
  - (b) Schering-Plough Healthcare Products vs. Johnson and Johnson, Inc. re: Neutrogena Chemical-Free Sun Block, 1996
  - (c) Pharmacia Corp. vs. Glaxosmith Kline Consumer Healthcare (re: NicoDerm advertising), 2002-2003
  - (d) Priceline.com re: NAD, 2003

- White & Case:
  - (a) Trovan Ltd. and Electronic Identification Devices vs. Pfizer Inc. re: Trovan’s trademark, 1999
  - (c) Oakland Raiders vs. TBB and NFL, 2003 [with Bingham McCutchen]
• Whiteman, Breed, Abbott & Morgan:
  d. Burger King Comparative Advertising Campaigns vs. McDonald’s and Wendy’s, 1982-1990
• Winston & Stawn, LLP: Verizon Directories Corp. v. Yellow Book USA, Inc., 2004

E. Illustrative Marketing Research Clients:

1. Air Canada (1973)*
2. American Cyanamid (1972-1973)*
3. Atlantic Richfield Company (1971-1972)*
8. Bristol Myers Squibb (1998-)
11. CBS (1972)
12. Campbell Soup Company (1972-1973)*
15. Colonial Penn Group, Inc. (1973-1979)
17. Connecticut Bank and Trust Company (1972)*
19. Eastman Kodak Company (1973)*
26. International Air Transport Association (1973-1975)*
27. International Harvester Credit Corporation (1973-1974)*
28. International Harvester Company (1975)
29. IT&T Continental Baking Company (1972-1978; 1982)
32. Modern Medicine (1970)*
33. MRCA (1975-1987)
34. Pacific Bell (1981-1982)
35. Pepsi Cola (1981)
36. Pfizer Pharmaceuticals, Inc. (1975-)
37. Pillsbury (1975)
38. Pioneer Electronics of America (1978)
39. RCA Computer Division (1972)*
40. Sears Roebuck & Company (1972-1973)*
41. SEI Investments (1988-)
42. Singer (1973)
43. SmithKline and French (1971)*
44. Snelling and Snelling, Inc. (1973-1974)
46. Stroh Brewery Company (1970)*
47. Sun Oil Company (1972)*
49. Twentieth Century Fox (via the Data Group, Inc.) (1972)
50. UNICOM (1973)
51. U.S. Dept. of Commerce, Office of Telecommunications (1972)
52. The Wool Bureau, Inc. (1975)
53. Western Airlines (via BBD&O) (1979)

The research projects designed and conducted for these firms covered a variety of consumer and industrial marketing problems including product positioning and market segmentation, new product development, generation and evaluation of new products, and promotional concepts. Projects with * were conducted via Robinson Associates.

F. Illustrative Marketing Research Program Evaluation and Redesign:

1. IT&T Continental Baking: copy and concept testing, segmentation studies (1972-1978)
4. Pfizer Pharmaceuticals: image studies, new product selection models, etc. (1975-1990)
6. Bristol Meyers Squibb: Redesign of the Marketing Research function and various research and modeling procedures (1999-)

G. Illustrative Intra-Company Marketing Strategy (and Marketing Research) Workshops:

1. American Medical International (1978)
3. ARA (1983)
4. Asociacion Mexicana de Ejecutivos en Planeacion (1979)
5. Atlantic Richfield Company (1971)
6. AT&T (1972-1978)
8. BBD&O (1974-1983)
14. Campbell Soup (1972)
15. Career Futures, Inc. (1975)
17. The Clorox Company (1975)
19. Computer Science Corporation (1975)
25. E.F. Hutton (1979-)
26. Ethicon, Inc. (1979)
27. The Executive Forum (1979)
32. Intermountain Health Care, Inc. (1978)
34. Li & Fung (2005)
35. Los Angeles Times (1993)
37. Miles Laboratories Ltd., Canada (1973)
38. MRCA (1978)
42. The Pillsbury Company (1976)
43. Rhodia, Brazil (1979)
44. Schlachman Research, U.K. (1975)
45. SEI Corporation (1990-)
46. SmithKline French (1970)
47. Spectra-Physics (1983)
49. Syntex Laboratories, Inc. (1976)
50. 3M's Marketing Council (1986)
51. Tektronix, Inc. (1978)
52. Unilever, U.K. (1975)
54. Wyeth International Ltd. (1980)
55. Xerox (1981)

H. Selected International Consulting

2. Li & Fung, Hong Kong: Business Strategy (1998-)
14. Fuji electric, Japan: Design of a management planning process (1977)
15. Koor Industries, Israel: Designing and organizing the marketing function for the corporation's 34 companies (1968-1969)

I. Consulting to Government Agencies

1. FinCen/BENS project on Terrorist Financing, 2003-2004
6. ISRAEL DEFENSE MINISTRY: Analyze and evaluate the marketing system of the Administered Areas (Arab territory prior to the 6-Day War). The findings and recommendations of this study were submitted in classified report to the Israeli Defense Ministry (1968-1969)

J. Consulting/Advising to Research Organizations

1. Member of the advisory committee of the Diebold Institute study of the impact of public policy on entrepreneurial startup companies: the U.K. and U.S. in biotech and IT, 1998 -
3. Pennsylvania Science and Engineering Foundation, Temple University/Applied Communication Research, Inc. Research consultant for design, analysis, and evaluation of an NSF (Office of Science Information Services) sponsored project concerning the design and evaluation of experiments for the marketing of scientific and technical information services. (1974-1977)
5. The John and Mary R. Markle Foundation.
6. Participated in a workshop for design of “Quality Ratings of TV Programs.” (1979)
7. Participated in the design of a study on special interest audiences. (1975)
8. Marketing Science Institute Consultant from February 1967 to December 1968. Conduct and plan research projects primarily in the areas of industrial buying behavior, advertising, and international marketing.
10. Management Science Center University of Pennsylvania Senior staff member September 1967 to July 1968. Engaged in the development of a marketing model for Anheuser-Busch.

UNIVERSITY ACTIVITIES

University of Pennsylvania, The Wharton School

A. Program Development

2. The Wharton Fellows platform including The Wharton Fellows program and the e-Curriculum R&D Initiatives. Initiator/Chair of the Committee that designed the new program platform and the e-Curriculum R&D Initiatives (1999-2000) and continued direction and reinvention of the program including its shift to the Wharton Fellows as a Decision Support Network (2001-). Wharton Fellows Master classes included:
   • November 27-December 2, 2000: Philadelphia
   • January 7-January 12, 2001: Silicon Valley
   • February 18-February 24, 2001: Barcelona
   • March 15-March 17, 2001: Philadelphia
   • May 6-May 12, 2001: Philadelphia, Wharton Fellow in e-Business
   • June 3-June 7, 2001: Barcelona
   • June 8-June 9, 2001: Helsinki
   • July 8-July 14, 2001: Silicon Valley
   • April 21-April 25, 2002: Foundations II: Silicon Valley/San Francisco
   • June 9-June 11, 2002; Munich
   • November 3-November 8, 2002: Foundations I: Philadelphia
   • January 5-January 9, 2003: Foundations II: San Francisco
   • September 7-September 9, 2003: Top Line Growth in Turbulent Times: Philadelphia
   • January 7-January 9, 2004: Success: What’s Next?: Seattle
   • April 25-April 28, 2004: Milken & the Media: Los Angeles
   • June 1-June 8, 2004: Leveraging Japan: Tokyo; China: Transformation from the Inside: Shanghai
   • September 12-September 14, 2004: Toward a New Europe: Prague, Czech Republic
   • December 12-December 14, 2004: Merger, Acquisition and Renewal: New York
   • March 6-March 9, 2005: Market & Sourcing Opportunities in India: Mumbai & Bangalore, India
   • September 22-September 27, 2005: Design, Innovation and Strategy: Copenhagen/Milan
December 4-December 6, 2005: Opportunities in Latin America and the US Hispanic Markets: Miami

3. A number of Executive Development Programs including:

7. The SEI Center for Advanced Studies in Management, founding Director. Developed and directed all Center activities and chair its faculty council, 1988-.
8. The Joseph H. Lauder Institute of Management and International Studies, founding Director and chairman of its faculty council. Designed and directed all the Institute’s programs, including the establishment of the Institute MBA/MA program which admitted its first class of 50 students in May 1984, February 1983-July 1988.
11. Wharton Center for International Management Studies (renamed as the Wurster Center, 1988) founding director. Designed/directed all the Center’s activities aimed at the stimulation of international research at Wharton and the internationalization of the faculty and programs, 1980-1983.
12. The Wharton/SIA (Security Industry Association) Marketing Program. Initiated and designed the program which held sessions on April 1982 and November 1982.
14. The Wharton Executive MBA (WEMBA) program. Chaired the committee that developed the program, 1974.
15. Marketing Programs, participated in the redesign of the marketing MBA programs, 1970; Ph.D. 1971; and Undergraduate, 1973 and 1981; including the initiation of The Wharton Dual MBA Major in Marketing/Multinational Enterprise.

B. Courses Developed and Taught

a. Developed (courses developed by me are indicated by an *), modified and taught courses and seminars in:
   - Advertising Management (MBA)
   - Channel Management (MBA)
   - Communication Processes in Marketing* (MBA)
   - Consumer Behavior* (MBA and Ph.D.)
   - Creating an e-Business (MBA)* (A binational electronically delivered course to Wharton and IDC students)
   - Creativity* (MBA)
   - Health Care Marketing* (MBA)
   - Industrial Marketing* (MBA)
   - Integrating Marketing and Operations* (MBA) [developed jointly with P. Kleindorfer]
   - International Marketing* (MBA)
   - Marketing Management (MBA)
   - Marketing Methods and Applications for Business Consulting* (MBA) [with P. Green]
   - Marketing Research (MBA and Evening School)
   - Marketing Strategy (WEMBA*, MBA)
   - Multinational Management
   - Planning Marketing Strategy Projects (MBA)
   - Product Policy* (MBA)
   - Promotion Policy (MBA)
   - Research Seminar (MBA and Undergraduate)

c. Guest lecturer in various departments of the Wharton School including the Multinational Enterprise Unit, the Leonard Davis Institute of Health Economics, the Management Department, Management of the Arts Program, Decision Science, Public Policy and Management.

C. Committee Responsibility:

1. Marketing Department Committees:
   - 5 Year Plan Committee (chair), 2004-2005.
   - Initiator and Chair of a Committee to develop a marketing certification program, 2004-2005.
   - External Boards/Affairs Committee, 1987/88; Chair 1988-1989.
   - Member and Chairman of various departmental Committees, including all the department's advisory committees since 1971, Marketing Fund Committee since 1983, and its Long Range Planning Committee, 1970-1971.
   - Senior Faculty Recruiting, Chairman 1995-1997.

2. Wharton School Committees:
   - Initiator and developer of Wharton School Publishing in conjunction with Pearson/FT, Founding Editor and member of the Faculty Editorial Board (2003-)
   - Chairman, Dean’s Committee on Cross-Functional Integration (2002-2004)
   - Member of the Executive Development Faculty Advisory Board (2002-2004)
   - Member of the Alfred West, Jr. Learning Lab Faculty Committee (2001-2005)
   - Chairman of a Faculty Committee to assure cross program dissemination of e-Curriculum Developments (2000)
   - Member of the Dean’s Advisory Council (since its inception in 1983 to 2000)
   - Member of the Strategic Planning Steering Committee, 1999-2000
   - Member of the Committee to prepare the strategy for “Management, Leadership, and Organizational Priority” area of the University’s Agenda for Excellence, 1998
   - Senior Faculty Committee to Review the Global Presence strategy (Summer 1997)
   - Chairman of the Graduate Curriculum Committee focusing on a critical examination of the MBA program and its appropriateness for preparing the leaders of the 21st century enterprises. The Committee developed the new MBA curriculum which was tested in 1991/1992 and 1992/1993 and which was fully implemented starting in 1993/1994.
   - Initiated and organized the Management Education Council – the vehicle for corporate support and funding of the new MBA curriculum, 1992-
   - Member of Boards of the following Wharton Centers:
     - The SEI Center for Advanced Studies in Management (Founder), 1988-
     - The Lauder Institute (Founder) 1983-
     - The Alfred West, Jr. Learning Lab (Initiator of the Lab and Founder of the External Advisory Committee), 2001-2005
     - Risk and Decision Process Center, 1984-
The Wharton/PIMS Research Center (Co Founder), 1985-1998
U.S. Japan Management Studies Center, 1989-1992
Wharton Emerging Economics Program, 1992-1995
The Wharton Center of International Management Studies (Founder), 1981-1983

- Dean’s Planning Task Force (1986).
- Member of the School’s Executive Education Policy Committee, 1987-1989.
- Member of the (ad hoc) Committees to Review Various Units and Departments:
  - The Snider Entrepreneurial Research Center, 2004-2005
  - Finance Department, 2001-2002
  - The Real Estate Center, 1988
  - Social Systems Science, 1985-1987
  - U.S. Japan Center, 1985-1986
  - Multinational Enterprise Unit, 1977-1978
- Member of the School’s Faculty Personnel Committees of:
  - The Health Care Systems Unit, 1974-1975.
- Member of the Committee on Academic Freedom, 1977-1978.
- Chairman of the Advisory Committee for the Wharton Executive MBA Program, 1974-1975.
- A number of Ad Hoc Committees and task forces for the:
  - development of a core Ph.D. Behavioral Science Course, 1972-1973,
  - redesign of the International Business program, 1971,
  - review of the Economic Offerings for Business and Applied Economic doctoral students, 1970-1971,

D. Doctoral Dissertations Supervised


E. Addresses to Alumni Club and Other Groups Regarding The Joseph H. Lauder Institute

Illustrative addresses to alumni clubs and other groups on the changing needs for management education and the University’s response -- The Joseph H. Lauder Institute.

1. Alumni Clubs addressed include:
   - Dallas (December 1984)
   - Cleveland (April 1986)
2. University Groups:
   - Board of Directors of the Association of Alumnae, March 1984
   - The Vice Provost Advisory Board, February 1984
   - Wharton Board of Overseers, January 1984, 1997
   - Trustees (October 1983, January 1984)

3. Other Groups (partial list):
   - University of Pennsylvania Trustee Committee on Academic Policy (January 1988).
   - Title VI Center Lauder conference on International Studies and Foreign Language for Management. Philadelphia (May 1986)
   - University of Pennsylvania Alumni (Alumni day, Philadelphia, May 1985)
   - Delaware Valley Faculty Exchange Program on International Business and Language Studies (December 1984)
   - AIESEC-Northeast regional conference (October 1984)
   - Deans of 50 schools in an AACSB seminar on Internationalizing the Business Curriculum (March 1984)

F. Illustrative presentations to alumni groups and others regarding the Management 2000 project, the SEI Center for Advanced Studies in Management, and the revised MBA curriculum
   - Wharton-Recanati Program, 1993
   - International Forum, 1993
   - Erasmus University – Faculty and Administration, 1993
   - Marketing Advisory Board Meeting, 1993
   - Board of Directors of the Wharton Alumni Association, September 1988; May, 1993
   - The Wharton Board of Overseers, April 1988
   - The Wharton Graduate Advisory Board 1990
   - Wharton’s European Advisory Board 1991
   - Alumni attending the May 1991 Alumni Reunions
   - The SEI Center Board of Directors 1990-1991
   - The Joseph H. Lauder Institute Board of Governors 1991
   - College of Business Administration, University of Texas at Austin C Advisory Board and Faculty, February 1992
   - INSEAD Faculty and Administration, February 1992
   - Security Industry Institute, 40th Anniversary Program, Wharton, March 1992

G. Illustrative presentations regarding Wharton’s Globalization Strategy
   - Dean’s Advisory Board, February 1997
   - Wharton Board of Overseers, March 1997
   - Wharton Graduate Executive Board, March 1997
   - Wharton Executive Education Advisory Board, May 1997
   - European Advisory Board 1997
H. Illustrative presentations regarding Wharton’s Information Management Initiatives (IMI)

- Dean’s Faculty Lunch, April 1998
- All Wharton Departments 1998 – 2001
- The 1st Conference of the Wharton Alumni Club of Israel March 2001

I. Illustrative presentations regarding Cross-Functional Integration of the MBA Curriculum

- Wharton Faculty (Feb 2003)
- Graduate Executive Board (March 2003)
- CEO Panel for the entering 2004 class (August 2003)
- Ph.D. Proseminar (Fall 2003)

J. Illustrative presentations regarding the Wharton Fellows Program

- Wharton Executive Education Advisory Board (April 2004)
- Wharton Alumni Club of Atlanta (November 2001) and Israel (December 2001)

K. Illustrative presentations regarding Wharton School Publishing

- Wharton School External Affairs group (February 2004)
- Wharton Executive Education Group (January 2005; May 2006)
- Jay H. Baker Retailing Initiative Board (October 2005)

L. Illustrative presentations regarding The Power of Impossible Thinking

- Miami Wharton Club (December 2004)
- EMTM Alumni Council (February 2005)
- Wharton Fellows Event, Singapore (March 2005)
- Merrill Lynch, Investment Banking Institute at Wharton (August 2005)
- Jay H. Baker Retailing Initiative Board (October 2005)
- LinKS@Wharton (November 2005; August 2006)
- Wharton Sports Business Initiative (May 2006)
- The Wharton Club of New Jersey (July 2006)
- CEIBS @ Wharton (July 2006)

University of Pennsylvania – University Committees:

- Member of the Faculty Advisory Group to Campus Development Planning Committee, 2005-
- Member of the Committee on International Programs, 2002-
- Member of The Ackoff Center Advisory Board, 2001-
- Research Foundation Committee, Social Science and Management Review Panel, 1999-
- Member of the Provost Art and Culture Committee, 2002-2004
- Faculty Senate Committee on Administration, 1995-1998.
- Chair, Subcommittee of the Faculty Senate Committee on Faculty Teaching Evaluations, 1997-1998.
- Chairman of Special Presidential Committee on Borderless Education, 1997-1998.
- Member of the Provost’s Committee on Information Science and Technology, 1996-1997.
- Member of the Provost’s Committee on Distance Learning, 1996-1997.
- Chairman of a new university committee focusing on innovative revenue generation, 1992/1993 and 1993/1994. Members include the President, Provost, Chairman of the Board of Trustees, 3 deans, 3 trustees, and 3 faculty members.

- Member of the Commission for the 250th Anniversary Celebration of University of Pennsylvania (1987-1990)
- Advisory Board of the PBS series on The Global Economy, 1990.
- Member of the Board of Directors of the Joseph H. Lauder Institute, 1983 to present.
- Member of the Advisory Board of the office of International Programs, 1980 to present.
- Chairman, the Wharton Dean Search Committee, (selected Russ Palmer)1982/1983.
- Member of the FAS – Wharton Committee, 1975-1977.
- Member of the University’s Committee on Research, 1977/1978. Chairman of its subcommittee for evaluation of the University’s Policy and Conduct of Research Programs.
- Member of the subcommittee of the University’s Academic Planning Committee for the Measurement of Academic Performance, 1972/1973.

**The Interdisciplinary Center (IDC), Herzliya, Israel**

- Co-founder (1994)
- Chairman, International Academic Advisory Board, 1994-
- Faculty Appointment Committee: Chairman 1999-2005; Member 2005-
- Chairman, Higher Academic Council 1999-
- Delivered the first Graduation Address, October, 1998
- Delivered the first Zoltan Wind lecture, 1996
- Delivered the first graduation address of the Wharton IDC Marketing Communication Program, March 1999
- Occasional lectures in various courses, faculty seminars, and public addresses since 1995
- Founder of the American Friends of IDC 1998 and a Member of the Board, 2003-
- Member, Advisory Board of IDC’s New School of Communication (2005-)

**Other Universities**

1. **Courses Taught**

- Erasmus University (The Netherlands) – A variety of courses on marketing strategy and marketing science (1993).
- University of Tokyo (Japan) – marketing science (1992).
- University of New South Wales (Australia) – Doctoral Seminar in Marketing (1977).
- University of Tel Aviv (Israel) – Consumer Behavior, Marketing Seminar (1968).

2. **Faculty Promotion Review – Illustrative Universities**

Columbia University, Harvard University, Massachusetts Institute of Technology, New York University, Pennsylvania State University, Stanford University, Tel Aviv University, University of California at Los Angeles and at Berkeley, University of Chicago, University of Georgia, University of Illinois, University of Pittsburgh, University of Rochester, University of Southern California, University of Texas, Yale, and others.

3. **Program/School Review**

- Indian School of Business – Organization of the Wharton Planning Meeting, April 2002.
• Rice University – member of the external review committee, 1996.
• University of Santa Clara – member of a Site Review Team for the evaluation of the school’s marketing department, 1981.
• University of Tel Aviv – Initiator and organizer of the school’s faculty colloquium, working paper series, planned and organized a number of the school’s executive development programs and various other activities, 1968/1969.
• The Technion, Israel Institute of Technology – Outside examiner at the Graduate Division of the Technion – The Israel Institute of Technology, Haifa, 1969.

OTHER PROFESSIONAL ACTIVITIES

A. Development of Research Programs [Illustrative List]

1. SEI Center project Toward a New Theory of the Firm (2004–)
2. SEI Center project with Business Executives for National Security and FINCEN using the Suspicious Activity Reporting System (SARS) for identifying terrorist financing, 2003-2004
7. The SEI Center’s research program on Creating a 21st Century Enterprise, (1990–)
12. Co-developed (with Bob Holland) the SEI Center’s George Harvey Program on Value Creation Through Diversity (1996–)

B. Editorial Activities

5. Initiator and editor of Wharton Executive Library (published by Oxford University Press), 1984-1987. The series was aimed at familiarizing top management with recent developments in the various management disciplines. Books published include:
   • David Solomons, Making Accounting Policy: The Quest for Credibility in Financial Reporting, 1986
6. Initiator and editor of the Scientific Press Computer Based Marketing Series. 1984-90. The series offers short books on specialized marketing topics with accompanying PC software. Books published include:
   - Paul E. Green, *CAPPA Electronic Questionnaire Display and Analysis*, 1986


9. Advisory Editor of the Addison-Wesley Marketing Series, 1974-1981. Books published under my editorship include:

10. Member of the Editorial Boards of:
   - *Journal of Business to Business Marketing*, 2004
   - *Journal of Interactive Marketing*, 1998-
   - *Journal of Global Marketing*, 1986-
   - *Journal of Product Innovation Management*, 1982-
   - *Journal of Segmentation in Marketing*, 1997

11. Occasional reviewer for:
   - *Decision Sciences*
   - *IEEE Transactions on Engineering Management*
   - *Journal of Management Studies*
   - *Journal of Marketing*
   - *Management Science*
   - *Marketing Science*
   - *Operations Research*
   - *Public Opinion Quarterly*
   - *R&D Management*
   - *The Journal of Economics and Business*
   - *The Wharton Quarterly*


13. A judge of competitive research papers submitted to the National Conference of The AMA Academic (August) Conference in - Minnesota (1971), Houston (1972), Washington (1973),


16. Occasional reviewer of applications for research grants for the Social Science Research Council (London, England) since 1972; and the National Science Foundation, Division of Science Information and Advanced Productivity Research and Technology, since 1977.

17. Reviewer of manuscripts for a number of publishers and universities, including the MacMillan Company, the Center for Research of the College of Business Administration of Pennsylvania State University, the Graduate School of Business, Columbia University, Prentice Hall, Jose Bass and others.

C. Offices Held in Professional Associations

AMA

1. Member of the Board of Directors, The Philadelphia Chapter of the AMA, 1979-1983.
2. Program Chairman of:

TIMS

2. Program Chairman of:
4. Member of the Advisory Board of Marketing Science, 1983-

IAM – The International Academy of Management


MSI – Marketing Science Institute

1. Chair of a task force on e-business evaluation (part of the Metrics program), 1999.
4. Member of a number of steering groups, including
• The International Advisory Steering Committee (1985-1987).
• Information Technology Steering Committee (1990-1992).

Other

1. The Diebold Institute Entrepreneurship and Public Policy Project, Committee of Advisors (1999–).
5. Member of the Publication Committee of AAPOR, 1973/1974.
6. Member of Program Committee of 1979 ACR Conference.

D. Planning and Organizing Professional Programs at the University

1. Initiated and chaired a task force to develop a Marketing Certification Program (2003-)
5. Initiated the “Computers and Art” program for the ENIAC at 50 celebration (1994 - ).
7. Developed, organized and taught a Marketing Research Seminar for U.P. Clinical Scholars Group (February-May 1975 and February-April 1976).
8. Planned and taught the marketing management section of a number of advanced management programs of the University of Pennsylvania:
   • Dean Witter - Wharton Account Executive Program, 1986.
   • Securities Industry Association Program, annually since 1982.
9. Participated in various executive development programs of the Marketing Department of the University of Pennsylvania:
   • Marketing for the Postal Service, 1983.
   • Marketing Strategy Seminar, since 1981 (January & May).
   • Wharton Salesforce Management Seminar, since 1980 (January & May).
   • Dixie/Marathon (American Can Company), May 1977.
   • Marketing Research Seminar 1977-1983.
10. Planned and taught (with Thomas Robertson) a number of seminars on Health Care Marketing for:
    • The Virginia Hospital Association, February 1978.
    • The New York Management Center, September and November 1977.
    • The Wharton School's Lifelong Education Program, October 1976.
E. Award Committees


2. Member of the selection committee for MIT’s Sloan Management Review/Price-Waterhouse Company, 2003 – Best article award

3. Nominator for the Marketing Communications Award of the World Technology Network, 2002-.


5. Member of the W. Arthur Cullman Executive Award Selection Committee (Ohio State University), 1985 -.


F. Planning and Organizing Professional Programs Outside the University


3. Planned and taught a number of two-day seminars on "Recent Developments in Marketing Research Methodology" for:
   • The Management Center, University of Bradford, February 1975 and May 1976.
   • The University of Laval, Canada, November 1973.
   • The University of Social Sciences at Grenoble, France with (Paul E. Green), May 1973.

4. Planned and taught various AT&T Executive Development Seminars on:
   • "Multivariate Analysis in Marketing," March and August 1975.
   • "How to get the Most Out of Your Marketing Research," Spring 1974.

5. Planned and taught two one-day executive seminars on Conjoint Analysis and New Product Policy at the University of New South Wales (Australia), June 1977.

6. Planned and taught a number of executive seminars at the University of Tel Aviv: Marketing Strategy (1969); Product Policy (1977); Marketing and Corporate Strategy (1978, 1980); New Development in Product and Marketing Research (1980).

7. Planned and taught the marketing research section of the Bank Marketing Program of the Graduate School of Bank Marketing, April 1977.


9. Initiated, planned and organized a number of two day workshops on:
   • Concept Testing, University of Pennsylvania, March 1972.
   • Industrial Buying Behavior (with Frederick E. Webster and Richard N. Cardozo), sponsored by the AMA & the University of California at Berkeley, April 1971.
• Research Utilization, (with Steve Greyser and Randy Batsell), sponsored by the AMA and MSI, April 1979.
• Advances and Applications in New Product Forecasting: Innovation Diffusion Models (with Vijay Mahajan) sponsored by MSI, October 1983.

10. Organizer and chairman of various sessions at annual conferences of various professional associations (illustrative list):
  • “Global Marketing Strategy,” 1991 ORSA/TIMS Meeting
  • Strategic Alliances,” TIMS Osaka, Japan, July 1989.

11. Planned, organized and taught a Marketing Management Program for the top executives of the Union of Cooperative Societies (Israel), April to July 1969.

12. Planned and taught marketing courses at a Graduate Program for Marketing Consultants at the Israel Institute of Productivity, September 1968 to January 1969.


G. Lecturing

Illustrative Keynote Addresses at various conferences including:

• “The Challenge of Corporate Governance,” IAM Conference, Barcelona, Fall 2003.
• “e-Business: The Lessons to Date and Implication to Management Practice, Research and Education,” opening lecture of the PriceWaterhouseCoopers Management Consultants e-Bus Chair at the Graduate School of Business Studies at Katholieke Universiteit Leuven, Belgium, February 2001.
• “Customerization: The New Management Challenge,” The President’s Forum of the Interdisciplinary Center in Herzliya, Israel, September 2000.
• “Creating a University for the Global Information Age,” The Inaugural Lecture of the Wharton-Singapore Management University, July 2000.
• Amoco Fabrics and Fibers Co-Leadership Council, address on "What a Difference a Difference Can Make," May 1988.
• A special meeting of the Chinese Management Association and the Taiwan Ministry of Trade, address on "Marketing to the U.S." (Taipei), July 1985.
• The 1982 AMA Faculty Consortium on "Industrial Marketing and the Changing Environment." Ohio State University, July 1982.
• S.F. Chapter of the AMA, address on "Increasing Marketing Productivity, March 1982.
• The First Delaware Valley Meeting of the Product Development and Management Association (PDMA), December 1980.
• AMA International Conference Workshop, Philadelphia, June 1978.


Speaker in various conferences and workshops of:

• The Institute of Management Science (TIMS), 1969, 1972, 1974-1978, 1980-..
• American Psychological Association (APA) DIV 23, 1978.
• American Statistical Association (ASA), 1978.
• Annual Conference of the Strategic Management Society, 1984.


Member of the Faculty of the AMA Doctoral Consortiums

• University of Colorado, 1996
• University of Santa Clara, 1994
• University of Southern California, 1991
• New York University, 1987
• University of Notre Dame, 1986
• University of Michigan, 1983
• University of Minnesota, 1982
• Pennsylvania State University, 1980
• University of Maryland, 1981
• University of Wisconsin, 1979
• University of Chicago, 1978
• University of Pennsylvania, August 1977
• University of Texas, August 1976
• University of Illinois, September 1971

Member of the AMA Faculty Consortium, Chicago 1997

Illustrative papers delivered in various professional workshops

• Applications of Multidimensional Scaling to Marketing and Business, sponsored by the University of Pennsylvania and Bell Laboratories, June 1972.
• Planning Data for STI Managers, Sponsored by NSF office of Science and Information, December 1976.
• Synthesis of Knowledge of Consumer Behavior, sponsored by the RANN Program National Science Foundation, April 1975.
• Multinational Product Management, sponsored by the Marketing Science Institute and the AMA International Marketing Division, January 1976.
• Consumer and Industrial Buying Behavior, sponsored by the University of South Carolina, March 1976.
• Organizational Buying Behavior, sponsored by the University of Pittsburgh, April 1976.
• Analytical Approach to Product-Marketing Planning, sponsored by the AMA and MSI, University of Pittsburgh, November 1977, October 1981.
• Interfaces Between Marketing and Economics, sponsored by the University of Rochester, 1978, 1983.
• Industrial Marketing, Penn State University, May 1982.
• Market Measurement and Analysis, renamed Marketing Science Conference sponsored by ORSA/TIMS:
  University of Texas at Dallas, 1986
  Vanderbilt University, 1985
  University of Chicago, 1984
  University of Southern California, 1983
  Wharton, March 1982
  New York University, March 1981
  University of Texas, Austin, March 1980
  Stanford University, March 1979

Illustrative addresses at various top management conferences and meetings in the U.S. and abroad:

• “Advances in the Management of Technological Innovation,” Executive Briefing at Samsung Electronics, June 2, 2006.
• “New Frontiers in the Practice of Management” with Paul Kleindorfer, CEO Workshops at IDC Israel, January 2006.
• “Recent Developments in Marketing and Branding Strategies,” presented to the Board and top management of IDT HK, August 2005.
• “The Future of the Marketing Organization,” MSI Board of Trustees Meeting, April 2000.
• "Growth Outlook for Consumer Products and Services" to the policy committee of Anheuser-Busch Company, 1986.
• "Marketing Management in Securities Firms" SIA Regional conference, 1986.
• "Recent Developments in Marketing Strategy," to Dutch top executives by Horringa & DeKoning, October 1986.
• A number of 1-day Top Management Seminars organized by Studio Ambrosetti (Italy)
  • Developing and Launching New Products (1986)
  • Marketing and Corporate Strategy (1987)
  • Marketing for Financial Institutions (1987)
  • Domestic and International New Business Entry Strategies 1988)
  • Strategic Marketing and New Product Development (1989)
  • How to Develop Products More Often and Get Them to Market Faster (1991)
  • The Consumer Goods Scenario: The Challenge (1992)
  • Marketing Driven Bus Strategy in the Global Information Age (2000)
• “The Challenge of Marketing” Board of directors and top management of Grand Metropolitan, 1985.
• "Global Marketing Strategies" YPO Chapter of Hong Kong, 1985.
• "Marketing for Hospitals" Hospital presidents program of the J&J Leonard Davis Institute program, 1985.
• “Marketing for the Evolving Company” Conference on "Financing & Managing the Evolving Company" sponsored by Arthur Andersen & Co. and the GSB University of Texas at Austin, April 1984.

Illustrative Other Top Management groups addressed:

• MSI Trustees, Cambridge, Massachusetts, October 1983.
• Three sessions at the 1979 YPO Central Area Conference, Williamsburg, October 1979.
• Two sessions at the YPO International University, Rio de Janeiro, May 1979.
• Two sessions at the 1978 YPO, Eastern/Northeastern Area Conference, Sea Island, Georgia, November 1978.
• Eastern Pennsylvania Chapter of YPO, October 1978.
• Two-day seminars for top executives of Latin American countries sponsored by Expansion Publishing Group, Mexico City, June 1978, (Marketing Strategy); June 1979 (the Marketing Audit); and December 1980 (Marketing for Top Executives).

Guest lecturer at faculty research seminars and executive development programs of various universities and research institutes, including:

Bell Laboratories (Applied Statistics Area), 1978
Columbia University, 1974, 1976-1978
Drexel University, 1977, 1984
Erasmus University, The Netherlands, 1993
Escola de Administrao de Empresas de Sao Paulo, Brazil, 1979
European Institute for Advanced Studies in Management, Brussels 1981
Florida Atlantic University, 1972
Harvard University, 1981
IESE Universidad de Navarra, 1999
Indian Institute of Technology (IIT) Bombay, 1989
INSEAD, France, 1992, 2000
Institut Superieur des Sciences Economiques et Commerciales, Paris, 1981
Koç University, Turkey, 2000
Laval University, Canada, 1973
Katholieke Universiteit, Leuven, 2001
Monash University, Australia, 1977
Nanzan University, Nagoya, Japan, 1977
New York University, 1979, 1984
Northwestern University, 1980
Norwegian School of Management, Norway, 1993
Pennsylvania State University, 1978
Southern Methodist University, Texas, 1982, 1984, 1986
Stanford University, 1976, 1982
State University of New York at Buffalo, 1975
University of Bradford, 1975/6
University of California at Berkeley, 1975
University of California at Los Angeles, 1976, 1980, 1990
University of Capetown, S.A., 1982
University of Chicago, 1981
University of Groningen, 1986
University of Houston, 1977
University of Illinois, 1985
University of Iowa, 1971
University of Minnesota, 1973
University of New South Wales, Australia, 1977
University of Ottawa, 1974
University of Pittsburgh, 1988
University of Social Sciences, Grenoble, France, 1973
University of Southern California, 1979
University of Tel Aviv, 1977-80, 1982
University of Texas at Austin, 1984, 1997
University of Washington, 1979
Yale University, 1982

Speaker at various executive programs of the University of Pennsylvania (illustrative list):

• Healthcare Marketing and Communications, 1996.
• "Marketing Strategy" in the Delaware Valley Hospital Strategic Planning Program, May 1980.


**Guest speaker at special seminars:**

- Foreign market entry and import protection strategies, The Israel Institute of Management, October 1984.

**Illustrative Presentations**

• “Return on Marketing Investment: Progress, Problems and Prospects,” Address to the CMO Group of the conference board, October 6, 2004.
• “Challenges of Identifying, Developing, and Capturing Opportunities: A Fresh Look at Marketing,” SEI Center Board Meeting, October 1, 2004.
• “Thought Leadership Survey Results,” Presentation to WSP Editorial Board, October 2004.
• “Managing the Complexities of the Convergent and Multi-Channel Marketing,” CMO Summit, October 30, 2002.
• “Pioneer and Late Entrants: Winning Strategies,” Viagra, Cardura, Darifenacin WWT Meeting, April 9, 2002.
• “Should You Have a Chief Marketing Officer?” January 2002.
• “Capturing Internet Opportunities Above the Low-Hanging Fruit,” Business Week
• “What Keeps Us Up At Night?: Post 9/11 Survey of US CEOs – Top Line Results,” SEI
  Center Board, October 2001.
• “Disruptive Technology—Rethinking Your Mental Models,” Forbes Global CEO
• “Making Strategy Happen: Problems, Progress and Proposed Actions for Winning in the
  Changing Global Information Age,” Li & Fung Distribution Annual Conference, Hong
• “Convergence Marketing: A New Marketing Strategy for the Global e-Business
• “Globalization of Technology Startups,” Wharton-Israel Global Alumni Conference on the
• “Global Business Strategy of a Technology Start Up,” Wharton-Israel Global Alumni
  Conference, March 2001
• “e-Bus: The Curriculum and Research Challenge: A Discussion with Jerry Wind,” Faculty
  Seminar, Graduate School of Business Studies, Katholieke Universiteit Leuven,
• “Driving Change: New Business Models for the Global Digital Age,” Opening Lecture of
  the PriceWaterhouse Coopers Management Consultants, e-Business Chair, Graduate
  School of Business Chair, Graduate School of Business Studies, Katholieke Universiteit
• “Reinventing Training for the Global Information Age,” Delphi e-Learning Conference,
• “The Impact of the e-Bus Revolution on the Marketing Discipline,” Wharton Fellows in e-
• “Whither System Thinking: Will Taking a Marketing Perspective be an Oxymoron? ,”
  Inaugural Conference of the Achoff Center for Advanced Systems Appraisal, September
  2000.
• “New Marketing Rules for the Global Information Age,” IBM Global Services Academic
  Conference, August 2000.
• “Creating an e-Business,” Wharton-Singapore Management University Conference: e-
• “Marketing Driven Business Strategy in the Global Information Age,” Managing Change
  in the New Millennium, Wharton-Singapore Management University Conference, July
  2000.
• “Digital Marketing: Towards a New Paradigm for the Global Information Age,” Faculty
  Session-INSEAD, France, June 2000.
• “Innovation and Change in the Turbo—Global Environment: Lessons from the
  Transformation of ‘Old Economy’ Firms [and Universities] and The Challenges to
  Congress,” Stennis Congressional Staff Fellows Program on Leadership in e-Business
• “A New Marketing Paradigm for the Global e-Business Environment: A Catalyst for
  Bridging the Gaps,” Building Bridges & Broadening Perspectives: A Paradigm for the
• “Preparing for Leadership in the Changing e-Business Environment,” CEO Circle, May
  2000.
• “Building Communities,” Virtual Communities and the Internet, April 2000.
• “Valuation: Valuable or Value Less,” Entering the Virtual Millennium, Wharton North
  American Regional Forum, April 2000.
• “The Future of the Marketing Organization,” The Future of the Marketing Organization,
  MSI Board of Trustees Meeting, Cambridge, Massachusetts, April 2000.
• “Research Priorities in e-Commerce and Internet Marketing,” Web Consortium,
  Pennsylvania State University’s ISBM, March 2000.
• “Towards a Research Agenda in E-Commerce and Internet Marketing,” AMA Educators’ Conference, San Francisco, August 1999.
• “Creativity and Innovation,” in Wharton Workshop on Creativity and Knowledge Creation, April 1999.
• “Towards a New Management Education Paradigm,” IDC Faculty Workshop, June 1998.
• “Winning the high Tech Wars: Strategies for Driving Change,” NEC Management Team, Tokyo, April 1998.
• “Marketing Strategy in the Global Information Age,” AMP Program, October 1997.
• “The Challenge of Information Technology to Marketing and Retailing in the 21st Century,” University of Tokyo, April 1997.
• “Innovation and New Product Development,” Tutorial at the 2nd International Workshop, Santiago, Chile, October 1996.
• “Creating a 21st Century Enterprise,” Universidad Adolfo Ibanez, Vina del Mar, Chile, October 1996.
• “Creativity and Innovation: The Management Edge in the Technological Age,” the First Wind Lecture at the Interdisciplinary University of Law, Management and Technology (ISRAEL), May 1996.
• “Advances in Marketing,” Janssen Pharmaceutica, April 18, 1996.
• “Toward Virtual Management Education,” International Academy of Management (Boston, MA), December 8, 1995.
• “Toward a New Marketing Paradigm,” Ambrosetti Group’s A.F. Meeting (Rome, Italy), March 8, 1995.
• “Toward a New Marketing Paradigm: Lessons From and Implications to the Marketing of Services,” Ambrosetti Group’s Chief Executive Seminar (Milan, Italy), March 7, 1995.
• “The Virtual University: Research and Action Agenda,” The Virtual University Conference, SEI Center, January 12, 1995.
• “Creating a Successful 21st Century Enterprise: Implications for Business and Marketing Theory, Practice, Research and Education,” The University of Tokyo, November 4, 1994.
• “Advances in U.S. Marketing and Their Implications to China,” Joint faculty seminar of the School of Economics and Management, Tsinghua University and the School of Management, Peking University, June 15, 1994.
• “Toward a New Marketing Paradigm,” a faculty seminar at the Hong Kong University of Science and Technology, School of Business and Management, June 14, 1994.
• “Textbook of the Future: A Perspective From the Virtual University Lab,” April 8, 1994.
• “The Challenge of a New Marketing Paradigm,” University of Texas at Austin, March 23, 1994.
• “The Marketing Challenges for the Philadelphia Orchestra,” Presentation to the Board of Trustees of the Philadelphia Orchestra, March 1, 1994.
• “Determinants of New Product Success: Lessons from the U.S. and Japan,” Faculty and Ph.D. students seminar at Erasmus University, June 10, 1993.
• “Getting the Most out of Benchmarking,” Board of Directors of Wharton=s Alumni Association, May 14, 1993.
• “Marketing Opportunities in Japan and East Asia,” with Hotaka Katahira and the International Forum Participants, April 18, 1993.
• “Toward a New Marketing Paradigm: Implications for Marketing Departments,” Advisory Board Meeting of the Wharton=s Marketing Department, April 8, 1993.
• “The New Wharton MBA Curriculum,” Faculty seminar at Erasmus University, March 10 and June 10, 1993.
• “Marketing Science at a Crossroad,” Inaugural Presentation as the first holder of the Unilever-Erasmus Marketing Professorship, Erasmus University, February 18, 1993.
• "Inducing Creativity and Innovation in Large Bureaucracies: Lessons from Marketing," RGK 4th International Conference on Creativity and Innovative Management, August 8-10, 1991, Los Angeles, CA.
• "Research Priorities in the Information Technology Area," MSI, Information Technology Steering Group, January 18, 1990.
• "Competitive Advantage Through Strategic Marketing," Contel Corporation, October 1989, Lake of the Ozarks, MO.
• “Advances in Marketing Research and Modeling,” Studio Ambrosetti, Milan, December 1986.
• “Advances in Portfolio Analysis and Strategy,” University of Illinois, Theories of Marketing Practice Conference, May 1985
• “Generating and Evaluating Industrial Marketing Strategies Using the AHP,” TIMS Conference, November 1984;
• A Innovation Diffusion and New Product Forecasting,” TIMS Conference, November 1984;
PROFESSIONAL AFFILIATIONS AND AWARDS

Professional Affiliations

1. Fellow of the International Academy of Management (since 1989), Chancellor 2000-, Vice Chancellor for the Americas, 1996-2000
2. Academy of International Business
3. American Marketing Associations
4. American Association for Public Opinion Research
5. American Psychological Association, Division of Consumer Psychology (Div. 23)
6. Association for Consumer Research
7. International Communication Association
8. Product Development and Management Association
9. Psychometric Society
10. Strategic Management Society
11. INFORMS – The Institute of Management Sciences

Professional Awards

1. Honorary Degrees
   M.A. Honors, University of Pennsylvania, 1971

2. Awards
   - Honorary Fellow of the Decade, Interdisciplinary Center, Herzliya (Israel), May 2004.
   - The 2003 Elsevier Science Distinguished Scholar Award of the Society for Marketing Advances
   - One of the 10 Grand Auteurs in Marketing. [Alain Jolbert, EMS Management and Societe, 2000]
   - One of 18 JAR articles in the Special Classics Issue of articles that have withstood the test of time. Nov./Dec. 2000.
   - The Paul D. Converse Award, 1996.
   - First Faculty Impact Award, Wharton Alumni Association, 1993.
   - First Runner-Up in the 1988 Franz Edelman Award for Management Science/Achievement.
   - The 1985 Charles Coolidge Parlin Award.
   - Elected as the 1984 member of the Attitude Research Hall of Fame.
   - My Product Policy book won the 1979 Book of the Year Award given by the editors of Expansion (Mexico).
   - Runner up of the 1983 William O’Dell Award for "the article published 5 years earlier in JMR which stood the test of time and made the most significant long run contribution to Marketing Theory, methodology and practice".
   - A finalist (top 5) for the 1980 Wharton Award for teaching excellence.

3. Citations
   - Third highest ranked Marketing Scholar in the University of Maryland's Kirkpatrick and Locke Faculty Scholarship Study, 1985 (based on number of publications, citations, and peer ratings).
   - 10th highest ranked marketing Scholar in the Cote, Leong and Cote "Assessing the Dissemination and Utilization of Marketing Research in the Social Sciences: A Citation Analysis Approach," 1990.
4. Research Grants

- National Science Foundation: U.P. Research Grant (Summer 1970);
- General Foods, the Jell-O Division (1971);
- N.W. Ayer (1972) - (with Paul E. Green);
- Downe Communication, Inc. (1972);
- Lever Brothers (1972) - (with Paul E. Green);
- Thomas Jefferson University Hospital (1973);
- AT&T (1973);
- The Robert Wood Johnson Foundation Clinical Scholar Fund (1974);
- The John and Mary R. Markle Foundation with R.E. Frank (1975-1976);
- National Science Foundation (Grant No. 51575-12928) (1975);
- The National Health Care Management Center of the Leonard Davis Institute with Thomas Robertson (1977).

5. Fellowships

- Ford Foundation Fellowship 1963/1964;
- Owen D. Young: General Electric Fellowship in Marketing 1964/1965; 1965/1966;
- Bankendorf Fellowship 1964/1965;

6. Illustrative Recent Media Coverage

- Knowledge@Wharton citations:
  - Farewell, Peter Drucker: A Tribute to an Intellectual Giant [November 16, 2005]
  - Should Your Next CEO Be a Philosopher? [Interview, February 9, 2005]
  - What’s the Buzz About Buzz Marketing? [Interview, January 12, 2005], reprinted in Wharton Alumni Magazine, Winter 2005
  - Amazon’s Multiple Personalities [Interview, January 14, 2005]
  - Back to the Drawing Board: Is the Traditional Theory of the Firm Obsolete? [Interview, October 6, 2004]
  - What’s Behind the 4-Minute Mile, Starbucks, and Moonlanding? The Power of Impossible Thinking [Book, July 14, 2004]
  - A Lofty Take on Leadership: Mountain Climbing and Managing Companies [Book, September 24, 2003]
  - How Business Can Prepare for War [Conference, February 9, 2003]
  - Can a Cyber-Terrorist Take Down Your Company? Don’t Wait to Find Out [Conference, August 28, 2002]
  - The New Business Reality [Conference, January 30, 2002]
  - What Webvan Could Have Learned from Tesco [Interview, October 10, 2001]
  - What’s in Store for Capital Markets and the Economy? [Interview, September 26, 2001]
  - Did Terrorists Blow Up the Recovery? [Interview, September 13, 2001]
  - Dotcom Bomb Hits the Publications that Covered It [Interview, August 29, 2001]
  - Can Priceline Remain Profitable? [Interview, August 15, 2001]
  - Good vs. Great Leaders: The Difference is Humility, Doubt, and Drive [Conference, June 20, 2001]
  - It’s Not Easy Being Paul Green [Interview, November 8, 2000]
  - Three Marketing Lessons from the Love Bug [Interview, May 24, 2000]
  - Just-in-Time Education: Learning in the Global Information Age [Paper, August 30, 2000]
  - New Rules of Digital Marketing [Interview, October 13, 1999]
  - Who’s Buying on the Internet? [Paper, September 1, 1999]
  - Marketing Strategy in the Global Information Age [Lecture, July 23, 1999]
  - The Knowledge Edge [Conference, June 23, 1999]

• A link has been placed for the book *The Power of Impossible Thinking* on the website, [www.worksavvy.ws/organization.htm#yourself](www.worksavvy.ws/organization.htm#yourself) as a recommendation to entrepreneurs and the diagram from page xxiv of the book is shown in the section of the website, “Organizing Yourself: Your Mind, Your Attitude, Time and Planning.”


• “Creativity Comes to B-Schools,” *Business Week Online,* March 26, 2006.

• Thomas Group Review. *The Power of Impossible Thinking: A conversation with Yoram (Jerry) Wind and Jim Taylor.* Also appeared at Knowledge Leadership @ Thomas Group.

• *The Power of Impossible Thinking* selected as one of the five outstanding books on “Thinking Outside the Box” by the Swiss Journal CASH on March 16, 2006.


• A number of radio interviews re *The Power of Impossible Thinking,* including:
  - Something You Should Know with Mike Carruthers, March 2006.
  - Mix 92.9 Morning Show, Nashville, March 2006.
  - WABJ Radio, John Sebastian Morning Show, Detroit, MI, August 18, 2004.
  - KIkk Radio, Salt Lake City, UT, November 6, 2004.

• “Winds of Change,” *The Economic Times, Brand Equity,* June 1, 2005, front page.


• “Thought Leaders: Convergence Marketing: Preview an excerpt from the book by Wharton Professor Jerry Wind and Professor Vijay Mahajan of the University of Texas,” Wharton’s E-Buzz, October 2001; and Knowledge@Wharton, October 2001.


• “You Can’t Be An Extremist,” *Globs* March 8, 2001 (Hebrew).
PERSONAL DATA

Office: The Wharton School
University of Pennsylvania
Philadelphia, PA 19104
Tel: (215) 898-8267
Fax: (215) 898-1703
E-mail: windj@wharton.upenn.edu

Marital Status: Married to Vardina Wind, Artist, (BA in Sociology, MA in Communications); Two children, 38 and 44.

Illustrative Pro Bono Activities

The Philadelphia Museum of Art, Trustee (1992-); Member of the Corporate Executive board of the Museum (1996-); Led a trustee committee and the management and curatorial staff of the museum in the development of a market driven strategy, (1990); Member of the Nominating Committee (1999-2002); Member of Trustee Committees for Development (1993-1997); Special Exhibitions (1993-1995); and Strategy (1997-1998); Chairman, Audience Building Committee (2004-);

The Interdisciplinary Center, Herzliya (Israel), all planning activities and other involvement (as outlined on p. 40), since 1994.

American Friends of IDC – Founding President (1998-2002); Member (2003-).

National Constitution Center, Member, Strategic Planning Steering Committee (2005-)

Business for Diplomatic Actions, Member, Advisory Board and Coordinator of the Wharton research efforts in this area (2005-)

Lauder Institute Alumni Association, Advisory Board (2005-)


Affiliations:

The Philadelphia Museum of Art – Trustee (Philadelphia)
The Institute of Contemporary Art of the University of Pennsylvania (Philadelphia)
Pennsylvania Academy of the Fine Arts (Philadelphia)
The Museum of Modern Art (New York)
American Craft Museum (New York)
Whitney Museum of American Art (New York)
The Jewish Museum (New York)
Guggenheim Museum (New York)
U.S. Holocaust Memorial Museum (Washington D.C.)
APPENDIX B

SCREEENER AND SCREENING RESULTS
SATELLITE RADIO STUDY

TOP SHEET

(This is a Personal Interview)

– Screener –

RESPONDENT I.D. #: ________________

(RECORD AT END OF INTERVIEW. PLEASE PRINT.)

RESPONDENT’S NAME: _____________________________ TEL. # ( ) _____________

ADDRESS: _______________________________________

CITY: ______________________ STATE: __________ ZIP: ______________

INTERVIEWER: ____________________________ DATE: ___________________
Hello, I'm ______________ of Data Development Worldwide. We are a national marketing research firm and are currently conducting a survey and would like to include your opinions. Let me assure you we are doing this for research purposes only and that no one will sell you anything as a result of this study. Your answers will be held in the strictest confidence.

NOTE: RECORD ALL TERMINATIONS WHICH OCCUR IN ANY QUESTION A - D BY CIRCLING THE NEXT AVAILABLE NUMBER IN GRID AT BOTTOM OF THIS BOX. RECORD ONLY ONE TERMINATION PER CONTACT. RE-USE SCREENER UNTIL YOU REACH A QUALIFIED RESPONDENT.

A. (IF RESPONDENT HAS LANGUAGE/HEARING PROBLEM, ETC., IS IN A HURRY, REFUSES INTERVIEW OR APPEARS INTOXICATED, TERMINATE.)

B. (IF YOU KNOW THE RESPONDENT AT ALL, TERMINATE.)

C. Are you or any members of your household employed in any of the industries listed on this card?

   (IF "YES" TO ANY BOXED INDUSTRY, TERMINATE AND RECORD BELOW.)

   YES  NO

   An insurance company ................................................ [ ] [ ]
   A marketing research firm ........................................... [ ] [ ]
   An advertising agency ................................................. [ ] [ ]
   The entertainment industry ........................................... [ ] [ ]
   A satellite radio provider ............................................ [ ] [ ]
   A cable TV provider .................................................... [ ] [ ]
   An Internet service provider ....................................... [ ] [ ]

   (TAKE BACK CARD 1)

D. During the past three months have you taken part in any market research survey other than a political poll? (IF "YES," TERMINATE.)
E. I’m going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

(Record one answer.)

(Terminate in first box below)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Under 18 years</td>
<td>12</td>
</tr>
<tr>
<td>B. 18 – 24 years</td>
<td>1</td>
</tr>
<tr>
<td>C. 25 – 34 years</td>
<td>2</td>
</tr>
<tr>
<td>D. 35 – 49 years</td>
<td>3</td>
</tr>
<tr>
<td>E. 50 – 64 years</td>
<td>4</td>
</tr>
<tr>
<td>F. 65 or over</td>
<td>5</td>
</tr>
</tbody>
</table>

(Do not read) Refused.............. b

(Take back card 2)
F. Which, if any, of the following decisions do you make or take part in making for your household? (CIRCLE ALL THAT APPLY.)

- Decision to subscribe to cable TV .................................. 1
- Decision to subscribe to an Internet service ................. 2
- Decision to subscribe to a satellite radio ....................... 3
- Decision to subscribe to a wireless phone service ..... 4
- Decision to subscribe to satellite TV .......................... 5
- None of these ............................................................ *
- Refused ..................................................................... *

(TAKE BACK CARD)

RESPONDENT MUST BE A BOXED ANSWER IN Q. F. IF NOT, TERMINATE IN APPROPRIATE BOX BELOW.
G. Which of these services, if any, do you or your household currently subscribe to? (CIRCLE ALL THAT APPLY.)

- Cable TV ............................................... 1
- Satellite TV ............................................ 2
- Broadband Internet............................... 3
- **Satellite radio** ....................................... 4
- Wireless phone service....................... 5
- None of these ...................................... 6
- Don’t know ............................................. 0

(HAND RESPONDENT CARD 5)

H. Which of the following best describes the type of satellite radio you or your household currently subscribes to? (RECORD ONE ANSWER)

- A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius . 1
- Part of a package from a third party (such as through DirecTV, DiSH Network or AOL).................. 2
- **Both**................................................................................................................................................ 3
- Don’t know ...................................................................................................................................... 0

(HAND RESPONDENT CARD 5)

I. Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days? (RECORD ONE ANSWER FOR EACH LISTED ITEM)

<table>
<thead>
<tr>
<th>Service</th>
<th>Yes</th>
<th>No</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Satellite TV</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Broadband Internet</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Satellite radio</strong></td>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Wireless phone service</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

(JHAND RESPONDENT CARD 5)

J. Which of the following best describes the type of satellite radio you or your household are considering? (RECORD ONE ANSWER)

- A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius . 1
- Part of a package from a third party (such as through DirecTV, DiSH Network or AOL).................. 2
- **Both**................................................................................................................................................ 3
- Don’t know ...................................................................................................................................... 0
K. Which satellite radio service do you or your household currently subscribe to? (RECORD ONE MENTION.)

<table>
<thead>
<tr>
<th>Service</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sirius</td>
<td>1</td>
</tr>
<tr>
<td>XM</td>
<td>2</td>
</tr>
<tr>
<td>Both</td>
<td>3</td>
</tr>
<tr>
<td>Don't know</td>
<td>*</td>
</tr>
</tbody>
</table>

(LATER)

| TERMINATE -- DON'T KNOW SERVICE – MALES – 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

| TERMINATE -- DON'T KNOW SERVICE – MALES – 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

| TERMINATE -- DON'T KNOW SERVICE – MALES – 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

| TERMINATE -- DON'T KNOW SERVICE – MALES – 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

| TERMINATE -- DON'T KNOW SERVICE – MALES – 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

| TERMINATE -- DON'T KNOW SERVICE – FEMALES – 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
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| TERMINATE -- DON'T KNOW SERVICE – FEMALES – 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

| TERMINATE -- DON'T KNOW SERVICE – FEMALES – 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

| TERMINATE -- DON'T KNOW SERVICE – FEMALES – 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

| TERMINATE -- DON'T KNOW SERVICE – FEMALES – 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. |
| ERASE AND RE-USE SCREENER. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | () |

(LATER)

L. Which satellite radio service are you currently considering subscribing to? (RECORD ONE MENTION.)

<table>
<thead>
<tr>
<th>Service</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sirius</td>
<td>1</td>
</tr>
<tr>
<td>XM</td>
<td>2</td>
</tr>
<tr>
<td>Both</td>
<td>3</td>
</tr>
<tr>
<td>Don't know/have not decided</td>
<td>4</td>
</tr>
</tbody>
</table>
**QUOTA QUALIFICATIONS**

**SATELLITE SUBSCRIBER:** MUST BE SATELLITE RADIO CIRCLED IN Q.G AND BOXED ANSWER CIRCLED IN Q.H AND "SIRIUS", "XM" OR "BOTH" IN Q.K.

**SATELLITE RADIO CONSIDERING SUBSCRIBING:** MUST BE "YES" TO SATELLITE RADIO CIRCLED IN Q.I AND BOXED ANSWER CIRCLED IN Q.J.

REFER TO QUOTA QUALIFICATION ABOVE. IF RESPONDENT DOES NOT QUALIFY FOR EITHER QUOTA GROUP, TERMINATE AND CIRCLE NEXT AVAILABLE NUMBER IN APPROPRIATE BOX BELOW.

**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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**TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

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</table>

**OVER QUOTA -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

<table>
<thead>
<tr>
<th>01</th>
<th>02</th>
<th>03</th>
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<th>25</th>
</tr>
</thead>
</table>

| 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 |

**OVER QUOTA -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.**

<table>
<thead>
<tr>
<th>01</th>
<th>02</th>
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<th>25</th>
</tr>
</thead>
</table>

| 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 |
M. Do you wear glasses or contact lenses when you read?

(ASK Q. N) ← Yes ......................... 1
(SKIP TO Q. O) ← No ......................... 2

(ASK ONLY IF "YES" IN Q. M)

N. Do you have your glasses with you or are you wearing your contact lenses today?

(CONTINUE WITH Q. O) ← Yes ......................... 1
(TERMINATE IN APPROPRIATE BOX BELOW) ← No ......................... *

TERMINATE -- NO GLASSES/CONTACTS -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

TERMINATE -- NO GLASSES/CONTACTS -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

O. RECORD GENDER OF RESPONDENT

()  
Male ......................... 1
Female ......................... 2
(ASK EVERYONE)

P. We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

(CONTINUE WITH Q. Q) ← Yes, will participate .................... 1

(TERMINATE IN APPROPRIATE BOX BELOW) ← No, will not participate ................ *

NOTE: IF RESPONDENT WEARS GLASSES/CONTACT LENSES, BE SURE HE/SHE IS WEARING THEM WHEN ADMINISTERING MAIN QUESTIONNAIRE.

BRING RESPONDENT TO INTERVIEWING AREA. DO NOT DISCUSS THE SUBJECT MATTER OF THE STUDY WITH THE RESPONDENT WHILE WALKING TO FACILITY.

CARD 1
PN: INSTRUCTIONS FOR DETERMINING WHICH QUESTIONNAIRE VERSION TO ADMINISTER

- **SATELLITE RADIO SUBSCRIBER SIRIUS VERSION:**
  MUST BE SATELLITE RADIO IN Q G AND BOXED ANSWER IN Q.H AND "SIRIUS" IN Q K

- **SATELLITE RADIO SUBSCRIBER XM VERSION:**
  MUST BE SATELLITE RADIO IN Q G AND BOXED ANSWER IN Q.H AND "XM" IN Q K

  (NOTE IF SATELLITE RADIO SUBSCRIBER IN Q G. AND "BOTH" IN Q K ROTATE BETWEEN THE TWO SUBSCRIBER VERSIONS ABOVE)

- **SATELLITE RADIO CONSIDERING SUBSCRIBING SIRIUS VERSION:**
  MUST BE "YES" TO SATELLITE RADIO IN Q I AND BOXED ANSWER IN Q.J AND "SIRIUS" IN Q L

- **SATELLITE RADIO CONSIDERING SUBSCRIBING XM VERSION:**
  MUST BE "YES" TO SATELLITE RADIO IN Q I AND BOXED ANSWER IN Q.J AND "XM" IN Q L

  (NOTE IF "YES" TO SATELLITE RADIO CONSIDERING SUBSCRIBING AND "DON'T KNOW" OR "BOTH" IN Q L, ROTATE BETWEEN THE TWO CONSIDERING SUBSCRIBING VERSIONS ABOVE)
## Screening Results

<table>
<thead>
<tr>
<th>Terminated</th>
<th>Total Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security</td>
<td>288</td>
</tr>
<tr>
<td>Under 18/Refused age</td>
<td>321</td>
</tr>
<tr>
<td>Over quota initial age screening</td>
<td>186</td>
</tr>
<tr>
<td>Does not make decision to subscribe to satellite radio</td>
<td>603</td>
</tr>
<tr>
<td>Does not know service subscribe to</td>
<td>204</td>
</tr>
<tr>
<td>Does not subscribe/consider</td>
<td>2,019</td>
</tr>
<tr>
<td>Over quota</td>
<td>130</td>
</tr>
<tr>
<td>Wear glasses/contacts to read, but don't have them along</td>
<td>33</td>
</tr>
<tr>
<td>Refused to participate</td>
<td>50</td>
</tr>
<tr>
<td>Refused to give phone number</td>
<td>39</td>
</tr>
</tbody>
</table>

**Completed interviews** 428
APPENDIX C

MAIN QUESTIONNAIRES


SATELLITE RADIO

- MAIN QUESTIONNAIRE -

- SUBSCRIBERS -

(INTERVIEWER: RECORD ANSWERS TO QUESTIONS FROM PAPER SCREENER INTO PROGRAM BEFORE CONTINUING WITH Q. 1a.)

(READ VERBATIM:)
Thank you for agreeing to participate in our study. We would like to talk to you today about satellite radio. All of your answers will remain strictly confidential. No one will attempt to sell you anything as a result of participating in this study. We are only interested in your opinions. If you don't know an answer or don't have an answer to a particular question, please don't guess. Just tell me you don't know and we will go on to the next question. If, at anytime, you do not understand a question or do not understand what is being asked of you, just say so and I will repeat the question.


READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.

1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (READ COMPLETE ANSWERS VERBATIM)

1(b) (PROBE) Any other reason? (READ COMPLETE ANSWERS VERBATIM)

2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (READ COMPLETE ANSWERS VERBATIM)

NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:
By programming we mean both categories of programs or specific programs or channels.

2(b) (PROBE) Any others? (READ COMPLETE ANSWERS VERBATIM)

3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (READ COMPLETE ANSWERS VERBATIM)

3(b) (PROBE) Any others? (READ COMPLETE ANSWERS VERBATIM)
INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS.

IF THE RESPONDENT PREFERENCES, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS.

RECORD:
1 Respondent entering answers
2 Interviewer entering answers

(ASK EVERYONE)

4. Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family’s decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

() 1 Yes (CONTINUE) 2 No 3 Don’t know (REPEAT EXPLANATION)

INTERVIEWER NOTE: IF RESPONDENT ASKS HOW TO CATEGORIZE A PARTICULAR SHOW, REFER TO APPROPRIATE PROGRAMMING GUIDE (i.e., SIRIUS OR XM) AND CLASSIFY ACCORDINGLY.

[PN: ROTATE PROGRAM TYPES]

<table>
<thead>
<tr>
<th>Types of Programming</th>
<th>Relative Importance As Reflected In # Of Allocated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comedy</td>
<td>( )</td>
</tr>
<tr>
<td>Kids</td>
<td>( )</td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td>( )</td>
</tr>
<tr>
<td>Music</td>
<td>( )</td>
</tr>
<tr>
<td>News</td>
<td>( )</td>
</tr>
<tr>
<td>Sports</td>
<td>( )</td>
</tr>
<tr>
<td>Talk and Entertainment</td>
<td>( )</td>
</tr>
</tbody>
</table>

TOTAL MUST EQUAL 100
5. Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear? (RECORD ONE ANSWER FOR EACH BELOW)

() 1 Yes (CONTINUE)  
2 No  
3 Don't know (REPEAT EXPLANATION)

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION USED IN Q. 4. RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTIONS "1" AND "4" WITHIN A GIVEN TYPE OF PROGRAMMING. ONLY SHOW ONE PROGRAMMING TYPE ON THE SCREEN AT A TIME, i.e., SHOW ALL OF MUSIC PROGRAMMING, THEN ALL OF NEWS, ETC.]

<table>
<thead>
<tr>
<th>Programming Type</th>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Music Programming</strong> (Current Offering includes A.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No music programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of music than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of music as currently offered.</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of music than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td><strong>B. News (Current Offering includes B)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No news programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of news than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of news as currently offered.</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of news than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td><strong>C. Sports (Current Offering includes C)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No sports programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of sports than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of sports as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of sports than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td><strong>D. Talk &amp; Entertainment (Current Offering includes D)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No talk and entertainment programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of talk and entertainment than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of talk and entertainment as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of talk and entertainment than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ( ) )</td>
<td></td>
</tr>
</tbody>
</table>

A. For Sirius: 66 Music Channels, For XM: 74 Music Channels  
B. For Sirius: 15 News Channels, For XM: 13 News Channels  
C. For Sirius: 8 Sports Channels and Live Game Channels for NBA, NFL, etc. For XM: 13 Sports Channels and Live Game channels for Major League Baseball, NASCAR, etc.  
D. For Sirius: 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc, For XM: 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.
6(a) Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let’s do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

**[PN: ROTATE FEATURES. FOR STUB A. BELOW RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTION 1 AS GIVEN TO OPTIONS 2 – 4]**

<table>
<thead>
<tr>
<th>A. The Number of Minutes of Commercials Per Hour on Music Channels</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extremely Undesirable</strong></td>
</tr>
<tr>
<td>1. No commercials on music channels………………………...</td>
</tr>
<tr>
<td>2. 2 minutes of commercials per hour………………………...</td>
</tr>
<tr>
<td>3. 5 minutes of commercials per hour………………………...</td>
</tr>
<tr>
<td>4. 12 minutes of commercials per hour………………………...</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Geographic Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extremely Undesirable</strong></td>
</tr>
<tr>
<td>1. Typical FM coverage ………………</td>
</tr>
<tr>
<td>2. Complete nationwide coverage</td>
</tr>
</tbody>
</table>

6(b) Now, let’s turn to price. I’d like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

<table>
<thead>
<tr>
<th>C. The Monthly Price for A Single Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extremely Undesirable</strong></td>
</tr>
<tr>
<td>1. $8.95 per month………………………...</td>
</tr>
<tr>
<td>2. $10.95 per month………………………...</td>
</tr>
<tr>
<td>3. $12.95 per month………………………...</td>
</tr>
<tr>
<td>4. $14.95 per month………………………...</td>
</tr>
</tbody>
</table>

6(c) Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio? **(RECORD ALL MENTIONS)**

**[PN: ROTATE LIST]**
- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

1 Other **(RECORD VERBATIM AND PROBE: Anything else?)**
0 No others considered
Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family’s decision to subscribe and retain your subscription to satellite radio.

As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family’s decision to subscribe and retain your subscription to satellite radio.

The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. *(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)*

*[PN: SHOW OTHERS FROM Q. 6c. USE SAME ROTATION USED IN Q. 6a.]*

<table>
<thead>
<tr>
<th>Non-programming Type Features Of Satellite Radio</th>
<th>Relative Importance As Reflected In # Of Allocated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Number of Minutes of Commercials Per Hour on Music Channels</td>
<td>( )</td>
</tr>
<tr>
<td>Geographic Coverage</td>
<td>( )</td>
</tr>
<tr>
<td>The Monthly Price for A Single Subscription</td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Total Must Equal 100</td>
<td>( )</td>
</tr>
</tbody>
</table>
8. Reflecting on your and your family’s usage of satellite radio in a typical week, how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%. *(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100)*

**[PN: ROTATE PROGRAM TYPES USING SAME ROTATION AS IN Q. 4]**

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Percentage of Time Spent Listening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comedy</td>
<td>( )</td>
</tr>
<tr>
<td>Kids</td>
<td>( )</td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td>( )</td>
</tr>
<tr>
<td>Music</td>
<td>( )</td>
</tr>
<tr>
<td>News</td>
<td>( )</td>
</tr>
<tr>
<td>Sports</td>
<td>( )</td>
</tr>
<tr>
<td>Talk and Entertainment</td>
<td>( )</td>
</tr>
</tbody>
</table>

**TOTAL MUST EQUAL 100%**
9(a) As you know, the single subscription price per month for satellite radio is $12.95. Let’s assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, remain the same. If (INSERT PROGRAMMING TYPE) were not available, would it affect the amount you would be willing to pay for satellite radio? (RECORD YES, NO OR DON’T KNOW FOR EACH.)

(ASK Q. 9b IF "YES" IN Q. 9a. OTHERWISE, SKIP TO NEXT PROGRAMMING TYPE.)

9(b) How much would you be willing to pay for satellite radio if (INSERT PROGRAMMING TYPE) were available? Please assume that all other programming and non-programming features of the service, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so. (TYPE IN AMOUNT IN DOLLARS AND CENTS. NOTE: ANSWER IN Q. 9b MUST NOT BE $12.95)

<table>
<thead>
<tr>
<th>Q. 9a</th>
<th>Q. 9b</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Would Be Willing to Pay</td>
</tr>
<tr>
<td></td>
<td>Would</td>
</tr>
<tr>
<td>If no music programming</td>
<td>$\ldots$ ( )</td>
</tr>
<tr>
<td>If no news programming</td>
<td>$\ldots$ ( )</td>
</tr>
<tr>
<td>If no sports programming</td>
<td>$\ldots$ ( )</td>
</tr>
<tr>
<td>If no talk and entertainment programming</td>
<td>$\ldots$ ( )</td>
</tr>
</tbody>
</table>

(ASK Q. 9c IF ANSWER IN Q. 9b IS "MORE THAN" $12.95.)

9(c) Are you willing to pay more than the current price of $12.95 per month if (INSERT PROGRAMMING TYPE) were available but all other programming and non-programming features of the service remain the same? (RECORD "YES" OR "NO" FOR EACH TYPE)

(ASK Q. 9d IF "NO" IN Q. 9c)

9(d) How much would you be willing to pay for satellite radio if (INSERT PROGRAMMING TYPE) were available? (TYPE IN AMOUNT IN DOLLARS AND CENTS. NOTE: ANSWER MUST BE LESS THAN $12.95)

<table>
<thead>
<tr>
<th>Q. 9c</th>
<th>Q. 9d</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Would Be Willing to Pay</td>
</tr>
<tr>
<td></td>
<td>Would</td>
</tr>
<tr>
<td>If no music programming</td>
<td>$\ldots$ ( )</td>
</tr>
<tr>
<td>If no news programming</td>
<td>$\ldots$ ( )</td>
</tr>
<tr>
<td>If no sports programming</td>
<td>$\ldots$ ( )</td>
</tr>
<tr>
<td>If no talk and entertainment programming</td>
<td>$\ldots$ ( )</td>
</tr>
</tbody>
</table>
10. Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that. **(SHOW ONE PROFILE AT A TIME AND RECORD 0-10 FOR EACH PROFILE. EACH RESPONDENT WILL SEE 8 PROFILES WITHIN A BLOCK RANDOMIZED. IN ADDITION, ALL RESPONDENTS WILL SEE THE TWO PROFILES IN BLOCK 9.)**

**PN: RECORD BLOCK #:** \( (1-8), 9 \)

**ASK EVERYONE**

11(a) And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it? **(RECORD COMPLETE ANSWER VERBATIM)**

11(b) **(PROBE:)** Anything else? **(RECORD COMPLETE ANSWER VERBATIM)**
RESPONDENT

RESPONDENT: PLEASE READ AND SIGN:

I acknowledge that I was interviewed on this date. During this interview I was asked questions about satellite radio.

SIGNATURE: ___________________________ DATE: ___________________________

TELEPHONE #: ___________________________ (FOR VERIFICATION PURPOSES ONLY)

INTERVIEWER

INTERVIEWER: PLEASE READ AND SIGN:

I hereby certify that all of the above information was obtained by me from the respondent named above who is not personally known to me. I agree to provide this affidavit under oath, immediately upon request.

SIGNATURE: ___________________________ DATE: ___________________________

THANK YOU VERY MUCH FOR YOUR COOPERATION!
1(a) Why are you considering subscribing to satellite radio? *(RECORD COMPLETE ANSWERS VERBATIM)*

1(b) *(PROBE)* Any other reason? *(RECORD COMPLETE ANSWERS VERBATIM)*

2(a) What types of satellite radio programming are most critical to your decision whether to subscribe? *(RECORD COMPLETE ANSWERS VERBATIM)*

**NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:**
By programming we mean both categories of programs or specific programs or channels.

2(b) *(PROBE)* Any others? *(RECORD COMPLETE ANSWERS VERBATIM)*

**THERE IS NO Q. 3 ON THIS VERSION**
4. Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's ultimate decision whether to subscribe to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision is likely to be affected by only one of the types of programming and none of the others are likely to be important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming to your decision whether to subscribe to satellite radio. Please make sure that the total adds to 100. Is this clear? *(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)*

1. Yes
2. No
3. Don't know *(REPEAT EXPLANATION)*

**INTERVIEWER NOTE:** IF RESPONDENT ASKS HOW TO CATEGORIZE A PARTICULAR SHOW, REFER TO APPROPRIATE PROGRAMMING GUIDE (i.e., SIRIUS OR XM) AND CLASSIFY ACCORDINGLY.

**[PN: ROTATE PROGRAM TYPES]**

<table>
<thead>
<tr>
<th>Types of Programming</th>
<th>Relative Importance As Reflected In # Of Allocated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comedy</td>
<td></td>
</tr>
<tr>
<td>Kids</td>
<td></td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td></td>
</tr>
<tr>
<td>Music</td>
<td></td>
</tr>
<tr>
<td>News</td>
<td></td>
</tr>
<tr>
<td>Sports</td>
<td></td>
</tr>
<tr>
<td>Talk and Entertainment</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL MUST EQUAL 100</strong></td>
<td></td>
</tr>
</tbody>
</table>
5. Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear? (RECORD ONE ANSWER FOR EACH BELOW)

() 1 Yes (CONTINUE) 2 No 3 Don't know (REPEAT EXPLANATION)

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION USED IN Q. 4. RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTIONS "1" AND "4" WITHIN A GIVEN TYPE OF PROGRAMMING. ONLY SHOW ONE PROGRAMMING TYPE ON THE SCREEN AT A TIME, i.e., SHOW ALL OF MUSIC PROGRAMMING, THEN ALL OF NEWS, ETC.]

<table>
<thead>
<tr>
<th>Programming Type</th>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Music Programming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No music programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of music than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of music as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of music than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>B. News (Current Offering includes B)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No news programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of news than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of news as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of news than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>C. Sports (Current Offering includes C)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No sports programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of sports than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of sports as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of sports than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>D. Talk &amp; Entertainment (Current Offering includes D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No talk and entertainment programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of talk and entertainment than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of talk and entertainment as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of talk and entertainment than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10 ( ) ( )</td>
<td></td>
</tr>
</tbody>
</table>

A. For Sirius: 66 Music Channels, For XM: 74 Music Channels
B. For Sirius: 15 News Channels, For XM: 13 News Channels
C. For Sirius: 8 Sports Channels and Live Game Channels for NBA, NFL, etc. For XM: 13 Sports Channels and Live Game channels for Major League Baseball, NASCAR, etc.
D. For Sirius: 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc. For XM: 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.
6(a) Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let’s do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. (RECORD ONE ANSWER FOR EACH BELOW)

**[PN: ROTATE FEATURES. FOR STUB A BELOW RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTION 1 AS GIVEN TO OPTIONS 2-4.]**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. The Number of Minutes of Commercials Per Hour on Music Channels</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No commercials on music channels..........................</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2 minutes of commercials per hour........................</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>5 minutes of commercials per hour........................</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>12 minutes of commercials per hour......................</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>B. Geographic Coverage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typical FM coverage .....................................</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Complete nationwide coverage ................................</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

6(b) Now, let’s turn to price. I’d like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. (RECORD ONE ANSWER FOR EACH BELOW)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
<th>Option 6</th>
<th>Option 7</th>
<th>Option 8</th>
<th>Option 9</th>
<th>Option 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C. The Monthly Price for A Single Subscription</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$8.95 per month.............</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>$10.95 per month............</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>$12.95 per month............</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>$14.95 per month............</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

6(c) Please review the list below and tell me if there are any other non-programming features besides the ones listed that would likely impact your decision whether to subscribe to satellite radio? (RECORD ALL MENTIONS)

**[PN: ROTATE LIST]**
- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription
- Other (RECORD VERBATIM AND PROBE: Anything else?)

0 No others considered
7. Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family’s ultimate decision whether to subscribe to satellite radio.

As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family’s decision whether to subscribe to satellite radio.

The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. *(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)*

**[PN: SHOW OTHERS FROM Q. 6c. USE SAME ROTATION USED IN Q. 6a.]**

<table>
<thead>
<tr>
<th>Non-programming Type Features Of Satellite Radio</th>
<th>Relative Importance As Reflected In # Of Allocated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Number of Minutes of Commercials Per Hour on Music Channels</td>
<td>( )</td>
</tr>
<tr>
<td>Geographic Coverage</td>
<td>( )</td>
</tr>
<tr>
<td>The Monthly Price for A Single Subscription</td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>TOTAL MUST EQUAL 100</td>
<td></td>
</tr>
</tbody>
</table>

*(THERE IS NO Q. 8 ON THIS VERSION)*
9(a) As you know, the single subscription price per month for satellite radio is $12.95. Let’s assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, remain the same. If (INSERT PROGRAMMING TYPE) were not available, would it affect the amount you would be willing to pay for satellite radio? (RECORD YES, NO OR DON’T KNOW FOR EACH.)

(ASK Q. 9b IF "YES" IN Q. 9a. OTHERWISE, SKIP TO NEXT PROGRAMMING TYPE.)

9(b) How much would you be willing to pay for satellite radio if (INSERT PROGRAMMING TYPE) were available? Please assume that all other programming and non-programming features of the service, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to prevent you from subscribing please say so. (TYPE IN AMOUNT IN DOLLARS AND CENTS. NOTE: ANSWER IN Q. 9b MUST NOT BE $12.95)

<table>
<thead>
<tr>
<th>Q. 9a</th>
<th>Q. 9b</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Would Be Willing</td>
</tr>
<tr>
<td></td>
<td>to Pay</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>If no music programming...........</td>
<td>1</td>
</tr>
<tr>
<td>If no news programming...........</td>
<td>1</td>
</tr>
<tr>
<td>If no sports programming...........</td>
<td>1</td>
</tr>
<tr>
<td>If no talk and entertainment programming .................</td>
<td>1</td>
</tr>
</tbody>
</table>

(ASK Q. 9c IF ANSWER IN Q. 9b IS "MORE THAN" $12.95.)

9(c) Are you willing to pay more than the current price of $12.95 per month if (INSERT PROGRAMMING TYPE) were available but all other programming and non-programming features of the service remain the same? (RECORD "YES" OR "NO" FOR EACH TYPE)

(ASK Q. 9d IF "NO" IN Q. 9c)

9(d) How much would you be willing to pay for satellite radio if (INSERT PROGRAMMING TYPE) were available? (TYPE IN AMOUNT IN DOLLARS AND CENTS. NOTE: ANSWER MUST BE LESS THAN $12.95)

<table>
<thead>
<tr>
<th>Q. 9c</th>
<th>Q. 9d</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Would Be Willing</td>
</tr>
<tr>
<td></td>
<td>to Pay</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>If no music programming...........</td>
<td>1</td>
</tr>
<tr>
<td>If no news programming...........</td>
<td>1</td>
</tr>
<tr>
<td>If no sports programming...........</td>
<td>1</td>
</tr>
<tr>
<td>If no talk and entertainment programming .................</td>
<td>1</td>
</tr>
</tbody>
</table>
10. Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that. (SHOW ONE PROFILE AT A TIME AND RECORD 0-10 FOR EACH PROFILE. EACH RESPONDENT WILL SEE 8 PROFILES WITHIN A BLOCK RANDOMIZED. IN ADDITION, ALL RESPONDENTS WILL SEE THE TWO PROFILES IN BLOCK 9.)

PN: RECORD BLOCK #: (1-8), 9

Q. 11 DOES NOT APPEAR ON THIS VERSION
RESPONDENT

RESPONDENT: PLEASE READ AND SIGN:

I acknowledge that I was interviewed on this date. During this interview I was asked questions about satellite radio.

SIGNATURE: ___________________________ DATE: ______________________

TELEPHONE #: ________________________ (FOR VERIFICATION PURPOSES ONLY)

INTERVIEWER

INTERVIEWER: PLEASE READ AND SIGN:

I hereby certify that all of the above information was obtained by me from the respondent named above who is not personally known to me. I agree to provide this affidavit under oath, immediately upon request.

SIGNATURE: ___________________________ DATE: ______________________

THANK YOU VERY MUCH FOR YOUR COOPERATION!
APPENDIX D

CONJOINT STIMULI CARDS
ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 1  BLOCK: 1

A Satellite Radio Offering

<table>
<thead>
<tr>
<th>Types of Programming</th>
<th>Amount of Programming Available:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Music Programming:</td>
<td>The SAME number of channels and SAME variety of music as currently offered</td>
</tr>
<tr>
<td>News Programming:</td>
<td>Substantially MORE channels and MORE variety of news than currently offered</td>
</tr>
<tr>
<td>Sports Programming:</td>
<td>Substantially MORE channels and MORE variety of sports than currently offered</td>
</tr>
<tr>
<td>Talk and Entertainment:</td>
<td>Substantially FEWER channels and LESS variety of talk and entertainment than currently offered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Minutes Of Commercials Per Hour On Music Channels:</td>
</tr>
<tr>
<td>Coverage:</td>
</tr>
<tr>
<td>Monthly Price For A Single Subscription:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Definitely Would Not Buy</th>
<th>Definitely Would Buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
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<td>4</td>
<td></td>
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<td>5</td>
<td></td>
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<td>6</td>
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<td></td>
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<tr>
<td>8</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>
ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 2 BLOCK: 1

A Satellite Radio Offering

<table>
<thead>
<tr>
<th>Types of Programming</th>
<th>Amount of Programming Available:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Music Programming:</td>
<td>No music programming</td>
</tr>
<tr>
<td>News Programming:</td>
<td>Substantially FEWER channels and LESS variety of news than currently offered</td>
</tr>
<tr>
<td>Sports Programming:</td>
<td>The SAME number of channels and SAME variety of sports as currently offered</td>
</tr>
<tr>
<td>Talk and Entertainment:</td>
<td>The SAME number of channels and SAME variety of talk and entertainment as currently offered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Minutes Of Commercials Per Hour On Music Channels:</td>
</tr>
<tr>
<td>Coverage:</td>
</tr>
<tr>
<td>Monthly Price For A Single Subscription:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Definitely Would Not Buy</th>
<th>Definitely Would Buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
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<tr>
<td>4</td>
<td>5</td>
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<td>5</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
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</tr>
<tr>
<td>7</td>
<td>8</td>
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<td>8</td>
<td>9</td>
</tr>
<tr>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>
ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 3  BLOCK: 1

A Satellite Radio Offering

<table>
<thead>
<tr>
<th>Types of Programming</th>
<th>Amount of Programming Available:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Music Programming:</td>
<td>Substantially FEWER channels and LESS variety of music than currently offered</td>
</tr>
<tr>
<td>News Programming:</td>
<td>The SAME number of channels and SAME variety of news as currently offered</td>
</tr>
<tr>
<td>Sports Programming:</td>
<td>The SAME number of channels and SAME variety of sports as currently offered</td>
</tr>
<tr>
<td>Talk and Entertainment:</td>
<td>The SAME number of channels and SAME variety of talk and entertainment as currently offered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Minutes Of Commercials Per Hour On Music Channels: 5 minutes of commercials per hour</td>
</tr>
<tr>
<td>Coverage: Typical FM coverage</td>
</tr>
<tr>
<td>Monthly Price For A Single Subscription: $8.95 Per month</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Definitely Would Not Buy</th>
<th>Definitely Would Buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating 0</td>
<td>1</td>
</tr>
</tbody>
</table>

Revised Conjoint Stimulus Cards MRG'02-629 1
ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 4  BLOCK: 1

A Satellite Radio Offering

<table>
<thead>
<tr>
<th>Types of Programming</th>
<th>Amount of Programming Available:</th>
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<tbody>
<tr>
<td>Music Programming:</td>
<td>Substantially MORE channels and MORE variety of music than currently offered</td>
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<td>No news programming</td>
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<thead>
<tr>
<th>Other Features</th>
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<tr>
<td>Number of Minutes Of Commercials Per Hour On Music Channels:</td>
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<tr>
<td>Coverage:</td>
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<td>Monthly Price For A Single Subscription:</td>
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<tr>
<th>Rating</th>
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### ILLUSTRATIVE CONJOINT ANALYSIS

**STIMULUS CARD FOR SIRIUS**  
**CARD: 5  BLOCK: 1**

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 6  BLOCK: 1

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 7  BLOCK: 1

A Satellite Radio Offering

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<td>Talk and Entertainment:</td>
<td>No talk and entertainment programming</td>
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| Other Features                |
|------------------------------|---------------------------------------------------------------------------------------------------|
| Number of Minutes Of Commercials Per Hour On Music Channels: | No Commercials                                                                 |
| Coverage:                    | Complete nationwide coverage                                                                     |
| Monthly Price For A Single Subscription: | $14.95 Per month                                                                 |

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# ILLUSTRATIVE CONJOINT ANALYSIS

**Stimulus Card for Sirius**  
**Card: 8**  
**Block: 1**

A Satellite Radio Offering

## Types of Programming vs. Amount of Programming Available:

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<tr>
<td>No Commercials</td>
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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 9  BLOCK: 2

A Satellite Radio Offering

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STIMULUS CARD FOR SIRIUS
CARD: 10  BLOCK: 2

A Satellite Radio Offering

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STIMULUS CARD FOR SIRIUS
CARD: 11  BLOCK: 2

A Satellite Radio Offering

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<tbody>
<tr>
<td>Music Programming:</td>
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<td>News Programming:</td>
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<td>Sports Programming:</td>
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<tr>
<td>Talk and Entertainment:</td>
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STIMULUS CARD FOR SIRIUS
CARD: 12  BLOCK: 2

A Satellite Radio Offering

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**STIMULUS CARD FOR SIRIUS**

**CARD: 13  BLOCK: 2**

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STIMULUS CARD FOR SIRIUS
CARD: 14  BLOCK: 2

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 15  BLOCK: 2

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS  
STIMULUS CARD FOR SIRIUS  
CARD: 16   BLOCK: 2

A Satellite Radio Offering

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Rating | Definitely Would Not Buy | Definitely Would Buy |
ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 17  BLOCK: 3

A Satellite Radio Offering

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<td>Substantially <strong>MORE</strong> channels and <strong>MORE</strong> variety of music than currently offered</td>
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<td>Sports Programming:</td>
<td>The <strong>SAME</strong> number of channels and <strong>SAME</strong> variety of sports as currently offered</td>
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<td>Talk and Entertainment:</td>
<td>Substantially <strong>FEWER</strong> channels and <strong>LESS</strong> variety of talk and entertainment than currently offered</td>
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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 18  BLOCK: 3

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 19  BLOCK: 3

A Satellite Radio Offering

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**Other Features**

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STIMULUS CARD FOR SIRIUS
CARD: 20  BLOCK: 3

A Satellite Radio Offering

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Revised Conjoint Stimulus Cards MRG'02-629 1
ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 21  BLOCK: 3

A Satellite Radio Offering

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STIMULUS CARD FOR SIRIUS
CARD: 22  BLOCK: 3

A Satellite Radio Offering

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<td>Monthly Price For A Single Subscription: $8.95 Per month</td>
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CARD: 23  BLOCK: 3

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 24  BLOCK: 3

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 25  BLOCK: 4

A Satellite Radio Offering

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<td>Sports Programming:</td>
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STIMULUS CARD FOR SIRIUS
CARD: 26  BLOCK: 4

A Satellite Radio Offering

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STIMULUS CARD FOR SIRIUS
CARD: 27  BLOCK: 4

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 28  BLOCK: 4

A Satellite Radio Offering

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STIMULUS CARD FOR SIRIUS
CARD: 29  BLOCK: 4

A Satellite Radio Offering

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<td>Talk and Entertainment:</td>
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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 31  BLOCK: 4

A Satellite Radio Offering

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CARD: 32  BLOCK: 4

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 33  BLOCK: 5

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|-------------------------|--------------------------|
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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 34  BLOCK: 5

A Satellite Radio Offering

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CARD: 35  BLOCK: 5

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STIMULUS CARD FOR SIRIUS
CARD: 36  BLOCK: 5

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS  
STIMULUS CARD FOR SIRIUS  
CARD: 40  BLOCK: 5  

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 41  BLOCK: 6

A Satellite Radio Offering

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A Satellite Radio Offering

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Revised'Conjoint Stimulus Cards MRG'02-629 1
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STIMULUS CARD FOR SIRIUS  
CARD: 44  BLOCK: 6

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<td>Number of Minutes Of Commercials Per Hour On Music Channels: No Commercials</td>
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<td>News Programming:</td>
<td>Substantially MORE channels and MORE variety of news than currently offered</td>
<td>Coverage: Typical FM coverage</td>
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<td>Monthly Price For A Single Subscription: $10.95 Per month</td>
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<td>Talk and Entertainment:</td>
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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 45  BLOCK: 6

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 46  BLOCK: 6

A Satellite Radio Offering

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CARD: 47  BLOCK: 6

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<td>Monthly Price For A Single Subscription:</td>
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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 49  BLOCK: 7

A Satellite Radio Offering

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CARD: 50  BLOCK: 7

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STIMULUS CARD FOR SIRIUS
CARD: 51  BLOCK: 7

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<td>Sports Programming:</td>
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STIMULUS CARD FOR SIRIUS
CARD: 52  BLOCK: 7

A Satellite Radio Offering

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CARD: 53  BLOCK: 7

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CARD: 54  BLOCK: 7

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STIMULUS CARD FOR SIRIUS
CARD: 55  BLOCK: 7

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**ILLUSTRATIVE CONJOINT ANALYSIS**

**STIMULUS CARD FOR SIRIUS**

**CARD: 56  BLOCK: 7**

A Satellite Radio Offering

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 57  BLOCK: 8

A Satellite Radio Offering

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<tr>
<td>Sports Programming:</td>
<td>The SAME number of channels and SAME variety of sports as currently offered</td>
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<td>Talk and Entertainment:</td>
<td>Substantially MORE channels and MORE variety of talk and entertainment than currently offered</td>
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<tr>
<td>Coverage: Complete nationwide coverage</td>
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<tr>
<td>Monthly Price For A Single Subscription: $8.95 Per month</td>
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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 58  BLOCK: 8

A Satellite Radio Offering

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<td>Sports Programming:</td>
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Revised'Conjoint Stimulus Cards MRG'02-629   1
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STIMULUS CARD FOR SIRIUS
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A Satellite Radio Offering

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A Satellite Radio Offering

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CARD: 63  BLOCK: 8

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CARD: 64  BLOCK: 8

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ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 65  BLOCK: 9

A Satellite Radio Offering

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<td>News Programming:</td>
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APPENDIX E

FIELD INSTRUCTIONS
SATELLITE RADIO STUDY
INTERVIEWER INSTRUCTIONS

STUDY DESIGN: This is a Central Location, computer assisted personal interview about satellite radio.

Potential respondents will be screened on the mall with answers and terminates recorded on a hard copy (paper) screener. Qualified respondents will then be interviewed in your facility with answers recorded directly into a CAPI Program using a personal computer with a mouse and high-speed access.

RESPONDENT ELIGIBILITY: Eligible respondents for this study are males and females who:

- do not have a language/hearing problem or appear intoxicated (Q. A).
- do not know you (Q. B).
- do not, nor does any member of their immediate household, work for any of the boxed industries (Q. C).
- have not participated in any marketing research survey other than a political poll in the past three months (Q. D).
- are at least 18 years of age (Q. E)
- must have a boxed answer: make or take part in making decision to subscribe to satellite radio (Q. F)
- must currently subscribe or household currently subscribe to satellite radio or considering subscribing (Q. G/H – I/J)
- know which satellite radio service they currently subscribe to (Q. K)
- if they usually wear glasses or contact lenses when they read, are wearing the contacts or have the glasses with them (Q. M/N)
- are willing to participate (Q. P)
- are willing to give their full name, address and TELEPHONE NUMBER (Q. Q)

Note: There can only be one respondent from a household.

SCREENING QUOTA: For this study, you will be assigned an INITIAL SCREENING QUOTA. This quota will be by age. There is NO quota for completed Main Questionnaires by age. You will simply take those "as they fall".

Your Initial Screening Quotas will be assigned by your supervisor.

If we fall short of the number of completed interviews we expect, we will ask you to do additional Screenings in the same age proportions.

All Screeners must be returned to DDW including those with only terminations which do not result in a completed interview ("Screener only").
SCREENER: The paper Screeners will be used to screen respondent on the mall.

* DO NOT RECORD TERMINATIONS ON TALLY SHEETS; THEY MUST BE RECORDED DIRECTLY ON TO SCREENERS.

QUOTA: See Quota Sheet.

MATERIALS:
1. Screeners - White
2. Programming Guide – XM Blue and Sirus Yellow
3. Main Questionnaire (For Reference Only)
4. Daily Report Forms
5. Validation Sheets (To be mailed to the malls)
6. Quota Assignment Sheets
7. Computer Program with Stimuli and Survey (to be e-mailed to the malls)
8. CAPI Instructions
9. Afaavit Page to be Signed By Each Interviewer and Respondent

RECORDING OPEN-END RESPONSES: You must record the respondents’ answers verbatim. The accurate recording of answers is vital to the study design. Never abbreviate or paraphrase a respondent’s answer. Never leave off any letter(s) at the end of any word(s). Always record exactly what the respondent says. Use probes that are not leading such as: “Anything else”? Whenever probing, be sure to write the letter (P) before the response. Do not guess. If you are unclear, ask the respondent to repeat the answer.

PRACTICE INTERVIEW: Each interviewer working on this study is to complete a practice interview. Be sure all skip patterns are followed and that you completely understand how to administer the questionnaire. If you have any questions, ask your supervisor immediately.

Be certain also that you understand the screening/recruiting methodology and the recording of terminates on the Screener.

POTENTIAL PROBLEMS: If you have any problems or questions, or anything isn’t clear, or if a respondent expresses a problem or concern, please tell your supervisor immediately.

DAILY REPORT: It is very important that the Report Form be filled out accurately and that each item is totaled correctly.
VALIDATIONS:

DDW conducts a 100% telephone validation on all completed interviews. Therefore, we are enclosing Validation Forms and ask that you (the interviewer) fill out your own Validation Forms. 

Record information for all respondents who completed an interview.

Validation Forms must be filled out in BLACK ink and you are to follow the procedures listed below:

1. Record the area code, city, and your name (BOTH PRINTED AND SIGNED), the name of the Field Service and the total number of completed interviews.

2. Record the respondent's name, company name, address, telephone number and the date the interview took place for 100% of the interviews conducted by you. **NOTE: IT IS VERY IMPORTANT THAT YOU RECORD PHONE NUMBERS ACCURATELY AND LEGIBLY.**

3. Record the questionnaire # (found on the first page of the screening) in "respondent #" column.

4. You must record the exact time the interview began and ended in the appropriate column.

5. Be sure to write in the correct code for the respondent's quota.

You MUST have a valid telephone number for each respondent. You must confirm that the number is a working number. Interviews for respondents we cannot reach to validate may be pulled from the study.

SPECIFIC QUESTIONNAIRE INSTRUCTIONS

Do not forget to record the time the screening interview begins and main interview ends in the upper right hand corner of the screening questionnaire.

Read all questions verbatim. Please do not paraphrase a question or reword it. If a respondent doesn't understand something, simply reread the question slowly and carefully. If at any time the respondent seems not to understand the meaning of a particular question, do not attempt to interpret the meaning; reread the question from the questionnaire.

Detailed instructions appear on the questionnaire itself so we have covered below only those questions where further explanation was thought to be necessary.
SCREENING RECORDING: We use the following procedures on our studies to establish accurate incidence rates. You will record your ineligible respondents on the Screening Questionnaire.

You will note that there are boxes under the termination points. These boxes contain a series of printed numbers.

If, when you administer a screening questionnaire, the respondent is ineligible, you will record this on the screening questionnaire itself by circling the first available number in the appropriate box below the question where the respondent terminates. Erase answers previously given by that respondent and re-use the screener. DO NOT EVER erase circles previously placed on the termination boxes.

Q. A-D: If respondent has a language problem or knows the interviewer, is in a related field or has done a survey other than political in the past 3 months, TERMINATE.

Q. E: If respondent is under 18 years of age or is in an over quota for a specific age, TERMINATE.

Q. F: If respondent has no part of the decision to subscribe to satellite radio, TERMINATE.

Q. G/H & I/J: If respondent or their household does not currently subscribe to satellite radio or would not consider subscribing to satellite radio, TERMINATE.

Q. K: If respondent does not know which satellite radio service they or their household subscribe to, TERMINATE.

Q. M/N: If respondent wears glasses or contact lenses and they don't have them with them, TERMINATE.

Q. P: If respondent refuses to participate, TERMINATE.

Q. Q: If respondent refuses to give a phone number, TERMINATE.
INTERVIEWER INSTRUCTIONS

There are four versions of the Main Questionnaire:

Subscribe
- Sirius Version
- XM Version

Considering Subscribing
- Sirius Version
- XM Version

(INTERVIEWER: RECORD ANSWERS FROM PAPER SCREENER INTO PROGRAM AND THE COMPUER WILL TAKE YOU TO THE VERSION THE RESPONDENT QUALIFIES FOR. DURING THE INTERVIEW THE COMPUTER WILL CHOOSE THE QUESTIONS TO BE ASKED.)

**READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.**

Q. 1a: Read question. Record answer verbatim.
Q. 1b: Probe for any other reasons. Record verbatim.
Q. 2a: Read question. Record answer verbatim.
Q. 2b: Probe for any other reasons. Record verbatim.
Q. 3a: ONLY ON SUBSCRIBER. Read question. Record answer verbatim.
Q. 3b: ONLY ON SUBSCRIBER. Probe for any other reasons. Record verbatim.

**NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:**
By programming we mean both categories of programs or specific programs or channels.

**INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS.**

**IF THE RESPONDENT PREFERENCES, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS.**

**RECORD:**
1. Respondent entering answers
2. Interviewer entering answers
Q. 4: Read question. If it is unclear, repeat question. Record an answer for each. Total must equal 100. If respondent needs help in classifying a specific type of programming refer to Programming Channel Guide. For XM use blue and for Sirus use Yellow.

Q. 5: Read question. If it is unclear, repeat question. Record one answer for each option.

Q. 6a: Read question. Record one answer for each question.

Q. 6b: Read question. Record one answer for each option.

Q. 6c: Read question. Record all mentions.

Q. 7: Read question. Record an answer for each. Total must equal 100.

Q. 8: (ONLY ON SUBSCRIBER) Read question. Record an answer for each. Total must equal 100.

Q. 9a/b: Ask Q's. 9a & 9b for each programming type before going on to the next type. Q. 9b will only be asked for those answered "Yes" in Q. 9a.

Q. 9c: Read question. Record answer.

Q. 9d: Read question. Record answer.

Q. 10: Read question. Record answer for each profile shown (8 profiles will be shown)

Q. 11a: (ONLY ON SUBSCRIBER) Read question. Record answer.

Q. 11b: (ONLY ON SUBSCRIBER) Probe for anything else.

MAKE SURE INTERVIEWER AND RESPONDENT SIGN THE LAST PAGE OF THE INTERVIEW.

CONCLUSION:
THANK RESPONDENT.

BE SURE THAT ALL INFORMATION IS ACCURATELY FILLED IN ON THE VALIDATION SHEET.

BE SURE TO DEBRIEF RESPONDENT IN TERMS OF REACTIONS, COMPLAINTS OR CONCERNS WITH THE QUESTIONNAIRE. REPORT IMMEDIATELY TO YOUR SUPERVISOR.

GOOD LUCK!
#02-629

## SATELLITE RADIO STUDY

### REPORT FORM

MARKET: ____________________________

MALL: ____________________________

SUPERVISOR: ________________________

PHONE #: (____ ) ____________________

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**Total Screened (Completes + Q's. F – Q)**

**Total Completed Interviews**

### Questionnaire Version

**Subscriber Total**

- Sirius
- XM
- Both

**Considering Total**

- Sirius
- XM
- Both
- Don't Know

---

**FAX CUMULATIVE REPORT, DAILY, EACH WEEKDAY & SATURDAYS, TO 212-633-6621.**
## Terminations:

**Q. A-D:** Security

**Q. E:** Under 18/ Refused Age
- Over Quota Males 18 - 24
- Over Quota Males 25 - 34
- Over Quota Males 35 - 49
- Over Quota Males 50 - 64
- Over Quota Males 65+
- Over Quota Females 18 - 24
- Over Quota Females 25 - 34
- Over Quota Females 35 - 49
- Over Quota Females 50 - 64
- Over Quota Females 65+

**Q. F:** (Not Boxed Answer: Does Not Make Decision To Subscribe To Satellite Radio)
- Males 18 - 24
- Males 25 - 34
- Males 35 - 49
- Males 50 - 64
- Males 65+
- Females 18 - 24
- Females 25 - 34
- Females 35 - 49
- Females 50 - 64
- Females 65+
MARKET: __________________________
MALL: __________________________

Terminations: (Continued)

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<th>Q. K: Don't Know Service</th>
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MARKET: __________________________
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**Terminations: (Continued)**

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<th>Description</th>
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<td>Our Quota Satellite Radio Subscriber</td>
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<td>Our Quota Satellite Radio Considering Subscribing</td>
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<td>Q. N: No Glasses or Contacts Satellite Radio Subscriber</td>
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<tr>
<td>Q. N: No Glasses or Contacts Satellite Radio Considering Subscriber</td>
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<tr>
<td>Q. P: Refused to Participate Satellite Radio Subscriber</td>
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<tr>
<td>Q. P: Refused to Participate Satellite Radio Considering Subscriber</td>
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<tr>
<td>Q. Q: Refused Phone Number – Satellite Radio Subscriber</td>
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<tr>
<td>Q. Q: Refused Phone Number – Satellite Radio Considering Subscriber</td>
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**Incidence:**

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<th>Description</th>
<th>Frequency</th>
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<td>Qualified (Qualified Completes + Qualified Refusals)</td>
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<td>Contacts (Qualified + Terminations at Q F, G/H, I, K/L, O)</td>
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<td>Incidence (Qualified/Contacts)</td>
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<td>Length</td>
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TO: SUPERVISORS  
FROM: KATHY ROMANO  
RE: SATELLITE RADIO STUDY  
DATE: OCTOBER, 2006

STUDY DESIGN: This is a Central Location, computer assisted personal interview about satellite radio. Potential respondents will be screened on the mall with answers and terminates recorded on a hard copy (paper) screener. Qualified respondents will then be interviewed in your facility with answers recorded directly into a CAPI Program using a personal computer with a mouse and high-speed access.

SCHEDULE: Wednesday, October 11th ....................... Receive field materials. 
DDW conference call to brief study, train interviewers including role-playing.
Begin to interview.

Sunday, October 15th ................................. Finish interviewing.
Monday, October 16th ................................. Final Data to DDW.

QUOTAS: Your quota of completed interviews varies by market (see Quota Sheet).

AT LEAST 50% OF THE INTERVIEWING MUST BE CONDUCTED OVER THE WEEK-END AND/OR DURING EVENING HOURS.

RECRUITING RESPONDENTS & INTERVIEWING AREA: After they have been screened for eligibility, all qualified respondents will be invited to your "test" location where the remainder of the questionnaire will be administered.

When setting up your interviewing areas, keep in mind that they must be set up so that no respondent can see or overhear another respondent. It is also essential that a passerby not be able to see or overhear interviews in progress. You will be using a personal computer with high-speed Internet access.

There must be a small table next to each computer which is large enough for two trays.

NOTE: AT NO TIME CAN THE RESPONDENT BE LEFT ALONE IN THE ENCLOSED AREA WITH THE PC. THE INTERVIEWER MUST REMAIN WITH EACH RESPONDENT THROUGHOUT THE ENTIRE MAIN INTERVIEW.
**SCREENER:** The paper Screeners will be used to screen respondents on the mall.

* **DO NOT RECORD TERMINATIONS ON TALLY SHEETS; THEY MUST BE RECORDED DIRECTLY ON TO SCREENERS.**

Because you have screening quotas by age, terminated Questions F - Q as well as completes DO count toward your Screening Quota. Q's. A, B, C, D and E do **NOT** count toward your screening quota.

**NOTE:** It is important that when terminating a respondent, you circle the number in the appropriate age group for that respondent. This will be the only way you can accurately keep track of your screening quotas by age. **DO NOT RECORD TERMINATIONS ON TALLY SHEETS; THEY MUST BE RECORDED DIRECTLY ONTO SCREENERS.**

All Screeners must be returned to **DDW** including those with only terminations which do not have a main questionnaire ("Screener only").

**MAIN QUESTIONNAIRE:** The questionnaire is a web program.

Before you work on this study, you must attend a briefing which will be conducted by **DDW** and be fully familiar with the CAPI Program Instructions. You must complete a Practice Interview. (Screener and Main Questionnaire.

Please note that the paper screener information will need to be input into the program by the interviewer.

The main questionnaire portion of the study will be done on the computer. Respondents will be given a choice as to whether they want to enter their answers on the computer or whether they prefer to have the interviewer do it for them. In either case, the interviewer must remain with respondent during the entire interview.
**TRAINING:**

Use only professional interviewers with whom you have worked before. All interviewers working on this study must attend a formal briefing and training session. You must discuss the following:

1. Screening procedures
2. Quotas
3. Main Questionnaire is on the computer and the interviewers must know how to work the computer.
4. The critical importance of completely and accurately recording all answers and especially the responses to the open-ended questions. Ask respondent to repeat answer if it is not clear.
5. Debriefing of respondents and of interviewers

Each interviewer must complete a practice interview and be familiar with the study.

You, the supervisor, must review each practice interview before the interviewer goes into the field. You must check that the interviewer knows how to administer the questionnaire. **These practice interviews must be edited, discussed thoroughly and reviewed with the interviewers, and returned with the completed work. They must be clearly identified as practice interviews.**

If you must replace any interviewers, they must be formally briefed and trained, covering all of the above procedures and they must conduct a practice interview.

**Please use only experienced interviewers who have been trained in interviewing procedures (including reading questions verbatim and writing clearly) and with whom you have worked before.**

**DDW** personnel will be on the phone with you, the supervisor, when you train and brief the interviewers.

**SUPERVISION:**

You, the Supervisor, should:

(a) Check that the interviewers are screening potential respondents in all parts of the mall
(b) Supervise the actual interviewing both during the screening process and the main interview
(c) Monitor the first few interviews of each interviewer and continue to monitor on a random basis throughout the interviewing process
(d) Serve as a coach to ensure the quality of the interviewing and that the correct stimulus is being shown.

**INTERVIEWERS:**

You must have three or four interviewers working on this study, each completing 3 to 5 interviews.
DEBRIEFING: You must debrief your interviewers after each interview and after each day's work to determine whether there are any problems with administering the questionnaire or working with the stimuli and on any reactions, complaints or questions from respondents. If there are any problems, report them IMMEDIATELY to DDW.

You must call DDW at the end of the first day to give us a debriefing.

POTENTIAL PROBLEMS OR QUESTIONS:

If you have any problems or questions, please do not hesitate to call me at (212) 633-1100 ext. 266 during business hours on weekdays. In the evenings or on the weekend, if there are any questions or problems, please call 212-917-434-5035.

REPORTS:

Reports must be faxed on a daily basis each weekday during the course of this study. Fax daily to (212) 633-6621.

VALIDATION:

PLEASE NOTE: THIS RESEARCH IS BEING CONDUCTED FOR A CLIENT WHO DOES 100% TELEPHONE VALIDATIONS. INTERVIEWS FOUND TO CONTAIN ANY DISCREPANCIES PER THE TELEPHONE VALIDATION WILL NOT BE ACCEPTED OR PAID FOR.

You must obtain home telephone numbers, not beeper numbers or voice mail numbers. We must be able to reach these respondents in order to validate. Business numbers are okay if they are identified as business numbers on the questionnaire and validation forms.

YOU MUST CONFIRM RESPONDENT PHONE NUMBERS. BE CERTAIN THAT THE RESPONDENTS UNDERSTAND THAT WE MUST BE ABLE TO CALL THEM TO VERIFY THEIR PARTICIPATION IN THE STUDY. ASK FOR IDENTIFICATION AND DIAL THE PHONE NUMBER, VERIFYING THAT IT IS A WORKING NUMBER. LISTINGS ON THE VALIDATION SHEET WHICH DO NOT HAVE A VALID TELEPHONE NUMBER MIGHT BE CONSIDERED INVALID INTERVIEWS AND BE PULLED FROM THE STUDY.

MAKE SURE THE INTERVIEWER AND RESPONDENT HAVE SIGNED THE SURVEY.

THE VALIDATION FORM WILL BE E-MAILED TO YOU. YOU MUST FILL IN INFORMATION FOR EACH RESPONDENT. THERE MUST BE A SEPARATE SHEET/TAB FOR EACH INTERVIEWER. E-MAIL TO DDW.
RETURNING WORK: You must return the following to DDW:

1. Completed Screeners.
2. Validation Forms e-mailed to DDW
3. Screeners Only (Screeners with terminations which did not result in a completed interview)

BILLING: Please bill at agreed upon rate.

THANK YOU IN ADVANCE FOR YOUR HELP ON THIS STUDY!
Hello, I'm _______________ calling from Data Development Worldwide, a national market research company. Recently we conducted a study in your area and I'm calling to confirm a few points in the survey.

1. Were you recently approached in a mall and asked questions, and then asked to go to a facility to do a survey?
   ___ X ___ Yes
   _____ No

2. Did you tell the interviewer that you currently have satellite radio in your household?
   ___ X ___ Yes
   _____ No

3. When you went to the facility were you seated at a computer to answer questions about satellite radio?
   ___ X ___ Yes
   _____ No

Thank You For Your Cooperation!
**Study Name:** SATELLITE RADIO STUDY

**Job #:** #02-629

**Area Code:**

**City & State:**

**Field Service (Company Name):**

**Field Interviewer:**

**Market:**

**Total No. of Completed Interviews:**

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**ALL RESPONDENT ID #’S MUST BE FILLED IN !!!**

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<th>SCREENER ID #</th>
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<th>RESPONDENT’S NAME</th>
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**QUOTA**

A – Satellite Radio Subscriber Sirius

B – Satellite Radio Subscriber XM

C – Satellite Radio Considering Subscribing Sirius

D – Satellite Radio Considering Subscribing XM

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http://www.datadw.com
APPENDIX G

BASIC STATISTICAL ANALYSIS
Basic Statistical Analysis

There are two types of data, quantitative data (e.g., weights) and qualitative data (e.g., does the respond rate music to be the most important attribute or not).

I. Quantitative Data

A. We used the sample average as the estimate for the population average.

B. Confidence intervals were obtained in the standard way by:

\[ \bar{x} - 1.96 \times \frac{s}{\sqrt{n}}, \]  

where \( n \) is the sample size and \( s \) is the sample standard deviation.\(^1\)

The above approach is standard and taught in every basic statistics course. The only less than standard confidence interval is for a sample correlation. We used this to obtain the confidence interval for the correlation between the predicted and given scores for cards 65 and 66, the holdout profiles.

C. It is known that the sample correlation \( r \) can be transformed to a normal random variable via Fisher’s z-transform

\[ t = \frac{1}{2} \ln \left( \frac{1+r}{1-r} \right) \]  

is approximately normal with mean \( \tau = \frac{1}{2} \ln \left( \frac{1+r}{1-r} \right) \) and variance of \( \frac{1}{n-3} \) where \( n \) is the sample size.

We can then use the following to obtain a 95% confidence interval for \( \rho \).

i) Obtain a confidence interval for \( \tau \) by letting \( t_L = t - \frac{1.96}{\sqrt{n-3}} \) and \( t_U = t + \frac{1.96}{\sqrt{n-3}} \)

ii) When we solve for \( \rho \) in terms of \( \tau \) we get

\[ \frac{A-1}{A+1} \]  

where \( A = \exp(2 \tau) \)

Substituting \( t_L \) (\( t_U \)) for \( \tau \) gives the lower (upper) end of the confidence interval for \( \rho \).

II. Qualitative Data

A. We use sample proportion \( p \) to estimate the population proportion.

B. We use the standard confidence interval of \( p \) +/- error

\[ \text{Error} = 1.96 \times \sqrt{\frac{p \times (1-p)}{n}}^{1/2}. \]

\(^1\) Note: One could have used the t-distribution instead of the normal distribution, but since \( n \) is sufficiently large in all cases this is not substantively different.
APPENDIX H

A BRIEF DESCRIPTION OF CONJOINT ANALYSIS
A BRIEF DESCRIPTION OF CONJOINT ANALYSIS

Conjoint analysis is one of the leading methods used by marketing researchers to find out how consumers make decisions among competing products and services and to determine the value consumers place on product attributes. Through the use of conjoint analysis, market researchers are able to predict how buyers will choose among products and services and determine the relative importance of each of the attributes being studied. Thus, for example, conjoint analysis can be used to predict whether consumers would prefer (and thus be willing to pay more for) a movie theater ticket to a theater with a seat that is wider and has a cup-holder than for a theater ticket to a theater with no pre-show commercials.

History of Conjoint Analysis

Conjoint analysis has been used by market researchers for 35 years since its introduction by Paul Green, a colleague of mine at The Wharton School, in an article in the Journal of Marketing Research (1971). In the preface to our 1972 book, Multiattribute Decisions in Marketing: A Measurement Approach (Green and Wind 1972) we introduced the topic by stating, “One of the most tantalizing problems in decision theory – one that has occupied the attention of economists, statisticians, psychologists, sociologists, and others for a long time – is how people make decisions when the options under evaluation are multiattribute.” The book and much of the literature that followed in marketing focused on the theories, techniques, and applications of conjoint analysis as they related to various facets of empirical research in multiattribute decision making.

Conjoint analysis was rapidly adopted by market researchers as a superior method of answering three critical and interrelated questions:
1. How important are specific factors (attributes) in the consumer decision process?

2. What specific products and service offerings (specific levels on the selected attribute) are the “best”?

3. What will happen to the provider share of choices if they change their offerings - a “what if” analysis?

The ability to answer these questions, the flexibility in design and ability to address a variety of products and services, and the improved tools for data collection and analysis have led to its rapid adoption.

Conjoint analysis is, by far, the most used marketing research method for analyzing consumer trade-offs. Surveys conducted by Wittink and Cattin [1989] and Wittink, Vriens, and Burhenne [1994] attest to its world-wide popularity. Literally hundreds (if not thousands) of research papers and thousand of applications of conjoint analysis have been conducted. Conjoint analysis has spawned more applications and has led to more major decisions than any other technique in Marketing over the last thirty-five years.

Validation of Conjoint Analysis

At least as critical as the widespread use of the conjoint methodology is its validation. The continued and repeated use of conjoint analysis by industry is the best indication of its proven validity. In addition, conjoint analysis has been validated by studies that compare different research methods. Several papers have compared so-called self-explicated models (see infra) to classical full profile approaches. For a validation study of conventional conjoint methods, self-explicated models and a blending of these two approaches into hybrid models see for example, Green, Krieger and Agarwal (1991).
Many other authors, such as Wittink, have engaged in research that validates the results one obtains from a conjoint study such as the one described below.

**Practical Applications of Conjoint Analysis**

Since its introduction, businesses and governments and numerous academic researchers, consulting firms, and marketing research firms have embraced conjoint analysis as a reliable and valid method of analyzing consumer preferences when introducing new products or studying markets. Indeed, businesses and governments regularly make billions of dollars of decisions based on the results of conjoint analyses. There is an obvious reason for this popularity – conjoint analysis enables consumers to make tradeoffs among competing products and product configurations, which is often the fundamental question posed in many strategic marketing and business decisions. These decisions include optimal pricing, optimal configuration of products, game theory reactions to competitors’ decisions, segmentations of the market, and introduction of new products.

There have been many high-profile applications of conjoint analysis that have led to major successful business outcomes. Among the most visible applications of conjoint analysis have been Courtyard by Marriott and E-Z Pass.

- **Courtyard by Marriott**: The Marriott International Corporation employed conjoint analysis to make business decisions regarding the design of its new Courtyard by Marriott chain of hotels. Marriott used a massive conjoint analysis to test dozens of major aspects of the hotel design (a total of 50 factors were tested), including building design, shape of the pool, the level of service from room service, the in-room toiletries, and the atmosphere of the hotel lounge. As a result of the design
suggested by the conjoint analysis, Courtyard by Marriott became the fastest growing, moderately priced hotel chain in the United States. Even more impressively, Courtyard by Marriott achieved a market share within four percentage points of that predicted by the conjoint analysis. This validation of the conjoint analysis in the context of a multi-billion dollar investment by a major corporation demonstrates the exceptional power of the conjoint methodology. A description of this application of the conjoint analysis was published (Wind et al, 1989) and was the runner up for the Adelman Prize, the most prestigious award for applications of management science.

- E-Z Pass: The Port Authorities in the New York City area were skeptical whether enough motorists would be willing to pay tolls via an automated toll-taking device placed in their cars to justify the expenditure of millions in taxpayer dollars on the E-Z Pass infrastructure. The Port Authorities believed that 15-20% of motorists needed to subscribe to E-Z Pass to make the adoption of E-Z Pass successful. A conjoint analysis was performed to determine whether enough motorists would sign up for E-Z Pass. The conjoint analysis was complicated by the fact that the individuals, prior to its introduction, were totally unfamiliar with the E-Z Pass concept. Respondents were provided with videos that demonstrated the concept and allowed respondents to determine the attractiveness of the concept – i.e., their willingness to subscribe – and the optimal configuration of the E-Z Pass service. Based on the respondent’s answers, the conjoint analysis predicted that E-Z Pass would obtain a market share in the mid-40% range. The Port Authorities proceeded with the E-Z Pass project based on this analysis. Again, the results of
the conjoint analysis were verified by consumer behavior – the E-Z Pass
subscription rate in the New York metropolitan area is between 40 and 50%.

Conjoint analysis has also been used in myriad other applications for all types of
products or services. To name a few, it was used for AT&T’s first cellular telephone,
designing the tracking services at FEDEX, and performance and reliability features for an
IBM workstation. Furthermore, conjoint analysis has been used in the financial industry in
many ways, including analyzing the features of credit cards and bank services (e.g., annual
fees, frequent flier miles, etc). The pharmaceutical industry has used conjoint extensively
for pricing and positioning studies (for determining efficacy, safety and dosing features)
for various drugs (e.g., antihypertensives). Perhaps most relevant to the conjoint analysis
prepared in this proceeding, a conjoint analysis was employed to determine the role that
price and various features play in subscribing to cable TV in Japan.

Table 1 presents an illustrative list of products and services studied by conjoint
analysis while Table 2 identifies some of the decision areas in which conjoint analysis has
been used.

**Description of the Conjoint Analysis in the Context of this Application**

The objective of conjoint analysis is to evaluate the importance of various aspects
of products or services in the decision process of “buyers”. The decision maker has to
choose among a set of “offerings” that vary with respect to the specific levels of a specified
set of attributes (factors). The list of attributes in this study and the corresponding levels
are given in Table 3 below.
Table 1

Illustrative Products and Services Studied by Conjoint Analysis Studies

<table>
<thead>
<tr>
<th>Consumer Nondurables</th>
<th>Other Services</th>
<th>Business Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bar soaps</td>
<td>• Courtyard by Marriott</td>
<td>• McKinsey</td>
</tr>
<tr>
<td>• Hair shampoos</td>
<td>• Car rental agencies</td>
<td>• Booz-Allen</td>
</tr>
<tr>
<td>• Carpet cleaners</td>
<td>• Telephone services and pricing</td>
<td>• A.D. Little</td>
</tr>
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<td>• Synthetic-fiber garments</td>
<td>• Employment agencies</td>
<td>• BCG</td>
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<td>• Gasoline pricing</td>
<td>• Information retrieval services</td>
<td>• Bain</td>
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<td>• Panty hose</td>
<td>• Employee benefits packages</td>
<td>• Andersen Consulting</td>
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<td>• Lawn chemicals</td>
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<td>• Facial tissues</td>
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<td><strong>Financial Services</strong></td>
<td><strong>Health Care/Pharmaceuticals</strong></td>
<td><strong>Legal Cases</strong></td>
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<td>• Bank services</td>
<td>• Ethical drugs</td>
<td>• AA Source Position</td>
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<td>• Auto insurance policies</td>
<td>• Diagnostic equipment</td>
<td>• Chrysler – Windshield Wiper</td>
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<tr>
<td>• Health insurance policies</td>
<td>• Health maintenance organizations</td>
<td>• Italian Trade Com. – pasta’s country of origin</td>
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<tr>
<td>• Credit card features</td>
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<tr>
<td>• Consumer discount cards</td>
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<td>• Travel and entertainment packages</td>
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<td>• Financial planning</td>
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<td><strong>Consumer Durables</strong></td>
<td><strong>Industrial Goods</strong></td>
<td><strong>Customer Satisfaction</strong></td>
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<td>• Copying machines</td>
<td>• IBM</td>
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<td>• Automobile and truck tires</td>
<td>• Printing equipment</td>
<td>• Chrysler</td>
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<td>• Pickup truck design</td>
<td>• Facsimile transmission</td>
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<td>• Car batteries</td>
<td>• Data transmission</td>
<td>• UPS</td>
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<tr>
<td>• Apartment design</td>
<td>• Portable computer terminals</td>
<td></td>
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<tr>
<td>• Toasters</td>
<td>• Diagnostic x-ray equipment</td>
<td></td>
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<td>• Commercial lawn mowing</td>
<td>• Computers</td>
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<td><strong>Transportation</strong></td>
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<td>• Domestic airlines</td>
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<td>• Passenger train operations</td>
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<tr>
<td>• Freight train operations</td>
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</table>

**Brand Equity**
• Shell/Texaco Merger

**Quality Function Deployment**
• Xerox Copies

**Customer Satisfaction**
• IBM
• Chrysler
• FedEx
• UPS

**Legal Cases**
• AA Source Position
• Chrysler – Windshield Wiper
• Italian Trade Com. – pasta’s country of origin
### Table 2

**Illustrative Area of Applications of Conjoint Analysis Studies**

- **Market Segmentation**
  - As a basis for segmentation-“benefit” segmentation
  - As a descriptor of segments
  - Flexible segmentation
  - Componential segmentation and models for simultaneous evaluation (i.e. SIMPOT)

- **Product Decisions**
  - Positioning
  - Concept evaluation
  - Product development guidelines
  - Quality function development

- **Pricing Decisions**
  - Price sensitivity
  - Value of different models of pricing

- **Promotional Decisions**
  - Semantic equivalents

- **Distribution Decisions**
  - Value of different outlets
  - Design of a product/service mix for distribution outlets

- **Management: Decision Criteria**
  - Product portfolio
  - New product evaluation
  - Allocation of resources
  - Business strategy brand equity

- **Consumer Behavior**
  - Consumer choice of items and item collections
  - Allocation of time and money among activities
  - Satisfaction / referenceability
## Table 3

List of Attributes and Levels for the Conjoint Task of the Satellite Radio Study

### A. Music Programming
1. No music programming
2. Substantially **fewer** channels and **less** variety of music than currently offered
3. The **same** number of channels and the **same** variety of music as currently offered
4. Substantially **more** channels and **more** variety of music than currently offered

### B. News
1. No news programming
2. Substantially **fewer** channels and **less** variety of news than currently offered
3. The **same** number of channels and the **same** variety of news as currently offered
4. Substantially **more** channels and **more** variety of news than currently offered

### C. Sports
1. No sports programming
2. Substantially **fewer** channels and **less** variety of sports than currently offered
3. The **same** number of channels and the **same** variety of sports as currently offered
4. Substantially **more** channels and **more** variety of sports than currently offered

### D. Talk & Entertainment
1. No talk and entertainment programming
2. Substantially **fewer** channels and **less** sports variety than currently offered
3. The **same** number of channels and the **same** talk and entertainment variety as currently offered
4. Substantially **more** channels and **more** talk and entertainment variety than currently offered

### E. The Number of Minutes Of Commercials Per Hour on Music Channels
1. No commercials on music channels
2. **2** minutes of commercials per hour
3. **5** minutes of commercials per hour
4. **12** minutes of commercials per hour

### F. Geographic Coverage
1. Typical FM coverage
2. Complete Nationwide Coverage

### G. The Monthly Price for a Single Subscription
1. $8.95 per month
2. $10.95 per month
3. $12.95 per month
4. $14.95 per month
A conjoint analysis typically has three phases:

1. Creating the survey and collecting the data
2. Estimating the parameters from the results of the survey
3. Incorporating the estimates of the parameters into a “simulator”

**Data Collection**

At the heart of conjoint analysis is the presentation of profiles to each individual. A profile is a potential offering. For example, in the application used here one such profile is an offering that includes the same number of channels and variety as currently offered for sports and talk and entertainment, no news programming, substantially more music channels and variety than is currently offered, five minutes of commercials on music channels with typical FM coverage. This offering is priced at $12.95 per month.

Note that the number of possible profiles is the product of the number of levels. In our application six of the attributes have four levels and the other attribute has two levels, hence the number of possible profiles is \(4^6 \times 2 = 8192\). Respondents, however, see only a small subset of all possible profiles. The selected profiles are generated in a statistical way that enables one to estimate the importance of each level of each attribute independent of other levels of attributes. The set that is generated is referred to in the literature as a fractional factorial design and special software was used to create this set of 64 profiles. This set was further divided into eight blocks of eight profiles, and each respondent saw one of the eight blocks. The master design of 64 profiles is included in Table 4.
<table>
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<tr>
<th>Music Programming</th>
<th>News</th>
<th>Sports</th>
<th>Talk &amp; Entertainment</th>
<th># of Minutes of Commercials</th>
<th>Geographic Coverage</th>
<th>Price</th>
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\(^1\) The numbers here refer to the levels stated in Table 3 (e.g., for music, “1” means no music, and “4” means substantially more music).

\(^2\) Note that a “1” in column 1 (no music) is accompanied by a “5” (not applicable) in column 5 (number of minutes of commercials on music programs).
<table>
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<tr>
<th>Music Programming</th>
<th>News</th>
<th>Sports</th>
<th>Talk &amp; Entertainment</th>
<th># of Minutes of Commercials</th>
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</table>

There are three major research designs and corresponding types of data collection procedures:
1. **Full Profile**: In full profile techniques, respondents are given profiles (one level for each attribute; as described above) and asked to rate each profile on a 0-10 likelihood-of-purchase scale. Alternatively, in choice based conjoint, the respondent is simply asked whether this profile (product offering) would be purchased by him/her or not.

2. **Self Explicated**: In compositional techniques (sometimes referred to as self explicated), each respondent rates the desirability of each level of each attribute and then rates the attributes by dividing 100 points to indicate the relative importances of attributes.

3. **Hybrid**: Since in large scale conjoint analysis, such as the EZ Pass application and this study, it is not practical to collect a sufficient number of profiles to estimate the effects of each level of each attribute at the individual level, hybrid techniques have become popular. In essence, both full profile data and self-explicated data (as described in (1) and (2)) are collected (Green 1984, and Green and Krieger 1996).

**Parameter Estimation**

Once the data are collected the next task is to build a conjoint model that relates the likelihood of purchase to the description of the products as described by its levels (e.g., the profiles). “Partworths” are derived that reflect the role of each level of each attribute in the decision making process.

Since individuals have different preferences and it is not feasible to collect a sufficient number of profile data, the approach, which was used in EZ Pass and other successful applications, is to build a hybrid model that combines the self-explicated data with the full profile. That is what was done here. Various forms of hybrid conjoint models...
are employed and the one chosen is based on its ability to validate to a holdout set of profiles. In The Satellite Radio study two “control” profiles were included one presenting the current market offering and the other, the current offering but with no music offering. Thus, each respondent received 10 profiles – the eight from one of the blocks of the master design + the two control profiles.

We followed the same approach for arriving at partworths that was followed in the EZ Pass study. Studies have shown that the self-explicated desirabilities (which at least provides a ranking of the levels) are often accurate. In fact, in ACA implementations (a commonly-used commercial software package), it is assumed that the desirabilities are equally-spaced typically when the ordering of the levels is clear. In our analysis, that would assume that the difference between each level for a given attribute is the same (e.g., with music, it would assume that the difference in desirabilities between no music, substantially less music, the same amount of music, and substantially more music are the same). Since we did not want to have such a restrictive assumption, we provide respondents the opportunity to indicate the spacing among the levels of any given attribute to reflect their preferences. Thus, the desirability questions 5 and 6 in our study go a step further by eliciting the actual desirabilities thereby allowing for differential spacings.

Where a self-explicated model fails, however, is in the weights for these attributes. The approach that uses only the self explicated data although used by some, is not sufficient. The self-explicated model treats the partworth as the product of the desirability for that level of the offering multiplied by the weight that the respondent gives that offering. It has been shown in validation studies that the self-explicated weights that individuals assign to each of the attributes are more equal than their selections would
imply (i.e. underestimating the importance of the most important attributes and overestimating the importance of the less important attributes).

The desirabilities for the programming attributes, non-programming attributes, and price are given in questions Q5, Q6a and Q6b respectively. The importance of the programming attributes are in Q4 and the non-programming and price attributes in Q7. This self-explicated data at the individual level is then blended with the responses to the 8 profiles, which were rated in question 10. Combining the self-explicated data and the profile data leads to a more accurate measure of the value (i.e., the partworth) that an individual assigns an attribute by adjusting it (within constraints) until it best predicts the value that individual gave in the profile questions. Hence for each individual, we adjust the partworths by solving the following optimization problem.

We find the partworths that best predict the profile data subject to the constraint that the revised partworths differ from the self explicated partworths by no more than a prespecified amount. As shown below, this method leads to a more conservative result than if one used a constraint of 0, i.e., where no change is allowed. We chose a maximum difference of .25 as in the EZ Pass application.

The partworths are scaled to be between 0 and 1. Sensitivity analysis to this constraint was done to assess its impact on the implied relative importance of the various attributes. In this case the algorithm looks to change one partworth by .01 (small step) to make the sum of the absolute errors of the predicted scores over the eight profiles and the actual scores as small as possible. Each of the twenty six possible levels to choose from (six of the attributes have four levels and one attribute has two levels) are considered and the one which does best is changed. Then all twenty six possibilities are considered and
one of the partworths is changed to again make the predicted scores closest to the actual scores as described above. This approach is repeated until no change is available to improve the accuracy of the predictions.

As noted, we used a constraint of .25. We ran the optimization program, however, for four values of the constraint: 0, 1, .25 and .5. The results did not vary very much when the value for the constraint was changed. For example, the value for music was:

\[
\begin{align*}
0 &= 35.2 \\
.1 &= 31.9 \\
.25 &= 29.8 \\
.50 &= 29.9
\end{align*}
\]

In consulting projects a value of .25 is typically used which might be viewed as high. It should be noted that as the value of the constraint increases it tends to give marginally less weight to music; hence a choice of .25 may be thought of as being conservative.

We chose the above method (prior to seeing the data) for the following reasons:

1. It is exactly the same method that we would recommend if we were asked to solve the problem as a consulting exercise rather than in a litigation setting.

2. The number of profiles that each individual can comfortable evaluate relative to the number of parameters (levels across all attributes) is such that regression at the individual level is not feasible.

3. Other methods for combining profiles across individuals have serious limitations. For example, assuming that there are k different types of people and allowing the data to solve for the optimal k and the common partworths within type, has been shown in the literature to perform worse in validation studies. Furthermore, this
would tend to distort the results if inferences are to be drawn for a subset of respondents.

**The Simulator**

Once the partworths are estimated they are then input into a simulator that allows for estimating the market share for any profile. This is not restricted to the 64 profiles in our design, but rather to all of the possible 8,192 profiles in the satellite application.

The standard approach to map the partworths into shares is to take the partworths associated with each level of each attribute and add them up. This is sometimes referred to as the utility of the profile. A constant intercept is added in to ensure that the utilities scale properly to the shares given for the profiles. This utility is most often converted into share by taking \( \exp(\text{utility})/(1+\exp(\text{utility})) \).

The shares are computed at the individual level and then aggregated to the entire sample. If the survey allowed for differential sample weights for each individual then these weights can be incorporated in the final overall market share. For example, if older people are over-sampled, to ensure a sufficient sample size in that group, these people would then be given less weight (as is standard in sample survey methodology) to adjust for this.

**This Study**

The main focus in this study is not on the optimal profile, or the performances of potential profiles, but rather on the importance of the music offering. The conjoint data offers three ways to measure this:

We can compare the weights that individuals give to each of the attributes.

a. Using the self-explicated weights.
b. Using the implied weights as given by the self-explicated partworths. The weight of attribute “i” is the maximum difference of the partworths over the levels of attribute “i” over the sum of these quantities across all attributes.\(^3\)

c. Using the implied weights once the partworths are revised after the hybrid conjoint analysis.

Approach (c) can be tried for different implementations of the hybrid conjoint to see how sensitive the results are to the settings that were used.

In all cases the results can be reported for the entire sample or for subsets of individuals. Averages and standard deviations of importances may also be calculated. In addition, we can determine the number of individuals that give each attribute the highest importance, second highest importance etc.

Finally, the results are given with associated confidence intervals measuring the accuracy of the results. Since, in any study, we only observe a sample of individuals, the extent to which the importances vary across individuals reflects the uncertainty in using these importances to infer the results in the entire population.

**Inclusion**

We used two measures as a basis to include individuals in the analysis. The first measure computes the predicted utilities for the eight profiles each person received (not including the two holdout profiles, cards 65 and 66) using the self explicated partworths (the desirability for each level of attribute was multiplied by the weight the individual gave

\(^3\) Note: We needed to use this approach to obtain the self-explicated weights. It was desirable to collect relative weights for the first four attributes and relative weights for the last three attributes. Instead of measuring explicitly the relative importances of the first four attributes to the last three attributes, we used the sum of the maximum differences of partworths as a way to combine these two subsets of attributes.
to that attribute). These eight utilities were correlated with the eight scores the individual
gave to the eight profiles. Respondents who did not have positive correlations had
inconsistent responses, as explained below.

The second measure we used was based on the final partworths using the scores for
eight profiles as well as the self explicated data. These partworths give predicted scores
for the two holdout profiles 65 and 66. If the preferred card (65 or 66) in terms of the
predicted score agreed with the stated preference when the profile was seen then this
person qualifies on this basis. The few respondents who gave equal score to cards 65 and
66, qualified if the predicted score was within one unit (the smallest gradation on the
scale).
Cross tabulating these two criteria resulted in the following table:

<table>
<thead>
<tr>
<th></th>
<th>(2) Predicted rank of the two control cards based on the estimated partworths</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive</td>
<td>Negative</td>
</tr>
<tr>
<td>(1) Correlation</td>
<td>Positives</td>
<td>312</td>
</tr>
<tr>
<td></td>
<td>Negatives</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>372</td>
</tr>
</tbody>
</table>

As can be seen from the table only 16 respondents did not qualify on both measures. These 16 individuals were deleted from the conjoint analysis task in the written testimony.

We did perform, however, full analyses for the conditions of:

a. The full sample of **428**

b. The sample of **412** in which we eliminated the 16 respondent who did not qualify on the two measures

c. The sample of **328** in which we eliminated the 100 respondents (40 and 60) who did not meet one of the two conditions

d. The sample of **312** in which we eliminated the 116 respondents who did not qualify on at least one of the two conditions (40 and 60) and on both (16).

The results of the four samples are summarized below.
Comparison Of The Four Samples On The Relative Importance Of The Seven Conjoint Factors

<table>
<thead>
<tr>
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<th>(1)</th>
<th>(2) (used in testimony)</th>
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<tr>
<td></td>
<td>N=428</td>
<td>N=412</td>
<td>N=328</td>
<td>N=312</td>
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<tr>
<td>Music</td>
<td>29.8</td>
<td>30.4</td>
<td>32.4</td>
<td>33.3</td>
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<tr>
<td>News</td>
<td>10.7</td>
<td>10.5</td>
<td>10.8</td>
<td>10.5</td>
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<tr>
<td>Sports</td>
<td>13.3</td>
<td>13.4</td>
<td>12.5</td>
<td>12.6</td>
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<tr>
<td>Talk-Entertainment</td>
<td>11.9</td>
<td>11.8</td>
<td>11.2</td>
<td>11.1</td>
</tr>
<tr>
<td>Commercials</td>
<td>13.2</td>
<td>13.0</td>
<td>13.7</td>
<td>13.5</td>
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<tr>
<td>Coverage</td>
<td>6.5</td>
<td>6.3</td>
<td>6.2</td>
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<tr>
<td>Price</td>
<td>14.6</td>
<td>14.6</td>
<td>13.3</td>
<td>13.1</td>
</tr>
</tbody>
</table>

Comparison Of The Four Samples On The % Of Respondents Who Selected One Of The Factors As Their Most Important One

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<td>N=412</td>
<td>N=328</td>
<td>N=312</td>
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<tr>
<td>Music</td>
<td>44.9</td>
<td>46.6</td>
<td>52.4</td>
<td>55.1</td>
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<tr>
<td>News</td>
<td>7.2</td>
<td>6.6</td>
<td>7.0</td>
<td>6.1</td>
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<tr>
<td>Sports</td>
<td>10.8</td>
<td>10.9</td>
<td>8.8</td>
<td>9.0</td>
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<tr>
<td>Talk-Entertainment</td>
<td>10.8</td>
<td>10.7</td>
<td>9.2</td>
<td>9.0</td>
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<tr>
<td>Commercials</td>
<td>8.6</td>
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<td>8.8</td>
<td>8.3</td>
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<tr>
<td>Coverage</td>
<td>3.3</td>
<td>2.9</td>
<td>2.7</td>
<td>2.2</td>
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<tr>
<td>Price</td>
<td>14.5</td>
<td>14.1</td>
<td>11.0</td>
<td>10.3</td>
</tr>
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</table>

As can be seen from examination of these tables, the selection of option 2 in my written testimony – deletion of the 16 respondents resulting in 412 respondents – is a conservative approach.
Once we obtained the final partworths for each individual, we can create utilities for any profile by adding up the partworths for the levels that comprise the profile. This gives us a predicted score for a profile. These scores are computed for each individual for each of cards 65 and 66. The predicted scores for card 65 are correlated to the actual scores the individual gave to card 65. Note that card 65 was not used in creating these partworths so this is a true validation of the approach. Confidence intervals for these correlations show that there is a statistical significant relationship (at the 5% significance level) between the predicted scores and the actual scores that were given to these profiles.

The correlation for the 412 respondents were:

for card 65  .37 (from .28 to .45)

for card 66  .63 (from .57 to .69)

**Summary**

In our study, a hybrid conjoint analysis was employed as one of the various methods to determine the relative importance of music in the decision to subscribe to satellite radio. We chose the hybrid conjoint approach as one of the approaches because that is what we would have used if this was a consulting project. We found in our research that it validates better than most other procedures. If there is a bias, as in most conjoint analyses, too much weight is given to the least important attributes and *too little weight* to the most important attributes. Given that music turned out to be the most important attribute in the analysis, this suggests that the method underestimated its importance.
Illustrative References

Main references


Other illustrative references


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Given the thousands of articles on conjoint analysis this is a short illustrative list. A Google search for conjoint analysis studies identified over 500,000 entries.


APPENDIX I

PRE-TEST QUESTIONNAIRE
SATELLITE RADIO STUDY

TOP SHEET

(THIS IS A PERSONAL INTERVIEW)

– SCREENER –

RESPONDENT I.D. #: ________________

(RECORD AT END OF INTERVIEW. PLEASE PRINT.)

RESPONDENT’S NAME: ________________________________ TEL. # ( ) ________________

ADDRESS:______________________________________________________________

CITY:______________________________ STATE: ___________ ZIP: ________________

INTERVIEWER: ________________________________ DATE: _____________________
Hello, I'm ______________ of Data Development Worldwide. We are a national marketing research firm and are currently conducting a survey and would like to include your opinions. Let me assure you we are doing this for research purposes only and that no one will sell you anything as a result of this study. Your answers will be held in the strictest confidence.

NOTE: RECORD ALL TERMINATIONS WHICH OCCUR IN ANY QUESTION A - D BY CIRCLING THE NEXT AVAILABLE NUMBER IN GRID AT BOTTOM OF THIS BOX. RECORD ONLY ONE TERMINATION PER CONTACT. RE-USE SCREENER UNTIL YOU REACH A QUALIFIED RESPONDENT.

A. (IF RESPONDENT HAS LANGUAGE/HEARING PROBLEM, ETC., IS IN A HURRY, REFUSES INTERVIEW OR APPEARS INTOXICATED, TERMINATE.)

B. (IF YOU KNOW THE RESPONDENT AT ALL, TERMINATE.)

(HAND RESPONDENT CARD 1)

C. Are you or any members of your household employed in any of the industries listed on this card?

   YES  NO

   An insurance company .......................................................... [ ] [ ]
   A marketing research firm .................................................. [ ] [ ]
   An advertising agency ....................................................... [ ] [ ]
   The entertainment industry ............................................... [ ] [ ]
   A satellite radio provider .................................................. [ ] [ ]
   A cable TV provider .......................................................... [ ] [ ]
   An Internet service provider ............................................. [ ] [ ]

(IF "YES" TO ANY BOXED INDUSTRY, TERMINATE AND RECORD BELOW.)

(TAKE BACK CARD 1)

D. During the past three months have you taken part in any market research survey other than a political poll? (IF "YES," TERMINATE.)

RECORD TERMINATIONS WHICH OCCUR IN ANY QUESTION A - D HERE:

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 (10) (11)
E. I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age? (RECORD ONE ANSWER.)

(TERMINATE IN FIRST BOX BELOW) ─ A. Under 18 years .......................  a

B. 18 – 24 years .......................  1
C. 25 – 34 years .......................  2
D. 35 – 49 years .......................  3
E. 50 – 64 years .......................  4
F. 65 or over ...........................  5

(IF AGE SCREENING QUOTA OPEN, CONTINUE. IF FILLED, TERMINATE IN APPROPRIATE BOX BELOW.)

(TAKE BACK CARD 2) (DO NOT READ) Refused ..............  b

(IF "UNDER 18" OR "REFUSED AGE", TERMINATE. CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.)

TERMINATE -- OVER QUOTA MALES – 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA MALES – 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA MALES – 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA MALES – 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA MALES – 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA FEMALES – 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA FEMALES – 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA FEMALES – 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA FEMALES – 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

TERMINATE -- OVER QUOTA FEMALES – 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
F. Which, if any, of the following decisions do you make or take part in making for your household? (CIRCLE ALL THAT APPLY.)

- Decision to subscribe to cable TV .......................................................... 1
- Decision to subscribe to an Internet service ............................................ 2
- Decision to subscribe to satellite radio .................................................... 3
- Decision to subscribe to a wireless phone service ................................. 4
- Decision to subscribe to satellite TV ......................................................... 5
- None of these ............................................................................................. *
- Refused ....................................................................................................... *

(TAKE BACK CARD)
G. Which of these services, if any, do you or your household currently subscribe to? (CIRCLE ALL THAT APPLY.)

() Cable TV ............................................... 1
Satellite TV ............................................ 2
Broadband Internet................................ 3
Satellite radio....................................... 4
Wireless phone service....................... 5
None of these ........................................ 6
Don't know............................................. 0

(ASK Q. H IF "SATELLITE RADIO" CIRCLED IN Q. G ABOVE. OTHERWISE, SKIP TO INSTRUCTIONS BEFORE Q. I)

(HAND RESPONDENT CARD 5)

H. Which of the following best describes the type of satellite radio you or your household currently subscribes to? (RECORD ONE ANSWER)

() A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius . 1
Part of a package from a third party (such as through DirecTV, DiSH Network or AOL).................. 2
Both................................................................................................................................................ 3
Don't know ...................................................................................................................................... 0

(ASK Q. I FOR EACH ITEM NOT CIRCLED IN Q. G.)

I. Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days? (RECORD ONE ANSWER FOR EACH LISTED ITEM)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Satellite TV</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Broadband Internet</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Satellite radio</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Wireless phone service</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

(ASK Q. J IF "YES" TO "SATELLITE RADIO" CIRCLED IN Q. I ABOVE. OTHERWISE, SKIP TO INSTRUCTIONS BEFORE Q. K)

(HAND RESPONDENT CARD 5)

J. Which of the following best describes the type of satellite radio you or your household are considering? (RECORD ONE ANSWER)

() A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius . 1
Part of a package from a third party (such as through DirecTV, DiSH Network or AOL).................. 2
Both................................................................................................................................................ 3
Don't know ...................................................................................................................................... 0
K. Which satellite radio service do you or your household currently subscribe to? (RECORD ONE MENTION.)

Sirius ..................................................... 1
XM......................................................... 2
Both....................................................... 3
Don't know............................................. *

(TERMINATE)
QUOTA QUALIFICATIONS

SATellite SubsCriber: Must be Satellite radio circled in Q.G and boxed answer circled in Q.H and "Sirius", "XM" or "Both" in Q.K.

SATellite raDio considering subsCribing: Must be "Yes" to Satellite radio circled in Q.J and boxed answer circled in Q.J.

Refer to Quota Qualification Above. If Respondent does not qualify for either Quota group, terminate and circle next available number in appropriate Box below..

Terminate -- Does not subscribe/consider subscribing -- males – 18-24 -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- males – 25-34 -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- males – 35-49 -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- males – 50-64 -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- males – 65+ -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- females – 18-24 -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- females – 25-34 -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- females – 35-49 -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- females – 50-64 -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

Terminate -- Does not subscribe/consider subscribing -- females – 65+ -- Circle next available number below. Erase and re-use Screener.

1 2 3 4 5 6 7 8 9 10 11 12 ()

If Quota for which Respondent qualifies is filled, terminate and record in appropriate box below.

Over Quota – Satellite radio Subscribers -- Circle next available number below. Erase and re-use Screener.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

Over Quota – Satellite radio considering subscribing -- Circle next available number below. Erase and re-use Screener.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50
M. Do you wear glasses or contact lenses when you read?

(ASK Q. N) ← Yes ...................... 1
(SKIP TO Q. O) ← No ...................... 2

(ASK ONLY IF "YES" IN Q. M)

N. Do you have your glasses with you or are you wearing your contact lenses today?

(CONTINUE WITH Q. O) ← Yes ...................... 1
(TERMINATE IN APPROPRIATE BOX BELOW) ← No ...................... *

O. RECORD GENDER OF RESPONDENT

()
Male ...................... 1
Female ...................... 2
P. We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

(CONTINUE WITH Q. Q)  Yes, will participate ....................  1

(TERMINATE IN APPROPRIATE BOX BELOW)  No, will not participate ................  *

Q. May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

(RECORD ADDRESS AND PHONE #, THEN CONTINUE)  Gave phone number ....................  1

(TERMINATE IN APPROPRIATE BOX BELOW)  Refused phone number ....................  *

BRING RESPONDENT TO INTERVIEWING AREA. DO NOT DISCUSS THE SUBJECT MATTER OF THE STUDY WITH THE RESPONDENT WHILE WALKING TO FACILITY.

NOTE: IF RESPONDENT WEARS GLASSES/CONTACT LENSES, BE SURE HE/SHE IS WEARING THEM WHEN ADMINISTERING MAIN QUESTIONNAIRE.
PN: INSTRUCTIONS FOR DETERMINING WHICH QUESTIONNAIRE VERSION TO ADMINISTER

- **SATELLITE RADIO SUBSCRIBER SIRIUS VERSION:**
  MUST BE SATELLITE RADIO IN Q G AND BOXED ANSWER IN Q.H AND "SIRIUS" IN Q K

- **SATELLITE RADIO SUBSCRIBER XM VERSION:**
  MUST BE SATELLITE RADIO IN Q G AND BOXED ANSWER IN Q.H AND "XM" IN Q K

  (NOTE IF SATELLITE RADIO SUBSCRIBER IN Q G AND "BOTH" IN Q K ROTATE BETWEEN THE TWO SUBSCRIBER VERSIONS ABOVE)

- **SATELLITE RADIO CONSIDERING SUBSCRIBING SIRIUS VERSION:**
  MUST BE "YES" TO SATELLITE RADIO IN Q I AND BOXED ANSWER IN Q.J AND "SIRIUS" IN Q L

- **SATELLITE RADIO CONSIDERING SUBSCRIBING XM VERSION:**
  MUST BE "YES" TO SATELLITE RADIO IN Q I AND BOXED ANSWER IN Q.J AND "XM" IN Q L

  (NOTE IF "YES" TO SATELLITE RADIO CONSIDERING SUBSCRIBING AND "DON'T KNOW" OR "BOTH" IN Q L, ROTATE BETWEEN THE TWO CONSIDERING SUBSCRIBING VERSIONS ABOVE)
SATELLITE RADIO

- MAIN QUESTIONNAIRE -

- SUBSCRIBERS -

(INTERVIEWER: RECORD ANSWERS TO QUESTIONS FROM PAPER SCREENER INTO PROGRAM BEFORE CONTINUING WITH Q. 1a.)

(READ VERBATIM:)
Thank you for agreeing to participate in our study. We would like to talk to you today about satellite radio. All of your answers will remain strictly confidential. No one will attempt to sell you anything as a result of participating in this study. We are only interested in your opinions. If you don't know an answer or don't have an answer to a particular question, please don't guess. Just tell me you don't know and we will go on to the next question. If, at anytime, you do not understand a question or do not understand what is being asked of you, just say so and I will repeat the question.

READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.

1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)

2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)

NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:
By programming we mean both categories of programs or specific programs or channels.

2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)

3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS.

IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS.

RECORD:
1 Respondent entering answers
2 Interviewer entering answers

(ASK EVERYONE)

4. Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family’s decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

() 1 Yes (CONTINUE)  
2 No  
3 Don't know (REPEAT EXPLANATION)

INTERVIEWER NOTE: IF RESPONDENT ASKS HOW TO CATEGORIZE A PARTICULAR SHOW, REFER TO APPROPRIATE PROGRAMMING GUIDE (i.e., SIRIUS OR XM) AND CLASSIFY ACCORDINGLY.

[PN: ROTATE PROGRAM TYPES]

<table>
<thead>
<tr>
<th>Types of Programming</th>
<th>Relative Importance As Reflected In # Of Allocated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comedy</td>
<td>( )</td>
</tr>
<tr>
<td>Kids</td>
<td>( )</td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td>( )</td>
</tr>
<tr>
<td>Music</td>
<td>( )</td>
</tr>
<tr>
<td>News</td>
<td>( )</td>
</tr>
<tr>
<td>Sports</td>
<td>( )</td>
</tr>
<tr>
<td>Talk and Entertainment.........</td>
<td>( )</td>
</tr>
</tbody>
</table>

TOTAL MUST EQUAL 100
5. Now I would like to show you four of these programming types. For each type of programming you will see
a number of hypothetical options showing different amounts of programming. For each hypothetical option,
please indicate how desirable it would be for you relative to the other options. Please assume that in each
case all other programming and non-programming features of the service including price remain the same.
Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any
number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming
and record the number that best reflects its level of desirability or undesirability. Is this clear? (RECORD
ONE ANSWER FOR EACH BELOW)

REPEAT EXPLANATION

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION USED IN Q. 4. RESPONDENT CAN NOT GIVE
THE SAME NUMBER TO OPTIONS "1" AND "4" WITHIN A GIVEN TYPE OF PROGRAMMING. ONLY SHOW
ONE PROGRAMMING TYPE ON THE SCREEN AT A TIME, i.e., SHOW ALL OF MUSIC PROGRAMMING,
THEN ALL OF NEWS, ETC.]

A. Music Programming (Current Offering includes A.)
   1. No music programming........................................ 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   2. Substantially fewer channels and less variety of music than currently offered........ 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   3. The same number of channels and the same variety of music as currently offered..... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   4. Substantially more channels and more variety of music than currently offered........ 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )

B. News (Current Offering includes B)
   1. No news programming........................................... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   2. Substantially fewer channels and less variety of news than currently offered.......... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   3. The same number of channels and the same variety of news as currently offered..... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   4. Substantially more channels and more variety of news than currently offered......... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )

C. Sports (Current Offering includes C)
   1. No sports programming........................................ 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   2. Substantially fewer channels and less variety of sports than currently offered......... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   3. The same number of channels and the same variety of sports as currently offered.......... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   4. Substantially more channels and more variety of sports than currently offered.......... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )

D. Talk & Entertainment (Current Offering includes D)
   1. No talk and entertainment programming ......... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   2. Substantially fewer channels and less variety of talk and entertainment than currently offered........................................... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   3. The same number of channels and the same variety of talk and entertainment as currently offered........................................... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )
   4. Substantially more channels and more variety of talk and entertainment than currently offered........................................... 0 1 2 3 4 5 6 7 8 9 10  ( ) ( )

A. For Sirius : 66 Music Channels, For XM : 74 Music Channels
B. For Sirius : 15 News Channels, For XM : 13 News Channels
C. For Sirius : 8 Sports Channels and Live Game Channels for NBA, NFL, etc. For XM : 13 Sports Channels and Live Game channels for Major League Baseball, NASCAR, etc.
D. For Sirius :22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc, For XM : 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.
6(a) Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let’s do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. (RECORD ONE ANSWER FOR EACH BELOW)

[PN: ROTATE FEATURES. FOR STUB A. BELOW RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTION 1 AS GIVEN TO OPTIONS 2 – 4]

A. The Number of Minutes of Commercials Per Hour on Music Channels

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. No commercials on music channels..........................</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>2. 2 minutes of commercials per hour ........................</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>3. 5 minutes of commercials per hour ........................</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>4. 12 minutes of commercials per hour ........................</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
</tbody>
</table>

B. Geographic Coverage

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Typical FM coverage</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>2. Complete nationwide coverage</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
</tbody>
</table>

6(b) Now, let’s turn to price. I’d like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. (RECORD ONE ANSWER FOR EACH BELOW)

C. The Monthly Price for A Single Subscription

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. $8.95 per month..........</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>2. $10.95 per month..........</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>3. $12.95 per month..........</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>4. $14.95 per month..........</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
</tr>
</tbody>
</table>

6(c) Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio? (RECORD ALL MENTIONS)

[PN: ROTATE LIST]
- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription
- Other (RECORD VERBATIM AND PROBE: Anything else?)

1 Other
0 No others considered
7. Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family’s decision to subscribe and retain your subscription to satellite radio.

As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family’s decision to subscribe and retain your subscription to satellite radio.

The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. *(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)*

*[PN: SHOW OTHERS FROM Q. 6c. USE SAME ROTATION USED IN Q. 6a.]*

<table>
<thead>
<tr>
<th>Non-programming Type Features Of Satellite Radio</th>
<th>Relative Importance As Reflected In # Of Allocated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Number of Minutes of Commercials Per Hour on Music Channels</td>
<td>( )</td>
</tr>
<tr>
<td>Geographic Coverage</td>
<td>( )</td>
</tr>
<tr>
<td>The Monthly Price for A Single Subscription</td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
</tbody>
</table>

**TOTAL MUST EQUAL 100**
8. Reflecting on your and your family’s usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%. *(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100)*

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION AS IN Q. 4]

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Percentage of Time Spent Listening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comedy</td>
<td>( )</td>
</tr>
<tr>
<td>Kids</td>
<td>( )</td>
</tr>
<tr>
<td>Local Weather and Traffic....</td>
<td>( )</td>
</tr>
<tr>
<td>Music</td>
<td>( )</td>
</tr>
<tr>
<td>News</td>
<td>( )</td>
</tr>
<tr>
<td>Sports</td>
<td>( )</td>
</tr>
<tr>
<td>Talk and Entertainment........</td>
<td>( )</td>
</tr>
<tr>
<td><strong>TOTAL MUST EQUAL 100%</strong></td>
<td></td>
</tr>
</tbody>
</table>
9(a) As you know, the single subscription price per month for satellite radio is $12.95. Let’s assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If (INSERT PROGRAMMING TYPE) were not available, would it affect the amount you would be willing to pay for satellite radio? (RECORD YES, NO OR DON’T KNOW FOR EACH.)

(ASK Q. 9b IF “YES” IN Q. 9a. OTHERWISE, SKIP TO NEXT PROGRAMMING TYPE.)

9(b) How much would you be willing to pay for satellite radio if (INSERT PROGRAMMING TYPE) were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so. (TYPE IN AMOUNT IN DOLLARS AND CENTS)

<table>
<thead>
<tr>
<th>Q. 9a</th>
<th>Q. 9b</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Would Be Willing</td>
</tr>
<tr>
<td></td>
<td>to Pay</td>
</tr>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>3</td>
</tr>
</tbody>
</table>

10. Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from “0” meaning “definitely would not subscribe” to “10” meaning “definitely would subscribe” that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that. (SHOW ONE PROFILE AT A TIME AND RECORD 0-10 FOR EACH PROFILE. EACH RESPONDENT WILL SEE 8 PROFILES WITHIN A BLOCK RANDOMIZED. IN ADDITION, ALL RESPONDENTS WILL SEE THE TWO PROFILES IN BLOCK 9.)

PN: RECORD BLOCK #: (1-8), 9

(ASK EVERYONE)

11(a) And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it? (RECORD COMPLETE ANSWER VERBATIM)

11(b) (PROBE:) Anything else? (RECORD COMPLETE ANSWER VERBATIM)
RESPONDENT

RESPONDENT: PLEASE READ AND SIGN:

I acknowledge that I was interviewed on this date. During this interview I was asked questions about satellite radio.

SIGNATURE: ___________________________ DATE: ___________________________

TELEPHONE #: ___________________________ (FOR VERIFICATION PURPOSES ONLY)

INTERVIEWER

INTERVIEWER: PLEASE READ AND SIGN:

I hereby certify that all of the above information was obtained by me from the respondent named above who is not personally known to me. I agree to provide this affidavit under oath, immediately upon request.

SIGNATURE: ___________________________ DATE: ___________________________

THANK YOU VERY MUCH FOR YOUR COOPERATION!
**SATELLITE RADIO**

- **MAIN QUESTIONNAIRE -**

- **CONSIDERING SUBSCRIBING -**

*(INTERVIEWER: RECORD ANSWERS TO QUESTIONS FROM PAPER SCREENER INTO PROGRAM BEFORE CONTINUING WITH Q. 1a)*

**(READ VERBATIM:)**

Thank you for agreeing to participate in our study. We would like to talk to you today about satellite radio. All of your answers will remain strictly confidential. No one will attempt to sell you anything as a result of participating in this study. We are only interested in your opinions. If you don't know an answer or don't have an answer to a particular question, please don't guess. Just tell me you don't know and we will go on to the next question. If, at anytime, you do not understand a question or do not understand what is being asked of you, just say so and I will repeat the question.

**READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.**

1(a) Why are you considering subscribing to satellite radio? *(RECORD COMPLETE ANSWERS VERBATIM)*

1(b) *(PROBE)* Any other reason? *(RECORD COMPLETE ANSWERS VERBATIM)*

2(a) What types of satellite radio programming are most critical to your decision whether to subscribe? *(RECORD COMPLETE ANSWERS VERBATIM)*

**NOTE: IF RESPONDENT ASKS WHAT IS MEAN BY PROGRAMMING, SAY:**

By programming we mean both categories of programs or specific programs or channels.

2(b) *(PROBE)* Any others? *(RECORD COMPLETE ANSWERS VERBATIM)*

**THERE IS NO Q. 3 ON THIS VERSION**
4. Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family’s ultimate decision whether to subscribe to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision is likely to be affected by only one of the types of programming and none of the others are likely to be important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming to your decision whether to subscribe to satellite radio. Please make sure that the total adds to 100. Is this clear? *(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)*

1. Yes *(CONTINUE)*
2. No
3. Don't know *(REPEAT EXPLANATION)*

**INTERVIEWER NOTE: IF RESPONDENT ASKS HOW TO CATEGORIZE A PARTICULAR SHOW, REFER TO APPROPRIATE PROGRAMMING GUIDE (i.e., SIRIUS OR XM) AND CLASSIFY ACCORDINGLY.**

**[PN: ROTATE PROGRAM TYPES]**

<table>
<thead>
<tr>
<th>Types of Programming</th>
<th>Relative Importance As Reflected In # Of Allocated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comedy</td>
<td></td>
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<tr>
<td>Sports</td>
<td></td>
</tr>
<tr>
<td>Talk and Entertainment</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL MUST EQUAL 100</strong></td>
<td></td>
</tr>
</tbody>
</table>
Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear? (RECORD ONE ANSWER FOR EACH BELOW)

(REPEAT EXPLANATION)

<table>
<thead>
<tr>
<th>Programming Type</th>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Music Programming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No music programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of music than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of music as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of music than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>B. News (Current Offering includes B)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No news programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of news than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of news as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of news than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>C. Sports (Current Offering includes C)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No sports programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of sports than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of sports as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of sports than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>D. Talk &amp; Entertainment (Current Offering includes D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. No talk and entertainment programming</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>2. Substantially fewer channels and less variety of talk and entertainment than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>3. The same number of channels and the same variety of talk and entertainment as currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
<tr>
<td>4. Substantially more channels and more variety of talk and entertainment than currently offered</td>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td>( ) ( )</td>
</tr>
</tbody>
</table>

A. For Sirius: 66 Music Channels, For XM: 74 Music Channels
B. For Sirius: 15 News Channels, For XM: 13 News Channels
C. For Sirius: 8 Sports Channels and Live Game Channels for NBA, NFL, etc. For XM: 13 Sports Channels and Live Game channels for Major League Baseball, NASCAR, etc.
D. For Sirius: 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc, For XM: 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.
6(a) Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let’s do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. 

(RECORD ONE ANSWER FOR EACH BELOW)

[PN: ROTATE FEATURES. FOR STUB A BELOW RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTION 1 AS GIVEN TO OPTIONS 2-4.]

A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

2. 2 minutes of commercials per hour

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

3. 5 minutes of commercials per hour

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

4. 12 minutes of commercials per hour

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

B. Geographic Coverage

1. Typical FM coverage

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

2. Complete nationwide coverage

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

6(b) Now, let’s turn to price. I’d like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. 

(RECORD ONE ANSWER FOR EACH BELOW)

C. The Monthly Price for A Single Subscription

1. $8.95 per month

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

2. $10.95 per month

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

3. $12.95 per month

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

4. $14.95 per month

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

6(c) Please review the list below and tell me if there are any other non-programming features besides the ones listed that would likely impact your decision whether to subscribe to satellite radio? 

(RECORD ALL MENTIONS)

[PN: ROTATE LIST]

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

1. Other (RECORD VERBATIM AND PROBE: Anything else?)

<table>
<thead>
<tr>
<th>Extremely Undesirable</th>
<th>Extremely Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 1 2 3 4 5 6 7 8 9 10</td>
<td></td>
</tr>
</tbody>
</table>

0 No others considered
7. Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family’s ultimate decision whether to subscribe to satellite radio.

As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family’s decision whether to subscribe to satellite radio.

The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. *(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)*

*[PN: SHOW OTHERS FROM Q. 6c. USE SAME ROTATION USED IN Q. 6a.]*

<table>
<thead>
<tr>
<th>Non-programming Type Features Of Satellite Radio</th>
<th>Relative Importance As Reflected In # Of Allocated Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Number of Minutes of Commercials Per Hour on Music Channels</td>
<td>( )</td>
</tr>
<tr>
<td>Geographic Coverage</td>
<td>( )</td>
</tr>
<tr>
<td>The Monthly Price for A Single Subscription</td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
<tr>
<td>Other <em>(FROM Q. 6c)</em></td>
<td>( )</td>
</tr>
</tbody>
</table>

**TOTAL MUST EQUAL 100**

*(THERE IS NO Q. 8 ON THIS VERSION)*
9(a) As you know, the single subscription price per month for satellite radio is $12.95. Let’s assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If (INSERT PROGRAMMING TYPE) were not available, would it affect the amount you would be willing to pay for satellite radio? (RECORD YES, NO OR DON’T KNOW FOR EACH.)

(ASK Q. 9b IF "YES" IN Q. 9a. OTHERWISE, SKIP TO NEXT PROGRAMMING TYPE.)

9(b) How much would you be willing to pay for satellite radio if (INSERT PROGRAMMING TYPE) were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to prevent you from subscribing please say so. (TYPE IN AMOUNT IN DOLLARS AND CENTS)

<table>
<thead>
<tr>
<th>Q. 9a</th>
<th>Q. 9b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would Be Willing to Pay</td>
<td>Would Not Subscribe</td>
</tr>
<tr>
<td>($_________________________)</td>
<td>0 (______________________)</td>
</tr>
<tr>
<td>($_________________________)</td>
<td>0 (______________________)</td>
</tr>
<tr>
<td>($_________________________)</td>
<td>0 (______________________)</td>
</tr>
<tr>
<td>($_________________________)</td>
<td>0 (______________________)</td>
</tr>
</tbody>
</table>
10. Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that. *(SHOW ONE PROFILE AT A TIME AND RECORD 0-10 FOR EACH PROFILE. EACH RESPONDENT WILL SEE 8 PROFILES WITHIN A BLOCK RANDOMIZED. IN ADDITION, ALL RESPONDENTS WILL SEE THE TWO PROFILES IN BLOCK 9.)*

PN: RECORD BLOCK #: (1-8), 9

Q. 11 DOES NOT APPEAR ON THIS VERSION
RESPONDENT

RESPONDENT: PLEASE READ AND SIGN:

I acknowledge that I was interviewed on this date. During this interview I was asked questions about satellite radio.

SIGNATURE: __________________________ DATE: __________________________

TELEPHONE #: __________________________ (FOR VERIFICATION PURPOSES ONLY)

INTERVIEWER

INTERVIEWER: PLEASE READ AND SIGN:

I hereby certify that all of the above information was obtained by me from the respondent named above who is not personally known to me. I agree to provide this affidavit under oath, immediately upon request.

SIGNATURE: __________________________ DATE: __________________________

THANK YOU VERY MUCH FOR YOUR COOPERATION!
APPENDIX J

RESULTS BY CURRENT AND CONSIDERING SUBSCRIBERS
Figure 1. Effect On Willingness To Cancel If A Specific Programming Type Was Not Available (Q9)*

<table>
<thead>
<tr>
<th>Current Subscribers</th>
<th>Considering Subscribing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Music (n=307)</td>
</tr>
<tr>
<td>Would change amount willing to pay*¹</td>
<td>57%</td>
</tr>
<tr>
<td>Would Cancel</td>
<td>42%</td>
</tr>
<tr>
<td>Would reduce price</td>
<td>14%</td>
</tr>
<tr>
<td>Would not change amount willing to pay</td>
<td>36%</td>
</tr>
<tr>
<td>Don’t Know if would change amount willing to pay</td>
<td>7%</td>
</tr>
</tbody>
</table>

*See Appendix C for the text of this question.

¹ A few respondents indicated a willingness to pay a higher price than $12.95. These included for current subscribers 1% for music, 4% for news, 3% for sports, 2% for talk and entertainment. For considerers, 2% for music, 3% for news, 3% for sports and 4% for talk and entertainment.
Figure 2. Effect On Willingness To Pay Without Specific Programming Type (Q9)*

<table>
<thead>
<tr>
<th>Current Subscribers</th>
<th>Considering Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Music</td>
</tr>
<tr>
<td>Average Price</td>
<td></td>
</tr>
<tr>
<td>Among All</td>
<td>6.39</td>
</tr>
<tr>
<td>Respondents^2</td>
<td>(n=286)</td>
</tr>
<tr>
<td>Average price</td>
<td></td>
</tr>
<tr>
<td>among all</td>
<td>2.29</td>
</tr>
<tr>
<td>respondents who</td>
<td>(n=176)</td>
</tr>
<tr>
<td>would change</td>
<td></td>
</tr>
<tr>
<td>(including zero)</td>
<td></td>
</tr>
<tr>
<td>Average price</td>
<td></td>
</tr>
<tr>
<td>would pay less</td>
<td>(n=42)</td>
</tr>
<tr>
<td>(not including zero)</td>
<td></td>
</tr>
</tbody>
</table>

* See Appendix C for the text of this question.

^ Respondents who replied “did not know” are not included here.
## Figure 3. Open-Ended Question Answers (Net$^3$ for Q 1-3, 11)*

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Subscribers (n=307)</th>
<th>Considering Subscribing (n=121)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Top Mention</td>
<td>% Top 3 Mention</td>
</tr>
<tr>
<td><strong>Music programming (no mention of commercial free)</strong></td>
<td>70</td>
<td>87</td>
</tr>
<tr>
<td><strong>Commercial free (no mention of music)</strong></td>
<td>24</td>
<td>37</td>
</tr>
<tr>
<td><strong>Talk/Entertainment</strong></td>
<td>20</td>
<td>36</td>
</tr>
<tr>
<td><strong>Sports</strong></td>
<td>15</td>
<td>31</td>
</tr>
<tr>
<td><strong>Commercial Free music</strong></td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td><strong>News</strong></td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td><strong>Fewer/less commercials</strong></td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td><strong>Comedy</strong></td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td><strong>Kids</strong></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Weather/traffic</strong></td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Any Music Mentions (Net)</strong></td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td><strong>Any Commercial Mentions (Net)</strong></td>
<td>33</td>
<td>51</td>
</tr>
<tr>
<td><strong>Any Commercial Free Mentions (Net)</strong></td>
<td>29</td>
<td>43</td>
</tr>
</tbody>
</table>

---

$^3$ Net results are presented to avoid double-counting, i.e., a respondent who mentioned music as his top response to all four questions is counted only once. Because the figure shows cumulative results from multiple questions, columns may sum to more than 100%.

* See Appendix C for the text of these questions.
**Figure 4. Top Reasons for Subscribing/Considering Subscribing— General Draw (Q1)**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Current Subscribers (n=307)</th>
<th>Considering Subscribing (n=121)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image-url" alt="Image" /></td>
<td><img src="image-url" alt="Image" /></td>
<td><img src="image-url" alt="Image" /></td>
</tr>
</tbody>
</table>

- **Music programming (no mention of commercial free)**
  - % Top Mention: 18
  - % Top 3 Mention: 34
  - % Any Mention: 35
  - % Top Mention: 14
  - % Top 3 Mention: 35
  - % Any Mention: 36

- **Commercial free (no mention of music)**
  - % Top Mention: 15
  - % Top 3 Mention: 25
  - % Any Mention: 25
  - % Top Mention: 18
  - % Top 3 Mention: 31
  - % Any Mention: 31

- **Talk/Entertainment**
  - % Top Mention: 6
  - % Top 3 Mention: 13
  - % Any Mention: 14
  - % Top Mention: 2
  - % Top 3 Mention: 8
  - % Any Mention: 9

- **Price**
  - % Top Mention: 4
  - % Top 3 Mention: 7
  - % Any Mention: 7
  - % Top Mention: 2
  - % Top 3 Mention: 2
  - % Any Mention: 3

- **News**
  - % Top Mention: 2
  - % Top 3 Mention: 3
  - % Any Mention: 4
  - % Top Mention: 2
  - % Top 3 Mention: 4
  - % Any Mention: 4

- **Coverage**
  - % Top Mention: 2
  - % Top 3 Mention: 7
  - % Any Mention: 7
  - % Top Mention: 2
  - % Top 3 Mention: 6
  - % Any Mention: 7

- **Fewer/less commercials**
  - % Top Mention: 2
  - % Top 3 Mention: 5
  - % Any Mention: 5
  - % Top Mention: 2
  - % Top 3 Mention: 3
  - % Any Mention: 3

- **Commercial Free music**
  - % Top Mention: 2
  - % Top 3 Mention: 4
  - % Any Mention: 4
  - % Top Mention: 2
  - % Top 3 Mention: 4
  - % Any Mention: 4

- **Comedy**
  - % Top Mention: 1
  - % Top 3 Mention: 1
  - % Any Mention: 2
  - % Top Mention: 0
  - % Top 3 Mention: 0
  - % Any Mention: 0

- **Sports**
  - % Top Mention: 1
  - % Top 3 Mention: 5
  - % Any Mention: 6
  - % Top Mention: 1
  - % Top 3 Mention: 2
  - % Any Mention: 2

- **Kids**
  - % Top Mention: 0
  - % Top 3 Mention: 0
  - % Any Mention: 0
  - % Top Mention: 1
  - % Top 3 Mention: 2
  - % Any Mention: 2

- **Weather/traffic**
  - % Top Mention: 0
  - % Top 3 Mention: 0
  - % Any Mention: 1
  - % Top Mention: 0
  - % Top 3 Mention: 1
  - % Any Mention: 1

- **Any Music Mentions (Net)**
  - % Top Mention: 19
  - % Top 3 Mention: 38
  - % Any Mention: 38
  - % Top Mention: 17
  - % Top 3 Mention: 39
  - % Any Mention: 40

- **Any Commercial Mentions (Net)**
  - % Top Mention: 19
  - % Top 3 Mention: 34
  - % Any Mention: 35
  - % Top Mention: 22
  - % Top 3 Mention: 37
  - % Any Mention: 37

- **Any Commercial Free Mentions (Net)**
  - % Top Mention: 17
  - % Top 3 Mention: 29
  - % Any Mention: 29
  - % Top Mention: 21
  - % Top 3 Mention: 35
  - % Any Mention: 35

---

* Q1(a): Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? Why are you considering subscribing to satellite radio?  
Q1(b): Any other reason?
Figure 5. Programming Type Most Critical To Decision
To Subscribe/Consider Subscribing–Programming Draw (Q2)

<table>
<thead>
<tr>
<th>Programming Type</th>
<th>Current Subscribers (n=307)</th>
<th>Considering Subscribing (n=121)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Top Mention</td>
<td>% Top 3 Mention</td>
</tr>
<tr>
<td>• Music programming (no mention of commercial free)</td>
<td>51</td>
<td>65</td>
</tr>
<tr>
<td>• Talk/Entertainment</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>• Sports</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>• Comedy</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>• News</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>• Commercial free (no mention of music)</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>• Commercial Free music</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>• Kids</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>• Weather/traffic</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>• Coverage</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>• Price</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>• Fewer/less commercials</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>• Any Music Mentions (Net)</td>
<td>53</td>
<td>68</td>
</tr>
<tr>
<td>• Any Commercial Mentions (Net)</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>• Any Commercial Free Mentions (Net)</td>
<td>5</td>
<td>8</td>
</tr>
</tbody>
</table>

* Q2(a): What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?/What types of satellite radio programming are most critical to your decision whether to subscribe?
Q2(b): Any other reason?
### Figure 6. Importance Of Programming Type (Q4)*

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Current Subscribers</th>
<th></th>
<th></th>
<th></th>
<th>Considering Subscribing</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share (n=307) %</td>
<td>Ranked Highest %</td>
<td>Share (n=121) %</td>
<td>Ranked Highest %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Music</td>
<td>46 (42.50 – 48.84)</td>
<td>76 (71.11 – 80.68)</td>
<td>38 (33.48 – 43.18)</td>
<td>68 (59.44 – 76.10)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td>6 (5.39 – 7.75)</td>
<td>5 (2.73 – 7.70)</td>
<td>9 (7.36 – 10.70)</td>
<td>11 (5.23 – 16.26)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kids</td>
<td>4 (2.66 – 5.02)</td>
<td>5 (2.47 – 7.30)</td>
<td>4 (3.92 – 6.96)</td>
<td>7 (2.18 – 11.04)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

100  100

---

* Q4: Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family’s decision to subscribe and retain your subscription to satellite radio.
### Figure 7. Relative Importance Of The Programming and Non-Programming Attributes Of Satellite Radio Based On Conjoint Analysis– Value (Q4-7,10)*

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Current Subscribers (n=307)</th>
<th>Considering Subscribing (n=121)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Importance</td>
<td>Top Mention</td>
</tr>
<tr>
<td><strong>Type of Programming</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Music</td>
<td>31 (28.71-33.24)</td>
<td>49 (45.38-51.21)</td>
</tr>
<tr>
<td>B. News</td>
<td>10 (9.08-11.62)</td>
<td>7 (5.03-7.90)</td>
</tr>
<tr>
<td><strong>Other Satellite Radio Features and Price</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Number of Minutes Per Hour of Commercials on Music Channels</td>
<td>13 (11.67-14.68)</td>
<td>9 (7.19-10.50)</td>
</tr>
<tr>
<td>F. Geographic Coverage</td>
<td>6 (4.92-7.12)</td>
<td>2 (1.49-3.27)</td>
</tr>
</tbody>
</table>

* See Appendix C for the text of these questions.
Figure 8. Relative Importance Of Music As Reflected In The Choice Of Current Offering With Music Versus Current Offering Without Music (Q10)

<table>
<thead>
<tr>
<th></th>
<th>Current Subscribers (n=307)</th>
<th>Considering Subscribing (n=121)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Intention To Subscribe</td>
<td>Intention To Subscribe</td>
</tr>
<tr>
<td>Current Offering (Card 65)</td>
<td>7.42</td>
<td>6.38</td>
</tr>
<tr>
<td>Current Offering With No Music (Card 66)</td>
<td>2.47</td>
<td>2.48</td>
</tr>
<tr>
<td>Ratio (current offering with no music ÷ current offering)</td>
<td>.33</td>
<td>.39</td>
</tr>
<tr>
<td>% Giving 0 Points</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Offering (Card 65)</td>
<td>4%</td>
<td>9%</td>
</tr>
<tr>
<td>Current Offering With No Music (Card 66)</td>
<td>58%</td>
<td>52%</td>
</tr>
<tr>
<td>Ratio (current offering with no music ÷ current offering)</td>
<td>14.5</td>
<td>5.8</td>
</tr>
</tbody>
</table>
APPENDIX K

RESULTS BY XM AND SIRIUS SUBSCRIBERS
AND CONSIDERING SUBSCRIBERS
Figure 1. Effect On Willingness To Cancel If A Specific Programming Type Was Not Available (Q9)*

<table>
<thead>
<tr>
<th>Programming Type</th>
<th>Sirius</th>
<th>XM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Music</td>
<td>No News</td>
</tr>
<tr>
<td>(n=220)</td>
<td>(n=220)</td>
<td>(n=220)</td>
</tr>
<tr>
<td>Would change amount willing to pay</td>
<td>58%</td>
<td>40%</td>
</tr>
<tr>
<td>Would Cancel</td>
<td>41%</td>
<td>14%</td>
</tr>
<tr>
<td>Would reduce price</td>
<td>15%</td>
<td>22%</td>
</tr>
<tr>
<td>Would not change amount willing to pay</td>
<td>36%</td>
<td>46%</td>
</tr>
<tr>
<td>Don't Know if would change amount willing to pay</td>
<td>6%</td>
<td>14%</td>
</tr>
</tbody>
</table>

* See Appendix C for the text of this question.

1 A few respondents indicated a willingness to pay a higher price than $12.95. These included for Sirius 2% for music, 4% for news, 3% for sports, 3% for talk and entertainment. For XM, 1% for music, 3% for news, 3% for sports and 3% for talk and entertainment.
Figure 2. Effect On Willingness To Pay Without Specific Programming Type (Q9)*

<table>
<thead>
<tr>
<th></th>
<th>Sirius</th>
<th>XM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Music</td>
<td>No News</td>
</tr>
<tr>
<td>Among All Respondents²</td>
<td>(n=206)</td>
<td>(n=189)</td>
</tr>
<tr>
<td>Average price</td>
<td>$2.60</td>
<td>$6.88</td>
</tr>
<tr>
<td>Among all</td>
<td>(n=127)</td>
<td>(n=87)</td>
</tr>
<tr>
<td>respondents who</td>
<td></td>
<td></td>
</tr>
<tr>
<td>would change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(including zero)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average price</td>
<td>$7.27</td>
<td>$9.96</td>
</tr>
<tr>
<td>Among those who</td>
<td>(n=33)</td>
<td>(n=48)</td>
</tr>
<tr>
<td>would pay less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(not including 0)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* See Appendix C for the text of this question.
² Respondents who replied “did not know” are not included here.
Figure 3. Open-Ended Question Answers (Net\textsuperscript{3} for Q 1-3, 11)*

<table>
<thead>
<tr>
<th></th>
<th>Sirius (n=220)</th>
<th>XM (n=208)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Top Mention</td>
<td>% Top 3 Mention</td>
</tr>
<tr>
<td><strong>Music programming (no mention of commercial free)</strong></td>
<td>65</td>
<td>80</td>
</tr>
<tr>
<td><strong>Talk/Entertainment</strong></td>
<td>21</td>
<td>38</td>
</tr>
<tr>
<td><strong>Commercial free (no mention of music)</strong></td>
<td>21</td>
<td>33</td>
</tr>
<tr>
<td><strong>Sports</strong></td>
<td>17</td>
<td>30</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td><strong>News</strong></td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td><strong>Commercial Free music</strong></td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td><strong>Comedy</strong></td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td><strong>Weather/traffic</strong></td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Fewer/less commercials</strong></td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Kids</strong></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Any Music Mentions (Net)</strong></td>
<td>66</td>
<td>83</td>
</tr>
<tr>
<td><strong>Any Commercial Mentions (Net)</strong></td>
<td>26</td>
<td>44</td>
</tr>
<tr>
<td><strong>Any Commercial Free Mentions (Net)</strong></td>
<td>25</td>
<td>40</td>
</tr>
</tbody>
</table>

\textsuperscript{3} Net results are presented to avoid double-counting, \textit{i.e.}, a respondent who mentioned music as his top response to two questions is counted only once. Because the figure shows the cumulative results from multiple questions, columns may sum to more than 100%.

* See Appendix C for the text of these questions.
**Figure 4. Top Reasons for Subscribing/Considering Subscribing – General Draw (Q1)**

<table>
<thead>
<tr>
<th>Reason</th>
<th>% Top Mention</th>
<th>% Top 3 Mention</th>
<th>% Any Mention</th>
<th>% Top Mention</th>
<th>% Top 3 Mention</th>
<th>% Any Mention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sirius (n=220)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Music programming (no mention of commercial free)</td>
<td>15</td>
<td>32</td>
<td>32</td>
<td>18</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>Commercial free (no mention of music)</td>
<td>15</td>
<td>24</td>
<td>25</td>
<td>17</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Talk/Entertainment</td>
<td>8</td>
<td>16</td>
<td>18</td>
<td>1</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Coverage</td>
<td>4</td>
<td>8</td>
<td>9</td>
<td>1</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Price</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>News</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Sports</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Commercial Free music</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Comedy</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Fewer/less commercials</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Kids</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Weather/traffic</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Any Music Mentions (Net)</td>
<td>17</td>
<td>36</td>
<td>36</td>
<td>20</td>
<td>40</td>
<td>41</td>
</tr>
<tr>
<td>Any Commercial Mentions (Net)</td>
<td>17</td>
<td>32</td>
<td>33</td>
<td>23</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Any Commercial Free Mentions (Net)</td>
<td>16</td>
<td>29</td>
<td>29</td>
<td>19</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>XM (n=208)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Q1(a): Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe?/Why are you considering subscribing to satellite radio?*  
Q1(b): Any other reason?
Figure 5. Programming Type Most Critical To Decision To Subscribe/Consider Subscribing—Programming Draw (Q2)*

<table>
<thead>
<tr>
<th>Programming Type</th>
<th>Sirius (n=220)</th>
<th>XM (n=208)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Top Mention</td>
<td>% Top 3 Mention</td>
</tr>
<tr>
<td>Music programming (no mention of commercial free)</td>
<td>49 62 62</td>
<td>57 72 72</td>
</tr>
<tr>
<td>Sports</td>
<td>12 23 23</td>
<td>7 21 23</td>
</tr>
<tr>
<td>Talk/Entertainment</td>
<td>12 27 27</td>
<td>6 16 17</td>
</tr>
<tr>
<td>Comedy</td>
<td>3 10 10</td>
<td>2 10 10</td>
</tr>
<tr>
<td>Weather/traffic</td>
<td>2 4 4</td>
<td>0 2 4</td>
</tr>
<tr>
<td>News</td>
<td>2 9 11</td>
<td>4 17 17</td>
</tr>
<tr>
<td>Commercial free (no mention of music)</td>
<td>2 3 3</td>
<td>3 4 5</td>
</tr>
<tr>
<td>Coverage</td>
<td>1 1 1</td>
<td>0 1 1</td>
</tr>
<tr>
<td>Commercial Free music</td>
<td>1 3 4</td>
<td>2 2 2</td>
</tr>
<tr>
<td>Kids</td>
<td>0 2 2</td>
<td>0 3 3</td>
</tr>
<tr>
<td>Price</td>
<td>0 0 0</td>
<td>1 3 4</td>
</tr>
<tr>
<td>Fewer/less commercials</td>
<td>0 1 1</td>
<td>0 0 0</td>
</tr>
<tr>
<td>Any Music Mentions (Net)</td>
<td>50 65 65</td>
<td>60 74 74</td>
</tr>
<tr>
<td>Any Commercial Mentions (Net)</td>
<td>3 7 8</td>
<td>6 7 8</td>
</tr>
<tr>
<td>Any Commercial Free Mentions (Net)</td>
<td>3 6 6</td>
<td>5 7 7</td>
</tr>
</tbody>
</table>

*Q2(a): What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?/What types of satellite radio programming are most critical to your decision whether to subscribe?
Q2(b): Any other reason?
### Figure 6. Programming Type Most Critical To Decision To Continue To Subscribe–Retention (Q3)*

<table>
<thead>
<tr>
<th>Programming Type</th>
<th>Sirius (n=160)</th>
<th>XM (n=147)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Top Mention</td>
<td>% Top 3 Mention</td>
</tr>
<tr>
<td>• Music programming (no mention of commercial free)</td>
<td>43</td>
<td>56</td>
</tr>
<tr>
<td>• Talk/Entertainment</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td>• Sports</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>• Commercial free (no mention of music)</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>• Comedy</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>• News</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>• Kids</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>• Weather/traffic</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>• Price</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>• Commercial Free music</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>• Coverage</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>• Fewer/less commercials</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>• Any Music Mentions (Net)</td>
<td>44</td>
<td>59</td>
</tr>
<tr>
<td>• Any Commercial Mentions (Net)</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>• Any Commercial Free Mentions (Net)</td>
<td>8</td>
<td>13</td>
</tr>
</tbody>
</table>

* Q3(a): And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe?
Q3(b): Any other reason?
Figure 7. Aspects Of Satellite Radio That Would Be Missed Most If The Service Were Not Available (Q11)*

<table>
<thead>
<tr>
<th></th>
<th>Sirius (n=160)</th>
<th>XM (n=147)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Top Mention</td>
<td>% Top 3 Mention</td>
</tr>
<tr>
<td>Music programming (no mention of commercial free)</td>
<td>34</td>
<td>46</td>
</tr>
<tr>
<td>Talk/Entertainment</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Commercial free (no mention of music)</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>Sports</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Coverage</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Commercial Free music</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>News</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Fewer/less commercials</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Comedy</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Kids</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Weather/traffic</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Price</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Any Music Mentions (Net)</td>
<td>36</td>
<td>50</td>
</tr>
<tr>
<td>Any Commercial Mentions (Net)</td>
<td>11</td>
<td>26</td>
</tr>
<tr>
<td>Any Commercial Free Mentions (Net)</td>
<td>9</td>
<td>23</td>
</tr>
</tbody>
</table>

* Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?
Q11b: Anything else?
Table 8. Importance Of Programming Type (Q4)*

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Relative importance as reflected in # of allocated points</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share (n=220) %</td>
<td>Ranked Highest %</td>
<td>Share (n=208) %</td>
<td>Ranked Highest %</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sirius</td>
<td>XM</td>
<td>Sirius</td>
<td>XM</td>
<td>Sirius</td>
</tr>
<tr>
<td>Music</td>
<td>39 (35.77 – 42.74)</td>
<td>69 (62.98 – 75.20)</td>
<td>48 (44.20 – 52.18)</td>
<td>78 (72.77 – 83.96)</td>
<td></td>
</tr>
<tr>
<td>Talk and Entertainment</td>
<td>14 (11.90 – 16.68)</td>
<td>17 (12.28 – 22.27)</td>
<td>10 (7.87 – 11.63)</td>
<td>14 (8.82 – 18.10)</td>
<td></td>
</tr>
<tr>
<td>Comedy</td>
<td>11 (8.73 – 12.21)</td>
<td>14 (9.49 – 18.69)</td>
<td>10 (8.49 – 11.81)</td>
<td>13 (8.41 – 17.55)</td>
<td></td>
</tr>
<tr>
<td>News</td>
<td>10 (8.32 – 11.14)</td>
<td>14 (9.49 – 18.69)</td>
<td>10 (7.96 – 11.22)</td>
<td>14 (8.82 – 18.10)</td>
<td></td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td>8 (6.89 – 9.86)</td>
<td>7 (4.20 – 11.26)</td>
<td>6 (4.87 – 7.32)</td>
<td>6 (2.60 – 8.94)</td>
<td></td>
</tr>
<tr>
<td>Kids</td>
<td>4 (2.87 – 5.70)</td>
<td>5 (2.12 – 7.88)</td>
<td>4 (3.04 – 5.57)</td>
<td>6 (2.60 – 8.94)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Q4: Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family’s decision to subscribe and retain your subscription to satellite radio.
**Figure 9. Usage Of Programming Type (Q8)**

Current Subscribers

<table>
<thead>
<tr>
<th>Type of Programming</th>
<th>Time Allocation</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sirius</td>
<td>XM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Share (n=160)</td>
<td>Share (n=147)</td>
<td>Ranked Highest</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Music</td>
<td>43 (38.61 – 47.28)</td>
<td>55 (49.90 – 59.24)</td>
<td>71 (63.57 – 77.68)</td>
</tr>
<tr>
<td>Talk and Entertainment</td>
<td>16 (12.70 – 18.83)</td>
<td>8 (5.96 – 9.64)</td>
<td>21 (14.36 – 26.89)</td>
</tr>
<tr>
<td>Comedy</td>
<td>11 (8.37 – 13.42)</td>
<td>9 (7.25 – 11.14)</td>
<td>13 (7.89 – 18.36)</td>
</tr>
<tr>
<td>Local Weather and Traffic</td>
<td>7 (5.83 – 8.88)</td>
<td>4 (-0.24 – 4.33)</td>
<td>8 (3.42 – 11.58)</td>
</tr>
<tr>
<td>Kids</td>
<td>4 (12.37 – 5.21)</td>
<td>5 (3.00 – 6.52)</td>
<td>4 (1.21 – 7.54)</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

* Q8: Reflecting on your and your family’s usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types.
Figure 10. Relative Importance Of The Programming and Non-Programming Attributes Of Satellite Radio Based On Conjoint Analysis– Value (Q4-7,10)

<table>
<thead>
<tr>
<th></th>
<th>Sirius (n=220)</th>
<th>XM (n=208)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Average Importance</td>
<td>Top Mention</td>
</tr>
<tr>
<td><strong>Type of Programming</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Music</td>
<td>31</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>(28.14-33.39)</td>
<td>(40.93-47.75)</td>
</tr>
<tr>
<td>B. News</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>(8.79-11.65)</td>
<td>(2.86-5.63)</td>
</tr>
<tr>
<td>C. Sports</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>D. Talk and Entertainment</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>(10.84-14.84)</td>
<td>(9.58-14.01)</td>
</tr>
<tr>
<td><strong>Other Satellite Radio Features and Price</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Number of Minutes Per Hour of Commercials on Music Channels</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>F. Geographic Coverage</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>(5.02-7.54)</td>
<td>(2.46-5.08)</td>
</tr>
<tr>
<td>G. The Monthly Price for a Single Subscription</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>(12.00-15.92)</td>
<td>(11.76-16.54)</td>
</tr>
</tbody>
</table>

* See Appendix C for the text of these questions.
**Figure 11. Relative Importance Of Music As Reflected In The Choice Of Current Offering With Music Versus Current Offering Without Music (Q10)**

<table>
<thead>
<tr>
<th></th>
<th>Sirius (n=220)</th>
<th>XM (n=208)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Intention To Subscribe</td>
<td>Intention To Subscribe</td>
</tr>
<tr>
<td>Current Offering (Card 65)</td>
<td>7.32</td>
<td>6.93</td>
</tr>
<tr>
<td>Current Offering With No Music (Card 66)</td>
<td>2.40</td>
<td>2.55</td>
</tr>
<tr>
<td>Ratio (current offering with no music ÷ current offering)</td>
<td>.33</td>
<td>.37</td>
</tr>
<tr>
<td>% Giving 0 Points</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Current Offering (Card 65)</td>
<td>56%</td>
<td>57%</td>
</tr>
<tr>
<td>Current Offering With No Music (Card 66)</td>
<td>11.2</td>
<td>11.4</td>
</tr>
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</table>
APPENDIX L

REFERENCED SUPPORTING DATA
Table 21
Figure 9/17/28 Amount Willing To Pay For Satellite Radio If A Specific Type Of Programming is Not Offered (Q9)
No Music

<table>
<thead>
<tr>
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<th>Considerer</th>
<th>Sirius</th>
<th>XM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unweighted Base</td>
<td>428</td>
<td>307</td>
<td>121</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Base: Total</td>
<td>428</td>
<td>307</td>
<td>121</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Would change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>amount willing to</td>
<td>259</td>
<td>176</td>
<td>83</td>
<td>127</td>
<td>132</td>
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<td>pay</td>
<td>61%</td>
<td>57%</td>
<td>69%</td>
<td>58%</td>
<td>63%</td>
</tr>
<tr>
<td>Would cancel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>182</td>
<td>129</td>
<td>53</td>
<td>90</td>
<td>92</td>
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<tr>
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<td>42%</td>
<td>44%</td>
<td>41%</td>
<td>44%</td>
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</tr>
<tr>
<td>would change</td>
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<td>7</td>
<td>14</td>
<td>14</td>
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<td>7%</td>
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Table 22
Figure 9/17/28 Amount Willing To Pay For Satellite Radio If A Specific Type Of Programming is Not Offered (Q9)
No News

<table>
<thead>
<tr>
<th>Total</th>
<th>Subscriber Considerer Sirius XM</th>
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<td>Base: Total</td>
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<tr>
<td>Would change amount willing to pay</td>
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<td>Would cancel</td>
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<tr>
<td>Would not change amount willing to pay</td>
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<tr>
<td>Don't know if would change amount willing to pay</td>
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</tbody>
</table>

Note: The table shows the number of respondents and the percentage of respondents in each category.
<table>
<thead>
<tr>
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<th>Total</th>
<th>Subscriber</th>
<th>Considerer</th>
<th>Sirius</th>
<th>XM</th>
</tr>
</thead>
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<tr>
<td>Unweighted Base</td>
<td>428</td>
<td>307</td>
<td>121</td>
<td>220</td>
<td>208</td>
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<tr>
<td>Base: Total</td>
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<td>307</td>
<td>121</td>
<td>220</td>
<td>208</td>
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<td>100%</td>
<td>100%</td>
<td>100%</td>
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<td>26</td>
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<td>12%</td>
<td>21%</td>
<td>19%</td>
<td>10%</td>
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<td>54</td>
<td>111</td>
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<tr>
<td>pay</td>
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</table>
Table 24
Figure 9/17/28 Amount Willing To Pay For Satellite Radio If A Specific Type Of Programming is Not Offered (Q9)
No Talk and Entertainment

<table>
<thead>
<tr>
<th>Total</th>
<th>Subscriber</th>
<th>Considerer</th>
<th>Sirius</th>
<th>XM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unweighted Base</td>
<td>428</td>
<td>307</td>
<td>121</td>
<td>220</td>
</tr>
<tr>
<td>Base: Total</td>
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<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
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<td>Respondents</td>
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<td>38%</td>
<td>39%</td>
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<td>17</td>
<td>37</td>
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<td>%</td>
<td>14%</td>
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<td>14%</td>
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<tr>
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<tr>
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<td>12%</td>
<td>11%</td>
<td>12%</td>
</tr>
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<td>Amount Willing to Pay</td>
<td>Subscriber</td>
<td>Considerer</td>
<td>Sirius</td>
<td>XM</td>
</tr>
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<td>------------</td>
<td>-------</td>
<td>----</td>
</tr>
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<td>Considerer</td>
<td>Sirius</td>
</tr>
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</tr>
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<td>Base: Respondents</td>
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<td>114</td>
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<td>Who Would Change Price/Keep the Same Price</td>
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<td>114</td>
</tr>
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<td>0</td>
<td>182</td>
<td>129</td>
<td>53</td>
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</table>
### Table 25

**Figure 9/17/28 Amount Willing to Pay If No Music**

<table>
<thead>
<tr>
<th>Price/Keep the Same Price</th>
<th>Total</th>
<th>Subscriber</th>
<th>Considerer</th>
<th>Sirius</th>
<th>XM</th>
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<tbody>
<tr>
<td></td>
<td>Base: Respondents</td>
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<td>114</td>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
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</tr>
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</tr>
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<td>-</td>
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</tr>
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<td>-</td>
<td>1%</td>
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Figure 9/17/28 Amount Willing to Pay If No Music

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1% 1% - * 1%

### $10.99
1% 1% - - 1%

### $11.00
* * - - 1%

### $12.92
* - 1% - 1%

### $12.95
141 110 31 79 62
35% 38% 27% 38% 32%

### $13.00
* * - - 1%

### $14.00
* - 1% * -

### $15.00
3 2 1 1 2
1% 1% 1% * 1%

### $30.00
* * - * -

### $30.95
* * - * -

### Sigma
400 286 114 206 194
100% 100% 100% 100% 100%

### Mean (with 0)
6.15 6.39 5.56 6.57 5.71

### Std. Err.
0.31 0.38 0.55 0.45 0.43

### Mean (without 0)
11.29 11.64 10.39 11.66 10.87

### Std. Err.
0.25 0.30 0.46 0.36 0.35

App. L.1 Page 7
Table 26
Figure 9/17/28 Amount Willing to Pay If No News

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Figure 9/17/28 Amount Willing to Pay If No News

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Table 26
Figure 9/17/28 Amount Willing to Pay If No News

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Figure 9/17/28 Amount Willing to Pay If No News

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Figure 9/17/28 Amount Willing to Pay If No Sports

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Table 28
Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

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Table 28
Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

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App. L.1 Page 16
## Table 28

Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

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Figure 9/17/28 Amount Willing to Pay If No Music

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**Figure 9/17/28 Amount Willing to Pay If No News**

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Figure 9/17/28 Amount Willing to Pay If No News

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Figure 9/17/28 Amount Willing to Pay If No Sports

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| $10.00 | 15 | 12 | 3 | 9 | 6 |
| $10.30 | 1 | 1 | - | 1 | - |
| $10.95 | 10 | 9 | 1 | 3 | 7 |
| $10.99 | 4 | 3 | 1 | 1 | 3 |
| $11.95 | 1 | 1 | - | 1 | - |
| $12.00 | 5 | 4 | 1 | 1 | 4 |
| $12.92 | 1 | - | 1 | - | 1 |
| $13.00 | 1 | 1 | - | 1 | - |
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APP. L.1 Page 27
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Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

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## Table 32

**Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment**

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Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

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Table 33
Figure 9/17/28 Amount Willing To Pay If No Music (Q9)

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- $2.50: 1 1 - - 1
- $2.99: 1 1 - - 1
- $3.00: 1 1 - 1 -
- $5.00: 5 4 1 - 5
- $6.00: 1 1 - - 1
- $6.95: 2 1 1 1 1
- $7.00: 2 2 - 1 1
- $7.95: 3 1 2 1 2
- $8.00: 4 2 2 1 3
- $8.25: 1 1 - - 1
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Figure 9/17/28 Amount Willing To Pay If No News (Q9)

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### Table 34
Figure 9/17/28 Amount Willing To Pay If No News (Q9)

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Figure 9/17/28 Amount Willing To Pay If No Sports (Q9)

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Table 35
Figure 9/17/28 Amount Willing To Pay If No Sports (Q9)

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Data Development Worldwide
Satellite Radio
DDW Job #02-629
## Table 36
Figure 9/17/28 Amount Willing To Pay If No Talk and Entertainment (Q9)

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<th>Price Paid For Satellite Radio If No Talk and Entertainment</th>
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<th>Subscriber</th>
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Table 36

Figure 9/17/28 Amount Willing To Pay If No Talk and Entertainment (Q9)

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<tr>
<th>Total</th>
<th>Subscriber</th>
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SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: No
SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 50 - 64 years
SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: Decision to subscribe to cable TV
Decision to subscribe to an Internet service
Decision to subscribe to a satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: Cable TV
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?

Response: A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius
SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: Yes
SK: Which satellite radio service do you or your household currently subscribe to?
Response: XM
SM: Do you wear glasses or contact lenses when you read?
Response: Yes
SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: Yes
SO: RECORD GENDER OF RESPONDENT
Response: Male

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate
SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER, YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number
Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: I put it in my vehicles.(P) I needed to have more options in what kind of music I wanted to listen to and there are no commercials. (P)no (w/e)nothing
Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: nothing
Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: Rock stations, and sometimes comedy stations. They also had college football. (P)no (w/e)nothing
Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: nothing
Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: The rock stations and the college football stations are most critical to me and I love the way it works. (P)no (w/e)nothing
Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: Nothing
HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: Respondent entering answers
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?

(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 0
Kids: 0
Local Weather and Traffic: 0
Music: 60
News: 20
Sports: 20
Talk and Entertainment: 0

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 1
3. The same number of channels and the same variety of music as currently offered: 7
4. Substantially more channels and more variety of music than currently offered: 8

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 7
3. The same number of channels and the same variety of news as currently offered: 3
4. Substantially more channels and more variety of news than currently offered: 1

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 1
3. The same number of channels and same variety of sports as currently offered: 7
4. Substantially more channels and more variety of sports than currently offered: 5

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 7
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 8
3. The same number of channels and same variety of talk and entertainment as currently offered: 3
4. Substantially more channels and more variety of talk and entertainment than currently offered: 9

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 6
3. 5 minutes of commercials per hour: 3
4. 12 minutes of commercials per hour: 0

B. Geographic Coverage
1. Typical FM coverage: 9
2. Complete nationwide coverage: 10
Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 10
2. $10.95 per month: 9
3. $12.95 per month: 8
4. $14.95 per month: 8

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

Response: Other, please specify: specificity of sports stations
Q6cf1: Anything else?
Response: Yes
Q6cf2: What else?
Response: vast variety of contrasting options eg: conservative talk radio right next to liberal talk radio

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 30
Geographic coverage: 20
The monthly price for a single subscription: 0
Other (specificity of sports stations): 20
Other (vast variety of contrasting options eg: conservative talk radio right next to liberal talk radio): 30

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 0
Kids: 0
Local Weather and Traffic: 0
Music: 75
News: 10
Sports: 10
Talk and Entertainment: 5

Q8a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: No
NEWS: No
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: SPORTS: $10.00
TALK AND ENTERTAINMENT: Would Cancel Subscription
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 57: 10
Card 58: 0
Card 59: 0
Card 60: 0
Card 61: 10
Card 62: 0
Card 63: 6
Card 64: 0
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: The music.

Q11b: Anything else?

Response: I have enjoyed XM radio. I only use it in my vehicles. I hardly listen to regular radio except for sports and rarely play CD's anymore.
CONSIDERING SUBSCRIBING CASE ID 20040

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: No

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 18 - 24 years

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: Decision to subscribe to cable TV
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: Cable TV
Broadband Internet
Wireless phone service

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: Yes
Satellite radio: Yes

SJ: Which of the following best describes the type of satellite radio you or your household are considering?
Response: A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

SL: Which satellite radio service are you currently considering subscribing to?
Response: Both

SM: Do you wear glasses or contact lenses when you read?
Response: Yes

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: Yes

SO: RECORD GENDER OF RESPONDENT

Response: Male

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER, YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number

Q1a: Q1(a) Why are you considering subscribing to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: No commercials convenient different types of music on them not the same old songs. w/e nothing else
Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: it will save me money by not buying alot of cds. That you have over 250 channels to choose from. w/e nothing else

Q2a: 2(a) What types of satellite radio programming are most critical to your decision whether to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: music and sport and news and about the traffic in different states if i am going on vacation. w/e nothing else
Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: the weather and a variety of different area that you can get news in not only illinois but different states as well. w/e nothing else

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: Interviewer entering answers
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's ultimate decision whether to subscribe to satellite radio. If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision is likely to be affected by only one of the types of programming and none of the others are likely to be important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming to your decision whether to subscribe to satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 20
Kids: 5
Local Weather and Traffic: 10
Music: 20
News: 15
Sports: 20
Talk and Entertainment: 10

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)
Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 0
3. The same number of channels and the same variety of music as currently offered: 8
4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)
Response: 1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 0
3. The same number of channels and the same variety of news as currently offered: 9
4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)
Response: 1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 0
3. The same number of channels and same variety of sports as currently offered: 5
4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)
Response: 1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 4
3. The same number of channels and same variety of talk and entertainment as currently offered: 7
4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q5E: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 3
3. 5 minutes of commercials per hour: 2
4. 12 minutes of commercials per hour: 1
B. Geographic Coverage
1. Typical FM coverage: 1
2. Complete nationwide coverage: 10
Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 10
2. $10.95 per month: 5
3. $12.95 per month: 4
4. $14.95 per month: 3

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that would likely impact your decision whether to subscribe to satellite radio?

Response: No others considered

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's ultimate decision whether to subscribe to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision whether to subscribe to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 33
Geographic coverage: 33

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Yes
NEWS: No
SPORTS: Yes
TALK AND ENTERTAINMENT: No

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to prevent you from subscribing please say so.

Response: Would be willing to pay:
MUSIC: $3.95
SPORTS: $8.95

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from 0 meaning "definitely would not subscribe" to 10 meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 57: 9
Card 58: 0
Card 59: 1
Card 60: 0
Card 61: 6
Card 62: 6
Card 63: 3
Card 64: 4
Card 65: 5
Card 66: 2
Are you or any members of your household employed in any of the industries listed on this card?

Response: No

An insurance company: No
An advertising agency: No
The entertainment industry: No

During the past three months have you taken part in any market research survey other than a political poll?

Response: No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

35 - 49 years

Which, if any, of the following decisions do you make or take part in making for your household?

- Decision to subscribe to cable TV
- Decision to subscribe to an Internet service
- Decision to subscribe to satellite radio
- Decision to subscribe to a wireless phone service
- Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?

- Cable TV
- Broadband Internet
- Satellite radio
- Wireless phone service

Which of the following best describe the type of satellite radio you or your household currently subscribes to?

A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?

Satellite

Which satellite radio service do you or your household currently subscribe to?

XM

Do you wear glasses or contact lenses when you read?

No

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

Response: Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey, (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

Response: Gave phone number

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

It's anything you want to hear at anytime.

Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)

(P) it's an easy way to listen to all types of music.

What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)

The music for sure and the news and the sports for my husband

Any others? (RECORD COMPLETE ANSWERS VERBATIM)

Music

And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

Music

Any others? (RECORD COMPLETE ANSWERS VERBATIM)

Interviewer: Have the respondent sit in front of the computer and answer questions to the remainder of the survey himself. Be sure to sit with the respondent while he/she is answering in case he/she has any questions. If the respondent prefers, have him/her read the questions on the screen, but you will enter the answers. Record:

Response: Respondent entering answers
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?

(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay
Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 0
Kids: 0
Local Weather and Traffic: 10
Music: 40
News: 25
Sports: 20
Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0" to "10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay
Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)
Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 1
3. The same number of channels and the same variety of music as currently offered: 3
4. Substantially more channels and more variety of music than currently offered: 10
Q5B: B. News (Current Offering includes 13 News Channels.)
Response: 1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 1
3. The same number of channels and the same variety of news as currently offered: 4
4. Substantially more channels and more variety of news than currently offered: 8
Q5C: C. Sports (Current Offering includes 17 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)
Response: 1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 0
3. The same number of channels and same variety of sports as currently offered: 7
4. Substantially more channels and more variety of sports than currently offered: 8
Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)
Response: 1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 1
3. The same number of channels and same variety of talk and entertainment as currently offered: 4
4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 7
3. 5 minutes of commercials per hour: 4
4. 12 minutes of commercials per hour: 0
B. Geographic Coverage
1. Typical FM coverage: 6
2. Complete nationwide coverage: 10
Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 10
2. $10.95 per month: 6
3. $12.95 per month: 3
4. $14.95 per month: 0

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
•The number of minutes of commercials per hour on music channels
•Geographic coverage
•The monthly price for a single subscription

Response: No others considered

Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 50
Geographic coverage: 10
The monthly price for a single subscription: 40

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 0
Kids: 0
Local Weather and Traffic: 10
Music: 40
News: 20
Sports: 20
Talk and Entertainment: 10

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: No
NEWS: No
SPORTS: No
TALK AND ENTERTAINMENT: No

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.
If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 17: 9
Card 18: 3
Card 19: 9
Card 20: 0
Card 21: 0
Card 22: 2
Card 23: 0
Card 24: 2
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: The variety
Q11b: Anything else?
Response: no, nothing else.
SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: No

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 35 - 49 years

SF: Which of any, of the following decisions do you make or take part in making for your household?
Response: Decision to subscribe to satellite radio

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: Cable TV
Broadband Internet
Satellite radio

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: Yes
Wireless phone service: Yes

SK: Which satellite radio service do you or your household currently subscribe to?
Response: Sirius

SM: Do you wear glasses or contact lenses when you read?
Response: Yes

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: Yes

SO: RECORD GENDER OF RESPONDENT
Response: Male

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: IT WAS A GIFT
Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: BECAUSE I AM HARD TO BUY FOR
Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: THE COMEDY
Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: CLASSIC ROCK
Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: MUSIC AND COMEDY
Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: MUSIC

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: Interviewer entering answers
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay
Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 50
Kids: 0
Local Weather and Traffic: 0
Music: 50
News: 0
Sports: 0
Talk and Entertainment: 0

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 9
3. The same number of channels and the same variety of music as currently offered: 0
4. Substantially more channels and more variety of music than currently offered: 9

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 1
2. Substantially fewer channels and less variety of news than currently offered: 1
3. The same number of channels and the same variety of news as currently offered: 1
4. Substantially more channels and more variety of news than currently offered: 9

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 1
3. The same number of channels and same variety of sports as currently offered: 0
4. Substantially more channels and more variety of sports than currently offered: 1

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 2
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 8
3. The same number of channels and same variety of talk and entertainment as currently offered: 3
4. Substantially more channels and more variety of talk and entertainment than currently offered: 3

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 0
2. 2 minutes of commercials per hour: 1
3. 5 minutes of commercials per hour: 2
4. 12 minutes of commercials per hour: 3

B. Geographic Coverage
1. Typical FM coverage: 2
2. Complete nationwide coverage: 2
Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

**C. The Monthly Price for A Single Subscription**

1. $8.95 per month: 9
2. $10.95 per month: 8
3. $12.95 per month: 7
4. $14.95 per month: 6

Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

**Other, please specify:** VARIETY OF PROGRAMMING

**Anything else?**

**Response:** No

Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

**Response:** The number of minutes of commercials per hour on music channels: 10
Geographic coverage: 0
The monthly price for a single subscription: 60
Other (VARIETY OF PROGRAMMING): 30

Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

**Response:** Comedy: 50
Kids: 0
Local Weather and Traffic: 0
Music: 50
News: 0
Sports: 0
Talk and Entertainment: 0

As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

**Response:** MUSIC: No
NEWS: Yes
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes

How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

**Response:** Would be willing to pay:

- NEWS: $14.99
- SPORTS: $14.99
- TALK AND ENTERTAINMENT: $14.99

Are you willing to pay more than the current price of $12.95 per month if no [PRGTYPE] were available but all other programming features of the service remain the same?

**Response:** NEWS: Yes
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 9: 8
Card 10: 8
Card 11: 8
Card 12: 9
Card 13: 9
Card 14: 8
Card 15: 8
Card 16: 9
Card 65: 9
Card 66: 8

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: THE VARIETY

Q11b: Anything else?

Response: NO COMMERCIALS
Are you or any members of your household employed in any of the industries listed on this card?

Response: No

A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?

Response: No

Which, if any, of the following decisions do you make or take part in making for your household?

Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?

Satellite radio
Wireless phone service

Which of the following best describe the type of satellite radio you or your household currently subscribes to?

A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

During the past three months have you taken part in any market research survey other than a political poll?

Response: No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

35 - 49 years

Which, if any, of the following decisions do you make or take part in making for your household?

Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?

Satellite radio
Wireless phone service

Which satellite radio service do you or your household currently subscribe to?

Sirius

Do you wear glasses or contact lenses when you read?

No

RECORD GENDER OF RESPONDENT
Male

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. If you have agreed to participate, please tell me your first and last name, address, and phone number. You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREEN: YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

Gave phone number

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

Well I wanted a larger selection of music

Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)

NOTHING

What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)

I don't know

Any others? (RECORD COMPLETE ANSWERS VERBATIM)
DDW 02/629 SUBSCRIBERS CASE ID 20114 (Continued)

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the
seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best
reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain
your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your
decision was affected by only one of the types of programming and none of the others were important to you, give that
type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your
evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in
deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?
(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 25
Kids: 10
Local Weather and Traffic: 20
Music: 20
News: 10
Sports: 10
Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of
hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how
desirable it would be for you relative to the other options. Please assume that in each case all other programming and
non-programming features of the service including price remain the same. Please use a number from 0 (zero) =
extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer.
Please examine each hypothetical amount of programming and record the number that best reflects its level of
desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 4
3. The same number of channels and the same variety of music as currently offered: 8
4. Substantially more channels and more variety of music than currently offered: 9

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 4
3. The same number of channels and the same variety of news as currently offered: 5
4. Substantially more channels and more variety of news than currently offered: 7

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 5
2. Substantially fewer channels and less variety of sports than currently offered: 7
3. The same number of channels and same variety of sports as currently offered: 3
4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha
Stewart, etc.)

Response: 1. No talk and entertainment programming: 4
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 1
3. The same number of channels and same variety of talk and entertainment as currently offered: 1
4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of
commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will
see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability
task we did before for the types of programming, but this time let's do it with respect to the various options for each of
the non-programming features. Please indicate how desirable each of the different options of a given feature would be to
you relative to the other options of that feature. Again, please assume that all other programming and non-programming
features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely
undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level
of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 6
2. 2 minutes of commercials per hour: 9
3. 5 minutes of commercials per hour: 2
4. 12 minutes of commercials per hour: 1

B. Geographic Coverage
1. Typical FM coverage: 7
2. Complete nationwide coverage: 10
DDW 02/629 SUBSCRIBERS CASE ID 20114 (Continued)

Q6b: Now let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 5
2. $10.95 per month: 6
3. $12.95 per month: 3
4. $14.95 per month: 0

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
• The number of minutes of commercials per hour on music channels
• Geographic coverage
• The monthly price for a single subscription

Response: No others considered

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 25
Geographic coverage: 50
The monthly price for a single subscription: 25

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 15
Kids: 5
Local Weather and Traffic: 10
Music: 15
News: 20
Sports: 25
Talk and Entertainment: 10

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Yes
NEWS: No
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: MUSIC: $5.00
SPORTS: $5.00
TALK AND ENTERTAINMENT: $5.00
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 1: 7
Card 2: 0
Card 3: 5
Card 4: 10
Card 5: 0
Card 6: 3
Card 7: 0
Card 8: 3
Card 65: 9
Card 66: 5

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?
Response: MUSIC
Q11b: Anything else?
Response: NO
Are you or any members of your household employed in any of the industries listed on this card?
- An insurance company: No
- A marketing research firm: No
- An advertising agency: No
- The entertainment industry: No
- A satellite radio provider: No
- A cable TV provider: No
- An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?
- No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
- 18 - 24 years

Which, if any, of the following decisions do you make or take part in making for your household?
- Decision to subscribe to cable TV
- Decision to subscribe to an Internet service
- Decision to subscribe to satellite radio
- Decision to subscribe to a wireless phone service
- Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?
- Satellite TV
- Satellite radio
- Wireless phone service

Which of the following best describe the type of satellite radio you or your household currently subscribes to?
- A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
- Cable TV: No
- Broadband Internet: No

Do you wear glasses or contact lenses when you read?
- No

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
- Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
- Gave phone number

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
- I LIKE TO TRY NEW STUFF
- Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
- NONE

What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
- HIP HOP, SPORTS, PRAISE
- Any others? (RECORD COMPLETE ANSWERS VERBATIM)
- NONE

And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
- HIP HOP, SPORTS AND PRAISE
- Any others? (RECORD COMPLETE ANSWERS VERBATIM)
- NONE

The interviewer should have the respondent sit in front of the computer and answer questions to the remainder of the survey him/herself. Be sure to sit with the respondent while he/she is answering in case he/she has any questions. If the respondent prefers, have him/her read the questions on the screen, but you will enter the answers. Record:

Respondent entering answers
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.) Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 0
Local Weather and Traffic: 100
Music: 0
News: 0
Sports: 0
Talk and Entertainment: 0

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from 0 to 10 to indicate your answer.

Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 2
2. Substantially fewer channels and less variety of music than currently offered: 4
3. The same number of channels and the same variety of music as currently offered: 2
4. Substantially more channels and more variety of music than currently offered: 5

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 1
2. Substantially fewer channels and less variety of news than currently offered: 4
3. The same number of channels and the same variety of news as currently offered: 6
4. Substantially more channels and more variety of news than currently offered: 9

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 8
2. Substantially fewer channels and less variety of sports than currently offered: 1
3. The same number of channels and same variety of sports as currently offered: 3
4. Substantially more channels and more variety of sports than currently offered: 5

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 4
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 6
3. The same number of channels and same variety of talk and entertainment as currently offered: 4
4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q5a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 4
2. 2 minutes of commercials per hour: 3
3. 5 minutes of commercials per hour: 5
4. 12 minutes of commercials per hour: 2

B. Geographic Coverage

1. Typical FM coverage: 1
2. Complete nationwide coverage: 8
Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 7
2. $10.95 per month: 8
3. $12.95 per month: 9
4. $14.95 per month: 10

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: No others considered

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST # EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 0
- Geographic coverage: 0
- The monthly price for a single subscription: 100

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 0
- Kids: 0
- Local Weather and Traffic: 50
- Music: 50
- News: 0
- Sports: 0
- Talk and Entertainment: 0

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Don't know
- NEWS: Don't know
- SPORTS: Don't know
- TALK AND ENTERTAINMENT: Don't know

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from '0' meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 17: 8
- Card 18: 6
- Card 19: 2
- Card 20: 10
- Card 21: 1
- Card 22: 5
- Card 23: 0
- Card 24: 9
- Card 25: 5
- Card 26: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: DON'T KNOW
Q11b: Anything else?
Response: NO
Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?
Response: No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 18 - 24 years

Which, if any, of the following decisions do you make or take part in making for your household?
- Decision to subscribe to cable TV
- Decision to subscribe to an Internet service
- Decision to subscribe to satellite radio
- Decision to subscribe to a wireless phone service
- Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?
Response: Satellite TV
Satellite radio

Which satellite radio service do you or your household currently subscribe to?
Response: XM

Do you wear glasses or contact lenses when you read?
Response: No

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: i got it as a gift

Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: nope

What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: no commercials

Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: no

And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: its paid for already

Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: no

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSelf. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/She IS ANSWERING IN CASE HE/She HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/Her READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: Respondent entering answers
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100
points among the seven types of programming in such a way that the number of points (0 to 100) you
give each type of programming best reflects the relative importance of that type of programming to
you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other
hand, your decision was affected by only one of the types of programming and none of the others
were important to you, give that type of programming all of the 100 points. There are no right or
wrong answers and we are just looking for your evaluation of the relative importance of the seven
types of programming reflecting both the consideration you used in deciding to subscribe and your
experience with satellite radio. Please make sure that the total adds to 100. Is this clear?
(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses
must sum to 100.

Response:

Q5C: Response:

Q5B: Response:

Q5A: Response:

Q5D: Response:

Q5: Now I would like to show you four of these programming types. For each type of programming you
will see a number of hypothetical options showing different amounts of programming. For each
hypothetical option, please indicate how desirable it would be for you relative to the other options.
Please assume that in each case all other programming and non-programming features of the service
including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 =
exremely desirable. You can use any number from "0" to "10" to indicate your answer.

Please examine each hypothetical amount of programming and record the number that best reflects its level
of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response:

Q5B: B. News (Current Offering includes 13 News Channels.)

Response:

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major
League Baseball, NASCAR, etc.)

Response:

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie
and Anthony, Air America, etc.)

Response:

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the
number of minutes of commercials per hour on music channels and geographic coverage. For each
type of non-programming feature you will see a hypothetical option showing different amounts for that
non-programming feature. Please repeat the desirability task we did before for the types of programming,
but this time let's do it with respect to the various options for each of the non-programming features.
Please indicate how desirable each of the different options of a given feature would be to you relative
to the other options of that feature. Again, please assume that all other programming and non-
programming features of the service, including price, remain the same. Again, please use a number from 0 (zero)
- extremely undesirable to 10 - extremely desirable. Please examine each option and record the number
that best reflects the level of desirability or undesirability of the option.

Response:

A. The Number of Minutes of Commercial Per Hour on Music Channels

Response:

B. Geographic Coverage

02-629 TOTAL verbatims subscribers 302
Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription.
Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response:
C. The Monthly Price for A Single Subscription
1. $8.95 per month: 0
2. $10.95 per month: 0
3. $12.95 per month: 10
4. $14.95 per month: 0

Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

*The number of minutes of commercials per hour on music channels
*Geographic coverage
The monthly price for a single subscription

Response: No others considered

Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 30
Geographic coverage: 20
The monthly price for a single subscription: 50

Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 10
Kids: 10
Local Weather and Traffic: 10
Music: 40
News: 10
Sports: 10
Talk and Entertainment: 10

As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Don't know
NEWS: Don't know
SPORTS: Don't know
TALK AND ENTERTAINMENT: Yes

How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: TALK AND ENTERTAINMENT: Would Cancel Subscription
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 33: 10
Card 34: 10
Card 35: 8
Card 36: 0
Card 37: 0
Card 38: 6
Card 39: 8
Card 40: 9
Card 65: 10
Card 66: 7

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?
Response: the whole any football game anytime I want
Q11b: Anything else?
Response: no
Are you or any members of your household employed in any of the industries listed on this card?

Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: No

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 25 - 34 years

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: Satellite TV
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: No

SK: Which satellite radio service do you or your household currently subscribe to?
Response: Sirius

SM: Do you wear glasses or contact lenses when you read?
Response: No

SO: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number

Q1a: Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: Because on satellite radio there's more music and less talking and I can also listen to any genre of music that I'm in a mood for without hearing anything else at that point and time.

Q1b: Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: None.

Q2a: What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?
Response: Urban music and also some talk radio.

Q2b: Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: None.

Q3a: And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: The urban music, talk radio, and sports.

Q3b: Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: None.

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSelf. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: Respondent entering answers
DDW 02/629 SUBSCRIBERS CASE ID 20126 (Continued)

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?

(RECORD 0-100 FOR EACH; TOTAL MUST EQUAL 100.)
Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response:
Comedy: 5
Local Weather and Traffic: 0
Music: 60
News: 0
Sports: 10
Talk and Entertainment: 25

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 68 Music Channels.)

Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 0
3. The same number of channels and the same variety of music as currently offered: 9
4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 2
3. The same number of channels and the same variety of news as currently offered: 7
4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 2
3. The same number of channels and the same variety of sports as currently offered: 8
4. Substantially more channels and more variety of sports than currently offered: 10

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 2
3. The same number of channels and same variety of talk and entertainment as currently offered: 7
4. Substantially more channels and more variety of talk and entertainment than currently offered: 10

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response:
A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 9
3. 5 minutes of commercials per hour: 2
4. 12 minutes of commercials per hour: 0

B. Geographic Coverage
1. Typical FM coverage: 2
2. Complete nationwide coverage: 10

02-629 TOTAL verbatim subscribers 326
Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription.

Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

C. The Monthly Price for A Single Subscription

1. $8.95 per month: 10
2. $10.95 per month: 9
3. $12.95 per month: 7
4. $14.95 per month: 6

Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

* The number of minutes of commercials per hour on music channels
* Geographic coverage
* The monthly price for a single subscription

No others considered

Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

The number of minutes of commercials per hour on music channels: 10
Geographic coverage: 40

The monthly price for a single subscription: 50

Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Comedy: 5
Kids: 0
Local Weather and Traffic: 0
Music: 60
News: 0
Sports: 10
Talk and Entertainment: 25

As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

MUSIC: Yes
NEWS: Yes
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes

How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay:

MUSIC: Would Cancel Subscription
NEWS: $10.50
SPORTS: Would Cancel Subscription
TALK AND ENTERTAINMENT: Would Cancel Subscription
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 33: 0
Card 34: 3
Card 35: 8
Card 36: 6
Card 37: 0
Card 38: 0
Card 39: 3
Card 40: 7
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?
Response: The freedom of being able to dictate what I want to listen to whenever.
Q11b: Anything else?
Response: Nothing.
Are you or any members of your household employed in any of the industries listed on this card?

Response: An insurance company: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?

Response: No

I’m going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

Response: 25 - 34 years

Which, if any, of the following decisions do you make or take part in making for your household?

Decision to subscribe to cable TV
Decision to subscribe to an Internet service
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?

Satellite TV
Broadband Internet
Wireless phone service

Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?

Cable TV: No
Satellite radio: Yes

Which of the following best describes the type of satellite radio you or your household are considering?

A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

Which satellite radio service are you currently considering subscribing to?

XM

Do you wear glasses or contact lenses when you read?

No

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

Response: Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT’S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I’m sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

Response: Gave phone number

Q1a: Why are you considering subscribing to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: More selection than regular radio and less hassle than CD’s

Q1b: Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: no

Q2a: What types of satellite radio programming are most critical to your decision whether to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: the variety of channels provided

Q2b: Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: no

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:

Response: Respondent entering answers
Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's ultimate decision whether to subscribe to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision is likely to be affected by only one of the types of programming and none of the others are likely to be important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming to your decision whether to subscribe to satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Q5: Consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)
Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 1
3. The same number of channels and the same variety of music as currently offered: 4
4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)
Response: 1. No news programming: 2
2. Substantially fewer channels and less variety of news than currently offered: 6
3. The same number of channels and the same variety of news as currently offered: 4
4. Substantially more channels and more variety of news than currently offered: 3

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)
Response: 1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 0
3. The same number of channels and the same variety of sports as currently offered: 4
4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)
Response: 1. No talk and entertainment programming: 1
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 0
3. The same number of channels and same variety of talk and entertainment as currently offered: 5
4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q5E: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) = extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 9
3. 5 minutes of commercials per hour: 8
4. 12 minutes of commercials per hour: 4

B. Geographic Coverage
1. Typical FM coverage: 4
2. Complete nationwide coverage: 10
Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 10
2. $10.95 per month: 8
3. $12.95 per month: 6
4. $14.95 per month: 4

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that would likely impact your decision whether to subscribe to satellite radio?
- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: No

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's ultimate decision whether to subscribe to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision whether to subscribe to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 25
Geographic coverage: 15
The monthly price for a single subscription: 35
Other (genres of music): 25

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Yes
NEWS: Yes
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to prevent you from subscribing please say so. Would be willing to pay:

Response: MUSIC: Would Not Subscribe
NEWS: $10.95
SPORTS: Would Not Subscribe
TALK AND ENTERTAINMENT: $8.95

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 33: 0
Card 34: 6
Card 35: 8
Card 36: 1
Card 37: 3
Card 38: 0
Card 39: 1
Card 40: 6
Card 65: 0
Card 66: 0
DDW 02/629 SUBSCRIBERS CASE ID 20143

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: No

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 35 - 48 years

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: Decision to subscribe to cable TV
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: Cable TV
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: No

SK: Which satellite radio service do you or your household currently subscribe to?
Response: Sirius

SM: Do you wear glasses or contact lenses when you read?
Response: No

SQ: RECORD GENDER OF RESPONDENT
Response: Male

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: I liked the fact I could pick my music and it would only be that kind of music without having to hear a mix of something I dont like listening to.

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: I didnt have to hear a lot of commercials that had no meaning to me. I could program in several channels on the system, so if something came up I could switch over to news or the weather channel to find out the lastest right when I needed to without having to wait. P no

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: The types of music offered was the biggest but how many channels they had to offer of each type of program was also impressive

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: The sports channels, I live 8 doors down from Cubs park and I really keep up with what is going on with them and the bears too.

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: Music, its my life. I can record it on my ipod and not have to put up with a bunch of talk.

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: They can play things other channels cant because you pay for it, and thier added comments with the talk shows can really be what they feel not what they have to watch what they say like on free radio. P no
INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERENCES, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:

Response: Respondent entering answers

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?

(RECORD 0-200 FOR EACH. TOTAL MUST EQUAL 100.)
Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 20
Kids: 0
Local Weather and Traffic: 5
Music: 50
News: 5
Sports: 10
Talk and Entertainment: 10

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)
1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 9
3. The same number of channels and the same variety of music as currently offered: 10
4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 15 News Channels.)
1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 9
3. The same number of channels and the same variety of news as currently offered: 9
4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)
1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 8
3. The same number of channels and the same variety of sports as currently offered: 0
4. Substantially more channels and more variety of sports than currently offered: 6

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)
1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 4
3. The same number of channels and same variety of talk and entertainment as currently offered: 8
4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Okay
Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
   1. No commercials on music channels: 10
   2. 2 minutes of commercials per hour: 9
   3. 5 minutes of commercials per hour: 8
   4. 12 minutes of commercials per hour: 2

B. Geographic Coverage
   1. Typical FM coverage: 2
   2. Complete nationwide coverage: 10

Q6b: Now, let’s turn to price. I’d like you to repeat the desirability task for various monthly prices for a single subscription.

Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
   1. $8.95 per month: 10
   2. $10.95 per month: 9
   3. $12.95 per month: 8
   4. $14.95 per month: 6

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
   - The number of minutes of commercials per hour on music channels
   - Geographic coverage

Response: Other, please specify: I guess you could say Speak Freely

Q6cf1: Anything else?

Response: No

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds up to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 80
   Geographic coverage: 4
   The monthly price for a single subscription: 1
   Other (I guess you could say Speak Freely): 15

Q8: Reflecting on you and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 20
   Kids: 0
   Local Weather and Traffic: 5
   Music: 60
   News: 5
   Sports: 5
   Talk and Entertainment: 5

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Yes
   NEWS: No
   SPORTS: No
   TALK AND ENTERTAINMENT: No
Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay:

Response: MUSIC: Would Cancel Subscription

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 9: 7
Card 10: 1
Card 11: 7
Card 12: 0
Card 13: 0
Card 14: 10
Card 15: 4
Card 16: 5
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: Selecting the kind of music and other programming I like to hear without interruption.

Q11b: Anything else?

Response: The fact that I could not hear people speak their own mind without fear of offending someone.
SUBSCRIBERS CASE ID 20144

Are you or any members of your household employed in any of the industries listed on this card?

An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?

No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

18-24 years

Which, if any, of the following decisions do you make or take part in making for your household?

Decision to subscribe to cable TV
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?

Cable TV
Broadband Internet
Satellite radio
Wireless phone service

Which of the following best describe the type of satellite radio you or your household currently subscribes to?

A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?

Satellite radio

Which satellite radio service do you or your household currently subscribe to?

XM

Do you wear glasses or contact lenses when you read?

No

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

Gave phone number

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

there was a free offer connected with buying the car adapter, w/e, i have always liked the XM programing.

Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)

none.

What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)

I really like the wide verity of programs, there is somthing for everyone.w/e noting

Any others? (RECORD COMPLETE ANSWERS VERBATIM)

nothing else

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:

Respondent entering answers
DDW 02/629 SUBSCRIBERS CASE ID 20144 (Continued)

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 20
Kids: 0
Local Weather and Traffic: 0
Music: 20
News: 30
Sports: 10
Talk and Entertainment: 20

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 2
2. Substantially fewer channels and less variety of music than currently offered: 2
3. The same number of channels and the same variety of music as currently offered: 8
4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 2
2. Substantially fewer channels and less variety of news than currently offered: 4
3. The same number of channels and the same variety of news as currently offered: 4
4. Substantially more channels and more variety of news than currently offered: 4

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 2
2. Substantially fewer channels and less variety of sports than currently offered: 5
3. The same number of channels and same variety of sports as currently offered: 7
4. Substantially more channels and more variety of sports than currently offered: 5

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 3
3. The same number of channels and same variety of talk and entertainment as currently offered: 7
4. Substantially more channels and more variety of talk and entertainment than currently offered: 10

Q6A: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 0
3. 5 minutes of commercials per hour: 6
4. 12 minutes of commercials per hour: 0

B. Geographic Coverage
1. Typical FM coverage: 1
2. Complete nationwide coverage: 7
Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Note: The number of minutes of commercials per hour on music channels:

The monthly price for a single subscription:

1. $8.95 per month: 1
2. $10.95 per month: 1
3. $12.95 per month: 1
4. $14.95 per month: 2

Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

* The number of minutes of commercials per hour on music channels
* Geographic coverage
* The monthly price for a single subscription

Response: No others considered

Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response:

1. The number of minutes of commercials per hour on music channels: 10
2. Geographic coverage: 10
3. The monthly price for a single subscription: 80

Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response:

1. Comedy: 20
2. Kids: 0
3. Local Weather and Traffic: 0
4. Music: 20
5. News: 10
6. Sports: 10
7. Talk and Entertainment: 40

As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response:

1. MUSIC: No
2. NEWS: No
3. SPORTS: No
4. TALK AND ENTERTAINMENT: Yes

How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response:

1. TALK AND ENTERTAINMENT: Would Cancel Subscription

2-629 TOTAL verbatims subscribers 371
Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 41: 5
Card 42: 0
Card 43: 0
Card 44: 10
Card 45: 3
Card 46: 0
Card 47: 7
Card 48: 10
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?
Response: the variety of channels I don't get with my local stations
Q11b: Anything else?
Response: not that I can think of
DDW 02/629 SUBSCRIBERS CASE ID 20146

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An internet service provider: No
SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: No
SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 18 - 24 years
SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: Decision to subscribe to cable TV
Decision to subscribe to an internet service
Decision to subscribe to satellite radio
SG: Which of these services, if any, do you or your household currently subscribe to?
Response: Cable TV
Satellite radio
SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: Both
SI: Are you or your household currently considering subscribing to (insert item) in the next 30 days?
Response: Satellite TV: Yes
Broadband internet: Yes
Wireless phone service: Yes
SK: Which satellite radio service do you or your household currently subscribe to?
Response: Both
SM: Do you wear glasses or contact lenses when you read?
Response: Yes
SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: Yes
SO: RECORD GENDER OF RESPONDENT
Response: Female
SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate
SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER: YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number
Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: I like the radio
Q1b: (b) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: None
Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: The bid pack
Q2b: 2(b) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: No
Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: Xm chill
Q3b: 3(b) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: No
H01: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: Interviewer entering answers
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?

(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click *Okay* if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 10
Kids: 10
Local Weather and Traffic: 10
Music: 10
News: 10
Sports: 10
Talk and Entertainment: 40

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click *Okay* if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)
Response: 1. No music programming: 10
2. Substantially fewer channels and less variety of music than currently offered: 9
3. The same number of channels and the same variety of music as currently offered: 8
4. Substantially more channels and more variety of music than currently offered: 7

Q5B: B. News (Current Offering includes 13 News Channels.)
Response: 1. No news programming: 9
2. Substantially fewer channels and less variety of news than currently offered: 8
3. The same number of channels and the same variety of news as currently offered: 10
4. Substantially more channels and more variety of news than currently offered: 7

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)
Response: 1. No sports programming: 8
2. Substantially fewer channels and less variety of sports than currently offered: 7
3. The same number of channels and the same variety of sports as currently offered: 9
4. Substantially more channels and more variety of sports than currently offered: 10

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)
Response: 1. No talk and entertainment programming: 8
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 9
3. The same number of channels and the same variety of talk and entertainment as currently offered: 10
4. Substantially more channels and more variety of talk and entertainment than currently offered: 7

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 6
2. 2 minutes of commercials per hour: 7
3. 5 minutes of commercials per hour: 8
4. 12 minutes of commercials per hour: 9
B. Geographic Coverage
1. Typical FM coverage: 10
2. Complete nationwide coverage: 5
Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
   1. $8.95 per month: 3
   2. $10.95 per month: 4
   3. $12.95 per month: 5
   4. $14.95 per month: 6

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
   • The number of minutes of commercials per hour on music channels
   • Geographic coverage
   • The monthly price for a single subscription

Response: No others considered

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 50
   Geographic coverage: 50
   The monthly price for a single subscription: 0

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 0
   Kids: 0
   Local Weather and Traffic: 0
   Music: 50
   News: 0
   Sports: 50
   Talk and Entertainment: 0

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: No
   NEWS: No
   SPORTS: No
   TALK AND ENTERTAINMENT: Yes

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: TALK AND ENTERTAINMENT: $23.99

Q9c: Are you willing to pay more than the current price of $12.95 per month if no [PRGTYPE] were available but all other programming features of the service remain the same?

Response: TALK AND ENTERTAINMENT: No

Q9d: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available?

Response: TALK AND ENTERTAINMENT: $2.99
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 17: 9
Card 18: 7
Card 19: 9
Card 20: 8
Card 21: 9
Card 22: 9
Card 23: 9
Card 24: 9
Card 65: 8
Card 66: 9

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?
Response: nothing i just get over it
Q11b: Anything else?
Response: no
Are you or any members of your household employed in any of the industries listed on this card?

Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?

Response: No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

Response: 35 - 49 years

Which, if any, of the following decisions do you make or take part in making for your household?

Response: Decision to subscribe to satellite radio

Which of these services, if any, do you or your household currently subscribe to?

Response: Satellite radio

Which of the following best describe the type of satellite radio you or your household currently subscribes to?

Response: A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?

Response: Cable TV: No
Satellite TV: No
Broadband Internet: No
Wireless phone service: No

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

Response: Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. Would you like to participate in this study?

Response: Yes, will participate

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

Response: Yes, will participate

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

Response: it was commercial free

Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)

Response: there is no other reason

What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)

Response: there was nothing that was critical

Any others? (RECORD COMPLETE ANSWERS VERBATIM)

Response: there was nothing else

And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

Response: there was nothing else

Any others? (RECORD COMPLETE ANSWERS VERBATIM)

Response: there was nothing else

Interviewer entering answers
DDW 02/629 SUBSCRIBERS CASE ID 20152 (Continued)

Q4:
Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4:
Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 20
Kids: 0
Local Weather and Traffic: 20
Music: 20
News: 20
Sports: 0
Talk and Entertainment: 20

Q5:
Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear? Please click "Okay" if this is clear.

Response: Okay

Q5A:
A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 1
2. Substantially fewer channels and less variety of music than currently offered: 5
3. The same number of channels and the same variety of music as currently offered: 6
4. Substantially more channels and more variety of music than currently offered: 7

Q5B:
B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 5
2. Substantially fewer channels and less variety of news than currently offered: 4
3. The same number of channels and the same variety of news as currently offered: 3
4. Substantially more channels and more variety of news than currently offered: 2

Q5C:
C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 9
2. Substantially fewer channels and less variety of sports than currently offered: 5
3. The same number of channels and the same variety of sports as currently offered: 4
4. Substantially more channels and more variety of sports than currently offered: 2

Q5D:
D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 5
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 4
3. The same number of channels and same variety of talk and entertainment as currently offered: 3
4. Substantially more channels and more variety of talk and entertainment than currently offered: 2

Q5a:
Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 5
2. 2 minutes of commercials per hour: 4
3. 3 minutes of commercials per hour: 3
4. 12 minutes of commercials per hour: 2

B. Geographic Coverage

1. Typical FM coverage: 7
2. Complete nationwide coverage: 6
Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 5
2. $10.95 per month: 4
3. $12.95 per month: 3
4. $14.95 per month: 2

Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: No others considered

Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 0
Geographic coverage: 100
The monthly price for a single subscription: 0

Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 0
Kids: 0
Local Weather and Traffic: 0
Music: 0
News: 100
Sports: 0
Talk and Entertainment: 0

As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Yes
NEWS: Yes
SPORTS: Yes
TALK AND ENTERTAINMENT: No

How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay:

Response: MUSIC: $11.00
NEWS: $12.00
SPORTS: $12.00
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from 0 meaning “definitely would not subscribe” to 10 meaning “definitely would subscribe” that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 33: 4
Card 34: 3
Card 35: 8
Card 36: 7
Card 37: 3
Card 38: 7
Card 39: 5
Card 40: 8
Card 65: 4
Card 66: 8

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: there was nothing that I would miss

Q11b: Anything else?

Response: there was nothing else
Are you or any members of your household employed in any of the industries listed on this card?

An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?

No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

35 - 49 years

Which, if any, of the following decisions do you make or take part in making for your household?

Decision to subscribe to cable TV
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?

Cable TV
Broadband Internet
Satellite radio
Wireless phone service

Which of the following best describe the type of satellite radio you or your household currently subscribes to?

A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?

Satellite TV: No

Do you wear glasses or contact lenses when you read?

Yes

Do you have your glasses with you or are you wearing your contact lenses today?

Yes

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

Gave phone number

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

First year came free with my car. Liked it and kept it.

Which types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)

Comedy, kids stations, international news

And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

Comedy, kids stations, international news

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:

Respondent entering answers
DDW 02/629 SUBSCRIBERS CASE ID 20154 (Continued)

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the
seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best
reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain
your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your
decision was affected by only one of the types of programming and none of the others were important to you, give that
type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your
evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in
deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?
(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)
Please click "Okay" if this is clear.

Response: Okay
Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.
Response: Comedy: 30
Kids: 30
Local Weather and Traffic: 5
Music: 20
News: 5
Sports: 5
Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of
hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how
desirable it would be for you relative to the other options. Please assume that in each case all other programming and
non-programming features of the service including price remain the same. Please use a number from 0 (zero) =
extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer.
Please examine each hypothetical amount of programming and record the number that best reflects its level of
desirability or undesirability. Is this clear?
Please click "Okay" if this is clear.

Response: Okay
Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)
Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 0
3. The same number of channels and the same variety of music as currently offered: 6
4. Substantially more channels and more variety of music than currently offered: 9

Q5B: B. News (Current Offering includes 13 News Channels.)
Response: 1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 2
3. The same number of channels and the same variety of news as currently offered: 3
4. Substantially more channels and more variety of news than currently offered: 5

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball,
NASCAR, etc.)
Response: 1. No sports programming: 7
2. Substantially fewer channels and less variety of sports than currently offered: 0
3. The same number of channels and same variety of sports as currently offered: 5
4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air
America, etc.)
Response: 1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 3
3. The same number of channels and same variety of talk and entertainment as currently offered: 5
4. Substantially more channels and more variety of talk and entertainment than currently offered: 6

Q5: Now, we would like to consider the non-programming features of satellite radio such as the number of minutes of
commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will
see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability
task we did before for the types of programming, but this time let's do it with respect to the various options for each of
the non-programming features. Please indicate how desirable each of the different options of a given feature would be to
you relative to the other options of that feature. Again, please assume that all other programming and non-programming
features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely
undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of
desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 9
3. 5 minutes of commercials per hour: 1
4. 12 minutes of commercials per hour: 0

B. Geographic Coverage
1. Typical FM coverage: 2
2. Complete nationwide coverage: 10

02-629 TOTAL verbatims subscribers 410

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Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 10
2. $10.95 per month: 9
3. $12.95 per month: 8
4. $14.95 per month: 7

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: No others considered

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of commercials per hour on music channels: 10
Geographic coverage: 85
The monthly price for a single subscription: 5

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 20
Kids: 30
Local Weather and Traffic: 5
Music: 30
News: 5
Sports: 5
Talk and Entertainment: 5

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Yes
NEWS: No
SPORTS: Don't know
TALK AND ENTERTAINMENT: No

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: MUSIC: Would Cancel Subscription
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 9: 1  
Card 10: 0  
Card 11: 5  
Card 12: 0  
Card 13: 0  
Card 14: 10  
Card 15: 7  
Card 16: 1  
Card 65: 10  
Card 66: 0  

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?
Response: geographic reach, variety of stations
Q11b: Anything else?
Response: less commercials than fm radio
SUBSCRIBERS CASE ID 20163

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: No

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 25 - 34 years

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: Decision to subscribe to cable TV
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: Cable TV
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius
Satellite TV: Yes
Broadband Internet: Yes

SK: Which satellite radio service do you or your household currently subscribe to?
Response: Sirius

SM: Do you wear glasses or contact lenses when you read?
Response: No

SO: RECORD GENDER OF RESPONDENT
Response: Female

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: because it would give me a wider range of stations

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: nothing else

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: praise radio disney

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: heart and soul

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: praise

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: radio disney

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERENCES, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: Respondent entering answers
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.
If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision were influenced by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?
(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)
Please click "Okay" if this is clear.
Response: Okay
Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.
Response:
Comedy: 10
Kids: 25
Local Weather and Traffic: 10
Music: 30
News: 10
Sports: 10
Talk and Entertainment: 5
Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?
Please click "Okay" if this is clear.
Response: Okay
Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)
Response:
1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 1
3. The same number of channels and the same variety of music as currently offered: 5
4. Substantially more channels and more variety of music than currently offered: 7
Q5B: B. News (Current Offering includes 15 News Channels.)
Response:
1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 1
3. The same number of channels and the same variety of news as currently offered: 2
4. Substantially more channels and more variety of news than currently offered: 4
Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)
Response:
1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 1
3. The same number of channels and the same variety of sports as currently offered: 2
4. Substantially more channels and more variety of sports than currently offered: 4
Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)
Response:
1. No talk and entertainment programming: 1
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 1
3. The same number of channels and same variety of talk and entertainment as currently offered: 2
4. Substantially more channels and more variety of talk and entertainment than currently offered: 4
Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.
Response:
A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 5
2. 2 minutes of commercials per hour: 8
3. 5 minutes of commercials per hour: 2
4. 12 minutes of commercials per hour: 0
B. Geographic Coverage
1. Typical FM coverage: 1
2. Complete nationwide coverage: 3
Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

C. The Monthly Price for A Single Subscription
1. $8.95 per month: 5
2. $10.95 per month: 2
3. $12.95 per month: 1
4. $14.95 per month: 0

Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

No others considered

Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

The number of minutes of commercials per hour on music channels: 30
Geographic coverage: 30
The monthly price for a single subscription: 40

Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Comedy: 5
Kids: 20
Local Weather and Traffic: 20
Music: 30
News: 20
Sports: 5
Talk and Entertainment: 0

As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

MUSIC: Yes
NEWS: Yes
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes

How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

MUSIC: $3.00
NEWS: $3.00
SPORTS: $3.00
TALK AND ENTERTAINMENT: $3.00
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:

Card 33: 0
Card 34: 0
Card 35: 5
Card 36: 5
Card 37: 1
Card 38: 0
Card 39: 1
Card 40: 6
Card 45: 2
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: i would miss the variety of other stations i would be able to listen to if and when i wanted.

Q11b: Anything else?

Response: no
Are you or any members of your household employed in any of the industries listed on this card?

An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?

No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

18 - 24 years

Which, if any, of the following decisions do you make or take part in making for your household?

Decision to subscribe to cable TV
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

Which of these services, if any, do you or your household currently subscribe to?

Cable TV
Satellite TV
Broadband Internet
Satellite radio
Wireless phone service

Which of the following best describe the type of satellite radio you or your household currently subscribes to?

A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius

Which satellite radio service do you or your household currently subscribe to?

XM

Do you wear glasses or contact lenses when you read?

No

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

Gave phone number

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

Because it was new plus more music stations because I listen to music all day

Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)

Just to have something new

What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)

XM radio

Any others? (RECORD COMPLETE ANSWERS VERBATIM)

No

And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)

XM radio on my TV and Car

Any others? (RECORD COMPLETE ANSWERS VERBATIM)

No

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSelf. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
DDW 02/829 SUBSCRIBERS CASE ID 20175 (Continued)

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio. If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear?

(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)
Please click "Okay" if this is clear.

Response: Okay
Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.
Response: Comedy: 15
Kids: 0
Local Weather and Traffic: 20
Music: 35
News: 25
Sports: 0
Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0" to "10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click 'Okay' if this is clear.

Response: Okay
Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)
Response: 1. No music programming: 10
2. Substantially fewer channels and less variety of music than currently offered: 6
3. The same number of channels and the same variety of music as currently offered: 5
4. Substantially more channels and more variety of music than currently offered: 6

Q5B: B. News (Current Offering includes 13 News Channels.)
Response: 1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 10
3. The same number of channels and the same variety of news as currently offered: 0
4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)
Response: 1. No sports programming: 5
2. Substantially fewer channels and less variety of sports than currently offered: 3
3. The same number of channels and same variety of sports as currently offered: 5
4. Substantially more channels and more variety of sports than currently offered: 1

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)
Response: 1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 10
3. The same number of channels and same variety of talk and entertainment as currently offered: 1
4. Substantially more channels and more variety of talk and entertainment than currently offered: 7

Q5a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 8
2. 2 minutes of commercials per hour: 7
3. 5 minutes of commercials per hour: 6
4. 12 minutes of commercials per hour: 5
B. Geographic Coverage
1. Typical FM coverage: 10
2. Complete nationwide coverage: 9
Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription

1. $8.95 per month: 10
2. $10.95 per month: 8
3. $12.95 per month: 9
4. $14.95 per month: 8

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: No others considered

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 35
Geographic coverage: 25
The monthly price for a single subscription: 40

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 10
Kids: 10
Local Weather and Traffic: 10
Music: 10
News: 20
Sports: 10
Talk and Entertainment: 30

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: Yes
NEWS: Don't know
SPORTS: Don't know
TALK AND ENTERTAINMENT: No

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay:

Response: MUSIC: $9.95
Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
- Card 49: 10
- Card 50: 10
- Card 51: 10
- Card 52: 10
- Card 53: 9
- Card 54: 10
- Card 55: 10
- Card 56: 10
- Card 65: 10
- Card 66: 10

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: the music
Q11b: Anything else?
Response: no
SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: No
A marketing research firm: No
An advertising agency: No
The entertainment industry: No
A satellite radio provider: No
A cable TV provider: No
An Internet service provider: No
SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: No
SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: 25 - 34 years
SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV
SG: Which of these services, if any, do you or your household currently subscribe to?
Response: Satellite radio
Wireless phone service
SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius
SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: No
Broadband Internet: Yes
SK: Which satellite radio service do you or your household currently subscribe to?
Response: Sirius
SM: Do you wear glasses or contact lenses when you read?
Response: No
SO: RECORD GENDER OF RESPONDENT
Response: Male
SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: Yes, will participate
SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: Gave phone number
Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: I WANTED TO HAVE A VARIETY OF MUSIC.
Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: BECAUSE IT LOOKS NICE.
Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: I LIKE SPORTS.
Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: NOTHING ELSE.
Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: I LIKE THE SPORTS AND THE MUSIC.
Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: THERE ARE NO OTHER REASONS.
HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: Interviewer entering answers
DDW 02/629 SUBSCRIBERS CASE ID 20184 (Continued)

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 10
             Kids: 0
             Local Weather and Traffic: 10
             Music: 50
             News: 10
             Sports: 20
             Talk and Entertainment: 0

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from 0 to 10 to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 0
             2. Substantially fewer channels and less variety of music than currently offered: 0
             3. The same number of channels and the same variety of music as currently offered: 5
             4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 5
             2. Substantially fewer channels and less variety of news than currently offered: 5
             3. The same number of channels and the same variety of news as currently offered: 5
             4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 0
             2. Substantially fewer channels and less variety of sports than currently offered: 3
             3. The same number of channels and same variety of sports as currently offered: 6
             4. Substantially more channels and more variety of sports than currently offered: 10

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 0
             2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 3
             3. The same number of channels and same variety of talk and entertainment as currently offered: 4
             4. Substantially more channels and more variety of talk and entertainment than currently offered: 5

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
             1. No commercials on music channels: 10
             2. 2 minutes of commercials per hour: 0
             3. 5 minutes of commercials per hour: 0
             4. 12 minutes of commercials per hour: 0

B. Geographic Coverage
             1. Typical FM coverage: 0
             2. Complete nationwide coverage: 10
Q8b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. $8.95 per month: 
2. $10.95 per month: 6
3. $12.95 per month: 
4. $14.95 per month: 

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: No others considered

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 40
Geographic coverage: 10
The monthly price for a single subscription: 50

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 
Kids: 0
Local Weather and Traffic: 10
Music: 50
News: 10
Sports: 20
Talk and Entertainment: 0

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: No
NEWS: No
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: SPORTS: Would Cancel Subscription
TALK AND ENTERTAINMENT: $13.95

Q9c: Are you willing to pay more than the current price of $12.95 per month if no [PRGTYPE] were available but all other programming features of the service remain the same?

Response: TALK AND ENTERTAINMENT: Yes
Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 17: 4
Card 18: 10
Card 19: 6
Card 20: 0
Card 21: 4
Card 22: 6
Card 23: 0
Card 24: 1
Card 65: 5
Card 66: 0

And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: THE MUSIC AND THE VARIETY.

Anything else?

Response: NOTHING ELSE
Are you or any members of your household employed in any of the industries listed on this card?

**Response:**
- An insurance company: No
- A marketing research firm: No
- An advertising agency: No
- The entertainment industry: No
- A satellite radio provider: No
- A cable TV provider: No
- An Internet service provider: No

During the past three months have you taken part in any market research survey other than a political poll?

**Response:** No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

**Response:** 35 - 49 years

Which, if any, of the following decisions do you make or take part in making for your household?

**Response:** Decision to subscribe to satellite radio

Which of these services, if any, do you or your household currently subscribe to?

**Response:** Cable TV

Which of the following best describe the type of satellite radio you or your household currently subscribes to?

**Response:** Satellite radio

Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?

**Response:** Satellite radio: Don't know

During the past three months have you taken part in any market research survey other than a political poll?

**Response:** No

I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?

**Response:** 35 - 49 years

Which, if any, of the following decisions do you make or take part in making for your household?

**Response:** Decision to subscribe to satellite radio

Which of these services, if any, do you or your household currently subscribe to?

**Response:** Cable TV

Which of the following best describe the type of satellite radio you or your household currently subscribes to?

**Response:** Satellite radio

Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?

**Response:** Satellite radio: Don't know

We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

**Response:** Yes, will participate

May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER, YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

**Response:** Gave phone number

Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe?

**Response:** My husband wanted it

What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?

**Response:** Everything I just mentioned

And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe?

**Response:** Everything I just mentioned

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH HIM/HER WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 5
Local Weather and Traffic: 10
Music: 25
News: 25
Sports: 10
Talk and Entertainment: 25

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)
1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 0
3. The same number of channels and the same variety of music as currently offered: 10
4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)
1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 0
3. The same number of channels and the same variety of news as currently offered: 0
4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)
1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 10
3. The same number of channels and the same variety of sports as currently offered: 4
4. Substantially more channels and more variety of sports than currently offered: 0

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)
1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 0
3. The same number of channels and same variety of talk and entertainment as currently offered: 0
4. Substantially more channels and more variety of talk and entertainment than currently offered: 10

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 9
3. 5 minutes of commercials per hour: 5
4. 12 minutes of commercials per hour: 6

B. Geographic Coverage
1. Typical FM coverage: 8
2. Complete nationwide coverage: 9
Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Respons e: C. The Monthly Price for A Single Subscription

1. $8.95 per month: 10
2. $10.95 per month: 9
3. $12.95 per month: 2
4. $14.95 per month: 0

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: No others considered

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: 50
Geographic coverage: 25
The monthly price for a single subscription: 25

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 15
Kids: 0
Local Weather and Traffic: 15
Music: 40
News: 15
Sports: 0
Talk and Entertainment: 15

Q9a: As you know, the single subscription price per month for satellite radio is $12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: No
NEWS: No
SPORTS: Yes
TALK AND ENTERTAINMENT: No

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay: SPORTS: $10.00
Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response:
Card 25: 0
Card 26: 5
Card 27: 0
Card 28: 3
Card 29: 8
Card 30: 6
Card 31: 1
Card 32: 0
Card 65: 0
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?
Response: I would miss the whole thing, I never want to go back to the regular radio

Q11b: Anything else?
Response: no
Transcript of:

Date: June 14, 2007
Volume: VIII

Case: Adjustment of Rates for Pre-Existing Subscriptions
Before the
COPYRIGHT ROYALTY BOARD
LIBRARY OF CONGRESS
Washington, D.C.

In the matter of:
Adjustment of Rates and Terms for Preexisting Subscriptions Services, and Satellite Digital Audio Radio Services

Room LM-408
Library of Congress
First and Independence Avenue, S.E.
Washington, D.C. 20540

Thursday, June 14, 2007

The above-entitled matter came on for hearing, pursuant to notice, at 9:30 a.m.

BEFORE:
THE HONORABLE JAMES SLEDGE, Chief Judge
THE HONORABLE WILLIAM J. ROBERTS, JR., Judge
THE HONORABLE STAN WISNIEWSKI, Judge

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PROCEEDINGS
9:37 a.m.

CHIEF JUDGE SLEDGE: Mr. Handzo?

MR. HANDZO: Thank you, Your Honor. SoundExchange is ready to begin its case with its first witness, Dr. Yoram Wind.

CHIEF JUDGE SLEDGE: All right.

And we have a motion pending.

MR. HANDZO: We do, Your Honor. We filed a response to that motion yesterday, late afternoon. Hopefully, the Court has received that.

CHIEF JUDGE SLEDGE: We have.

MR. HANDZO: We also had a supplemental declaration which we weren't able to get in in time with that filing. That got filed this morning. And I assume you probably hadn't received that, so I do have courtesy copies of that.

CHIEF JUDGE SLEDGE: We'll address the motion first.

MR. HANDZO: Okay. That's fine.

argue the motion for the services.

CHIEF JUDGE SLEDGE: All right, good. Thank you.

MR. STURM: Thank you, Your Honor. In the response to the motion that was filed, SoundExchange has said that the services knew the facts related to this motion for some time. In fact, what we learned for the first time last night is that critical documents that contradict the responses that were given to the Wind Survey have been destroyed. We learned that for the first time last night after months of trial.

We originally asked for these verification-related documents back in the first document request in March. The time we took Dr. Wind, we didn't receive them in response to the request for production. And so we asked Dr. Wind about it at his deposition which took place on April 27th. His testimony is quoted in our brief.

"Question: There should be a filled-out form for each verification, right?"

Answer: Correct.

Question: Do you have those forms?

Answer: I don't. Data Development has them and I thought they were part of the package that you got. If you don't have it, I can find out.

Question: Okay, I don't believe we received those." Now in view of that testimony, the services moved to compel production of the documents. The SoundExchange response was that these forms are not available at the individual level.

According to Ms. Ramono's declaration, which was filed with the response in March, before the Wind deposition and before that response to the Motion to Compel was filed, Data Direct advised counsel for SoundExchange that the verification for that verification forms had been destroyed.
Paragraph 9 of Ms. Ramono's declaration. So in view of the fact that we still didn't have the documents, as I said, we moved to compel and the Court granted the Motion to Compel. The Court's order was entered May 17 and on June 1st we received this, along with other Motions to Compel. On June 1st, we received a massive dump of about 80,000 pages of documents: and about a week later, another 12,000 pages of documents, with no indexes at the time, although they were apparently provided some time later.

So we went through those documents and still couldn't find the verification forms that Dr. Wind had said existed. And so we again contacted SoundExchange and we received back orally and then in email, this is Saturday, June 9th, which is attached as Exhibit G to our motion. It says in part, "at his deposition, Dr. Wind did not mean to suggest that additional materials such as individual verification forms for each testimony show why this is so important. Exhibit A is this validation form which was supposed to be filled out and apparently it is these filled-out forms, what we've been seeking all along, and what was destroyed. It has a place, a blank, for the response to each of the three questions, including Question 2 which, if you flip over to the next page is the verification questionnaire. And it says from Data Development Worldwide, it says "I'm calling to confirm a few points in the survey, one where you in a mall and ask questions and then ask to go to a facility to do a survey; and then two is the critical one. "Did you tell the interviewer that you currently have satellite radio in your household?"

Now as we set out in our motion, between a quarter and a third of Dr. Wind's survey respondents were so-called considering subscribers or nonsubscribers. So the truthful answer to them, to that question respondent exists regarding the verification process. The materials we provided are the only ones that exist."

Now that appeared irreconcilable with the testimony that I just read from Dr. Wind who said there were forms that were filled out and that Data Direct had them. And that's what prompted us to file the motion on Tuesday.

Now so there have been multiple opportunities since March when SoundExchange counsel first found out that these documents had been destroyed to advise both us and the Court that these documents had been destroyed. But that was never done, despite a knowledge and despite Dr. Wind's sworn testimony that the documents existed.

Well, why is this such a big deal? Ms. Ramono's declaration which was Exhibit 2 to the SoundExchange response puts the key documents together and I think that the documents taken together with Dr. Wind's would have been no. But Dr. Wind testified that every respondent who was contacted responded yes to that question.

He said and this is the short part of it, but the whole thing is in there at pages six and seven, "they basically reported that there was no case of any no responses from the people they got."

So you have all these considerers saying in the main survey, no, I don't have satellite radio. And in the verification saying yes, I do. "I currently have satellite radio in my household." And with that record the survey would be fundamentally unreliable because if there's inconsistent data regarding whether they even have satellite radio, responses to much more subtle questions in the survey wouldn't have any credibility.

Now the story that has been told in response to this motion is that well, actually, we had a special rule for considerers. A successful verification for
them would be yes, no, yes. Well, look at the form. It says "I'm calling to confirm a few points in the survey." Now you wouldn't normally say "I'm calling to confirm a few points in the survey, one of which isn't true." That doesn't make any sense. Secondly, the form has the desired response, yes, yes, yes pre-marked. If they were going to do something different in verification for considerers, they could have done a separate form. They could have said with the no marked in response to question two, or they could have asked a different question, did you tell the interviewer that you currently have or are considering getting satellite radio? But there isn't any of that. And certainly Dr. Wind didn't seem to be aware of it at his deposition because as I said, he testified unequivocally that 54 percent of the respondents answered no to every one of the questions.

MR. MEYER: Said yes.

according to Ms. Ramono, it took a week and involved hundreds of phone calls. And for there to be absolutely no documents concerning it is just unbelievable. No emails?

Apparently there were instructions given that yes, no, yes, was the desired response for considerers. There's no written instructions. There's nothing. And again, it is directly contrary to what Dr. Wind testified which is that every single one that they reached said yes to all three questions.

JUDGE ROBERTS: You may be the wrong person to ask this question of, but looking at Exhibit C --

MR. STURM: Yes.

JUDGE ROBERTS: Do you know what those numbers are? For instance, I look and I see Atlanta, Angel, I presume is the first name of the person contacted and then there's a five followed by a two. Does that mean that the surveyor, maybe it's a surveyor who is Angel and she conducted five surveys, two of which were validated? Is that what that means?

MR. STURM: That's what I've taken this to mean. And just eyeballing it, it appeared that the number verified in some of them, some of them have no name on them. It appeared that the number of verified was close to the 54 percent where the validation is good. That's what I took it to mean.

Then, it just says --

CHIEF JUDGE SLEDGE: Why then did you just say that the last document says that all the validations are good? MR. STURM: It says validation is good, but you don't know what's missing is what "good" means. What were the answers to the validation?

CHIEF JUDGE SLEDGE: What you also don't know is whether that's all the validations. You said that they say that all the validations are good. How do you reach that conclusion?
MR. STURM: There's a validation is good; there's nothing about validations bad.

CHIEF JUDGE SLEDGE: But the number of validations good is less than the number of surveys.

MR. STURM: And he said in his original written direct testimony that they validated 54 percent.

CHIEF JUDGE SLEDGE: Right. So you're assuming that this is all the validations, but you don't have anything to show that?

MR. STURM: Your Honor, the five sheets of paper that we have here are all we have about validation. That's all we've got.

JUDGE ROBERTS: So we don't know, going back to the Atlanta market, we don't know if interviewer Angel of the five surveys that she conducted, we don't know of the three that are missing here, whether there was even an attempt to verify those, correct?

MR. STURM: Not from these documents. The representation has been that two calls were made to each recipient, each survey respondent. But again, there's no documents to reflect what would be hundreds of phone calls.

JUDGE ROBERTS: So it could be that all five were contacted of which only two received a positive validation and the other three for some reason or other answered no to one or more of those questions?

MR. STURM: That's right. And we just don't know.

JUDGE ROBERTS: Or they were never contacted at all.

MR. STURM: They were never contacted.

CHIEF JUDGE SLEDGE: And did you say that the 54 percent is close to the number that say the validations are good or is exactly the same as the number of the validations that are good compared to the number of surveys done?

MR. STURM: Your Honor, I eyeballed it and it looked close and I did not attempt to see if it was exact.

(Pause.)

MR. STURM: So Your Honors, the absence of this data, the destruction of this data regarding the verification process, particularly when coupled with what Dr. Wind testified to very clearly, under oath, makes this survey unreliable. It justifies drawing an inference that as Dr. Wind explicitly testified, that respondents who were reached during the verification process answered yes to all the questions, that would mean that for the considerers that they were testifying that they both had satellite radio, didn't have satellite radio, that would make the survey fundamentally unreliable and should make it inadmissible and therefore we would request that it be excluded from evidence.

JUDGE ROBERTS: Mr. Sturm, what in our rules require the retention of the individual validation?

MR. STURM: There is the requirement that input data be retained.

JUDGE ROBERTS: Can you point to that? I think I'm looking at it, 351.10(e), but perhaps I'm not reading the rule quite like you are.

MR. STURM: May I grab my copy of the rule, Your Honor?

I'm sorry I didn't bring that.

(Pause.)

It's the last sentence, "summarized descriptions of input data, aberrations of input data and the input data themselves should be retained." And I believe that the responses to the verification process, they're part of the survey, an essential part of the survey and they should have been retained.

JUDGE ROBERTS: How are they input data?
MR. STURM: Well, they are the same. They are Respondent's answers to questions related to the survey. I believe the same as any other responses to questions related to the survey. It's all part of one process.

JUDGE ROBERTS: I think that certainly if the inputs that the initial responses that they gave and in the mall when they were contacted by these various interviewers, if they had disposed of those, that's clearly the input data because that is, in fact, a number. They generated the numbers that Dr. Wind was using, but I'm less clear as to how the verification forms are, in fact, the input data as they do not generate any numbers that document.

MR. STURM: Well, they generate the 54 percent verification that Dr. Wind refers to in his report.

JUDGE ROBERTS: He refers to it, yes, but he doesn't actually use the 54 percent number.

MR. STURM: Other than to demonstrate the reliability of the survey which is a critical part, portion of its admissability.

JUDGE ROBERTS: Let me stop you right there.

JUDGE ROBERTS: How can you be responsible for holding documents that are going to responsive to a document request? You don't know at the time you have the documents whether or not they're going to be asked for at some point in time?

MR. STURM: Your Honor, I think it's like in any litigation, they put in a report that affirmatively represents in the body of the report that 54 percent of the people were validated. The report contains, as an exhibit, Dr. Wind's report contains as Appendix E the instructions to the interviewers which themselves say that it's contemplated that there will be 100 percent telephone validation on all completed interviews. That's in Tab E to Dr. Wind's report, field instructions.

MR. MEYER: May I be heard to address that point?

JUDGE ROBERTS: No, sir.

MR. STURM: Just one more thing to add and obviously I was answering the question, there have now been two affidavits and neither one of them, as I pointed out before, says anything about how these supposed special instructions were implemented or communicated. There is no explanation for the destruction of the verification forms.

CHIEF JUDGE SLEDGE: Thank you, I was confused. Let me go back and change that. Just a moment.

MR. MEYER: The only point I wanted to add to Mr. Sturm's presentation and it was in response, I believe, to Judge Roberts' question is first of all, I think they have a general obligation to retain any documents that are relevant to the case, and certainly documents that were responsive to one of our document requests, even apart from the portion of the rule that speaks of the inputs to the survey.

But the other point I wanted to make --
JUDGE ROBERTS: He's wrong there.

MR. MEYER: I mean clearly that
didn't happen for whatever reason and we don't
know exactly why not. But so he makes the
affirmative representation in the report that
it was 54 percent. He attaches to his report
the instructions to the interviewers which
says that it's contemplated that there will be
100 percent validation. And then he attaches,
as Exhibit F to his report, the verification
form saying this is the form that is supposed
to be used to verify and it's this form that
they have inexplicably destroyed with no
explanation.

So I would say, Judge Roberts, that to argue that what we didn't realize that
we should have kept these, really stretches
the bounds of credulity, if not ethics. I
mean the fact that something that you attach
is an exhibit to your expert's report which
you say is part of the protocol of the report
retains yet another independent company called
ABC to do the verification, again independent
of DDW, independent of Dr. Wind and they have
no idea what all of this is for or it's about.

Now the way the verification
process works and Judge Roberts, to some of
your questions is, if you look at the
validation summary form, you're correct that
the -- when you look at Atlanta and then
there's a list of names. Those are the names
of the DDW interviewers, who did the
interviews in the malls in that market.

So what the verification firm does
is they attempt to contact every one of the
people who was a survey respondent and when
you've heard referred to 100 percent
verification, they don't mean that they
complete 100 percent. They mean they attempt
100 percent. They try and call every survey respondent. They agree to call twice. If
they reach them, great. If they don't, they
figure that's enough.

And so --

CHIEF JUDGE SLEDGE: What is the
basis of that statement?

MR. HANDZO: I'm sorry?

CHIEF JUDGE SLEDGE: What is the
basis of that statement?

MR. HANDZO: Dr. Wind, that may
actually be in Dr. Wind's testimony, but he
would certainly testify to that and he's here
today.

JUDGE ROBERTS: So just to
clarify, Mr. Handzo, Angel, here in Atlanta,
did five surveys?

MR. HANDZO: Right.

JUDGE ROBERTS: And you're saying
that of those five surveys, those people were
called twice?

MR. HANDZO: Correct.

JUDGE ROBERTS: Okay, and it
yielded two positive responses?

MR. HANDZO: Two people were
actually reached.
JUDGE ROBERTS: Two people were actually reached?

MR. HANDZO: Correct.

CHIEF JUDGE SLEDGE: I don't understand. What do you mean they were called twice?

MR. HANDZO: Your Honor, what happens is if, let's take Angel from Atlanta who did five surveys.

CHIEF JUDGE SLEDGE: Oh, I see. They weren't called for the survey --

MR. HANDZO: No, these five people had completed the survey and Angel from DDW had done the survey with these five people. Then we give those names and addresses or DDW gives those names and addresses to the verification firm. The verification firm then tries to call each of those people and make two attempts to call each of those five people just to ask these questions. Well, they don't reach all five. In this case, with Angel, they reach two. And so they ask the verification questions of those two people. And the result is that we get the verification numbers that you've heard talk about, I think it's 54 percent. Now as it turns out, that 54 percent verification is actually way higher than industry standards and research standards typically would have you do.

JUDGE ROBERTS: Mr. Handzo, do you know why on this chart there's not a validation is bad or another category that says no response?

MR. HANDZO: Because and again I think this is in Dr. Wind's testimony, but he can certainly testify to it. Had they gotten a bad verification, in other words, had somebody answered the questions in a way which said oh no, I wasn't interviewed or I'm not a subscriber or whatever, then they would have gone back and done a complete review. I'm not sure about this. I need to ask Dr. Wind.

I don't know whether they do a --

then make sure that they contact every person who was interviewed by Angel, for example. Or whether they go back and try to verify truly reaching 100 percent. But the point is, if you get one that doesn't --

JUDGE ROBERTS: Wait a minute.

You said that they're already trying to contact all the people, Angel's survey.

MR. HANDZO: Right, but you're only making two attempts. If you found that one of Angel's didn't verify, that you reached somebody who said oh no, I never got interviewed in the mall, then you would make sure. You'd keep trying until you got all five of Angel's. But if you don't get -- so the numbers that you're seeing here, on the right, those are the evaluations -- verifications that were successful. There weren't any where people said oh no, I wasn't interviewed. If there had been, there would have been a further step in the process. But that further step in the process never happened, because the verifications were all good.

So that's the process. Now what Sirius and XM want to argue is oh my goodness, in the verification process, some of the people should have said yes, yes, yes, on the verification form, the people who are current subscribers and in order to be correctly verified, some of the people should have said yes, no, yes. Those are the people who are not yet subscribers, but are considered.

So what was ABC told to do? We know what they were told to do because we've given you declarations from DVW, Kathy Ramono and from ABC and the declarations say exactly --

MR. MEYER: Your Honor, I am sorry. It just occurred to us that perhaps Dr. Wind should not be in the courtroom while Mr. Handzo is arguing about what he understands to have really happened here, just as a matter of sequestration.
MR. HANDZO: I don't have an objection.

CHIEF JUDGE SLEDGE: Dr. Wind will please remove himself from the courtroom.

(Pause.)

MR. HANDZO: Your Honors, if you look at the Ramono declaration that we attached last night, she tells us what DDW instructed ABC with respect to verifying the survey results. And she says "for respondents who are subscribers, a respondent would be verified if she or he answered yes to all three question son the verification questionnaire. The respondents who were considering subscribing, a respondent would be verified if she or he answered yes to questions one and three, and no to question two. I further instructed ABC to notify me if any respondent answered a question incorrectly.'

So we've got testimony from her about how she instructed the verification to be done. We then have a declaration from the verification firm, ABC.

JUDGE ROBERTS: Mr. Handzo, looking at Exhibit B, the verification questionnaire?

MR. HANDZO: Yes.

JUDGE ROBERTS: And this was brought up by Mr. Sturm. Why are the boxes already checked?

MR. HANDZO: That was given to ABC by DDW as a sample, but then there were, apparently Ms. Ramono called them and said for the considering subscribers, here's how you need to do it.

JUDGE ROBERTS: Was there one sent that had a yes box, a no box, and a yes box checked?

MR. HANDZO: I don't believe so. My understanding is that those communications were communicated orally by Ms. Ramono.

So -- but we do know that those communications happened because we have Ms. Ramono's declaration. But that's what she told them to do. And we further have the declaration of ABC, where ABC says that they got the instructions from DDW and they confirmed the 54 percent of the respondents of the survey were contacted by ABC and that those individuals gave the proper responses to the questions.

In particular, each of the respondents who had previously identified themselves as subscribers to satellite radio answered all three questions yes. Each of the respondents who had previously identified themselves as considering a subscription to satellite radio answered the questions yes, no, yes.

So we've got both: DDW and ABC submitting sworn declarations to this Court saying ABC was correctly instructed by DDW how to conduct the verification and what the correct answers were for both considering subscribers and current subscribers. You've got ABC saying we got those instructions. That's how we did it and we verified according to that process.

So basically what you have to believe in order to accept this motion is that these two people from ABC and DDW are lying to this Court. Why in the world these two independent companies which have no dog in this fight, they don't even know what this case was about. They weren't told because it's a double-blind survey, who was ultimately conducting the survey or what it being used for, why they would come in and lie about what happened is utterly beyond me. Nobody has attempted to explain that one.

So it's simply not true to say we don't know what happened here. We know exactly what happened here because we have the declarations of two totally uninterested witnesses with no stake in this case, not to mention the fact that in order to accept the arguments of XM and Sirius, you'd have to
believe that ABC faked the responses, faked
the verification in the first place, which
also doesn't make any sense.

CHIEF JUDGE SLEDGE: No stake in
this case, except these are people that want
business from Dr. Wind.

MR. HANDZO: Your Honor, I'm not
even sure that ABC would have known that Dr.
Wind was involved.

I have to say I'm not sure about
that. I'd have to ask Dr. Wind. But my
understanding of the process is Dr. Wind does
retain DDW. Then DDW retains ABC. But I also
have to say these are companies that are in
the business of doing this. If they were
faking results and lying to Courts, they're
jeopardizing their own business by doing that.
They're not going to do something like that
and there's certainly no reason to believe
that would have happened in this case.

CHIEF JUDGE SLEDGE: Can the same
opinion be made for experts that slant their
work to support the party that hires them?

MR. HANDZO: Your Honor, these
declarations couldn't -- there couldn't be a
slant in here. They'd have to be flat out
lying to you, okay? Because they flat out say
here's how we did the verification. We did
the verification getting yes, yes, yes answers
for people who were current subscribers. And
we did the verification getting yes, no, yes
answers for the people who were considering
subscribing.

There's no -- this is not shading
an opinion. They're telling you exactly what
they did.

Now, that's the evidence. Sworn
testimony as to what happened, all absolutely
on the up and up. So why are we even arguing
about this? Well, when ABC did the
verification, they filled out a form for each
one. And then they transmit those forms to
DDW and as you see from the Ramono declaration
DDW then looks over them to make sure that it
was all correct.

So again, you've got ABC doing the
verification, but then DDW reviewing their
work to make sure it's all correct. And
again, that's in Ms. Ramono's declaration
about which she'd have to be lying in order
for the services' motion to be correct.

However, those forms, those
individual forms, we can't get our hands on.
Now, Mr. Sturm keeps saying they're destroyed.
Frankly, I don't really know. What I know is
that we asked DDW for them and they said they
can't be located or they weren't retained or
whatever. I mean what I've heard is that they
were painting their offices and they were
moving and they can't find things.

For all I know, it may turn up in
two months, but the bottom line is from our
perspective, we can't get our hands on them,
but I don't want the Court to think that
somebody went off to a shredder and purposely
destroyed these things. That's not what

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perspective, we can't get our hands on them,
but I don't want the Court to think that
somebody went off to a shredder and purposely
destroyed these things. That's not what

opinion to support the party that hires them?
The inputs are the survey questionnaires, the responses to those questionnaires and the tabulations, all of which we provided every piece of appear there is and nobody suggests otherwise. There's just no way to consider these verification forms an input into the survey itself. The Court, in addition to that regulation, of course, there was a motion to compel which the Court granted. We went to DDW. We asked them for the forms. They don't have them for whatever reasons. We can't produce what we don't have.

JUDGE ROBERTS: Dr. Wind's statement about 54 percent verification, we don't have any data now apparently to verify his 54 percent.

MR. HANDZO: Well, we do have data in the sense we've got the summary sheet which shows you the number of contacts and that they were verified. So we do have that. But in addition, we've got the testimony that it happened. We've got testimony not only from Dr. Wind, but we've got the declarations from ABC and DDW which seems to me is pretty compelling evidence that it happened just as we say.

And I would also say we should keep in mind that verification is just one element of proving that a survey is accurate and provides useful data. I mean let's say we hadn't verified at all. Those Courts under the federal rules would say well, that's an issue that we'll consider in looking at the weight of the survey. Courts don't throw out a survey if it wasn't -- if nobody even attempted to verify it.

What happened here as Dr. Wind will testify is that DDW and ABC actually went beyond what is ordinarily required for survey research. They did more verification than one would ordinarily do, even for a very, very rigorous survey. I mean, for example, you've heard a lot of testimony about Sirius and XM day comes down to is that in his deposition, Dr. Wind said well, the verification would have required people to say yes, yes, yes. Well, what happened in the deposition and again, I think Dr. Wind will explain his testimony. In the deposition, he's handed that sample form, that you've seen and it's got the yes, yes, yes answers. So he understands the question to be addressing people who are current subscribers for whom the answers would be yes, yes, yes. So he was the basis for his answer.

He was intending to say that would be the correct answers for people who say yes, no, yes. So bottom line, I think that's all a misunderstanding which he will explain, but at the end of the day, as I say, what we do know is that we have sworn testimony from disinterested witnesses that the verification was performed correctly, with the correct responses for 54 percent of the respondents.

If the Court has any questions,
I'm happy to address them.

CHIEF JUDGE SLEDGE: A lot of your explanation comes from the declarations and you say that Dr. Wind will explain his deposition testimony which is -- needs explanation, and yet your response to this motion says that the motion is frivolous. Hyperbole is not a good trial tactic.

MR. HANDZO: I understand, Your Honor.

CHIEF JUDGE SLEDGE: You made another statement that may be confusing. You said that the content of the two declarations is evidence to establish the facts on the verification process. Those declarations are not evidence.

MR. HANDZO: Your Honor, for that matter, I would suggest then that Dr. Wind's deposition on which the services rely is likewise not evidence. That's not in the record either.

But we are certainly happen to submit the declarations into evidence if the Court desires that.

CHIEF JUDGE SLEDGE: If you can get them into evidence, you can submit them. That still wouldn't make them evidence. Okay. All right, any follow up, Mr. Sturm?

MR. STURM: Very briefly, Your Honor. Mr. Handzo says we know what happened because we have the sworn declarations from the two survey people to tell us. But as Your Honor pointed out, we also have Dr. Wind's testimony which is directly contrary with respect to the results of the responses that were given in the verification process.

Mr. Handzo tries to explain that testimony away saying well, Dr. Wind was looking at this forum which is marked yes, yes, yes and he says so he thought they were just talking about subscribers, but the point is there isn't a separate form like this for the considerers. There's only this. And so his testimony makes perfect sense.

Now, Mr. Handzo also said well, maybe these things will turn up because they were painting their office or whatever. Again, paragraph 9 of the Ramono declaration says we don't know anything more than this. It says "counsel for SoundExchange requested in March 2007 that DDW provide all materials relating to the validation process. At that time, I discovered that the validation forms had not been retained." So it doesn't sound like the prospects are very good for these things ever showing up.

Mr. Handzo also described the process which is ABC does the validation and then DDW reviews it to make sure it's correct. But that's what we want to do. And that's what we're not going to be able to do because the documents have not been retained. Thank you.

CHIEF JUDGE SLEDGE: Mr. Meyer, anything in addition?

MR. MEYER: No, Your Honor.

CHIEF JUDGE SLEDGE: Mr. Handzo?

MR. HANDZO: Your Honor, the one point I was going to add is that in the volumes of documents we produced, they not only have all of the verbatim responses, they actually have the names and addresses of all of the survey respondents. So to say oh, we're wholly at a loss, there's nothing we can do to verify this. It's not true. They could actually go through a verification process themselves. They have the names and addresses of the survey respondents.

So if they're willing to check on this, they can do it. They could have done it. So it's not like there's no remedy here for them. They could go through and check on the accuracy of these responses and verify themselves that they have that information to do it.
Chief Judge Sledge: Don't the rules on unsolicited calls to people who put their name in the no box interfere with that statement?

Mr. Handzo: Your Honor, you are a little bit beyond me in my knowledge of the "do not call rule" so as far as I can tell, nobody honors those things anyway.

(Laughter.)

Chief Judge Sledge: I don't know.

Mr. Handzo: My point is they have the information.

Mr. Sturm: May I address --

Chief Judge Sledge: I think that's clear.

(Pause.)

Judge Sledge: Thank you. We'll recess for consideration.

(On the record at 10:49 a.m.)

Chief Judge Sledge: Thank you, we'll come to order. All right, considering the presentation on the emergency motion, the testimony that I'd like to distribute to the Court.

Judge Roberts: By the way, so that everybody's clear, with respect to this motion on the record and any others that may be made during the course of this proceeding, the time that has gone through during this period is charged to the moving party.

Mr. Handzo: Your Honor, SoundExchange if we can proceed now, will call Dr. Wind.

Chief Judge Sledge: Please raise your right hand.

Yoram Wind

was called as a witness and, having been first duly sworn, was examined and testified as follows:

Chief Judge Sledge: Thank you, be seated.

Mr. Handzo: Good morning, Dr. Wind.

Judges find that the requirement of Regulation 351.10(e) for presenting and preserving underlying data does not apply to the information in question. There is no -- it has not been determined that verification is required for a survey to be admissible and, therefore, the verification data is not underlying data for the survey. On our gatekeeping responsibilities for expert testimony, there has not been established from the evidence that the industry standard for surveying requires that surveys be verified nor do our rules of procedure require that surveys be verified.

Verification is an element to fit within the weight of the evidence presented and does not -- is not a required part of admissibility and with these findings, the motion filed is denied.

Mr. Handzo: Your Honor, if I may, I think Dr. Wind is still outside. While we're getting him, we do have binders of the

The Witness: Good morning.

Direct Examination

By Mr. Handzo:

Q For the record, could you introduce yourself to the Court?

A Yeah, I'm Yoram Wind. I am a Professor of Marketing and a Lauder Professor at the Wharton School, University of Pennsylvania.

Q How long have you taught at the University of Pennsylvania?

A Forty years.

Q What courses do you teach?

A Various marketing courses, marketing strategy, consumer behavior and marketing research, marketing research and modeling for business decisions and so on.

Q Do you teach graduate or undergraduate courses?

A Mostly MBA and Executive Development which is basically senior executives.

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Q Is that a particular focus to your own academic work?
A Mostly in the marketing area, specifically in marketing strategy, relating to the use of new methods for better decision making in areas such as corporate growth, market segmentation, new product development and the like.

Q Dr. Wind, what is your educational background?
A My Doctorate is from Stanford University.

Q That is a Doctorate in what?
A In marketing and the behavioral sciences.

Q When did you receive that degree?
A In January '67 when I started teaching at Wharton.

Q Have you authored any books or publications?
A Yes, about 21, I think books and over 250 articles, monographs, chapters on work for companies. Do you occasionally serve as a consultant to companies?
A Yes, I regularly serve as a consultant to companies both with respect to marketing strategy in general, business strategy as well as with respect to specific issues they have that require research.

Q And have you conducted market research or survey research for the companies that you consult with?
A Many of them, yes.

Q Okay. Can you give us an example?
A Well, IBM, I was involved in the design of the AS-400. Courtyard by Marriott, actually it was Marriott Corporation, basically it was the design of the Courtyard by Marriott Hotel.

Q And let me just stop you there.
A Did that involve survey research?
Q It involved a conjoint analysis study which would fall under the category of survey research.

Q Okay, we'll get to contract in awhile but does that involve going out and actually doing a survey and getting respondents and all that sort of thing?
A Yes, most of the studies involve development of a research instrument and then going out and interviewing consumers.

Q Now, in addition to the consulting work that you've done for businesses, have you testified in Court with respect to survey evidence?
A Yes, I have.

Q Do you recall how many times?
A Not really. In my resume there is a listing of cases in which I have been involved. I suspect probably in terms of actual court appearances, somewhere in 30, 40 times over the span of the last probably 30 years or so.

Q And in those 30 to 40 cases have you been accepted by the court as a survey research expert?
A Yes.

MR. HANDZO: Your Honor, I would offer Dr. Wind as an expert in marketing, marketing strategy and marketing research.

CHIEF JUDGE SLEDGE: Any objection?

MR. MEYER: No objection.

CHIEF JUDGE SLEDGE: Without objection, the offer is admitted.

BY MR. HANDZO:

Q Dr. Wind, in the course of your work in this case, were you assisted by anyone at the University of Pennsylvania?

A Yes. For the statistical analysis and the analysis of the conjoint analysis part of the study I conducted, I worked closely with Professor Abba Krieger, who is a professor and Chairman of the Statistic Department at Wharton actually.

Q How long have you worked with Dr. Krieger?

A Almost since he came to Wharton,

probably over 20 years. He got his Doctorate as far as I recall, from Harvard, came to us and since he came to Wharton, we have been working very closely, he and another colleague of ours who retired recently, Paul Green. So many of the publications that you will see in my resume will be a Green, Krieger, Wind, some combination of that.

Q Okay, and Dr. Krieger assisted you with the statistical analysis?

CHIEF JUDGE SLEDGE: And you said he's a Professor of German of the Statistical Department?

THE WITNESS: No, no, Statistics.

CHIEF JUDGE SLEDGE: Chairman.

THE WITNESS: Chairman, sorry.

BY MR. HANDZO:

Q Dr. Wind, we've got a very large notebook in front of you. I'm going to ask you to open that up and take a look at the document that appears in the first tab that says "Testimony".

A Yes.

MR. HANDZO: Your Honor, I believe we have marked that as SoundExchange Trial Exhibit 51 for identification.

(SX Trial Exhibit 51 marked for identification.)

BY MR. HANDZO:

Q Dr. Wind, can you identify this document for me?

A Yeah, this is a report I prepared that summarizes the research I conducted in this case and involves also behind it tabs from A to L with appendices relating to the study.

Q Okay, let me ask you to turn to page 52 of the report itself.

A Yes.

Q Is that your signature?
Yes, but I prepared originally the typical type of research report that I do which is all the exhibits that we have here or most of them, but in the form of a PowerPoint presentation as opposed to a detailed written report. When -- in this case, they included I think virtually all the material we have here.

This was then -- a draft of this was prepared by Matt Helman in your office who converted it from my PowerPoint to a report. I reviewed it, worked over this number of iterations in terms of changes so this is basically my report reformatted in the form that this Court requires.

Okay, now -- I'm not sure if I got an answer to this question. Do you recall when you retained by SoundExchange?

I think around June or July of last year.

Okay, and do you recall what you were asked to do?

Yeah, generally, it was to explore the possibility of designing a study that will determine the relative importance of music to satellite radio subscribers and those who consider subscribing.

Okay. Are the methods that you undertook for that research described in Exhibit 51?

A I used a variety of methods. The idea underlying it was to try to determine the value of music. Probably the best way would be to try to identify different dimensions of value and to ask -- to use different approaches to try to determine a consumer's perceived value of music versus other programming options.

Dr. Wind, let me just stop you there because you're a step ahead of me. Right now my question is just whether in Exhibit 51 you've described the process that you went through to create your survey?

Yes, yes.

Okay, and are the results of that survey also reported in Exhibit 51?

Yes.

This is a summary figure that reflects on the left side the different measures of value that I used in this study and the body of the figure, it represents the key results. The results here are presented primarily as the value on the specific measure for music in the rate powers relative to the highest ranked other programming type which always is presented here as one.

And in the blue you can see basically the type -- what is the other programming type that was the next highest to music. In the report itself, there will be the details of the measures for each one of these specific measures. Here to facilitate comparison in the different measures, I used the ratio approach of presenting the ratio of the number of times that music is more preferred than the other leading programming type.

This represents? This is a summary figure that reflects on the left side the different measures of value that I used in this study and the body of the figure, it represents the key results. The results here are presented primarily as the value on the specific measure for music in the rate powers relative to the highest ranked other programming type which always is presented here as one.

As there was
no objection to the offer of admission, the Exhibit 51 is admitted. (SX Trial Exhibit 51 having been marked for identification was received in evidence.)

MR. HANDZO: My apologies, your Honor. I got ahead of myself.

BY MR. HANDZO:

Q    Dr. Wind, looking at Figure 1, you'll see a number -- you've got a number of different bars on this chart representing from the top cancellation, willingness to pay, general draw and so on. Why is it that you designed this survey to look at these different aspects?

A    This was primarily my understanding of the different dimensions of value that one can look at. So when given the general assignment to determine -- of determining the perceived value of music versus other offering of satellite radio, this

approaches and if I am getting the same conclusions from all of these different approaches, my confidence in the reliability and validity of the results are by far greater.

Q    And applying that concept of convergence validity to you study, what did you find?

A    A very strong convergence of all the results, as you can see in this figure 1, in all of them, we have the red bars which are representing music, significantly higher than the next highest programming type. And it ranges from as low as 1.6 times the other programming type for willingness to pay to as high as 5.3 for general draw.

    The last bar is the average, does represent the average score across all these different measures.

Q    I think you indicated in response to an earlier question that this figure 1 compares music to the next highest rated type

is my operational interpretation of these, that this implies these dimensions. Therefore, the research design included various tasks ranging all the way from open-ended questions to some more structured tasks involving conjoint analysis to allow us to get a reliable and valid measures of these dimensions.

Q    Okay, is there a benefit from a survey research perspective to -- looking at a number of different measures with respect to the importance of music and non-music content?

A    Yes, obviously, in addition to the insight it provides by looking at each one of them as to what is the content it provides, it provides us an opportunity to assess the convergence validity of the results.

Q    Now, you'll have to explain for us what convergence validity is.

A    Convergence validity primarily relates to a situation where I am measuring a phenomena using different methods, different
should be asked. When we talk about consumers, you know, who are the consumers.

Q     Okay, and what did you conclude about the universe for your study?
A     The -- primarily the decision makers relating to satellite radio as well as those who either had or consider buying satellite radio in the next months. The best way to identify it is really to walk through the screening questionnaire if you want, which will give you exactly the questions that qualify people for inclusion in the study.

Q     Okay. I will come back to that. After identifying the universe and the purpose, did you prepare a survey questionnaire?
A     Yes.

Q     Is that attached to your testimony?
A     Yes, this will be under Appendix C.

Q     Now, did you decide on a method for obtaining responses by respondents to your survey questionnaire?
A     Yes, once I developed the research design and the research instrument, the main question there which is in Tab C, then the question was, what would be the best way to collect the data? And I decided that the best way would be to conduct a central location interviewing.

Q     And what do you mean by central location interviewing?
A     Central location is a very common, one of the most common research approaches in terms of data collection. The idea is that there are in many shopping centers around the country interviewing facilities. These interviewing facilities have trained staff, that conduct interviews. The process there is typically they get the screening questionnaire and they send screeners to various parts of the mall to identify people who would be willing to participate in the study and that basically, a three-step procedure that I use for sampling. First I selected randomly six markets in each of the four census regions. So we had a random selection of markets representing the entire country.

In each market, we then select randomly the malls to participate, because there are many malls with interviewing facilities in each one of the markets and you want, again, to select randomly the specific mall. And the third phase is once the mall is selected, then to go to the selection of the respondents.

Q     Okay, now --

CHIEF JUDGE SLEDGE: By limiting your interviews to malls, aren't you excluding lower income people in your survey?
THE WITNESS: The general understanding in the market and research area is that over 90 percent of the population visits malls. Malls today are no longer just a place to shop but they're actually an

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entertainment place. They're -- many of the malls have fast-food restaurants, other entertainment and so the going out to the mall is becoming very very common in the country. And the data that I have seen a few years ago, I haven't seen more recent data, is that over 90 percent of the people visit malls.

CHIEF JUDGE SLEDGE: Visiting malls requires private transportation --

THE WITNESS: In many --

CHIEF JUDGE SLEDGE: -- in most places, doesn't it?

THE WITNESS: In many places, but not all. That's the reason we select malls randomly because there are also shopping malls within cities.

CHIEF JUDGE SLEDGE: And malls do not include discount stores, do they?

THE WITNESS: Typically, no, not in terms of the big bucks retailers but Walmart will rarely be there but --

capture the inner city and other areas where you don't have typically shopping malls.

So, yeah, you are right in terms of the very low end, inner city probably where people will be even afraid to interview, will not be covered here but I don't think that the problem here, because of the nature of the product, is more up-scale than for the very low income.

CHIEF JUDGE SLEDGE: People are afraid to interview? People are afraid to interview people that are walking on the streets in inner city?

THE WITNESS: Yes, in some places, yes. In some places, it's very difficult, very difficult to get interviewers to do interviewing in certain areas, not in all inner cities but in some inner cities where you have a lot of crime, a lot of street fights and a lot of drugs. Yes, it's very difficult to get interviewers for these areas.

JUDGE ROBERTS: Dr. Wind have you ever --

CHIEF JUDGE SLEDGE: Let me continue on just a minute.

JUDGE ROBERTS: Oh, I'm sorry.

CHIEF JUDGE SLEDGE: What is the percentage of people that go to malls?

THE WITNESS: Over 90.

CHIEF JUDGE SLEDGE: Over 90.

THE WITNESS: Over 90.

CHIEF JUDGE SLEDGE: Your answers do not persuade me. What authority do you have that over 90 percent of people go to malls?

THE WITNESS: I have seen some data, as I mentioned before, a few years ago and I can probably try to get more recent data and provide it to your Honor.

CHIEF JUDGE SLEDGE: I have to consider my personal life experiences in my decisions and I don't see many poor people at malls. I only see high income people at malls, and I only see high income stores at malls.
THE WITNESS: It just depends on which malls you're visiting. You may be visiting the higher income malls. There are malls which are not designed for the high income people.

JUDGE ROBERTS: Dr. Wind, just to be clear and following up on Judge Sledge's questions, are we talking about only indoor malls or are strip malls also included in this?

THE WITNESS: To the extent that there is an interviewing facility in a strip mall, it will be included.

JUDGE ROBERTS: Which I imagine is pretty rare.

THE WITNESS: I don't know the incidence. I don't know the incidence. I know that basically the instruction to the field house who actually implement that sample selection, is once we select the market, to list all the available malls with interviewing facilities in this market and select randomly in the ones we interviews but again, in this particular case, because of the nature of the product, and the expense involved of the 12.95 a month subscription, and that most of the usage of this is in a car that, that requires a car. I'm less concerned in this particular case about not representing the real bottom part of the income distribution.

JUDGE ROBERTS: I understand.

BY MR. HANDZO:

Q Dr. Wind, let me ask you to turn to page 7 of your written testimony, Exhibit 51, and you'll see that you've cited to some survey research guides there. To your knowledge, is the mall intercept survey a recognized method of conducting surveys?

A Yes, it is the most widely used personal interview approach in the country.

Q In the times that you've testified in Court and been accepted as an expert, have some or all of those involved mall intercept surveys?

Most of them, not all, most of them.

Q Why is that?

CHIEF JUDGE SLEDGE: These issues don't address admissibility. These issues address whether the survey had an merit, any weight or not.

MR. HANDZO: I understand, and that's what I am trying to address.

BY MR. HANDZO:

Q Going back to Chief Judge Sledge's question about trying to make sure you've sampled as much as possible lower income people, are there steps, in terms of the timing of the interviews within a mall that are taken to try and insure that that happens?

A Yes. I require that 50 percent of the interviews will be conducted in evening and weekend to assure that you get also working people and they've had a chance to be interviewed in the mall.

Q Dr. Wind, when was the survey fielded?
A: I mid-October.
Q: Of 2006?
Q: Okay, and are you familiar with the term "double blind process"?
A: Yes.
Q: What does that mean?
A: Double blind means that the interviewer as well as the interviewees do not know what the purpose of the study is nor do they know who sponsors the study. So there is no possibility here for the respondent to try to please the interviewer by giving answers that they think the interviewer is looking for and there is no opportunity for the interviewer to suggest through body language or other ways to bias the responses.
Q: Okay.
A: In addition to this, in this particular study and in most of my studies, all of my studies, I actually keep also the other people working on the study in this case...
Q And when you say they conduct the interview, are you now just talking about the screener?

A Just the screener which is done outside in the mall, somewhere in the mall.

Q Okay. And that interviewer would then be trying to figure out whether I qualify for this --

A Correct, whether you qualify and whether you are willing to be interviewed.

Q All right, and by the way, is there anything offered to the respondents to induce them to be willing to part with some of their time to do this?

A Yes, whenever -- it's a common practice whenever you're dealing with a questionnaire which is longer than two, three minutes, you offer an incentive and we offer here a $10.00 incentive.

Q Now, let's say the interviewer has approached me and I've gone through the screener and I do qualify and I am willing to actually spend the time. What happens?

A Then the interviewer who screened you will walk with you to the interviewing facility. Will, in most cases, hand you over to another interviewer who is at the interviewing facility. In some occasions, it might be the same interviewer who will now continue also the interviewing. And then they will basically start walking you through the main questionnaire which is under Tab D, Tab C, I'm sorry.

Q Okay, and in this case, do the respondents actually fill out the survey questionnaire themselves or how is that done?

A Well, the easiest would be to look at Tab C. First, the interviewer is asking three open-ended questions and is recording the responses to the three open-ended questions.

Q And let me just stop you there for a second. Attachment C is the main survey questionnaire?

A Correct, it's under Tab C.

Q Okay.

A So they are asking them basically to go through the first three open-ended questions. They record the results and then if you look at Attachment C, under Tab C, on the top of page 2, their instruction to the interviewer to place the respondent in front of the computer because to increase the accuracy of the study, we translated the paper questionnaire into a computer program, so the respondent is now seated in front of a computer and on the screen it starts saying the questions.

But before they start, they're asking them the question whether the respondent would like to input the answers themselves or whether they would prefer that the interviewer will do it for them. And in general, we had about 60 percent of the respondents who indicated they would like to do it themselves under the supervision and direction of the interviewer and about 40 percent that asked the interviewer to input the data.

Q Okay. Now are there statistics --

JUDGE WISNIEWSKI: What was the incentive for doing all this?

THE WITNESS: Ten dollars.

JUDGE WISNIEWSKI: Wow, that's a deal.

BY MR. HANDZO:

Q Do you keep statistics on how many people were approached by the screener versus how many actually agreed to take the survey?

A Yes, the last page of Tab B are the screening results. And if you look at the screening results they contacted a total of 4301 and, but most of them did not qualify because they did not have a subscription to satellite radio nor did the consider, over 2,000 of them. And the others were screened out for a variety of reasons. We ended up with 428 completed interviews.
Q: Okay, now in order to be considered somebody who is considering subscribing, were there some criteria that you have to meet for that?

A: Yes, there were. This goes back to the screening questionnaire and again, this is under Tab B. You had to, first of all, meet a variety of security conditions which are on the first page of the screener. So that's just to make sure that we interview -- we don't interview people who know the interviewer, for example, or they have a language problem or they work for an industry which typically are being excluded from marketing research studies such as marketing research firm or advertising agency or being interviewed frequently.

So if they're interviewed in another marketing research firm in the last three months, they are basically being excluded. And then the key --

JUDGE WISNIEWSKI: How long do these interviews take?

THE WITNESS: Average was about 25 minutes.

JUDGE WISNIEWSKI: Twenty-five minutes. You get 10 bucks for doing this. As an economist, I'd have to say that opportunity costs just don't match up but --

THE WITNESS: Well, currently for some of these people these are found $10.00.

JUDGE WISNIEWSKI: Well, there are a lot of folks -- that just underlines, there are a log of folks that don't behave as rationally as economists assume them.

CHIEF JUDGE SLEDGE: While we've got you interrupted, looking at Appendix B and Appendix C, both the screener and the interviewer knew that they were involved in a satellite radio survey.

THE WITNESS: Correct.

CHIEF JUDGE SLEDGE: So when you said earlier about double blind, you weren't referring to the fact that they didn't know that they were -- the subject matter was satellite radio.

THE WITNESS: No, obviously, they have to know the subject matter, but they didn't know who was the study done for. They didn't know who sponsors it nor what we were looking for.

So if you go back to the question, then one of the critical questions was Question F in the screener on page 3, which is, "Which, if any, of the following decisions do you make or take part in making for your household", and they had to indicate yes to decision to subscribe to satellite radio. So they had to be the decision makers.

In addition to this --

JUDGE WISNIEWSKI: I'm sorry, where are you at?

THE WITNESS: I'm on Tab B, the screener, page 3, question F, right at the top of the page.

JUDGE WISNIEWSKI: Thank you.

THE WITNESS: In addition to this, we had to decide if they are subscribers or not, so we asked Question G, "Which of these services, if any, do you or your household currently subscribe to", and the number of options, and they had to subscribe to satellite radio to qualify.
And then there was a --

CHIEF JUDGE SLEDGE:  Let me question you on that.  On Question F, it indicates that they are not terminated if they answer that they take part in any of those decisions, not just satellite radio.

THE WITNESS:  No, I'm sorry.  If you look below Question F in the first box, it says, "Respondent must be boxed answer in question F", and you'll see that the only boxed answer is decision to subscribe to satellite radio.  "If not, terminate in the appropriate box below".

CHIEF JUDGE SLEDGE:  I don't see that.

THE WITNESS:  Just under F, just below Question F, there is a narrow box that says, "Respondent must be boxed answer in Question F".  Your Honor, this is the --

CHIEF JUDGE SLEDGE:  "Respondent must be boxed answer", but just above that, where it says "terminate", it says, "None of these".

THE WITNESS:  That's in addition to this.  That's you have here basically the set of decisions and if it's not a boxed answer in the decisions, they are being terminated.  In addition to this, if they say none of these or they refuse answer, they are being terminated.  So there are two instructions here for termination.  A separate one for "none of these", and "refused", and a separate one if they indicate any of the other decisions but not the decision to subscribe to satellite radio and that's a common procedure and form that is used in all of these screening studies.

BY MR. HANDZO:

Q     I'm not sure if I got you to this point, Dr. Wind, but with respect to people who are considering subscribing, was there certain criteria that they had to meet in order to be considering subscribers?

A     Yeah, they had to answer for all of the items not circled in Question G.

Q     Let me just stop you there for a second.  Are the interviewers trained in how to go through these?

A     Absolutely.  First of all, we employ in this study only experienced interviewers with whom the supervisor has worked before?  So they're all professional interviewers.  They're all accustomed to these five approaches and this type of screening.  This is very standard, and in addition to this, they go through extensive training interview as well as role playing.  You know, basically one interviewer role play for the other so they're going through practice interview before they start interviewing and the supervisor is actually observing and then evaluating the practice interview as well.  So it doesn't sound as complex as I kind of put it when I read it.

CHIEF JUDGE SLEDGE:  Does that
same answer apply to those who are selected to be screeners?

THE WITNESS: Yes, absolutely.

The screening -- now with the screeners, it's a very important part.

JUDGE WISNIEWSKI: Before you go on, I'm a little puzzled about Question H here and as to whether this question accurately captures the group of folks who it seemed to be attempting to capture. I take it what you're trying to capture here are folks who either have actually subscribed or those folks how may have purchased, for example, an automobile and there is a complimentary either three-month, six-month or 12-month XM or Sirius service available to them after which point they have to make a decision to subscribe. Is that correct? Is that what you're trying to capture in this question?

THE WITNESS: We cannot look at the question by itself because we have to look at this also in conjunction with Question F.

as a trial subscription. You know, whether they associate the word "subscription" with what they're experiencing.

THE WITNESS: I don't know. The reason I selected this wording was in consultation with counsel and with the people that they work with and my understanding was this will be the right way of differentiating here. All that I can tell you is we are -- the respondents are those who responded positively to this or to both as well as met the criteria for having satellite radio and being the decision makers or if we go into sequence Question I and J, those who are currently considering subscribing in the next 30 months, next 30 days, I'm sorry. So I don't know how they interpreted it.

JUDGE WISNIEWSKI: Okay, thank you.

BY MR. HANDZO: Q Dr. Wind, once the screening process is complete and you've given us the numbers on how many people got through that process and then responded to the main questionnaire, I guess I might as well take you to the main questionnaire and ask you what you were trying to get at with the questions that you designed. So if we could turn to Tab C, please --

A Is there a question?

Q Sure, actually, I hadn't asked one yet. Sorry. Looking at the questionnaire, let's just start with Questions 1A and 1B. What -- why did you include those questions, what were you trying to do?

A This is very customarily in considering research to start with. It's a very broad open-end question. "Here thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe", very open-ended question.

Q Let me ask you, the people who are considering subscribing but haven't actually
subscribed, do they get this questionnaire or a similar one appropriate to their status?

A

No, after page 9 of the questionnaire, there is a second questionnaire which is for considering subscribing. And the question for them, Question 1A, and I read, this is right after the first questionnaire and it says considering subscribing on the top and Question 1A is, "Why are considering subscribing to satellite radio, any other reason".

Q

So the considering subscriber and the actual subscribers get the same kinds of questions but aimed at their particular circumstances.

A

Correct, and this is true for all the question.

Q

Okay. So --

JUDGE WISNIEWSKI: So I raised the question we had earlier.

MR. HANDZO: I understand.

BY MR. HANDZO:

verbatim?

A

In this case, they probably will use the computer because the whole questionnaire is on the computer.

Q

Okay, but my question, I guess is, are they trying to capture exactly what the respondent said?

A

Absolutely, and they're very strict instructions both in writing as well as part of the training that instruct the interviewer to write exactly what the respondents say and if they don't understand or they didn't catch it, to say, "Could you repeat it, please", and not to guess. It's very important training to record exactly what the respondent says.

Q

Okay, questions 2A and 2B, can you explain why you included those questions?

A

Still in the same spirit of the open-end exploration, we asked what type of satellite radio programming was most critical to your decision to subscribe to satellite radio? And then also a probing follow-up in any others. Very common in most consumer research. Once you ask the general question, "Why did you subscribe", you focus on the specific features or benefits that may have led to the decision.

Q

And again, are the responses recorded verbatim?

A

Yes.

Q

Okay, how about Questions 3A and 3B?

A

The same thing. In 3 now we're trying to reflect on your experience with satellite radio, what type of satellite radio programming are most critical to your decision to continue to subscribe. So this is trying to capture now those respondents who are currently using and having satellite, what will be the motivation for them to continue. And obviously this is inappropriate for the considering to subscribe. So if you look at the first page of considering subscribe
questionnaire, it says, there is no Question
3 on this version.

Q Okay, now Question 4 you actually
have kind of a different type of a question.
Can you explain what that is?

A Yeah, this is -- we're moving now
to establishing the relative importance of one
programming type over another. The
methodology here is called constant sum
allocation which is a very common and reliable
and valid way of measuring consumer's trade-
off among different options, different
features. The individual receives in this
cade the seven types of programming on the
computer and the instructions and is asked to
allocate 100 points among them.

Important to note is that order in
which the respondent sees those various type
of programming, is rotated by the program. So
it's randomized and you may get a version
where it would start with talk and
entrepreneur, sport, news, music and the

THE WITNESS: Before we go to
Question 8, Dr. Wind, I'm looking through the
guide here and I don't recall there being a
question here asking the respondent if they
planned to continue to subscribe to satellite
radio; is that correct? I notice that in 3a
you say, "What types of programming are most
critical to decision to continue to subscribe
but I didn't see a question that said, "Are
you actually planning to continue to
subscribe".

THE WITNESS: Right, I did not ask
this question. I w-- as primarily in the
first three questions, I was focusing
primarily on the reasons.

JUDGE ROBERTS: You don't think
that that might effect the outcome if somebody
says, "Well, I had it for awhile but I'm not
really planning to subscribe any more. I
didn't find it all that interesting for X
reasons".

THE WITNESS: The respondent
obviously can answer anyway they want. It's
totally open-ended. So to the extend that the
respondent felt that basically they did not
want to continue, then they said, "You know,
I probably will not continue to subscribe".

JUDGE ROBERTS: You don't think
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THE WITNESS: The respondent
obviously can answer anyway they want. It's
totally open-ended. So to the extend that the
respondent felt that basically they did not
want to continue, then they said, "You know,
I probably will not continue to subscribe".

I don't recall from reviewing all the verbatim
responses that there were such people. It was
the benefit of looking at some of the XM and
Sirius other research that I did later on,
there was a very high level of satisfaction,
but the --
JUDGE ROBERTS: I can see someone saying, like for instance, with Sirius and NFL programming that, "Well, I plan to discontinue my subscription after the NFL season is over".

THE WITNESS: This would be recorded then. This will be recorded here under Question 3a, "What type of satellite radio programming are most critical to your decision", obviously, you just indicated that there -- if you saw the NFL, you won't get NFL or any other programming, you will not continue. That's exactly what we're trying to find here.

BY MR. HANDZO:

Q So just so I'm clear, if the respondent in response to Question 3 said, "Well, you know, I got it for the NFL but I'm not going to listen to that any more and I'm going to give it up", would the interviewer have recorded that response?

A Verbatim.

Q Verbatim

JUDGE ROBERTS: For Question 3a.

THE WITNESS: Yeah, 3a or 3b, the continuation, the probing. Any one of these questions, 1, 2 and 3, have the follow-up probing which is any others.

BY MR. HANDZO:

Q Turning to Question 8, can you describe to us what you were trying to do with Question 8?

A Question 8 is very similar in terms of methodology to Question 4. This is again, a constant sum allocation and in this time we are primarily focusing on the amount of time they spend listening to different program type. So at this stage you can also see that they -- actually the instructions are a little shorter because they went already through a location and they're familiar with the methodology and they allocate the 100 points among the seven different types of programming.

Q And is it correct that once again the type of programming is automatically rotated by the computer so they don't see the same order?

A Correct.

Q Okay, and it is again true that they have to hit 100 percent or the computer will kick the response out?

A Correct.

Q What about Question 9, what's that all about?

A Question 9 tried to address the question of a hypothetical situation, what would happen if some of the programming type were not available? Would you continue to subscribe? How much would you be willing to pay for it? So we identified the four major programming types; music, news, sports, and talk and entertainment. Independently for each one of them, we asked them Question A, you know the 9a. "As you know the single subscription price per month for satellite radio is 12.95. Let's assume that some of the current programming types were not available. Assume that all other programming and non-programming features of the service remain the same."

And here we now start the question. "If no music programming, for example, were not available, would it effect the amount you would be willing to pay for satellite radio?" And then they are given the option of yes, no, don't know and if yes, then we ask them, "How much are you willing to pay", and some of them basically also can indicate that basically, they would like to cancel the subscription if this was done.

And then there was another option, some people may have given an answer "higher than the 12.95", so to make sure that this is not a mistake, we have a follow-up question to try to capture what is the real answer in case...
they're giving you an amount higher than 12.95.  
Q     Okay, now looking at Question 11,  
that appears, once again to be an open-ended  
question; is that right?  
A     Yes.  
Q     And again are the responses to  
that recorded verbatim?  
A     Yes, this is the final question  
which is, "And finally reflecting on your  
experience with satellite radio, if satellite  
radio was not available, what, if anything,  
would you miss most about it", and a probing  
of anything else. And again, that's a  
customary program to try to ask people what do  
they miss.  
Obviously, this again, is  
appropriate only for the subscribers and in  
the consider subscriber questionnaire, you'll  
see on page 7 of that questionnaire, that it  
says, "Question 11 does not appear on this  
version".

CHIEF JUDGE SLEDGE: I'm sorry,  
can you spell --  
THE WITNESS: Tradeoff, tradeoff.  
CHIEF JUDGE SLEDGE: What kind of  
analysis?  
THE WITNESS: Conjoint, c-o-n-  
i-n-t.  
CHIEF JUDGE SLEDGE: Thank you. I  
was having trouble understanding both of you.  
THE WITNESS: I apologize.  
MR. HANDZO: He has the accent but  
I can't spell, so between the two of us you  
were going to have a problem with that one.  
THE WITNESS: Conjoint analysis is  
a tradeoff methodology primarily. The easiest  
way would be to explain it, perhaps, through  
an example. I mentioned before the Courtyard  
at Marriott. The Courtyard was concerned  
about building a new chain for markets where  
they could not support the very large  
Marriotts. And the question was, "What should  
be the configuration of the hotel? Should it  
be just a mini-Marriott, just take the regular  
Marriott and scale it down or should it be  
something else"?

They had no idea how to go about  
it, so basically we designed a study using  
conjoint analysis where we gave consumers  
different type of features and asked for their  
preference. For example, do they prefer a  
larger room or a separate bathroom, so it will  
be like a separate section around the dressing  
area around the bathroom. How important, for  
example, is for them to have a restaurant?  
How important is it to have only interior kind  
of corridors to get to the hotel as opposed to  
outside doors".

A variety of questions relating to  
type of room, size of room, type of amenities,  
type of features of the hotel and the way to  
identify what's really important to the  
consumer, you cannot just ask them because  
people have a hard time answering a question,
an abstract question such as, "Would you like to have a separate dressing area outside the bathroom or would you -- or not. How important is it? How important is it to have music or some other entertainment in the room? So the idea was basically to present them with different options, different profiles that we use a very similar approach we use in this study to try to give consumers different options and they had to select between here's a picture, for example, of certain type of room configuration, which of these three different pictures would you prefer. And by then selecting the one they prefer, we can then decompose the results and identify how important is each one of the features.

BY MR. HANDZO:
Q So if I'm understanding you correctly, if I'm a respondent in that survey, I might be given a card that says, "You can have a room of this size, with a dressing area but there's no restaurant", or I might get a card that says, "You can have the restaurant but there will be no exercise facility and the parking lot is two blocks away", and they get a series of choices.
A Exactly, and there was a very large set, there was all together 50 different factors that we looked at, each one at many levels. We presented people with different combinations of this and asked them a very simple task, to try to evaluate them. Then we, the researcher, because we designed the profiled experimentally, and we know what's going into it, we can then analyze this and infer the relative importance of each one of the features. And that's the methodology we used here because the objective here was to find out what is the relative importance of music versus other type of programming and features.

CHIEF JUDGE SLEDGE: Dr. Wind, in the analysis that you just described are the attributes independent of one another or is there any overlap?
THE WITNESS: Most of them, that's a great question. Most of them in the Marriott were independent. The initial type of analysis focuses on an attitude and effect model. There is a way, especially in hybrid type designs such as this, to analyze after the fact specific interactions. Now, there are situations which are more complex where basically interactions are much more important. And example, we did a study on frozen pizza. When you're doing a study on frozen pizza, you cannot just tell people conceptually how important is pepperoni versus the type of cheese versus the thinnest of the crust or how well done it is. So we actually had a master design of 81 different combinations, had the company actually back 81 different pizzas and each respondent received four pizzas to taste. And then they actually had the real pizza because each one of them were the interaction.

And we found out in the frozen pizza example, that basically interaction -- was one of the few cases that interaction were more important than the main effect. In most other studies we start with main effect. We test how well can we explain the phenomena with the main effect and if needed, we then test for interactions.

BY MR. HANDZO:
Q Dr. Wind, let me stop you there because SoundExchange only has about 35 hours left in its time to present this case and we could probably spend all of it on conjoint but in terms of the factors that respondents were asked to consider in this case, is there any way that the Court can find what those factors were?
A I think it's Figure 5. Figure 4, page 15, I apologize. Page 15, Figure 4. These are the seven factors. This is of the...
main report before the Tabs. These were the seven factors that we included in the conjoint analysis task.

Q  Okay, now other than sort of doing this research of the tradeoffs of these factors, were there other questions in the survey that were inputs into the conjoint?

A  Yes, because of the large number of factors and potential combinations here, there are over 8,000 potential combinations of these various seven factors, we used what's called the hybrid conjoint analysis that required three tasks. And the three tasks are, if we look at the main questionnaire, go back to the main questionnaire, one of them is the same task we did before. This is Tab C. One of them is the same question we asked before for the constant sum on Question 4. This is Item Number 1 in the hybrid conjoint analysis which is a constant sum allocation among the seven factors. Item 2 related to this was also

The specific profiles are under Tab D which represent there -- you have there 64 cards. They are the test cards. Each respondent received only eight of them plus two control cards. So that's a common hybrid conjoint analysis study been used widely by Paul Green and me and many others in many situations like Easy Pass, Courtyard by Marriott and others and is, in my view, the best approach to assess the relative importance of music.

Q  Okay, now in the questionnaire, it sounds like there are some questions where you're getting numerical responses, like the constant sum, and others where you're just getting the verbatim response of the respondents. In the cases where you get the verbatim response, how do you then translate those into the numbers that appear in the results of your report?

A  I used an independent coder who works independent as an independent contractor with Data Development, who I worked with for probably over 10 years, in different studies. He, too, did not know the purpose of the study or the sponsor of the study and he did the coding. He did the coding scheme and I reviewed it. I did not make any changes to it and then he actually coded the questionnaires, each respondent, following the code scheme that he developed.

Q  Okay, if, for example, in response to Question 1, the respondent said, "Well, gee, I think the music is great", that would have been coded in a certain way?

A  Yeah, it would have been probably coded as music without any specific other characteristics around it.

Q  Okay, and if the respondent had said, "I love commercial free music", would that have been a different coding?

A  Yes. This would have been under the coding of commercial free or possibly also

the constant sum allocation in Question 7 relating to the non-programming type variables. The second task was a desirability task that primarily if you look at on page 3 under A, music programming, there are four levels or options we were giving them and the question is, "What is the spacing among these four levels"? And in the methodology that we used, we allow each respondent to select any spacing they want among them.

So they can decide no music programming is extremely undesirable but substantially fewer is only two and then the other, the substantially more can be only five. Someone else can select those scale, someone else can select equal spacing. So that's the question of desirability, which is covered in Question 5 and 6, and then finally the hybrid, the combinations, the profiles that I was describing before in the Marriott case, is in Question 10, which gives them the specific combination.
I love it.

Q Okay, now let me -- let's take a look then at the results of all of this and I'm going to ask you to turn first to Figure 7 of your written direct testimony, Exhibit 51. Do you have that?

A Yes.

Q Okay, can you tell us what that represents? It's on page 23 for the benefit of the Court.

A This is a graphic presentation of the results as to percentage of respondents who would cancel their subscription to satellite radio if under the first column, "music was not available", second column, "if news was not available", third column, "if sports was not available", fourth column, "if talk entertainment was not available". This is going back to the basis for this Question 9 we discussed before and the previous chart, Figure 6 present actually the numerical results that we got to Question 9. And if you'll see in bold the second row is the percent that would cancel.

Q So just so I'm clear, the numbers that we see in Figure 6 are reflected in the graph on Figure 7; is that correct?

A Correct, correct.

Q Okay. Now, you've also, it appears on the same topic, got some numbers reflected in Figure 8 on the next page, page 24.

A Correct. Whereas Figure 7 focused on the percent that would cancel if this programming type was not available, Figure 8 focuses on their willingness to pay without the programming type. And there are different ways of looking at this in terms of what is the base we are looking at. If we're looking at average price among all respondents, then for no music would be $6.15 compared to if there was no news they would be willing to pay $10.14, if there were no sports, they would be willing to pay $9.99, not talk and entertainment would be willing to pay $9.99.

So obviously, the lower the price they were willing to pay, the more important this programming type is to them.

Q Okay.

A The other two rows just represent different ways of looking, slicing the data so as opposed to looking at the total of 400 people in the first category, if you look at the 259 people who indicated that they would change, including those who would pay zero, so we calculate include the zero here, then it goes down to $2.45.

Q Okay, so just so I'm clear, going back to Figure 7, what you're looking at there is just if I took away this component to the programming, would you cancel your subscription.

A Correct.

Q Okay, and if you took away the music, 43 percent would cancel?

A Yes.

Q And if you took away talk and entertainment, 14 percent of respondents would cancel.

A Correct.

Q All right, and then in Figure 8 you're just looking at how that might effect their willingness to pay a certain price.

A Correct.

Q Now, let me ask you to turn then to Figure 10 which is on page 27.

CHIEF JUDGE SLEDGE: Let me ask one follow-up to that. So 6 and 7 capture those who will cancel and 8 captures those who wouldn't go so far as to cancel but they'd pay less but they'd still subscribe.

THE WITNESS: Correct.

CHIEF JUDGE SLEDGE: It's a self-excluding two different groups.

THE WITNESS: If we -- Figure 6 includes both actually. If we look at Figure 6, you have the first categories would change amount willing to pay. Part of them would
cancel the 43 and this is reflected in Figure 7.

CHIEF JUDGE SLEDGE: Okay.

THE WITNESS: And some would reduce price. And then for those who said reduce price, the question is, how much. How much are you willing to pay and that's reflected in Figure 8.

CHIEF JUDGE SLEDGE: Thank you.

BY MR. HANDZO:

Q     Dr. Wind, turning, if you would, to Figure 10, which I believe is on page 27, tell us what that chart represents.
A     As you recall we covered, as we reviewed the questionnaire four open-ended questions. There was Question 1, 2, 3, and 11. So this is a summary across all these four open-ended questions, looking to what extent people actually mentioned music or any of the other programming type and we're looking at percent top mentioned which means this is in the blue, which means they mentioned music as the number one response in Question 1, among the balance of them is the number one response in Question 2, if not there, number one response in Question 3, and in Question 11.

Or that they were among the top three mentioned, three items that each respondent could have mentioned in any of these questions. And you get here, this is the net response but across all these four questions.

Q     Okay, so that if I were a respondent and I said that I subscribed because I love the Fox news, the music and the fact that I can get this anywhere I want, I wouldn't have been coded as in the blue column.
A     Correct.

Q     But I would have been coded in the red column.
A     In the red, correct.
Q     Okay. Because it didn't mention

music first.
A     Correct.
Q     I only wind up in the blue if I mentioned music first.
A     Correct.
Q     And just generally, what does this show you with respect to the comparison of music versus non-music content?
A     It primarily shows again that when you're looking at all the open-ended questions, there is a significantly higher percent of people who mention music in response to these four questions.
Q     Okay, so am I right then, that this is sort of a sub-set of the data we were looking at in Figure 10?
A     Yes. Figure 9 basically covers three columns. Top mentioned, this is the mention Number 1, top three and then any mention in the key categories relating to programming types.
Q     Okay. Moving ahead, if you would, Dr. Wind, to page 32, Figure 13, can you tell us what that chart is?
A     This figure primarily summarizes the result only to the open-ended Question 2 which is the type of programming most critical to the decision to subscribe or consider subscribing and this shows also we're reporting here the top mentioned and the top three mentioned and similar results it shows that music is by far the most preferred compared to all the other types of programming.
Q     Okay, so am I right then, that this is sort of a sub-set of the data we were looking at in Figure 10?
A     Correct, and focusing only at the response to Question 2.
Q     Okay, so focusing specifically on your decision to subscribe.
A     Correct.
Q     Okay.
A     Or consider subscribing.
Q  Or consider subscribing. And once again, if we go back a page, you've got the numbers that support that.
A  Yes, this is Figure 12 provides the underlying data.
Q  Right. All right, if you'd turn please, to Figure 15 on page 34, do you have that?
A  Yes.
Q  What is that?
A  This is, again, focusing now only on Question 3, and reporting the percent of consumers who mention music or any of the other programming types is the most critical to their decision to continue to subscribe. This is the retention measure we are looking at.
Q  Okay, so the earlier one was decision to subscribe. This is the decision to continue.
A  Correct.
Q  Okay.

CHIEF JUDGE SLEDGE: Is usage
measured by the time listening?

THE WITNESS: Yes, this was Question 8 that says, reflecting on the footnote on page 39, it clarifies this. Question 8 is, "Reflecting on you and your family's usage of satellite radio in a typical week, how would you estimate the amount of time spent on each of the following program types", and we used constant sum allocation for this.

BY MR. HANDZO:

Q And now, Dr. Wind, I think we come to the results of your conjoint analysis, which I believe are presented on page 43 in Figures 25 and 26, is that right?

A Correct.

Q And can you tell us how these -- what data put these charts together, what you drew on.

A As you recall, we talked about three types of data. We talked about the constant sum data. We talked about the desirability data and we talked about the evaluation of the profiles, the eight profiles plus two control profiles. The desirability data and the profiles included basically various combinations from the factors and levels listed in Figure 4 and the results then -- the first analysis from here allows us to determine what is the relative importance of music versus the other programming type.

And we see on Figure 25 that the averaging points of music is 30 percent and the next highest item is the monthly price for a single subscription which is 15 percent. So this is now the situation where we are evaluating the four programming types; the music, news, sports, and talk and entertainment, plus number of minutes per hour of commercial and music channels, plus geographic coverage, plus the price. So that's the primary result from the conjoint analysis study.

Figure 26, again, as we've done with the constant sum allocations, we are also looking at the percent of respondents who selected each attribute as the most important one based on the conjoint analysis and we find out the music is selected by 47 percent of the people and the next highest one is price with 14 percent.

Q And then, Dr. Wind, if you'd just turn to the next page, page 44, and following that, you've got a Figure 27 on page 45. Can you describe what those results present?

A Yes, I mentioned before that we had two control cards, so each respondent received in the last question, Question 10 of the questionnaire eight profiles, so each respondent had eight out of the set of 64, so he got eight cards, plus two control cards.

If you turn to Tab D, that includes the various cards, the 64 cards, you will see at the end of Tab D, just before Tab E, you will see two cards, Card 65 which is primarily the current situation. So Card 65 describes the current offering in the marketplace and Card 66, the second control, describes the same characteristics as Card 64 with one exception; no music programming. So the only difference between the two is no music programming.

We used these cards as a way of validating the result of the conjoint analysis at the individual level because we could predict from the way we analyzed the data for each respondent, the self-explicated data, the desirability in the eight cards, we were able to predict what will be their score, the evaluation of card 65 and 66. But card 65 and 66, in addition to allow us to validate the conjoint analysis result, offer us a great opportunity to examine very explicit choice situation that respondent have between the two conditions.

So if you look at Figure 27, you see that out of 10 points when basically this is the intention to subscribe on a 10-point...
scale, you see the current offering Card 65 gets 7.13. The current offering with no music which is Card 66, gets only 2.47 on this 10-point scale. So if you look at the relative importance of the current offering with no music, as a percent of the current offering, you’ll find it’s 35 percent in terms of value. And similarly, we can also look at another measure which is how many of them gave zero points out of the 10 points they could have assigned here, how many gave zero points to this offering. And we found that on Card 65, the current offering only five percent gave zero points but to Card 66, the current offering with no music 57 percent gave zero points.

JUDGE WISNIEWSKI: Dr. Wind, you’re not able, however to determine because with this amount of specificity to determine if a large part of the effect that you appear to capture here is associated with a particular type of music that the person answered to us before in the open-ended Question 1, 2, 3 on music.

THE WITNESS: The only way I can identify it is by looking at the responses to the open-ended questions, Question 1, 2, 3 and 11 and to the extent that the respondent mentioned a particular type of music, jazz, rock or whatever, I can capture it there, but in the structured questions, no, I did not focus on that.

JUDGE WISNIEWSKI: Let me take an extreme example. Suppose the only type of music that the person liked was heavy metal. And that really wouldn’t necessarily be captured here because you could eliminate the heavy metal and still have all this other music that the person wouldn’t care much for.

THE WITNESS: Well, what we know here is that when the person gets to the kind of more structured question where there is music, where we ask about music, like in the constant sum allocation or in the conjoint analysis, this is in the context of what they likes.

MR. HANDZO: Thank you, Your Honor.

BY MR. HANDZO:

Q Dr. Wind, still on the subject of Exhibit 51, your written testimony with regard to your survey, once a survey has been completed by DDW and the results have been obtained, is there a verification process that is supposed to happen?

A Yes.

Q Can you describe to the Court what is supposed to happen? How does that verification work?

A The easiest will be if we look at the verification form on Section -- on Tab F. This is the second page in this tab. This form is being completed by the interviewers, so each interviewer is completing basically the list of respondent they interviewed. And there's the screener ID, the quota, the respondent name, the address, the phone number, and the -- and the phone number.
This, then, is -- and the interviewer actually is instructed in the field instruction to complete these specific interview forms. This validation form goes to DDW. They check it and primarily validate and make sure that the quota code, which is at the top of the page where it says, "Quota, Satellite Radio Subscriber, Sirius Satellite Radio Subscriber XM, Satellite Radio is considering subscribing, Satellite Radio is considering subscribing XM," is inserted basically under the quota on the second column. They verify that the -- against the actual document the telephone number, that it's correct. And I think also the supervisor is supposed to check this in the field. And then, this is being sent to an independent research house -- I think it's ABC in this case -- that then conducts the interviews.

Q Let me just stop you there. In terms of this process that you are describing, are these instructions that you give to DDW, or they do this on their own? How does that work?

A Given that I've been working with them for years, these are standard operating procedures in all of the studies. And so DDW gets, then, the form checked, send it to ABC. They basically -- the procedure is -- as specified in the validation procedure is try to contact 100 percent of the respondents, and you have to try at least twice to contact each respondent.

Q Okay. Now, what happens if you can't reach 50 percent of them?

A Well, the target is actually to try to reach as many as you can. The industry norm, for example, under the guideline of the Advertising Research Foundation is that typical studies are 20 percent validation.

Q That is, 20 percent actually reached, or 20 percent --

verify, are there any steps taken as far as that interviewer is concerned?

A No, that will be fine.

Q Okay.

A We continue.

Q Let's say one of the people they reach says, "No, I've got no idea what you're talking about." What happens?

A They all basically provide the wrong answer to these questions, in this case because if we have a problem there is no guarantee that there won't be problem with others.

Q Okay. Let me just try and make sure I understand that, and let me give you an example. Let's say that we have an interviewer in an Atlanta mall, and that interviewer interviewed six people. And let's say that the verification firm tries to reach all six of those people, is only able to reach two. Okay?

Now, if those two people that the verification firm reaches, both appropriately
the -- of verification, and there is no
problems, and we continue.

Q  Okay. Now, when the verification
process happens, do you have an understanding
about whether the verification firm is
supposed to create -- you know, fill out forms
as they do the verification?

A  My understanding is that the only
form that exists is this. This is the form
that is completed by the interviewer, is
complete, and we have a page like this for
each interviewer. And this form is the one
that is being sent to the ABC, and that's the
form that is then getting back to Data
Development.

Q  Okay. And then --

JUDGE ROBERTS: What form are you
looking at, Dr. Wind? Where is that?

THE WITNESS: This is the second
page in Tab F.

JUDGE ROBERTS: Thank you.

BY MR. HANDZO:

Q  Okay. But that would be contrary
to your standard instructions to them?

A  Correct. And their regular
practice.

Q  Now, you alluded to your
deposition. Do you recall, Dr. Wind, that in
your deposition you were asked some questions
about what would be the correct responses to,
you know, a verification call? That is,
whether the answer should be yes, yes, yes, or
yes, no, yes, or something else. Do you
call that?

A  Yes.

Q  And do you recall, as you sit here
today, the precise question you were asked?

A  Not the precise one.

Q  Okay. Do you recall what your
response was?

A  Yes, I think that I misspoke. I
think that the question was somewhat
convoluted, in my view at least, or I could
not understand it correctly. And I said yes,
Court might, so I wanted to give you that
opportunity now, because I was going to move
on to a different subject.

CHIEF JUDGE SLEDGE: We are not
shy to let you know.

MR. HANDZO: Thank you.

BY MR. HANDZO:

Q Dr. Wind, in the notebook that you
have, let me ask you to turn to the tab that
says Amended Testimony, which we have marked
for the record as SoundExchange Trial Exhibit 52. Can you tell me what that is?

(Whereupon, the above-referred to document was
marked as SX Exhibit No. 52 for
identification.)

A After I submitted my original
testimony, I found out that Sirius and XM
actually had a number of studies that they
carried out.

Q How did you find that out?

A In discussion I think with Matt
Hellman.

Q And that's Mr. Hellman here in the
front row?

A Yes, it is.

Q Okay.

A I don't recall if he indicated
this first or I asked if there are any other
data, but eventually we found -- I found that
there is a body of research projects, and I
suggested that we may want to look in terms of
to what extent their results may validate my
study, to the extent they are addressing
similar type of questions.

Q And did you then obtain the survey
research performed by XM and Sirius?

A Yes.

Q Okay. And did you review it?

A Yes.

Q And is that survey research then
discussed in this amended testimony?

A Yes.

admitted on a restricted basis. The document
attached to Dr. Wind's amended testimony as
SoundExchange Exhibit 116 has already been
admitted as SoundExchange Trial Exhibit 33 on
an unrestricted basis.

The document attached to Dr.
Wind's testimony as SoundExchange 118 was
already admitted as SoundExchange Trial
Exhibit 29, not restricted. The document
attached to Dr. Wind's testimony as Exhibit
119 has already been admitted as SoundExchange
Trial Exhibit 6, not restricted.

The document attached to Dr.
Wind's testimony as Exhibit 120 has been
admitted as SoundExchange Trial 2.

Portions of that were restricted, but only
portions. Exhibit 121 to Dr. Wind's testimony
has been admitted as SoundExchange Trial
Exhibit 8 on a restricted basis, and the
document attached to Exhibit 124 has been
admitted as SoundExchange Exhibit -- Trial
Exhibit 13 on a restricted basis.
So with that for clarification, I would move the admission of Dr. Wind's amended testimony, Exhibit 52, and the associated exhibits.

CHIEF JUDGE SLEDGE: I don't have an Exhibit 52.

MR. HANDZO: Your Honor, it's part of the same notebook. It's just the tab that says Amended Testimony. I think there is a separate exhibit sticker on it.

CHIEF JUDGE SLEDGE: Any objection to Exhibit 52?

MR. MEYER: Yes, Your Honor. I mean, I think Mr. Handzo correctly summarized which of the attachments are already in evidence. And, of course, some of them are restricted, some of them are not. So, let me get to the objection first.

Three of the exhibits that I understand Mr. Handzo is submitting as attachments to the amended Wind report have not previously been tendered. That's 113, 114, and 125. And I would ask Mr. Handzo to correct me if I misspeak. As to those, we do not have an objection, although at the appropriate time I do have a motion about the confidentiality.

CHIEF JUDGE SLEDGE: I don't understand your response. You had addressed three exhibits. The offer is Exhibit 52.

MR. MEYER: Well, Your Honor, as I understand it -- and maybe I am misunderstanding -- is 52 just the testimony without the attachments?

CHIEF JUDGE SLEDGE: No, it's with the attachments.

MR. MEYER: It's with the attachments.

CHIEF JUDGE SLEDGE: Yes.

MR. MEYER: Okay. I have no objection to the testimony, and I certainly have no objection -- and can't object -- to the attachments that are already in evidence as correctly pointed out by Mr. Handzo. As to those attachments that are not already in evidence, I have no objection, subject to a concern about confidentiality, which I'll address when Your Honor is ready for that. Excuse me. And for clarification again, my understanding of the three XM exhibits that are attachments that have not yet made their way into evidence are attached to Dr. Wind's amended report as SoundExchange Exhibits 113 and 114 and 125.

CHIEF JUDGE SLEDGE: So you have no objection to the exhibit?

MR. MEYER: I have no objection.

CHIEF JUDGE SLEDGE: Okay. Mr. Sturm?

MR. STURM: Your Honor, I have no objection to the amended testimony itself, and obviously no objection to the documents that are already in evidence. I also have no objection -- I'm going to focus on the Sirius documents. I have no objection to Exhibit 112, which is another version of the listener study that we've looked at before. I have no objection to Exhibit 114. I do have an objection to Exhibit 116, which is a study -- which purports to be another study that I do not believe has had -- there has been any knowledge -- excuse me, any testimony concerning it up to this point. I don't believe Dr. Wind is a proper sponsor for this exhibit, so I would object to 117. And that's the only one, Your Honor.

CHIEF JUDGE SLEDGE: I am not sure I understand your objection. The expert is -- I started to say "is required," but maybe I should change that to say "should" produce the material considered in reaching the decisions or conclusions.

And your objection is that the materials considered don't have a sponsoring witness?

MR. STURM: All he is doing on this, Your Honor, is he is taking what appears on the face of the document and talking about
it. But there has been no testimony whatsoever concerning what went into this document, what the situation was at the time of the document.

So essentially he is just reading what is in the document.

CHIEF JUDGE SLEDGE: Right.

MR. STURM: And I don't believe it's proper for him to --

CHIEF JUDGE SLEDGE: I don't think I understand your -- does that respond to my question?

MR. STURM: It's attempting to, Your Honor.

CHIEF JUDGE SLEDGE: So you think that the material considered by an expert has to be authenticated before it can be admitted?

MR. STURM: Well, it's not anything that he has created himself. It's not anything that he knows about. It's not anything that he has any basis for opining about.

The material argued by an expert do not require authentication. And without further objection, Exhibit 52 is admitted.

(Whereupon, the above-referred to document, previously marked as SX Exhibit No. 52 for identification, was admitted into evidence.)

MR. HANDZO: Thank you, Your Honor.

MR. MEYER: Your Honor, yes, I'd like to move for the three XM exhibits that are now being admitted for the first time -- and in this binder they are SoundExchange 113, 114, and 125 -- to be given restricted status.

And I think these documents are actually similar to other documents that the Court has already determined to give such status to -- 113 -- I mean, generally, they fall into the category of market research. 113 is a study showing a demographic profile of XM users and their likes and dislikes, including most popular channels. 114 is an Arbitron study done for XM, which contains similar information, breakdown of demographics, channel, ratings, that sort of thing.

And then, 125 is a presentation given to the programming staff at XM, which contains, again, demographic data, data about which stations are being listened to. This is certainly data that XM would not want its competitor Sirius to be aware of.

To give an example, if Sirius saw information that said that XM had put on a program that a lot of people listened to, the Sirius executives may say, "Hey, that's a great idea. We should have our own channel like that." It's competitively sensitive in that way, much as I earlier -- in making a similar motion I gave an example of Coke and Pepsi. That was the reason why I showed it -- to see their marketing demographic studies.
And so, again, I think these fall into the same category.

(Pause.)

CHIEF JUDGE SLEDGE: Any objection to the motion for Exhibits 113, 114, and 125?

MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: Without objection, the motion is granted.

MR. MEYER: Your Honor, additionally, the amended testimony of Mr. Wind, which quotes extensively from all of these documents -- and, of course, Mr. Sturm can speak for himself with respect to the Sirius ones, but I believe the copy that has been given to the Court is the same copy I have and it grays out portions of the written testimony that cites directly to the attached exhibits. And so I would move the Court to, again, designate this restricted version of Dr. Wind's amended written testimony to be restricted.

CHIEF JUDGE SLEDGE: Any objection to the motion on Exhibit 52?

MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: Motion is granted. Mr. Sturm?

MR. STURM: Your Honor, I would similarly move to protect Exhibit 112, which has been previously protected, the customer satisfaction monitor. Excuse me, it's another version of the listener study, which has been previously marked. It has the same data that were previously protected in Exhibit SoundExchange 34.

And also, Exhibit 115, which is a customer satisfaction monitor. Similar version -- excuse me, a similar document has been previously protected as SoundExchange Exhibit 35.

CHIEF JUDGE SLEDGE: Any objection to the motion for Exhibits 112 and 115?

MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: The motion is granted.

Q     Dr. Wind, what conclusions did you draw in this amended testimony from the survey evidence that you received and that is attached to Exhibit 52?

A     With respect to variables such as usage and willingness to cancel that are included both in my study and in the set of studies by XM and Sirius, they seem to collaborate and confirm the findings that I had in my study.

Q     Okay.

A     So I looked at them basically as an external validation to the results that I got in my study.

Q     Okay. Let's take a look at an example of that. If you could turn to page 2 of your amended testimony, Exhibit 52, and take a look if you would at Figure 2.

A     Yes. Basically, in one of the Sirius reports -- am I supposed to read it, since this is --

Q     Let me just ask you, don't use the actual number in your testimony. But sort of generally, what does it indicate?

A     Generally, it indicates the level of cancellation that Sirius found in their study, which is higher -- somewhat higher than the one that I found in my study.

Q     Okay. So this is the percentage of people who would cancel if there was no music?

A     Correct.

Q     Okay. And it winds up being higher in their survey than yours?

A     Correct.

Q     Turn, if you would, to Figure 12,
which is on page 17.

Q And can you tell us what this represents?

A One of the questions is the effect of Howard Stern and his impact. And given the fact that talk and entertainment received actually significantly less responses on all the measures that I did in my study compared to music, the question was: how can we explain it, given the popularity of Howard Stern and all of the publicity around it?

And the studies that were provided here gave an explanation for the phenomena.

And what you see here is the result of the percentage of new Sirius subscribers who said they were interested in talk programming. And it's a timeline, so the first study is from May 2004, or before, which was 9 percent. In 2004 to June 2005, it increased to 22 percent. In the July-December 2005, before Howard Stern moved, as far as I understand, in January of '06, it increased to 31, and reached a peak of 52 percent in the January-April 2006. This is at the height of the move to Sirius.

But in the April-May period, we see already a decline in the number of subscribers who said they were interested in talk programming to 34, and the last data that we had in this study for June 2006 suggested 17 percent.

MR. STURM: Your Honor, the questions originally were to not -- as I understood them, were not to elicit specific numbers, and he has gone into it. If we are going to talk about the specific numbers, request to go into closed session.

MR. HANDZO: Your Honor, let me --

BY MR. HANDZO:

Q Dr. Wind, I will ask the questions in terms of just sort of a general description, and you don't need to give me specific numbers.

A Okay. My understanding is January '06.

Q And how do those match up?

A This is the direct comparison of the percent of the June 2006, the latest date we have from the Sirius studies, subscribers interested in music as compared to talk programming, and compared their results to the results of my study.

Q And how do those match up?

A If you can see the comparison of the two, the two reds are very similar, the two blues are very similar. The reds show -- between the reds and the purples or the blues are very similar in those areas, confirming basically the validity of my study.

MR. HANDZO: Thank you, Dr. Wind.

That's all I have, Your Honor.

CHIEF JUDGE SLEDGE: All right.

Who will cross examine for the services?

MR. MEYER: I'm going to go first, Your Honor, for XM. If I can just have a
moment to get set up, Your Honor.

MR. STURM: Your Honor, Sirius
will cross after Mr. Meyer has completed.

MR. MEYER: I take offense to
that, Your Honor, that there would be anything
left to --

MR. STURM: Or perhaps not.

MR. MEYER: Notwithstanding that.

CROSS EXAMINATION

BY MR. MEYER:

Q Good afternoon, Dr. Wind.

A Good afternoon.

Q You and I met at your deposition
in this case, correct?

A Correct.

Q And you're an extremely
experienced expert, isn't that right?

A I'm experienced. I'm not sure
what "extremely experienced" is.

Q Don't be modest. I looked at your
CV. You've testified, it looks like, a
hundred times, maybe more, is that right?

A The few times that I rented a car
that had satellite radio in it, and the
studies I have read in this case, and looking
at the websites of the two companies.

Q And that's the full extent of your
knowledge about satellite radio?

A Yes.

Q And you would characterize that as
superficial knowledge, right?

A Correct.

Q And, in fact, in this case you
relied on SoundExchange's lawyers as your
substantive experts, isn't that right?

A I'm not sure. I think that I was
involved in legal cases probably over a
hundred times.

Q Okay.

A But in terms of testifying, to the
best of my recollection it would be somewhere
around 30 to 40 cases over a 30-year period
probably.

Q Okay. And you are very much in
demand as a survey expert, is that right?

A Yes.

Q And your charge for your services
-- you charge to SoundExchange how much?

A The same as in all my consulting,
which is $1,000 an hour.

Q $1,000 an hour. And

notwithstanding all of the surveys that you've
done in all different contexts, it's correct,

isn't it, that you have never done a survey on
music, isn't that right?

A Correct.

Q And you have never done any
research even into the satellite radio
industry, isn't that right?

A Correct.

Q And you don't even have any
knowledge of what's on satellite radio, right?

A I have limited knowledge.

Q Which is what, that they play --
tell us the extent of your limited knowledge,
please.

A The few times that I rented a car
that had satellite radio in it, and the
studies I have read in this case, and looking
at the websites of the two companies.

Q And that's the full extent of your
knowledge about satellite radio?

A Yes.

Q And you would characterize that as
superficial knowledge, right?

A Correct.

Q And, in fact, in this case you
relied on SoundExchange's lawyers as your
substantive experts, isn't that right?
done using conjoint analysis price is one of
the factors.
Q The question was whether you've
done any surveys trying to determine the price
of radio TV or music content.
A Well, as I mentioned, the study in
Japan for TV as far as I recall had a price
component to it.
Q Okay. This will be the first
possibly of many times we are going to make
reference to your deposition.
Can we hand out copies of the
transcript?
DR. WIND, WE'VE ALREADY
established I think that you were deposed in
this case, and I was present, correct?
A Correct.
Q Okay. And take a look at page 17,
please, of the deposition.
JUDGE ROBERTS: 17 in the box?
MR. MEYER: Yes, Your Honor.
BY MR. MEYER:
A It was a TV study conducted in
Japan.
Q Since you had forgotten about that
at the time I took your deposition, am I fair
in concluding that you are not relying on that
in any way in doing your work in this case?
A Correct. I don't think that I
have to rely on specific industry studies. I
am relying on my general expertise in consumer
research.
Q Sir, I'm just asking you -- most
of my questions are going to be very simple
yes or no questions. Now, you're not an
economist, right?
A Correct.
Q And in response to a question from
the Court, I think you testified that you
prepared the report, is that your testimony?
A Correct.
Q Okay. In fact, the lawyers did
the first draft of the written report, right?
A Based on a report that I submitted
to them.
Q Well, you submitted to them a
Powerpoint outline, correct?
A It's not an outline. It was a
Powerpoint presentation that included all the
details which are in the report on the charts,
and they converted this into a written report
to follow the format required in this court.
Q Is it true or is it not that the
lawyers prepared the first draft of the
report?
A Yes, based on the Powerpoint I
presented -- I gave them.
Q So, yes, it is true that they
prepared the first draft based on the
Powerpoint.
CHIEF JUDGE SLEDGE: He has
answered that question twice.
BY MR. MEYER:
Q So the written text that the Court
has before it was originally drafted by the
lawyers, and then you reviewed it, right?
A: No. The original report -- the Powerpoint presentation that included a lot of the verbiage explaining what's there, and the procedure and other, was written by me, submitted to them, and they formatted this into the report. They prepared the first reformatted report, which I then reviewed.

Q: Okay.

A: And exchanged with them a number of times.

Q: All right. Well, maybe if we look at page 19 of your deposition we can see the source of my confusion.

CHIEF JUDGE SLEDGE: You are referring to a deposition. We have not identified an exhibit number.

MR. MEYER: Your Honor, right now, I wouldn't introduce -- I'm using portions of the deposition transcript dated Friday, April 27, 2007, in this matter. If Your Honor would like --

CHIEF JUDGE SLEDGE: What exhibit number are you asking him to look at?

MR. MEYER: We haven't marked it as an exhibit, since frankly, Your Honor, I have never done that in any court. But if you would like to do that, we can.

CHIEF JUDGE SLEDGE: Mine is marked as an exhibit.

MR. MEYER: We can do that.

JUDGE ROBERTS: Mine is marked, too.

CHIEF JUDGE SLEDGE: Why is yours not marked the same as mine?

MR. MEYER: It has an exhibit number?

CHIEF JUDGE SLEDGE: Yes, sir.

JUDGE ROBERTS: Yes.

MR. MEYER: Okay. So we'll mark these with an exhibit number. It's exhibit -- then, I apologize, Your Honor. I was confused. SDARS Exhibit 1. We have decided that we are now going to begin marking our exhibits SDARS 1, 2, etcetera, as opposed to having separate Sirius and XM exhibits.

(Whereupon, the above-referred to document was marked as SDARS Exhibit No. 1 for identification.)

I apologize, Your Honor. The confusion was all mine. Are you ready, Your Honor?

CHIEF JUDGE SLEDGE: You've identified the exhibit. That's what I asked you to do.

MR. MEYER: Okay. Okay. I'm not going to spend much time on this.

BY MR. MEYER:

Q: Let's talk about our favorite subject, which is validation. Okay? Now, sometimes we see terms "validation" and "verification," are they the same thing? Or are they different?

A: In the context of marketing research firms in general, yes. The typical term used by marketing research firms for the process where an independent research house is calling back the respondent is often called validation. I prefer to call it verification, because all that it does is verifies that the consumers were interviewed. And it's not, in a sense, validation. So I have been using in my reports, both in litigation as well as in research, the term "verification."

Q: Okay. Now, the reason we do verification is because there are occasions when the people who actually do the interviews and fill out the verbatims don't do it.
accurately, correct?
A Correct.
Q In fact, there are even occasions in surveys where people don't really do them at all, isn't that right?
A Yes.
Q Okay. So sometimes -- and this has happened in your experience, right -- you actually have people who are paid to go out and conduct the interview and record verbatims. But rather than actually do that, they pocket the money and they fill out the verbatims themselves. You've seen that happen, right?
A I've seen it happen, but it cannot happen when you have supervisors involved.
Q Okay. The purpose of the verification or validation is to make sure that doesn't happen, right?
A Correct.
Q And that's why it's important, correct?

CHIEF JUDGE SLEDGE: Dr. Wind, you are directed to answer the questions, which you just did. And I wonder why you mentioned time constraints. What time constraints are you under?
MR. MEYER: The fact that we have limited hours.
CHIEF JUDGE SLEDGE: Which are the hours that the parties asked for.
MR. MEYER: Yes, Your Honor. But
I --
CHIEF JUDGE SLEDGE: So what time constraints are you under?
MR. MEYER: Your Honor, ordinarily, on cross examination, if the witness wants to give a lengthy speech in response to question which calls for a yes or no, ordinarily, I don't like that, but I can live with it. In a case where I have a finite amount of time to present my case --
CHIEF JUDGE SLEDGE: Which you imposed on yourself.
was 54 percent of the people had been validated, is that right?

A     Correct. And I still make it.

Q     Okay. And you also attached to your report a copy of the instructions that were given to the people in the field, correct?

A     Correct.

Q     All right. And in those instructions, if you take a look at your report, your initial report, at Exhibit E or Attachment E, the field instructions, do you have that, sir?

A     Yes, I do.

Q     If you'll turn to page 3 of that document.

A     Yes.

Q     And under Validations, in the box it says, "DDW conducts a 100 percent telephone validation on all completed interviews. Therefore, we are enclosing validation forms."

Page 191

Q     Okay. And you also attached to your report a copy of the instructions that were given to the people in the field, correct?

A     Correct.

Q     All right. And in those instructions, if you take a look at your report, your initial report, at Exhibit E or Attachment E, the field instructions, do you have that, sir?

A     Correct.

Q     If you'll turn to page 3 of that document.

A     Yes.

Q     And under Validations, in the box it says, "DDW conducts a 100 percent telephone validation on all completed interviews. Therefore, we are enclosing validation forms."

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Q     Okay. And you also attached to your report a copy of the instructions that were given to the people in the field, correct?

A     Correct.

Q     All right. And in those instructions, if you take a look at your report, your initial report, at Exhibit E or Attachment E, the field instructions, do you have that, sir?

A     Correct.

Q     All right. And in those instructions, if you take a look at your report, your initial report, at Exhibit E or Attachment E, the field instructions, do you have that, sir?

A     Correct.

Q     If you'll turn to page 3 of that document.

A     Yes.

Q     And under Validations, in the box it says, "DDW conducts a 100 percent telephone validation on all completed interviews. Therefore, we are enclosing validation forms." Do you see that?

A     Yes.

Q     So the people who are doing the survey were told that there would be 100 percent telephone validation, correct? Is that right?

A     Which is -- no, they were told exactly what is being done, and that's 100 percent telephone validation of all completed interviews. It's 100 percent effort -- attempt to reach 100 percent of the respondents with two callbacks. We don't have to give this detail to the field. You want them to know that there is a firm control, and everything is going to be validated.

Q     Sir, is it correct -- yes or no -- that they were told, "DDW conducts a 100 percent telephone validation on all completed interviews"? Isn't that what they were told?

A     Right. And that's correct.

Q     Thank you. And if you'll look at
supervisor.

Q Okay. And if you go now to page 4 of that document, please, in the middle of the page it says "Validation," do you see that?

A Yes.

Q And, again, in a box in bold letters it says, "Please Note: This research is being conducted for a client who does 100 percent telephone validations." Do you see that?

A Yes.

Q Okay. And so that's what the supervisors were instructed as well, correct?

A Correct.

Q And the client that is being referred to there who does 100 percent telephone validations, who is that?

A Me. And I actually insisted on the specific wording for these specific items.

Q Okay. And do you know whether 100 percent validations were done?

A Correctly, as designed, there was an effort to reach 100 percent of the respondents with two callbacks. That's the common procedure that I've been using in all my studies, and this was done.

Q How do you know?

A Because I trust the people I work with. I work with them for years. I have no reason under the sun to doubt the fact that the 54 percent is accurate, and I don't know why even raise this question.

Q So you know because somebody tells you, that's the answer, right?

A These are professional people I have been working with for years. What do you mean "because they told me"? You have to rely on the team. They are part of the team.

Q Is my question not correct? You know because somebody told you, right?

A As opposed to what? I'm not sure as opposed to what.

Q Is the answer to my question yes or no? The reason you know -- is it based on personal, firsthand knowledge, or is it because somebody told you? Sir, it's not a trick question.

A It's based on a regular, standard operating procedure that I have with Data Development. And, yes, I rely in most of my communications with them on people telling me. I've got a project director communicating with me directly.

Q Okay. And you also rely on them to keep copies of the validation forms, don't you?

A Yes. But things happen. And when they were basically painting the offices, and people moved stuff, it's possible that they lost one box of material.

Q Okay. So notwithstanding the fact that you rely on them, and you place so much trust in them, based on your years of experience, in this case that trust was misplaced with respect to the forms, right?

A I don't think that the trust was misplaced. I think that I can understand the fact that it was a human error. There was a change in the office. They moved things, and they could not find one -- one item, which is not that critical, because you have the actual worksheet that tells you exactly what were the results of the validation.

Q Who did the worksheet?

A The computer-printed validation was done by ABC.

Q Okay. ADC, is that it?

A ABC.

Q ABC.

A I think it's ABC.

Q ABC gave the summary to Data Development, is that your understanding?

A Correct.

Q Okay. But I thought you testified that Data Development, or maybe it was something Mr. Handzo said -- does Data Development also get the forms, so that they can check the work of ABW -- ABC?
A: Let me clarify the process, so there won't be any kind of understanding. The forms are -- the forms that I related to before in the verification, page 3, is completed by each interviewer, checked by the supervisor, sent to DDW. DDW, the field person, checks it against the questionnaires to make sure that the name and everything is correct, and adds the quota, makes sure that the quota is correctly specified. This is being sent to the validation house, the ABC, they complete the interview. They record here the correct answer, whether it's a yes, yes, yes, or a yes, no, yes, and send it back to DDW together with a computer printout of the results of the validation, plus typically a letter or something indicating that there are no problems. This was done. The only thing that is missing, because of the painting, are the actual forms, the completed forms that cannot find them.

Q: That's what they told you.
A: Right. I have no doubt -- no reason to doubt what they told me.

Q: Now, you were deposed on April 27, 2007. Do you recall testifying that there should be a filled out form for each verification, and that Data Development has them? Do you recall giving that testimony?
A: Yes. This was the best of my understanding concerning these forms on page 3 of Tab F.

Q: So when you testified in your deposition and you said Data Development has them, you were wrong, right?
A: I assumed they had them, because you did not have them, the lawyer did not have them, so my only conclusion was Data Development must have them. And I was wrong, because apparently they could not find them.

Q: Okay. And when did you find out that these documents were destroyed?
A: Probably they were never destroyed.

Q: Oh? Do you know where they are?
A: No, they disappeared during the time of -- the time of the painting, and I don't think this -- the word "destroy" is an accurate description of the situation.

Q: Did you read the declaration of Kathy Romano that Mr. Handzo submitted to the Court earlier today?
A: I think so. I'm not sure. Yes, I did it yesterday.

Q: Okay. Do you recall Ms. Romano saying that the validation forms had not been retained?
A: I don't recall exactly. But if you read it to me, I will accept your statement.

Q: I'll represent to you that's what she said. But your understanding is they weren't disposed of, they could be, as Mr. Sturm said earlier, sitting in a closet...
A     To me, there is a big difference between them not being retained or disappearing as opposed to destroyed.

Q     Okay. Now, since at your deposition you told us that the forms existed and that Data Development had them, and that was April 27, 2007, when did you come to learn that the forms were in fact not obtainable?

A     Sometime between then and today when I think Matt Hellman told me that DDW cannot find them.

Q     And so did you then get on the phone with DDW?

A     Yes. And that's when they told me about the painting.

Q     Now, I think you testified on direct that verification -- the standard is 20 percent. Do I have that correct?

A     Correct.

Q     Okay. And you cite in your written direct testimony in this case a couple of learned treatises, isn't that right?

A     Yes.

Q     And I assume the fact that you cited means that you think that they are reputable, reliable, authoritative sources, is that correct?

A     In general.

Q     And one of the ones that you cited in your report, I believe on page 7, was Sherry Diamond's Reference Guide on Survey Research, do you recall that?

A     Yes.

Q     And do you know what that survey says about the need for validation, do you recall?

A     I don't recall. I go for the verification. I typically relied on the Advertising Research Foundation standards.

Q     Now, sir, is this the reference guide that you refer to in your direct written testimony?

A     Yes.

BY MR. MEYER: I'd like to offer it in evidence, Your Honor, as SDARS Exhibit 2.

CHIEF JUDGE SLEDGE: Any objection to Exhibit 2?

MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: Without objection, it is admitted.

BY MR. MEYER: And if you'll turn, sir, to page 267 of SDARS Exhibit 2, and we'll look on the bottom of the past, in the last paragraph. It says, "When a survey is conducted at the request of a party for litigation, rather than in the normal course of business, a heightened standard for validation checks may be appropriate. Thus, independent validation of at least 50 percent of interviews by a third party rather than by the field service that conducted the interviews increases the trustworthiness of the survey results." Do you see that?

A     Yes, I do.

Q     Okay. And that is what this article that you cite in your report recommends, correct?

A     Yes. But I also indicated that I am relying on -- the ARS had specified 20 percent, and everything -- in this specific
case, we had 54 percent, which is more than
the standard required by Sherry Diamond.
Q  Okay.  And it's a lot more than 20
percent?  We can agree on that, right?
A  Well, the fact is that in this
case we had 54 percent verification, which is
higher than the standard.  The higher
standards that you suggest here -- if you talk
with field houses, research houses such as
Data Development, you will find that my
requirement typically is higher than they
usually had.  And typically, a lot of the
studies submitted in courts that I have seen
and evaluated were around the 20 percent, not
the 50 plus.
Q  Now, when you found out that your
deposition testimony was incorrect, did the
attorneys give you any opportunity to correct
it?
A  No, I did not ask for this.  We
just basically discussed the fact.
Q  Okay.  Okay.  Now, let's talk
about -- well, let me ask one more question on
the validation.  You said DDW checks the forms
they get from ABC to see if they are correct,
right?
A  No.  No.  Let me repeat the
process.
Q  No, I don't want to take the time
to repeat the whole process.  ABC's people go
out and do the validation.  They fill out the
forms.  They are supposed to give them to DDW,
correct?
A  Right.
Q  Okay.  And DDW is supposed to look
at them to check them, right?
A  Yes, but not to check them the way
they check when they get it from the field.
This is basically reviewing the results.
Q  Okay.
A  They get two pieces of data -- of
documents from ABC.  They gave the forms
completed with the results of the actual
validation.
Q  Right.
A  And they can then check it
basically to see, depending on the quota,
whether it was subscriber or intended
subscriber, whether it was a, you know, yes,
no, yes, or yes, yes, yes, as well as they are
getting the computer printout.  That's what
they do.  They check this.  They do the real
check at the beginning when they get it from
the field.
Q  In any event, that's the kind of
check that we can't do, because we don't have
the forms, right?
A  Right.  But I -- we do have one of
the forms.  We have the form -- the computer
form, and I have no -- no reason to doubt the
integrity of DDW and ABC.
Q  Okay.  If you find out, sir, where
the forms are after they're done with the
painting, will you let us know?
A  They are done with the painting.
They couldn't find it.  The minute I will find
out if they -- you know, where they are, I
will be delighted to send them to you Federal
Express.
Q  We appreciate that.
A  Yes.
Q  And the secondary objective was to
determine the value of music programming
relative to talk and entertainment
programming?
A  Yes.
Q  Now, you don't contend, do you,
sir, that your survey gives you a precise
value of music in dollars and cents to a
reasonable degree of certainty, do you?
A  No.  I basically measured multiple
measures and dimensions of value.
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1 how many different questions in your survey?
2 A I think if you look at the
3 questionnaire there are 11 questions.
4 Q And in asking the question in all
5 of those different ways, you believe that each
6 of them measures a different dimension of
7 value, right?
8 A Yes. Some of them may be related,
9 but -- or multiple measures of the same item.
10 So, for example, importance would be measured
11 both by the direct constant sum allocation in
12 question 4 as well as through the conjoint
13 analysis that combined multiple tasks given
14 the respondent.
15 Q And you think all of your
16 questions are equally reliable, isn't that
17 right?
18 A I have no reason to doubt the
19 reliability or validity of my questions.
20 Q I think I'm asking --
21 CHIEF JUDGE SLEDGE: That didn't
22 answer the question.

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1 THE WITNESS: I'm sorry.
2 BY MR. MEYER:
3 Q Do you think they were all equally
4 reliable?
5 A Unless shown otherwise, I would
6 say that, yes, I think that they are equally
7 reliable.
8 Q Okay. And do you agree that value
9 is a multi-dimensional construct?
10 A Yes.
11 Q Is that right?
12 A That's the way I defined it here.
13 Q Well, not coincidental, but that's
14 why I asked about that. There are many ways
15 of looking at it, right?
16 A Correct.
17 Q And by assessing the value of
18 music in multiple ways, we can obtain a more
19 robust measure of its value than any one
20 method could provide alone, isn't that right?
21 A That's the principle of
22 convergence validity.

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1 Q Now, are you aware that Dr.
2 Pelcovits and Dr. Ordover relied in a
3 significant way on your work in this case?
4 A I know it in general. I don't
5 know specifically what they have done.
6 Q Are you aware of the fact that Dr.
7 Pelcovits and Dr. Ordover looked and used data
8 from only one of your 11 questions?
9 A I have no idea. The first time I
10 hear it.
11 Q And that the one they used was one
12 that yielded a higher value of music, do you
13 know that?
14 A No, I don't.
15 Q And so notwithstanding the fact
16 that Dr. Pelcovits and Dr. Ordover used the
17 data from your survey as a key input, neither
18 one of them ever spoke to you, did they?
19 A I have never spoken to them,
20 right.
21 Q And so you have no idea whether
22 the use they are making of your survey is or

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1 is not appropriate, right?
2 A Correct.
3 Q Now, have you since learned that
4 the question that Dr. Pelcovits and Dr.
5 Ordover are using from your survey is question
6 9? Have you heard that?
7 A No. That's the first I hear of
8 it.
9 Q Okay. Let me -- we're going to
10 get to question 9, but let me ask you about
11 some of the other questions that are in your
12 survey. And I want to focus your attention on
13 question 1. And this is Appendix C to your
14 initial direct written testimony. I'm looking
15 at the main questionnaire.
16 A Yes, sir.
17 Q Do you have that, sir?
18 A Yes, I do.
19 Q All right. And there are two
20 surveys, right? One for subscribers and one
21 for considering subscribers?
22 A Correct. And they are one behind
Q    Okay. And you referred to this earlier as the universe that you used, is that right?
A    I'm sorry.
Q    I recall Mr. Handzo asking you, "What did you conclude was the correct universe?" and you said, "Considerers and subscribers." Is that not accurate?
A    Well, the universe was defined a little more than this, defined also as the decisionmakers, those involved in the decision, relating satellite radio among those subscribers and those who intend to subscribe.
Q    Okay. And the lawyers were the ones who gave you the definition of the universe to use, isn't that right?
A    This is typically the case.
Q    Okay. And the --
A    In most studies, the client is the one who specifies the objective of the study and the universe. And given these two, the open-ended, right?
Q    Correct.
A    Correct.
Q    Okay. Now, if we take a look in your report at page 29, Figure 11 -- this is at the bottom of the page.
Q    Okay. And the first column you have you have top mention, and then you have top three mention, and any mention, right?
A    Correct.
Q    And the reason you have that is because people could have, and in fact often did, give more than one answer, right?
A    Correct.
Q    And you said in response to Mr. Handzo it's basically the job of people to then take those answers and match them up with codes. It's called coding, right?
A    No. That's in the wrong time and place. At the interview, what's happening --
Q    No, I'm sorry. I didn't mean to suggest it was being done at the interview. At some point, the answers are coded, correct?
A  Yes. Once the study is complete, the data comes to Data Development. Then, an independent coder takes those open-ended responses and creates codes and codes them.

Q  Okay. We're going to talk about the coding. But assuming that the coding is all accurate, isn't it true, sir, that in response to your most open-ended question, simply asking people their reasons for subscribing, that 82 percent of the people did not mention music as their top mention?

A  It's not surprising at all.

Q  Okay. Sir, I didn't ask you whether it was surprising. I simply asked you whether it was true.

A  Yes. You are reading from the table. The table speaks for itself. These are the correct numbers.

Q  Okay. And in response to question 1, only 39 percent made any mention of music at all, correct?

A  Correct.

CHIEF JUDGE SLEDGE: I thought your earlier question said 82 percent.

MR. MEYER: Yes. The difference, Your Honor, is 82 percent did not mention music as their top mention.

CHIEF JUDGE SLEDGE: Top mention.

BY MR. MEYER:

Q  And over 60 percent didn't mention music at any point in answering question 1 and the probe, question 1B, right?

A  Correct.

CHIEF JUDGE SLEDGE: Thank you.

BY MR. MEYER:

Q  And I think you looked at, with Mr. Handzo, a figure -- Figure 10 on pages 26 and 27. Actually, there's Figure 9, which has the data, and then Figure 10 which has a chart based on the data. Is that a fair --

A  Correct.

Q  Pages 26 and 27?

A  Correct.

Q  And that's even though question 1 -- if we could go back -- if we go back to the questionnaire, we'll see this -- question 1 is actually asking them twice, right? Because you ask them the question, and then you ask what's called a probe. Basically, you ask them, "Is there anything else?"

A  Correct.

Q  So given two opportunities to give music, over 60 percent made no mention of music in response to that question, right?

A  No. You are just reading from the table.

Q  Okay.

A  Is there a question?

Q  I thought Mr. Handzo did some reading from the tables as well, and I just want to show different parts of some of the tables.

CHIEF JUDGE SLEDGE: You said over 60 percent?

MR. MEYER: Over 60 percent did not mention music at all.

Q  And you said this reflects answers to open-ended questions, right?

A  Correct.

Q  Now, here when we say "open-ended questions," you're not just looking at the answers to the one we just talked about, which is question 1, the most open-ended question, right?

A  Well, if you look at the second line of the title, it says, "Net for Question 1, Question 2, Question 3, and Question 11."

Q  Right.

A  So I'm looking at all four open-ended questions.

Q  Okay. So, then, I think the answer to my question is yes. You're not just looking at the most open-ended question, you are also looking at question 2. Now, question 2 in your survey -- again, Appendix C -- says, "What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?" Do you see...
that?
A Yes.
Q Okay. So unlike question 1, which simply says, "Why did you decide to subscribe?" question 2 actually is just asking them to focus on programming, correct?
A Correct.
Q So it's a little more leading than question 1 in that it's now suggesting your answer should be something about programming, correct?
A I don't think I would use the term "leading."
Q Okay.
A That's a common practice in terms of the funneling approach when you start very broad and then you narrow it to focus on the area of interest. There is nothing leading in this question.
Q Okay.
A Music is never mentioned here, and it asked about programming in general.
Q Again, focusing on types of programming, right?
A Correct.
Q Okay. And then, the fourth question that you include in this Figure 9 and Figure 10, which Mr. Handzo showed you, is question 11, which asks people, "If satellite radio was not available, what, if anything, would you miss most about it," correct?
A Correct.
Q All right. So to be clear, then, again, Figure 9, Figure 10, these results combine any mention of music from any of these four questions, correct?
A Correct.
Q Actually, it's not just four questions, though, is it, Dr. Wind? It's really eight questions, right?
A If you want to add the probe to this, yes.
Q Okay. So --
A But not everyone was asked all of them. Keep in mind that those considered were not asked question 3, nor question 11.
Q Okay. So for existing subscribers, though, they would have been asked those four different questions. And after each question, they would have been probed to say anything else, right?
A Correct.
Q Okay. And so this table, Figure 10, the chart Figure 10, the table in Figure 9, reflects anyone who in response to any of those eight questions said anything about music, correct?
A Well, this table combines both consider and subscribers. So let's now clarify this. But, yes, but you should look at all of the comparison, not only at music, look what was the level of response to all the other programming types, which are significantly below the level of music.
Q Do you know whether music was more or less than all of the other things? Well,
let me come back to that, because we are going to talk about the coding. And just one question about the coding. So in looking at this data, isn't it true that if anyone in any of their verbatim answers used the word "music," no matter what context, it would have been coded under music, isn't that right?

A     Correct.

Q     So if somebody said, "I like the sound quality of the music," that would have been quoted as music, correct?

A     Correct.

Q     If somebody said, "I like the fact that my music doesn't fade in and out as I drive," that would have been coded as music, correct?

A     Depending on the exact wording, but likely, yes.

Q     Okay. So the word "music" immediately triggers code music, right?

A     Yes.

Q     And the coding of open-ended

CHIEF JUDGE SLEDGE:  You're going to get into that? Okay.

MR. MEYER:  There is a code for music, and so any time they mention music it would have been given that code and simply categorized as this person is saying music, the most important thing is music.

CHIEF JUDGE SLEDGE:  Okay.

MR. MEYER:  But we'll go through I think how it's done, and hopefully it will be clear.

JUDGE ROBERTS:  It certainly isn't every time somebody mentions music. Somebody could say -- when asked this question could say, "Well, I didn't sign up for the music," and they used that -- the magical word, but I wouldn't think that it -- would that show up as a response for music?

THE WITNESS:  No. No.

JUDGE ROBERTS:  But you don't know that for a fact, do you, sir?

THE WITNESS:  I reviewed all the responses is critically important in looking at the results of the survey, wouldn't you agree?

A     Well, they are important, but you also have the full verbatim. So you can go back and look at the actual verbatim for each one of them.

Q     Well, let's talk about that.

Coding involves somebody looking at --

CHIEF JUDGE SLEDGE:  Let me ask a point of clarification --

MR. MEYER:  Yes, sir.

CHIEF JUDGE SLEDGE:  -- on that last question, last several questions. When you say that any mention of music in the answer triggers the code for music, you're saying that the code for music applies, but you're not saying where -- what number in that code applies, but some number in that code applies.

MR. MEYER:  Well, no, Your Honor, and we'll look at the coding chart.

CHIEF JUDGE SLEDGE:  Let me ask a point of clarification --

MR. MEYER:  Yes, sir.

CHIEF JUDGE SLEDGE:  -- on that last question, last several questions. When you say that any mention of music in the answer triggers the code for music, you're saying that the code for music applies, but you're not saying where -- what number in that code applies, but some number in that code applies.

MR. MEYER:  Well, no, Your Honor, and we'll look at the coding chart.

JUDGE ROBERTS:  There were others, about 25 percent or so, that mentioned variety of music. And then, there are others, very few, less than 10 percent, that mentioned all type of other characteristics of music.

BY MR. MEYER:

Q     Some people got coded under music, even though they didn't say anything about music, isn't that right?

A     I don't think so.

Q     Okay. Well --

A     I'm not sure what you're referring to.

Q     All right. We'll take a look at
that. But just to set the foundation as to
coding, and what it is, and how it works,
somebody -- the first thing somebody has to do
is come up with a list of codes, correct?
A Categories, yes.
Q Right. And did you do that?
A No.
Q Okay.
A I should not do it. It should be
done by someone who follows the double-blind
principle and doesn't know the purpose of the
study or the identity of the sponsor.
Q Well, you can give somebody a list
of codes to use without them knowing the
identity of the sponsor, correct?
A Well, but you are asking -- there
are two parts, right? There is the code
development, which I believe should be done by
an independent person. And then, there is the
actual assigning of each questionnaire to --
each response to the specific codes.
Q Okay.

of the responses.
Q Okay.
A I did review all of the verbatim
and then looked at the sample of them in terms
of the coding, but I did not do a thorough,
complete checking of the codes that were
conducted.
Q Okay. And you made no changes,
once the coding -- and by "coding," I mean the
matching of the codes to the answers. Once
that was done by somebody -- do you know who
that somebody was, by the way?
A Yes. Greg Pierce.
Q Did you give him any instructions
or details as to the coding?
A No. He basically was working with
Data Development. This is a way to assure
basically that we do have this objectivity,
the double-blind here.
Q Do you know if he was given any
training by Data Development?
A Greg has been doing coding for

A And I believe that you need a
double-blind for both of these functions.
Q My question was: you could come
up with a list of codes and give it to Data
Development or somebody else, and it would
still be double-blind, correct?
A No, it would not, because I -- I
am not double-blind. I know what the purpose
of the study is. So if I develop the
categories, I will be biased in the
development -- I can be biased in the
development of the categories. I want to make
sure, for objectivity in the study, and I am
letting, then, someone else who doesn't know
the purpose of the study develop the codes.
Q Okay. So you didn't develop the
codes. You also didn't do the coding. In
other words, you didn't review the verbatim
and then figure out which bucket or code each
answer went into, right?
A Right. I think we discussed this
in my deposition. I said I reviewed a sample

studies that I have been involved in for at
least 10 years, if not more.
Q Okay.
A He is a very smart guy, he knows
research in and out, and very competent coder.
Q And he did all the coding.
A Correct.
Q You have the utmost confidence in
him.
A Yes.
Q Okay.
A Again, I have no reason -- unless
I have good reason, I have no reason to doubt
--
Q Okay.
A -- the integrity of the people I
work with. They're a part of the team.
Q Okay. So, then, the coding that
was done was sent to you, and you made no
changes whatsoever, correct?
A Correct.
Q You didn't think there was any
answer in the 420 respondents times four open-ended questions, actually times eight for the actual subscribers, including the problems, out of those thousands of answers, you didn't think any answer had been coded improperly, is that right?

A    As I said, I did not validate each one of them. I did not stand there and check each one of them.

Q    Okay.

A    I have confidence in the people who did it, and I think that the coding, by and large, following the scheme was accurate.

Q    Now, you said on direct testimony in response to Mr. Handzo -- I wrote this down -- you said with respect to the coding, "I reviewed it." So, but you actually reviewed a sample, and the sample that you reviewed consisted of probably a few for each one of the coding categories, right?

A    Yes.

Q    And that would be at Exhibit L, at the end of Exhibit L?

A    Correct.

Q    Appendix L. And do you know why these particular verbatim out of all the verbatim generated were attached to your report?

A    Because these are the ones that I referred to actually in the report, so if I mention a specific quote in the report, I added them. These were the full supporting documents for the specific references.

Q    Okay. And just to orient ourselves, I know we covered this just before. You didn't write the codes, you didn't do the coding, and you reviewed a sample of the coding. Right?

A    Correct. Which I believe is the correct procedure to do.

Q    Okay. Now it's true, isn't it, sir, that you have been criticized by courts, responding to -- that I reviewed the coding scheme.

Q    I see.

A    Then, I looked in the term of as you are correct, I looked at the sample of the code the way they were coded from the questionnaires.

CHIEF JUDGE SLEDGE:  Is this a good time for a break?

MR. MEYER:  Yes, certainly.

CHIEF JUDGE SLEDGE:  We'll recess 10 minutes.

(Whereupon, the proceedings in the foregoing matter went off the record at 3:00 p.m. and went back on the record at 3:12 p.m.)

CHIEF JUDGE SLEDGE:  We'll come to order.

MR. MEYER:  Hello again, Dr. Wind.

BY MR. MEYER:

Q    You attached some of the verbatim from your survey to your report, didn't you?

A    Yes.

Q    Have you not, for lack of participation in every stage of the survey process?

A    Yes, by very few on this point, but I still feel that the correct approach is the one I use in term of involvement as part of a research team.

MR. MEYER:  And I don't know, Your Honor, what the Court's preference is with respect to the case, whether I go ahead and try and introduce that as an exhibit, or I could simply cite the case to the Court.

CHIEF JUDGE SLEDGE:  The purpose is to use it for authority?

MR. MEYER:  Well, it makes some statements that are critical of Dr. Wind, that I think are relevant to the survey he did in this case.

CHIEF JUDGE SLEDGE:  I don't understand that authorities are exhibits.

MR. MEYER:  Okay. Then we can simply cite the case. I could cite it now or at an appropriate point. Is that acceptable?
CHIEF JUDGE SLEDGE: I think that's an option available to you.

MR. MEYER: Okay. All right.

BY MR. MEYER:

Q     One of the cases, Dr. Wind, in which you were criticized for being insufficiently involved in the design and analysis of the survey was a case called United States versus Dense Fly International, 277 F. Supp. 2d, 387. You recall that case.

A     Vaguely.

Q     That was in 2003?

A     Yes.

Q     And another case in which you were criticized for a lack of supervision of the people doing the survey was G. Heileman Brewing Company v. Anheuser-Busch, cited at 676 F. Supp. 1436. Do you recall that one?

A     I don't recall the particular criticism that you're mentioning, but this is a case where it was in two courts, and one of them accepted, one of them had some criticism, exactly the same study.

MR. MEYER: Now with respect to coding, I'm going to hand out several documents, and with apologies to all concerned, this process of trying to see how a particular verbatim was coded is actually not that simple. You have to look at three or four different documents and play it through.

And I'm going to try and do that with just a few verbatims. If we could introduce the Wind depo, Exhibit 5 and 6. What are the exhibit numbers for those? Okay. SDARS 3 and SDARS 4.

(Whereupon, SDARS Exhibit Nos. 3 and 4 were marked for identification.)

BY MR. MEYER:

Q     Let's start with that, and just establish for the record what those are. All right. Now SDARS 3 should be a document with a lot of incomprehensible computer codes on it. Do you have that?

A     Yes.

Q     And have you seen this document before?

A     Yes. You showed it to me at my deposition.

Q     Okay. Do you recognize it?

A     Yes.

Q     What is it?

A     My understanding is still that this is the program that was used by Data Development to input the codes.

MR. MEYER: Okay. I'd like to offer it into evidence, Your Honors.

CHIEF JUDGE SLEDGE: Are you referring to Exhibit 3?

MR. MEYER: Yes, Your Honor.

CHIEF JUDGE SLEDGE: Any objection to Exhibit 3?

MR. HANDZKO: No, Your Honor.

CHIEF JUDGE SLEDGE: Without objection, Exhibit 3 is admitted.

(Whereupon, SDARS Exhibit No. 3 was admitted.)

BY MR. MEYER:

Q     If you could just take a look at SDARS Exhibit 4. Can you tell us what that is?

A     This is also from Data Development, and these are the coding framework and guidelines.

Q     Okay. And on SDARS Exhibit 4, on the second page, and possibly the third and fourth pages, at least on the second page is a list of the codes that were used. Is that right?

A     Correct.

MR. MEYER: Okay. I would offer this into evidence, Your Honors.

CHIEF JUDGE SLEDGE: Any objection to Exhibit 4?

MR. HANDZKO: No.
CHIEF JUDGE SLEDGE: Without objection, it's admitted.

(Whereupon, SDARS Exhibit No. 4 was admitted.)

BY MR. MEYER:

Q     Now using these two documents in a given verbatim, it's true, isn't it, Dr. Wind, that you can tell how a given verbatim response was coded. Correct?

A     Correct.

Q     So let's take a look at a verbatim. And looking at the one with the Bates number 8620, Case I.D. 2025.

A     I don't have it in front of me.

Q     My associate is gathering it. I apologize for the delay.

(Whereupon, SDARS Exhibit No. 5 was marked for identification.)

BY MR. MEYER:

Q     Okay. Now SDARS Exhibit 5, do you recognize this document, sir?

A     This is a verbatim, yes.

Q     From your survey?

A     Yes.

MR. MEYER: I'd like to offer it into evidence, Your Honor.

CHIEF JUDGE SLEDGE: Any objection?

MR. HANDZO: No, Your Honor.

BY MR. MEYER:

Q     Okay. So let's interpret some of this. Dr. Wind, at the top of the page it says, "Considering subscribing case I.D. 20-0-25." Do you see that?

A     Yes.

Q     Okay. So does that tell you that this is a consider, and that the subject I.D. number is 2025?

A     Possible. I'm not sure.

Q     Okay. All right. Go down to question 1A. Do you see that?

A     Yes.

"Q1A1". Do you see that? Are you looking at SDARS 4, sir?

A     Yes.

Q     Okay. So you see Q1A1?

A     Yes.

Q     Okay. Now if you go to the right, we still haven't figured out what flag means, but under Main 1 and Main 2, 6411 and 6412, do you know what that means?

A     Yes. This is column 64, position 11, column 64, position 12. And if you want to understand what the flag is, if you'll go to the next page, you have on the left side final quotes. The left column is flag. This is the category, and then the full code is the category, the coding within each one of these categories.

Q     Okay.

A     So music is category 1.

Q     Oh, the code for music is 1.

Right?

A     Well, but the flag for music is 1.
so everything that will be related to music will be flagged 1, and then you have a more specific code within it.

Q: Okay. So looking on page 2 of SDARS Exhibit 4, 11 music NS. What does NS mean?

A: Not specific.

Q: Okay. All right. Now let's see if we can figure out how Mr. or Ms. 2025 was coded on this answer. If you go to SDARS Exhibit 3, and you look in the parentheses, see on the top it says one five, and EQ, N001. That's the first entry on Exhibit 3. Do you see that?

A: If you want this responded, you should look at page 12. That's what you are looking at?

Q: I understand that. I was just trying to take it slower for the panel. Yes, let's go to page 12 of Exhibit 3. Okay. And we see here in the parentheses on the left, after the one fives, and after the EQs, we see and you look under full code, and you see 44, it's good, the best, not specific. Right? I think that's what you just said.

A: Correct.

CHIEF JUDGE SLEDGE: No you may not. (Laughter.)

MR. MEYER: If I can assist the Court in any way, please let me know.

CHIEF JUDGE SLEDGE: You can assist me by giving me a moment to state what should have been stated long ago. SDARS Exhibit 5 is admitted without objection. (Whereupon, SDARS Exhibit No. 5 was admitted.)

MR. MEYER: Okay. Now let's take some more interesting ones. If I can have 20153. (Whereupon, SDARS Exhibit No. 6 was marked for identification.)

BY MR. MEYER:

Q: Dr. Wind, can you identify this document?

A: Yes. This is the verbatim responses for subscriber responder number 20153.

BY MR. MEYER:

Q: Okay. Now let's take some more interesting ones. If I can have 20153.
MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: Without objection, Exhibit 6 is admitted.

(Whereupon, SDARS Exhibit No. 6 was admitted.)

MR. MEYER: Thank you, Your Honor.

BY MR. MEYER:

Q  Dr. Wind, I want to ask you here about response to Question 3(a). It says, "Now reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe"? And the response was, "I will not like it." Do you see that?

A  Yes.

Q  Okay. Now from SDARS Exhibit 3 and 4, can you tell the Court how that response was coded?

A  It was coded as 11, which is music not specific.

Q  That's an error, isn't it?

A  No.  As I mentioned before, I just did a sample review.  I did not check each one of the numbers.

Q  Because, as you said, you have the utmost confidence in the person who does all your coding.  Right?

A  And if you found only two or three mistakes in all of this, this is a very small level of error.

Q  Okay.  Take a look at SDARS Exhibit 7.  This is subject 2157. Right?

A  Yes.

Q  Do you recognize this as another verbatim response from your survey?

A  Yes.

MR. MEYER: I would offer it into evidence, Your Honor.

CHIEF JUDGE SLEDGE: Any objection to Exhibit 7?

MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: Without objection, it's admitted.

(Whereupon, SDARS Exhibit No. 7 was admitted.)

BY MR. MEYER:

Q  Okay.  Let's take a look at subscriber I.D. 20157, please.

A  Looks like it.  I think they coded correctly the 1(a) and 2(a), but apparently something is wrong here.

Q  Okay.  So this is clearly a mistake coding "I will not like it" as music.

Right?

JUDGE ROBERTS: Are you on page 31 of Exhibit 3?

THE WITNESS: I'm on page 31, and if you want to look at this respondent 20153, the first answer was 12, which was a question to Question 1(a), which was "I like the top 20 and 20", which was coded correctly as specific genre of music.  And the second one in response to question 2(a), when he says "Top 20 and 20 is good for me and my family", also was coded correctly as 12.  And, apparently, with 3(a) I think it's an error, because he said, "I will not like it".  The coding for this is error 11, music not specific, should not have been.

BY MR. MEYER:

Q  Okay.  Let's take a look at the answer to 3(a)(1), or 3(a), actually.  The question is, "Now reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe?" Do you see how this person answered the question?

A  Not very comprehensible.  "I will
not like that. I need it."
Q     "I will not like that. I need it." How do you think this was coded? Can you tell us?
A     Yes. It was coded also a mistake as 11, as music not specific. Even though the first code on 1 and 2 are correct.
Q     All right. And in this instance, unlike where you pointed out in the prior instance, this person's response to Question 1(a), which was the most open-ended, was, "It is the news". Correct?
A     And correctly categorized it as number 22.
Q     Okay. But in any event, in Question 3(a), and this would have been combined into your chart that Mr. Handzo showed, combining all the open-ended answers, this was incorrectly coded as music, like the previous ones. Correct?
A     Like I said before, so we have two, three errors, so far we have two. This happens.
Q     Let's take a look at 20180, if we could, subject 20180.
(Whereupon, SDARS Exhibit No. 8 was marked for identification.)
CHIEF JUDGE SLEDGE: Mr. Meyer, I suffer from the same problem that John does. When you say those numbers, you're referring to two zero one-eighty?
MR. MEYER: Two zero one-eighty, that's right.
CHIEF JUDGE SLEDGE: And not twenty one eighty.
MR. MEYER: Correct. Two zero one-eighty.
BY MR. MEYER:
Q     Dr. Wind, do you recognize this as another verbatim from your study?
A     Yes.
MR. MEYER: I would offer it, Your Honor.
A     Nothing else.
Q     Okay. How do you think this was coded? Do you have any idea?
A     This is the second -- this was coded incorrectly as music not specific.
Q     Okay. Another mistake. Right?
A     Yes.
Q     Let's take a look at 20213, please.
JUDGE WISNIEWSKI: You've got to say two zero.
MR. MEYER: Yes. Two zero two one three.
JUDGE ROBERTS: Before we leave Exhibit 8, I notice that the response, Mr. Meyer, since you've been bringing up question 3, there is a response of music and the variety of stations, and what they offer. Are you simply saying that it's coded incorrectly on that particular line on page 35 of Exhibit 3?
MR. MEYER: Well, I'm saying the
answer to Question 1(a), which is the open-ended question was coded improperly as music.

Each of the other questions and answers have separate codes, and they go into separate buckets, but Question 1(a) is another mistake, inaccurately coding something as music, which clearly is not.

JUDGE ROBERTS: I think in your cross examination here you've been bringing up Question 3, as well.

MR. MEYER: On some of them I've been pointing to Question 3, on some of them I'm pointing to other questions.

JUDGE ROBERTS: Yes. So if in Question 3 on this one the person does mention music, isn't it then a correct code?

MR. MEYER: Question 1(a) the code is incorrect, and Dr. Wind has tabulated all sorts of data, including the answers to just Question 1(a). That's in his report. It's one of the tables in his report.

BY MR. MEYER:

SDARS Exhibit 9.

(Whereupon, SDARS Exhibit No. 9 was marked for identification.)

Q Do you recognize this as a verbatim from your survey?

A Yes.

MR. MEYER: I'd like to offer this into evidence, Your Honor.

CHIEF JUDGE SLEDGE: Any objection to Exhibit 9?

MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: Without objection, it's admitted.

(Whereupon, SDARS Exhibit No. 9 was admitted.)

BY MR. MEYER:

Okay. Now here I'd like to direct your attention to the answer to Question 11(a), Dr. Wind. And question 11 was one of the questions that you combined into that chart that Mr. Handzo showed, that combined so-called open-ends. Correct?

A Yes.

Q Okay. And you see the answer -- your Question 11(a) says, "If satellite radio is not available, what, if anything, will you miss most about it?" And the response was, "I will not like it." Do you see that?

A Yes.

Q Can you confirm for me, Dr. Wind, that this one, again, was coded, "I will not like it", that answer was coded as music?

A Yes.

Q Another mistake?

A Yes.

(Whereupon, SDARS Exhibit No. 10 was marked for identification.)
1. Q: And the response this person gave was, "I did not choose the service for any particular programming. I chose the satellite because of family traditions." Can you tell the Court how that was coded by your coders, Dr. Wind?

2. A: This was coded in error as music, non-specified.

3. Q: Let's take a look --

4. A: The next one was correct.

5. Q: Oh, well.

6. A: The 3(a) was correctly classified.

7. Q: I'm using two more, 20108.

8. (Whereupon, SDARS Exhibit No. 11 was marked for identification.)
verbatim from your survey, sir?
A Yes.

MR. MEYER: I would offer it, Your Honor.

CHIEF JUDGE SLEDGE: Any objection to Exhibit 12?
MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: It's admitted.

(Whereupon, SDARS Exhibit No. 12 was admitted.)

BY MR. MEYER:
Q And, Dr. Wind, if you take a look at on this one Question 11(a), and the question here was, "If satellite radio was not available, what, if anything, would you miss most about it"? And this person said, "I would miss the whole thing. I never want to go back to the regular radio." Do you see that?
A Yes.

some interviews, we had eight errors that were discovered. This should not have happened, but in reality does not change the conclusion that I have, because in most of these cases, I think in the bulk of these, there was other correctly classified music responses. And since we're looking at net responses, we were not duplicating a respondent, where a respondent is counted for music only once and not twice or three times, if they mention it, it does not affect the net conclusions of the study. But you are right, this should not have happened.

Q And do you wish that maybe you would have checked more of the coding than you actually did in the survey?
A No. The conclusion for me is basically to have a second independent coder review all the codes. I still don't think that I should do it.

Q Okay. And what you were just saying about how you only count music once, that would only be true on your chart that attempts to amalgamate all of the mentions of music in Question 1-3 and 11. Right?
A The net responses.

Q Okay.
A We're talking about the net responses.

Q Right. If you take a look at page 29 of your report, for example, and Figure 11, which I believe we touched on before, that just goes to Question 1. Right?
A Correct.

Q And so, to the extent that there are errors in the coding of responses to Question 1, it would, obviously, change the data on this chart. Correct?
A By very small amount. You're talking about probably two or three, only two of these, as far as I can recall, or three, are problem with Question 1, so you will let's deduct three people out of 423, which is less than 1 percent, so you'll have top
mention, you'll still have 16 percent. And
when you're looking at this in comparison to
the next highest mention, which will be talk
and entertainment, five, my conclusions on the
dominant effect of music is not affected.

Q     How do you know those are the only
mistakes?
A     You went through all of them, and
that's the only one you found.

Q     How do you know I went through all
of the mistakes?  You don't know that, do you?
A     I can assume this, because you're
trying to identify the mistakes. I did not
see any mistakes. If you have any others,
show them to me.

Q     What percentage of the coding did
you review?
A     I reviewed a small sample of the
coding. When I reviewed it, I did not find
problems. I feel, basically, that this is
very unfortunate that this happened. If you
have other mistakes, show it to us, and we'll
adjust the numbers. My objective is to
provide the Court with the correct
information. And, unfortunately, these errors
occurred, which are easily corrected. It does
not change the essence of the conclusion,
because you're changing less than 1 percent of
the respondent, impact on Question 1. It does
not change the relation between music and the
next highest, which is talk and entertainment.

Q     Sir, when I took your deposition,
isn't it true that you didn't even know how to
tell me how these things were coded?
A     Correct.

Q     You couldn't figure it out.
A     Correct.

Q     I gave you SDARS Exhibit 3, and
SDARS Exhibit 4, and I gave you a variety of
verbatim. You didn't even know how to check
them. Right?
A     Correct, because that's not the
way I check them.

Q     Okay. Well, is there some other
document that you used to check them, that
perhaps wasn't produced to us?
A     No. What I basically did is, I
had -- I worked with the director at Data
Development and basically asked her to -- I
picked random numbers, and asked her to --
basically random questionnaires, and asked
her to read me the code, so there was no
document. She was probably working from this.
I have never in my life seen this document
before the deposition.

Q     And the verbatims that you
attached, you attached quite a few verbatims
to your direct testimony that you gave to this
Court. Right?
A     I also provided the complete three
documents, three big volumes of all verbatim,
so you actually have access to all the
verbatim in the study.

Q     Sir, my question was, you provided
a portion of the verbatims to the Court with
your direct written testimony. Correct?
A     Correct.

Q     Okay. And did you personally
choose those verbatims to attach?
A     I selected randomly a number of
quotes which I thought are interesting, and
these were the ones that were attached,
basically, the full verbatim for any
respondent that was mentioned in my direct
testimony.

Q     Do you know whether any of the
verbatim that I just showed you were attached
in your selection that you gave to the Court?
A     No, I don't.

Q     All right. Let's change the
subject, Dr. Wind. I want to ask you about
your conjoint analysis. And the conjoint
analysis is reflected, what you referred to as
the conjoint analysis is reflected in Question
4-7 and 10 of your survey. Is that right?
A     Correct.

Q     And you believe, you testified on
direct, I wrote it down, "Conjoint analysis is the best approach to assess the relevant importance of music." Do you stand by that testimony?

A Yes. Other than kind of field experiments, and these are things we talked in my deposition, conjoint analysis will be the best approach to determine it.

Q Okay. And you have confidence in the results of your conjoint analysis. Right?

A Yes, I do.

Q And you’re comfortable with the methodology. Correct?

A Yes, I do.

Q In fact, of all the methodologies you used in the survey, the only one that you chose to include an entire separate appendix explaining how well thought of it was, was the conjoint analysis. Correct?

A The assumption was that the Court may not be as familiar with conjoint analysis, as with some of the other more common procedures, such as constant sum evaluation.

Q Okay. And that’s Appendix H to your direct written testimony?

A Correct.

Q Okay. And, again, you don’t know whether Dr. Pelcovits or Dr. Ordover made any use of the conjoint analysis. Do you?

A I have no idea.

Q Now tell the Court what your conjoint analysis revealed about the percentage of the value of satellite radio that comes from music.

A If you go to page 42 of the report, or you can actually go to page 43, it would be easier to read, you have the bar graph that’s showing the relative importance of the seven factors studied in the conjoint analysis.

Q And it’s true, is it not, that your conjoint analysis, what you described as the best approach to assess the relevant points of music, has a number for music of 30.

Q "The analysis revealed 30 percent of the value of satellite radio comes from music", not 56 percent, or 55 percent, or 68 percent, 30 percent. Correct?

A In this context, in the context in which it was evaluated, yes.

Q Now on page 41 of your -- well, actually, if you continue -- I’m sorry, let me withdraw that.

In fact, in your report, if you look at the Table of Contents, which is on the second page of your written report, when you’re describing the responses from your various questions in your survey, the conjoint questions, 4-7 and 10, are described under the heading "Value." Correct?

A Yes. These are the terms that I use to describe the conjoint analysis here.

Q Okay. And by putting the conjoint under the heading "Value", is it reasonable to assume that you thought that it had something to do with the value of music. Right?
A: I think that all of these measures - I think I mentioned in direct at the beginning, and it's clear that throughout the testimony here, that I view all of the measures in Figure 1, for example, is different dimensions of value. I don't single this, this is just one measure which I think is very reliable and valid measure. It's one of the measures that we have. And we cannot ignore it in the context of all the measures in Figure 1.

Q: And it's the one that you happened to put under the heading "Value." Right?

A: I think that we're referring here also to all of these as the value, to the entire set of dimensions we have here.

Q: All right. Now let's take a look at Question 9 of your survey. Do you have that, sir?

A: Yes, I do.

Q: Okay. Now in Question 9 --

JUDGE ROBERTS: Where is that?

A: Correct. But the reason we selected people who consider buying it in the next months to make sure, the next 30 days, to make sure that we're dealing with people who are interested and aware of what we're dealing with.

Q: My question is those people aren't paying anything. Right?

A: So far.

Q: Now at the end of Question 9(b), you then ask the people, "If you think that not having this programming type would lead you to cancel your subscription, please say so." It's possibly a little bit leading, wouldn't you agree?

A: Possible. Depending how you interpret this, but possible.

Q: And when you're asking about these various programming types, no music, no news, no sports, the question, or the value proposition you're putting in front of people is all or nothing. Right?
1 A Right.
2 Q This question tells you nothing about the margin of value of a little more or a little less music. Correct?
3 A Correct.
4 Q It doesn't tell you anything about music as it is on satellite radio, versus music as it is on terrestrial radio. Right?
5 A Correct.
6 Q Doesn't tell you anything about commercial-free music, versus music with commercials. Right?
7 A Correct. All of these -- most of these variables that you mentioned were covered in the conjoint analysis test.
8 Q Okay. I'm just focusing on Question 9. Now when you asked people what they would do if there were no music programming whatsoever, do you know how many people said they would cancel the satellite radio service?
9 A Yes.
10 Q So without any music at all on a satellite service, a third of the people wouldn't pay a penny less. Correct?
11 A Right. But, again, you have to look at all these data relative. You're looking at this as absolute. You have to look at this as relative.
12 Q Sir, I'm asking questions that I want to ask on cross examination. So a majority of people wouldn't cancel even with no music. And, I'm sorry, I think I may have misspoken. Thirty-nine percent of the people would not change the amount they were willing to pay. Do I have that right? Because you have 61 percent would change the amount willing to pay. Does that mean 39 percent wouldn't even pay less for the service with no music?
13 A No. If you look further down the column, you have also -- you have 33 percent that would not change amount willing to pay, and 6 percent indicated they don't know it would change amount willing to pay.
14 Q All right. Now I understand. So 39 percent didn't say they would pay less for a service with no music. Correct?
15 A Correct.
16 Q Okay. Now does this Question 9, does this tell you -- I mean, you have here that more people said they would cancel if there were no music than news, sports, and entertainment. Does this tell you whether -- how the number of people who would cancel if there were no music relates to the number of people who would cancel if there were no news, no sports, and no talk and entertainment put together?
17 A No. This is, basically -- the purpose of this question is to look for four distinct scenarios. One is assuming there is no music, everything else the same. Two is assuming no news, everything else the same. Three assuming no sports, everything the same. And four, no talk and entertainment,
everything else the same.
Q     So it doesn't compare the value of 
music versus all non-music content. Correct?
A     Not if you combine them, but it
gives you a direct -- it's an apple-to-apple 
comparison. What will happen if there is no 
music, what will happen if there is no news.
Q     I understand, but is the answer to 
my question yes, it doesn't tell you -- it 
doesn't compare the value of music to the 
value of all non-music content. Right?
A     The difficulty I'm having 
answering your question is that it does not 
combine them. It does not provide the 
situation of combining the others.
Q     That's all I'm asking.
A     But when you're asking the 
scenario of the no music, they will continue 
having all the other programming. That's what 
they will have, so you are comparing it 
against everything else. So it's basically

sports, and entertainment. Right? But you 
don't ask what would you pay for a service 
with music, but no news, and no sports, and no 
talk and entertainment.
A     Correct.
Q     That's all I'm getting at.
A     Correct.
Q     Okay. Now with respect to, again, 
Question 9, where you're asking about music, 
and some of your other questions that just ask 
about music, well, this Question 9, it's not 
discriminating enough to distinguish between 
the value of the music itself, as opposed to 
the superior variety of music, or the superior 
fidelity of the music. Right?
A     Whatever the respondent 
derstands when they talk about no music.
Q     Let me ask you to take a look at 
your deposition, sir, which has been marked as 
SDARS Exhibit 9. And if you look, please, at 
page 84 at the bottom, line 22. Do you have 
that, sir?
A     Yes.
Q     Line 22 I asked you the exact same 
question. "So the question like this is not 
very discriminating enough to distinguish between 
the value of the music itself, as opposed to 
the superior variety of music, or the fidelity of 
the music, for example." And you answered, 
"No." Correct?
A     Yes. You were just reading it.
Q     All right. Now in Question 9 --
A     I continue to explain to you what 
the question addresses. Do you want to read 
the rest of it?
Q     I don't think it's relevant to my 
question, so I don't. But if you want to on 
redirect, that's fine.
A     Now on Question 9, when you just 
asked about no music, that assumes that the 
entire value of music as it's presented on the 
satellite services is attributable to the 
sound recordings. It doesn't take into any 
account any of the things that the SDARS might
add to the value of the music. Is that right?
A    Well, it addresses whatever the
respondent understands music to mean. It's
the totality of the music as the respondent
understands it.
Q    Is it fair to say your survey
doesn't attempt to show the value of sound
recording, as opposed to the value of music
programming, in general?
A    You brought the point in
deposition, and I looked at the verbatim
responses following the deposition, and as I
started mentioning before in response to
another question, there were very few people,
less than 10 percent of the total people that
mentioned anything that can relate to other
programming characteristics of music, like one
person mentions a DJ. I think two people
mentioned bringing live concert. I think two
people mentioned the value of mentioning the
name of the song, and the name of the artist.
So if you look at the totality of what people
answered in the open-ended questions, you find
out that there are very few who really mention
these extra characteristics. The most of the
responses, I think over 45 percent, is just
music by itself, unspecified, about over 25
percent mentioned variety, how you interpret
variety here. And I think then there is also
a number of people that talked about 24-hour
programming, so based on the open-ended
responses, it seems the majority of the people
think about music, and not the things around
music.
Q    Well, if somebody says variety of
music, they could be referring to the
programming skill of the people who select and
choose the music that gets played on satellite
radio. Right?
A    Or they can refer to plainly the
variety, the fact they have variety. Some
people mentioned explicitly, like, I like it
because it gives me my genre. I don't have to
listen to other things.
Q    All right. You don't know whether
somebody who said variety of music is
referring to the selection, the programming
ability of the programmers at XM or Sirius.
You don't know that, do you?
A    Correct.
Q    And when somebody says, when asked
why did you decide to subscribe, and they say
music, that doesn't tell you what aspect of
the music allowed them to subscribe. Right?
A    Well, there are plenty of
opportunity to elaborate on this. And the
fact is that close to 50 percent of
respondents did not elaborate besides music.
And then a small -- then we have two other big
chunks, which is the variety, and the
commercial-free. And very few, less than 10
percent, who mentioned the other things that
I mentioned.
Q    You didn't ask people what they
meant by "music", when they said music.
Right?
Q  It could be the variety of music.  
A  It could be commercial-free.  Right? 
Q  I'm giving you the number, the results that I got in the open-ended analysis, where you have close to 50 percent that mention only music.  You have about slightly over 20 percent that mention, I think, variety and commercial-free, somewhere around there, the 20s.  Then you have very few, less than 10 percent, that mentioned clearly thing that will be the value-added of the programming, like a DJ. 
Q  I don't want to go over what we've already covered, but when somebody pays $12.95, and they say the reason they're doing it is music, and you know that music is available for free on FM radio, it doesn't really tell you much about what about the music on satellite radio causes them to pay $12.95.  Right? 
A  I did not ask them about the meaning of - what they mean by "music". 
Q  That wasn't the question I asked you.  The question was, do you know whether it's equally likely that the true number is 37.84, as it is 47.21?  Do you know? 
A  I don't know.  What I answered you is the correct interpretation of the 95 percent confidence interval. 
Q  You think it was important to include these error ranges in your report.  Right? 
A  Yes. 
Q  That's something you customarily do.  Correct? 
A  Yes. 
Q  Now let me ask you a few questions about the universe you selected.  Now the universe basically refers to the people that you choose to question in your survey.  Right? 
A  Correct. 
Q  And it's important, isn't it, to try and match as closely as possible the actual characteristics of users, and in your case, potential users of the product? 
A  I'm not sure what you mean by "match".  Can you repeat the question?  I'm not sure I got it. 
Q  Well, let me ask you this way. Would you agree that identification of the survey population must be followed by selection of a sample that accurately represents that population? 
A  Correct. 
Q  And so ideally, when you do a survey, if, let's say, the male/female split of a service like, say, Sirius, happened to be something like, say, 81 percent male, and 19 percent female, ideally you would want to have a survey that duplicated that demographic.
Isn't that right?
A    Well, you ought to have a
representative sample. The question is when
you talk about the 81/19, are these basically
the distribution that they have for people who
meet my criteria here, or they're actually
people who signed the contract. So the
question is, what is the statistic that you
are giving me, the 81/19, what it represents?
The procedure I used here is very safe and a
regular procedure used in most quality
research, which would be to identify an
initial demographic pool of people based on
gender and age, as an initial, so you're
representing the entire population. And then
to stream them down to meet the universe
requirement, which I've done in all my
research, and it's the more accurate way of
doing it, as opposed to setting up a quota, an
a priori quota for completion of, let's say,
the 81/19.
Q    But, Dr. Wind, at the end of the
procedure I'm using does not require you to
have final gender quota here. I am using the
gender and age as an initial opening
screening, not a final one.
Q    You have no idea how close your
ultimate survey population is in terms of
gender to the gender demographic of the
satellite services. Correct?
A    I can give you -- we can easily
going a tabulation of the gender distribution,
gender/age distribution.
Q    Do you know?
A    I don't know it sitting here, but
we can easily -- the data are there. You have
the data, too.
Q    It's not in the big binder that
you handed up to the Court.
A    It's in the data that you have.
CHIEF JUDGE SLEDGE: Mr. Meyer,
your questions only address that part of the
universe that are considering subscription.
It couldn't address those that are
subscribers, because by definition, they are
the same demographic that you're asking.
MR. MEYER: With all respect, I
don't agree with that, because it is possible
that you could ask ten -- you could find ten
women who do subscribe to Sirius, and you'll
end up with a population of ten females and no
males. That doesn't mean it's reflective of
the actual population. You have to take steps
to ask questions of a population so that you
can eventually get down to the appropriate
population.
BY MR. MEYER:
Q    And you didn't even check - at the
end, you did not check your final survey
population to see whether it met the
demographic description in any respect of the
satellite services. Isn't that right?
A    First of all, I don't have the
demographic comparison for -- against which I
can evaluate it. Second, the data are
available. And, third, I think that the
procedure that I use here is a better sampling procedure than the one you suggest.

Q  Sir, it's getting late in the day.

A  No. I didn't have a base against which to check.

Q  Okay. You say you didn't have any basis to check, and then you say that the data is available. Which is it? I'm confused.

A  I did not have an external number, the number you gave me, 81/19, I don't know what it's composed of. I have not seen this number.

Q  Okay.

A  So I don't have a target against which to evaluate. When I said data are available, in the study we did ask for gender and age. The data are there. It's easy to calculate, easy to get a tabulation of this for people who consider, people who are subscribers for each of the services.

Q  Okay.

A  Right. But I did not basically go back and compare them. I did not check in to see what extent they are the same definition of these demographic characteristics that you are suggesting here.

Q  Okay. How about, to take another one, for example, age distribution. Do you know what the average age is of an XM or a Sirius subscriber?

A  I don't remember off-hand. It's in some of those reports.

Q  Do you know what the average age is of the subjects in your survey?

A  I don't, but the data are there.

Q  Okay. And do you know the ethnic or racial breakdown of the average Sirius or XM subscriber?

A  I don't recall. I remember seeing it in some of the reports. I did not ask this question.

Q  And do you know what the average - do you know the breakdown of the racial or ethnic background of your subjects in your surveys?

A  I didn't ask for that, so I cannot know.

Q  Let me ask you about geography. You stated in your report on page 7 that you selected 24 markets in which to survey. You selected them randomly. Is that right?

A  Correct.

Q  But it wasn't totally random in the sense that you selected six from each of the four census areas. Correct?

A  I'm sorry. I said explicitly they were selected - it was a random selection of six within each one of the census regions.

Q  Okay. Well, I was just reading from your report, page 7. You say, "Twenty-four markets, six from each of the four census areas were randomly selected." Is that correct?

A  Well, I think it is correct statement, that is basically six markets

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selected randomly in each one of the four census regions.

Q  Do you know, for example, the demographic, geographic distribution of the typical XM customer?
A  No.
Q  If I said to you that it was 42 percent people from the Northeast, and 16 percent people from the East, then geographically your survey would not be representative. Isn't that right?
A  My survey is representative of the U.S. If you want to weight different regions separately, you can easily do it.
Q  Well, it may be representative --
A  The data are there.
Q  Excuse me. It may be representative of the U.S., but it's not necessarily representative of the subscribership of XM and Sirius. Isn't that right?
A  The -- I don't know how to tell area. Do you see that?
A  Correct.
Q  Isn't it true that Baltimore, Maryland is, in fact, not in the Eastern region of the census breakdown, but is, in fact, in the South?
A  I don't know. I basically rely on the distribution, on the market distribution that DDW has, and they basically have markets from which you select randomly, and then they work from there, so I don't know.
Q  Well, let me give you a question with hypotheticals. If I'm correct that the average XM user, or that 42 percent of the XM users are in the Northeast, and if I'm correct that Baltimore, by the same standard, the census standard, is not in the East, but in the South, then isn't it true that not only didn't you reflect the geographic distribution of XM subscribers, but you actually have less sites that you tested from the Northeast, than any other region. Isn't that right?

you. The research -- the sampling procedure used here is the best possible sampling procedure. If you want to insist on quotas based on the current data you have, you can easily do it by weighting it. So if you know that the higher percentage are in one of the census regions, you can weight it differentially. You have the data, and this could easily be done.
Q  Sir, my question was, if it's correct, if I'm correct that the data shows that 42 percent of the XM subscribers are in the Northeast, then your geographic distribution does not reflect that of the XM subscribers. Isn't that right?
A  It does not represent this specific distribution. I think it represents, basically, the population of subscribers, and those who consider nationally.
Q  How about - I'm going to quibble with you on this one. Your survey locations you have them broke down, six in each census area. Do you see that?
A  If you're correct, it's a correct statement.
Q  Okay.
A  I still stand by the fact that this is - the survey's design is a national survey, not as a survey to analyze each one of the regions separately. But you can weight them any way you want to, so if you're concerned about the Northeast, and you want to have a higher weight there, we can take the data. You can find out if there is an agreement on the weight, and you can weight this, the sample then that we have, with a higher weight for the Northeast.
Q  Which you didn't do.
JUDGE WISNIEWSKI: But, Dr. Wind, you didn't do that.
THE WITNESS: I didn't do it.
JUDGE WISNIEWSKI: Okay.
CHIEF JUDGE SLEDGE: But the Northeast is not one of the four census areas.
MR. MEYER: I, actually --
CHIEF JUDGE SLEDGE: So I'm puzzled by your question.

MR. MEYER: Well, I actually printed out a map that says -- it's got West, Midwest, Northeast and South. And then it's broken down into sub-regions. But it's either East or Northeast.

CHIEF JUDGE SLEDGE: The survey only refers to East.

MR. MEYER: I believe the survey is wrong. I believe it's actually referred to by the census as Northeast. I don't intend to --

CHIEF JUDGE SLEDGE: Your question refers to the Northeast, but the survey refers to East.

MR. MEYER: Okay.

CHIEF JUDGE SLEDGE: So your question doesn't refer to the same criteria as used in the survey.

MR. MEYER: Okay. I'm going to - to save time, I'm going to leave the area, but

content they favor?

A I did not analyze it separately in the study.

Q Do you know whether males on Sirius are more, tend to be more interested in, say, Howard Stern, or sports than music programming? Do you know that?

A I saw some reference to this in some of the studies that I reviewed for my amended testimony.

Q And that -- for your amended testimony, but not your original testimony.

A Correct. I didn't have those studies when I did the original study.

Q Okay. All right. Just a few more questions about the universe. Your survey didn't sample any former users. Right?

A Correct.

Q So people who had used the service, and then quit for one reason or another, they're not included in your universe.

I can go back to it.

BY MR. MEYER:

Q There are four regions, four census regions. Right?

A There are actually more than four. They're either a categorization of nine census regions, where some tables are within the Northeast is separated, and some of them are four. My understanding, that these were markets selected from the census regions of four.

Q Okay. In any event, we agree that you made no attempt to match the cities where you did the survey to the actual geographic distribution of either of the SDARS. Right?

A Correct. Because at the time we did the survey, I did not have the other data, and I still feel that the procedure that I used is the correct procedure for sampling.

Q Do you know if there's any difference in the interests of, say, males and females on Sirius in terms of the type of
you talk about the subscribe, the question was (G), "Which of these services, if any, do you or your household currently subscribe to?" So it's a household question, and the same thing was for the considering. Question J, which was, "Which of the following best describes the type of satellite radio you or your household are considering", for example.

Q     Okay. So if I got satellite radio for my daughter to listen to the Disney channel, and then never listen to it again, I would have qualified for your survey. Correct?
A     If you qualify on -- if you responded yes to Question F, which is that you are the one to make the decision, or take part in making the decision.

Q     Right. And so it's not necessary for someone to actually be familiar with the content of the service to have qualified for your survey. Isn't that right?
A     I don't know whether there were any who were not familiar. They had ample opportunity in each one of the questions, is it open-ended, or you don't know to the other questions, to indicate so.

Q     And your screener and your survey doesn't distinguish people with limited familiarity with the content on the SDARS, and people who listen to it all the time. Correct?
A     Correct.

Q     Now you did your survey, you testified, in October of 2006. Is that right?
A     Right.

Q     You actually did some of it in September. Right?
A     Right, the pre-test was done the end of September.

Q     You did a pre-test of a few people, and then you included those results in your final results. Correct?
A     With the exception of a few respondents who had some difficulty with Question 9, so we, basically, excluded these few respondents, modified actually the questionnaire, Question 9 to reflect a clearer understanding. This was in case people responded that they will pay more than the $12.95. And other than excluding these few people, there is no - since we didn't change anything else, there is no reason why not to include the rest of the pre-test people in the main study, which is a common procedure.

Q     I think you're getting a little too defensive. I didn't ask you why you did it. I just said you did it. Right? And how many people were those?
A     The ones that were combined?
Q     The pre-test.
A     The pre-test was, I think, 55 or something like that.

Q     Okay. So your survey was actually done on several dates between, I believe it was September 29th, '06, and October 17th, '06. Is that right?
A     Correct.

Q     Okay. Now are you aware of how, if at all, the content on either Sirius or XM has changed since that date?
A     No.
Q     That could affect the results of your survey. Right?
A     Well, this depends on the nature of the changes. If there are dramatic changes, change the environment, it may. If the changes are not perceived by consumer as major, it will not change.

Q     You can't tell from your screener
Page 317

1 how long respondents have been subscribers.  
2 Right?  
3 A Correct.  
4 Q So any individual subject in your  
5 survey could have been a subscriber for two  
6 years, or could have been a subscriber for a  
7 week. Right?  
8 A Well, I would assume that you will  
9 have a distribution of all of these different  
10 lengths of membership.  
11 Q So the answer to my question is  
12 yes.  
13 A Correct. I don't know, but,  
14 basically, the likely response will be that  
15 you will have a full distribution here.  
16 Q So you can't distinguish between  
17 so-called early adopters and more recent  
18 subscribers. Right?  
19 A Correct.  
20 Q Now if -- do you know when Oprah  
21 and Friends, when that station was added to  
22 XM?

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1 A Not exact date.  
2 Q Well, you would agree, would you  
3 not, that to the extent content changes, the  
4 interests and nature of the subscribers could  
5 change. Right?  
6 A Obviously, there is some inter-  
7 dependency.  
8 Q Okay. And as subscribers  
9 themselves are added to the service for any  
10 reason, that cohort of subscribers, they could  
11 yield different answers to your survey, if you  
12 surveyed them. Right?  
13 A Well, this assumes that there are  
14 fundamental changes. This is the issue of  
15 aging of data, in terms of how long can you  
16 rely on the result of any survey.  
17 Q And you would agree then, wouldn't  
18 you, that your survey can only tell us about  
19 the preferences of people as of the dates that  
20 you did the survey. Right?  
21 A Correct. And apply, as long as  
22 there are no major changes in the environment

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1 we're dealing with.  
2 Q And it's possible that if the  
3 content changed significantly, the results of  
4 the survey would no longer be probative.  
5 Isn't that right?  
6 A It's possible. We don't know how  
7 likely, but it's possible.  
8 Q And the question of whether such  
9 change is an empirical question, that you  
10 would have to do a survey to test. Isn't that  
11 right?  
12 A Correct.  
13 Q Okay. This will be a very short  
14 subject area. When you did your survey, were  
15 you aware that not all of what you termed  
16 music was subject to the sound recording  
17 performance right?  
18 A At the time, no.  
19 Q Okay. So you weren't aware that  
20 pre-1972 music was not subject to that right.  
21 A Right. You brought it the first  
22 time in the deposition.

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1 Q Well, the Judges weren't at the  
2 deposition, so that's why some of this stuff  
3 we have to do again.  
4 A Yes.  
5 Q And so there's no way to tell from  
6 your survey what value, what percentage of the  
7 value of music that you determined is pre-1972  
8 music. Right?  
9 A Only from the open-ended  
10 responses.  
11 Q Okay. Before I leave your direct  
12 report, your original direct written report,  
13 I have a few questions on the amended report.  
14 I want to ask you about something that you  
15 said on page 27 of your report. Do you have  
16 that, sir?  
17 A Yes.  
18 Q On the bottom of page 27, you say,  
19 "As our last example indicates, in providing  
20 these responses, some respondents cited the  
21 fact that satellite radio would allow them to  
22 avoid buying music from other sources." Do
you see that?
A     Where?
Q     The bottom of page 27?
A     Yes, I see.
Q     And we refer to this sometimes in shorthand as a substitution effect. That wasn't the purpose of your study, was it?
A     Correct.
Q     And you don't know what percentage of respondents said that, did you?
A     Correct.
Q     And you're not saying that your survey is enough to demonstrate to any degree of certainty that there was a substitutional effect from satellite radio, are you?
A     Correct.
Q     You just felt the need to throw in that gratuitous statement in your report?
A     I'm not sure it's gratuitous, but basically it was one of the quotes, and I thought it's interesting.
Q     The lawyers asked you to put that about your answers.
A     Obviously, we're having a mighty struggle from this side saying music isn't really all that important to our business, to this side of the room saying it's critical to the satellite radio business. And as Judge Sledge observed earlier, one always tends to relate these things to one's personal experience.
Q     I am a Sirius satellite radio subscriber. I received it because my wife got it for me for Christmas. I think really because she wanted Pittsburgh Steeler's games, but clearly, there was a lot more programming on there. And I've continued to subscribe. And there's -- if Sirius had just been a music service, quite honestly, I don't believe I would have subscribed to it, if it was only music, whether it was 69 channels, or however many channels of music, and it was just music, I don't think I would have subscribed. Yet, certainly, if Sirius dropped all of the music, in, didn't they, Dr. Wind?
A     I don't recall.
Q     You don't recall one way or the other?
A     I don't recall if they asked or not.
Q     All right.
A     I selected some examples, and I thought that's an appropriate kind of description of this last example.
Q     Because in your mind, the issue of substitution versus promotion was something that you were concerned about in doing the survey?
A     No. I was not really focusing on this at all.
JUDGE ROBERTS: It's getting kind of late in the day, Dr. Wind, and I wanted -
A     I selected some examples, and I thought that's an appropriate kind of description of this last example.
Q     Because in your mind, the issue of substitution versus promotion was something that you were concerned about in doing the survey?
A     No. I was not really focusing on this at all.
JUDGE ROBERTS: It's getting kind of late in the day, Dr. Wind, and I wanted -
even though I know you're going to be back here on Monday, or so it would appear, I wanted to ask you a couple of questions, because it'll give me the weekend to think so that I was just left with football, sports, Howard Stern, I don't think I would subscribe, as well. So my question to you is, can you tell me anything about what that says about the value of music?
THE WITNESS: Well, I think there are two ways of looking at this. One is that markets are heterogenous. If there's anything in marketing that we know, is that all markets are heterogeneous. And there are different people who subscribe for different reasons, or will drop it for different reasons.
So given this heterogeneity of all markets, the question here is, if you look at the population of the subscribers, and those who intend to subscribe, what you're trying to find out is the relative importance, and focus on the relative of music versus other offering. And I think there is no simple answer to your question, but looking at the various dimensions of music, and the various comparison, like in the first figure, Figure

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1, should help understand the magnitude of the
importance of music in each of the dimension
compared to the other leading programming
type. That's what the study is trying to do,
is trying really to identify number of
dimensions, and show the relative evaluation
of music versus the others.

JUDGE ROBERTS: I understand that
part of your study, and I agree with you,
that's exactly what it's attempting to do, is
measure the relative importance in the view of
subscribers, and in your instance, those
supposedly intending to subscribe. But do you
believe that that really tells me anything
about the value, the ultimate value of the
music, or is it just telling me that well, in
these generic categories of music, and news,
and Howard Stern, and sports, subscribers tend
to overall think more highly of this one
compared to that one, but is it really
answering the question of the value of music?

CHIEF JUDGE SLEDGE: Are you
conclusion is quite clear here, that music is
really the power, the driving power of
satellite radio.

JUDGE ROBERTS: Is your survey
capable of telling me the difference between
the reason I might subscribe, in this case,
let's say that I was actually the one that
wanted the Pittsburgh Steeler games, and I got
the Pittsburgh Steeler games by signing up to
Sirius. But I'm of the view now that well, if
they drop that service, I think I would
probably still continue to subscribe.

THE WITNESS: Well, this will be -
- there are two different measures now. We're
talking about in Question 2(a), will respond
what type of satellite radio programming were
most critical to a decision to subscribe, for
the decision to subscribe. You're describing
then the second situation, which would be
Question 3, reflecting on your experience with
satellite radio, what type of satellite radio
programming are most critical to the decision
asking absolute value, or relative value?

JUDGE ROBERTS: I'm asking
absolute value.

THE WITNESS: You see, absolute
value you have to identify then the specific
measures that you want to focus on, because a
lot of the insight you get is really also on
the relative basis. So we know, for example,
with respect to in the extreme situation that
you described, if music was not available, you
will fall in the segment that says yes, I will
cancel.

JUDGE ROBERTS: Yes.

THE WITNESS: So you belong - not
everyone did. There were some people who did
not, that still stayed, even though you drop
music. So because of this heterogeneity of
the market, I think, and the different
measures here, I think we do have to look at
this, to some extent, relative to provide us
a better base. So when you compare music to
any of other programming type, I think my

...
Okay.

BY MR. MEYER:

Q    Dr. Wind, let's take a look -- and by the way, I said I was turning to your amended report, but in your answer to Judge Roberts' question, where you said that by any measure, music is by far the most important - again, if you look at the answers to the most open-ended question, which was on page 29, Figure 11, when you asked people what was the top reason for considering subscribing, only 18 percent of them gave the top mention as music. So by that measure, at least, that would suggest that music is really not that important. Wouldn't you agree?

A    No, because I mentioned - I talked about this relative, so this would be compare 18 to 5 percent who mentioned talk and entertainment, compare this to 2 percent who mentioned news, compare this to 1 percent who mentioned sports, so that's the -- I'm talking relative, I'm talking about comparing the relative in each question, the relative evaluation. That's the reason Figure 1 is showing this as the ratio between the number of times that people prefer music over the next highest ranked or mentioned programming type.

Q    Well, if you -- okay, you're saying relative, but if you add up in this table, Figure 11, if you add up talk, entertainment, price, coverage, news, certainly if you added commercial-free with no mention of music, sports, et cetera, you get a number that's at least equal, and depending on where you put commercial-free, greater than the number of mentions for music. Right?

A    Right. But the comparison that I'm talking about here is - and that's my understanding of the objective of the study - is to look at the evaluation of music versus other programming type. In the context of programming, what is the relative value of music versus the others, so you look at this...
Q: Okay. So the purpose of your survey was only to look at music versus specific other programming types.

A: No. You defined accurately way, way back the objective of the study, to determine the value of music based on all these various measures that I defined. And to look particularly at a comparison of music versus talk and entertainment. But a lot of the -- I think the insight from the study, and from the evidence we have here from the study, is to look at this in the comparison of music versus each one of these programming types.

Q: Okay. Let me ask you about your amended testimony. Now I took your deposition on April 27th. Correct?

A: I don't recall the date, but I'm sure you're correct.

Q: Did you make a decision to wait until after your deposition to start looking at those documents?

A: I had no idea that these documents exist when we had the deposition.

Q: At the time of your report, you didn't ask the attorneys, or I take it at the time of the report you didn't have the documents, at the time of your deposition, did you ask your attorneys whether there were any documents in the Sirius or XM document production that --

A: I don't recall the time line. I do recall that I did ask after completing the report if there are any other studies, but I don't recall the time line when it was.

Q: Okay. So after the deposition, you wrote the report. Did you write it yourself?

A: Yes, I wrote it, and then I basically sent it to Matt, who had, again, formatted it in the form that you have it here. So the draft, and this was then formatted along this line.

Q: You drafted the prose in here, you didn't the first draft?

A: I drafted some of the prose, drafted some of this, and then Matt completed, basically, the first draft. He sent it back to me, and we changed it a few times.

Q: Who decided what documents you should look at in connection with the amended testimony?

A: I received the set of documents, and I used some of them, not all of them, in the report. Not all of them are actually included in the report.

Q: So is the answer to my question the lawyers decided which documents you should look at?

A: I asked them to give me all the recent studies we had, and I got this batch of reports from them.
Q And you read through all those documents cover-to-cover?
A I reviewed them. It's not that you read cover-to-cover, tables that you know are not related to what you're looking at.

Q The lawyers directed your attention to certain pages, didn't they?
A No, I skimmed the documents, looked at the specific things, specific areas, seeing that the major conclusion can support related to usage and cancellation. It had some other data on usage that related actually to Judge Roberts' question before, that relate to the top 10 channel, did an analysis by channels, which I did not have in my report which seemed to be related. And these were the area that I focused on.

Q Okay. And of the documents that you attached, most of the -- portions of the documents that you cite in your amended testimony, most of that is data related to time spent listening. Isn't that right?
A No.

Q And going to something like Judge Roberts' hypothetical, and go from my personal experience, I moved into a house and was deciding between cable TV and satellite, DirectTV. The sole reason I selected DirectTV was because they had the NFL Sunday Package, which gives you every NFL football game.

Q Notwithstanding that, and if you're uncomfortable taking my personal anecdote, you can treat me as a hypothetical. Notwithstanding that, and if you're uncomfortable taking my personal anecdote, you can treat me as a hypothetical.

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Q Notwithstanding that, and if you're uncomfortable taking my personal anecdote, you can treat me as a hypothetical. Notwithstanding that, and if you're uncomfortable taking my personal anecdote, you can treat me as a hypothetical.

Q Okay. And time spent listening doesn't necessarily equate to the value placed on that particular type of program. Isn't that right?
A I would hypothesize that time spent listening is highly correlated with importance.

Q Okay. Well, you said hypothesize, and highly correlated. When you say you'd hypothesize, that means you don't know. Correct?
A Well, it means that professionally I would go on the hypothesis. If you want to test it, we can look at our own data, look at the usage data versus the scores on importance, and my guess is we'll come with significant relation between the two.

Q Okay. But you haven't done that.

A Most of the reports relate to the usage, right, to time spent listening, and some of them, I think two reports relate to cancellation.

Q Okay. And time spent listening doesn't necessarily equate to the value placed on that particular type of program. Isn't that right?
A I would hypothesize that time spent listening is highly correlated with importance.

Q Okay. Well, you said hypothesize, and highly correlated. When you say you'd hypothesize, that means you don't know. Correct?
A Well, it means that professionally I would go on the hypothesis. If you want to test it, we can look at our own data, look at the usage data versus the scores on importance, and my guess is we'll come with significant relation between the two.

Q Okay. And so, let me give another example, someone who signs up to Sirius solely for the reason that they like Howard Stern, but listens to Howard Stern in the morning for an hour, and spends the rest of the time listening to other programming, such as music, but clearly joined up to get Howard Stern. In that instance, clearly then listenership data would not correlate to the value placed on a particular type of program for that subject.

A For this particular case, you're most of my time watching something else, that makes perfect sense to you, doesn't it?

A Yes. This goes back to market heterogeneity. There are different segments, and you're the one that we don't have a high correlation between the two. But, overall, in markets, you look at the entire market, I would hypothesize, and I think it won't be that difficult to try to test, to see to what extent usage is highly correlated with importance.

Q Okay. And so, let me give another example, someone who signs up to Sirius solely for the reason that they like Howard Stern, but listens to Howard Stern in the morning for an hour, and spends the rest of the time listening to other programming, such as music, but clearly joined up to get Howard Stern. In that instance, clearly then listenership data would not correlate to the value placed on a particular type of program for that subject.

A For this particular case, you're most of my time watching something else, that makes perfect sense to you, doesn't it?
right.

2 Q So then I'm correct, aren't I, that listenership data does not necessarily correlate to the value that people put on particular types of programming.

3 A I would feel more comfortable indicating that, in general, the literature in marketing consumer behavior will support that there is a correlation between usage and preference, and usage and importance. There are, of course, heterogeneities of all markets, and there will be people for whom this will not fit, so there will be segments out there that will have a very low correlation between the two.

4 Q Any of the literature that you're thinking of have anything to do with satellite radio?

5 A I don't think so. I have not seen any specific study on this for satellite radio. We can actually test it in this case, because we have, in my study we have data both on usage, and we have data on importance. And we can correlate the two.

6 Q Well, that assumes that we assume the validity of the rest of your survey.

7 A Which I feel comfortable about.

8 Q I'm not surprised. Now the documents that you chose to attach to the amended testimony, you say in your amended testimony that reviewing these documents I forget the exact words you use - but they support or corroborate the conclusions in your original testimony. Right?

9 A Correct.

10 Q Now did you take a look at --

11 CHIEF JUDGE SLEDGE: Mr. Meyer, before you start on that analysis, would this be a reasonable time to break?

12 MR. MEYER: I think it would, Your Honor. And I think it would go more smoothly if I got my documents together.

13 CHIEF JUDGE SLEDGE: Before we recess, let me ask you not to publicize that

14 JUDGE ROBERTS: Mr. Handzo, I can only carry so much, and I'm clearly going to want to have this again on Monday, but if you could take it back until that point in time. I'm afraid that if I put it back here, it might be gone on Monday.

15 MR. HANDZO: That's fine, Your Honor.

16 (Whereupon, the proceedings went off the record at 5:04 p.m.)
Transcript of:

Date: June 18, 2007
Volume: IX
Case: Adjustment of Rates for Pre-Existing Subscriptions

Neal R. Gross & Co., Inc.
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Before the
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LIBRARY OF CONGRESS
Washington, D.C.

In the matter of:

Adjustment of Rates and Terms
for Preexisting Subscriptions and
Satellite Digital Audio Radio Services

Docket No. 2006-1
CRB DSTRA

Room LM-408
Library of Congress
First and Independence Avenue, S.E.
Washington, D.C. 20540
Monday, June 18, 2007

The above-entitled matter came on
for hearing, pursuant to notice, at 9:30 a.m.
BEFORE:
THE HONORABLE JAMES SLEDGE, Chief Judge
THE HONORABLE WILLIAM J. ROBERTS, JR., Judge
THE HONORABLE STAN WISNIEWSKI, Judge

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Demonstrative Exhibit 145
CHIEF JUDGE SLEDGE: Any objection to Exhibit 13?  
MR. HANDZO: No, Your Honor.  
CHIEF JUDGE SLEDGE: Without objection, Exhibit 13 is admitted.  
(The document, having been marked previously for identification as SDARS Exhibit 13, was received in evidence.)  

BY MR. STURM:  
Q     Dr. Wind, I've handed you a document that has been marked for identification as SDARS Exhibit 13.  Do you have it there?  
A     Yes, I do.  
Q     And Exhibit 13 represents all of the documents that we have with respect to the verification process that was undertaken following the survey that you did, correct?  
A     As far as I know, other than the new letters that you received from Data Development and from ABC.  
Q     By that, you're referring to the affidavits explaining that the documents were lost?  
A     Yes.  

MR. STURM: Your Honor, I'd move the admission of Exhibit 13.  

questionnaire, right?  
A     No, that's an illustrative questionnaire.  
Q     And illustrative questionnaire.  
A     Yes, this illustrates the responses, possible set of responses for this.  
Q     Now, this is the only questionnaire you have, right? You don't have a separate questionnaire, verification questionnaire for considering subscribers, correct?  
A     Correct, because that's not the way it is communicated to the verification house.  
Q     Is it your testimony that you were aware all along that considerers were supposed to answer no to question 2 on the verification questionnaire?  
A     Absolutely.  
Q     Absolutely?  
A     Absolutely.  
Q     Did you design the verification questionnaire that is the first page of Exhibit 13?  
A     No.  
Q     Who did?  
A     Data Development.  
Q     Did you have any involvement in it whatsoever?  
A     Yes, in terms of discussion on the verification questions.  
Q     So did you approve this form?  
A     No, I approved the questions, not the form.  
Q     You approved the questions?  
A     Correct.  
Q     It says that "I'm calling to confirm a few points in the survey." Do you see that?  
A     Yes.  
Q     And for about between a third and a quarter of the respondents, you're calling to confirm something that is false, correct?  
A     No. This is again, as I mentioned

2 (Pages 5 to 8)
to you before, this is an illustrative
questionnaire and now it is primarily can be
completed. The field house that calls the
verification is using this and has their own -
primarily they're using the second form, the
one on page two, and they basically are asking
the questions and then they check basically
correct or not, based on matching it against
column two which is the quota.
Q     They're asking the questions that
appear on this verification form, correct?
A     I'm not sure on this particular
one. They're asking the question, but there
is no marking, there is no XXX on the
questionnaire that they asked that's
illustrative for the report, but that's not
the way--they have the blank questionnaire
and they complete the responses on the last
two columns of page two.
Q     The questions that are asked are
the questions that appear on the first page of
the verification questionnaire?
A     Correct.
Q     Do you have an illustrative form
that is premarked "no" for considerers?
A     Correct.
Q     And so when the -- when it says,
the text says, "I'm calling to confirm a few
points in the survey for considers" the proper
answer is no. Question two is false, correct?
A     Correct.
Q     Even though you say "You're
calling to confirm a few things", right?
A     Correct.
Q     Is that good survey design?
A     It's a common way of doing
verification.
Q     To call to confirm something that
you expect to be false or untrue?
A     No, it's no so much as a trick
question. I think this is basically fairly
common in verification that you are including
questions that not all the answers to them are
yes.
CHIEF JUDGE SLEDGE: Mr. Sturm,
your questions are equating false with
negative. That's a curious way of phrasing
things.
MR. STurm: Well, because it says
it's calling to confirm a few points and you
are expecting the respondent not to confirm.
CHIEF JUDGE SLEDGE: Right, is
that the same in your mind as saying it's
false?
MR. STurm: Well, I think so.
You're telling the interviewer that you
currently have satellite radio in your
household. I'll move on, Your Honor.
CHIEF JUDGE SLEDGE: Answer
negative and answering false seem to me to be
two different answers.
BY MR. STurm:
Q     The form is premarked "yes",
correct?
A     It's an illustrative form, yes.
Q     Do you have an illustrative form
that is premarked "no" for considerers?
A     No, I don't. I explained before,
the way the form is presented to the research
house that does the telephone calling. It's
a blank form. It's not with the X's marked
and they record the answers on the second
form.
Q     But you don't have the blank form
any more?
A     I don't have the blank form, no.
Q     And DDW doesn't have the blank
form to the best of your knowledge, correct?
A     To the best of my knowledge, they
don't have it.
Q     Now your question on direct about
your deposition testimony concerning this
issue, right, do you remember that?
A     Yes.
Q     And you said on direct that the
questions, the question was somewhat
convoluted, in my view at least, or I could
not answer it correctly.
A     Correct.
testimony?

A     Something along those lines.

Q     And did you say that "I said yes, yes, yes because I was looking I think, there was this form, the one on page two was presented before, and for subscribers, the yes, yes, yes, was the answer. That's what I had in mind." Do you remember giving that testimony?

A     I don't remember, but it sounds reasonable.

Q     Do you have Exhibit 1 which is your deposition testimony in front of you?

A     Yes, I do.

Q     Will you look at page 143, please?

A     Yes.

Q     I'm going to start at page 143, line 4.

It says, "Now is Exhibit 9 the verification form that was used?"

Answer: Yes.

Question: As I understand it, 54 percent of the respondents had their responses verified. Is that right?

Answer: Correct.

Question: Would a verification require a yes response to all three of these questions?

Answer: Yes."

Is that your testimony at the deposition?

A     Yes, I suppose.

Q     And are you telling the Judges that those questions are convoluted or that you weren't able to understand them?

A     Well, I basically -- when I saw the form I was thinking about the subscribers and respondent in this respect and I did not think about kind of the full set of responses that included that they consider at that time.

So that's basically what was apparently the frame of my mind at the time that I answered it.

Q     Are you saying -- you said on part that the questions were convoluted.

Would you agree that you understood the question?

A     I think there were a number of other questions here related to this. And I think what I was referring to is the entire sequence of this questioning.

Q     Now you say that you were also confused because you had the form in front of you, right?

A     At some point I saw the form, yes.

Q     But the form is the same one that is used for both subscribers and considerers, right?

A     But not the form with the markings. That's what I tried to explain to you before. The research house gets a blank form with the questions, without the markings.

And they ask the questions and they complete it on page two. And then they basically decide if it's a validated response or not, depending on the quota assignment for this particular respondent. And they have the quota from the top of the page where they have basically the four different sales.

Q     Now going on in your deposition, looking at page 144, line 9. This is your answer to the question about the procedures, right?

A     I don't know. Again, I think it's quite clear that throughout this set of responses I was thinking about the subscribers and responding in this context. That's consistent throughout my responses here.

Q     You testified there was no case of any no responses from these people, correct?

A     Well, I misspoke. I basically was thinking again in terms of the subscribers and for them there was no case of no responses.

Q     Looking down at the bottom of page 145, you say "in the materials you got, you should have received probably these sheets with 54 percent of the respondents a yes. Yes, yes, yes."
Question from me: "So I think I did misspeak in my question. For 54 percent of the respondents, there should be a sheet with Q1, Q2, Q3, all yes, yes, yes? Answer: Correct."

Was that your testimony?

A Yes, and as I indicated before I misspoke because I basically had in mind the response to the subscribers and obviously this is consistent throughout my set of responses here.

Q Now what percentage of actual subscribers were verified?

A I don't know offhand.

Q It's impossible to know, isn't it, because you don't have any data to show that?

A I don't have the exact number. But given the large number of respondents who were validated, the 54 percentage, my assumption would be they'll probably be distributed based upon their proportion in the sample.

Q Now, did DDW report any problems to you with other aspects of their offices besides painting?

A I think they may have mentioned something construction and painting.

Q They didn't say anything about their computers having a problem?

A No.

Q So to your knowledge, their computer system should be intact?

A I assume so, but I have no idea.

Q And you're not aware of any painting or other problems that ABC which is the company that actually did the verifications?

A I am not aware of any.

Q Do you have your binder of exhibits in front of you?

A Yes, I do.

Q Could you look at your report, Tab E, please?

(A Pause.)
kind of memorandum from Ms. Romano to the people who are going to work on verification process or does that not exist?

A No, as I said before, the common procedure in verification is that there are no such detailed instructions. There are also no training by DDW of the people who are doing the verification. The verification is a house that specializes in straight-forward telephone interviewing. They're doing it on all, my guess is most of the studies of DDW, they're doing this on all of my studies. There are -- they know basically the process. They work on this very closely with the field director and I have never had in any study written instructions similar to the ones to the field for the verification process.

Q Could you turn to page four of Ms. Romano's memorandum to the supervisors?

A Yes.

Q Down at the bottom, the very bottom of page four, it says "The validation point that out. The validation forms are called out as being emailed to DDW, correct?

A Right.

Q Now has DDW's computer been searched for those validation forms?

A My understanding is they searched for it. They looked everywhere for the form.

Q Do you know if the computers have been searched?

A No. Not explicitly. I know that they search everywhere for the forms.

Q But the records on the computer wouldn't be affected by the painting, correct?

A The record on the computer will not be the complete record because they are before they were sent to the verification house and before the completion of the forms. So it's most, if the records are available there, they will be the names of the interviewers completed on the page three of Appendix A of the verification, but without the results of the interview.
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>A Yes.</td>
</tr>
<tr>
<td>2</td>
<td>Q And the conjoint allocates</td>
</tr>
<tr>
<td>3</td>
<td>relative weights or relative importance among</td>
</tr>
<tr>
<td>4</td>
<td>these attributes that you tested, right?</td>
</tr>
<tr>
<td>5</td>
<td>A Yes.</td>
</tr>
<tr>
<td>6</td>
<td>Q And these attributes that are</td>
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<tr>
<td>7</td>
<td>listed here are the ones that you came up with</td>
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<tr>
<td>8</td>
<td>and worked with in consultation with</td>
</tr>
<tr>
<td>9</td>
<td>SoundExchange’s lawyers, right?</td>
</tr>
<tr>
<td>10</td>
<td>A Correct.</td>
</tr>
<tr>
<td>11</td>
<td>Q Attributes that you don’t test on</td>
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<tr>
<td>12</td>
<td>the conjoint effectively are given a weight of</td>
</tr>
<tr>
<td>13</td>
<td>zero, right? They aren’t tested?</td>
</tr>
<tr>
<td>14</td>
<td>A Correct.</td>
</tr>
<tr>
<td>15</td>
<td>Q Now there’s been testimony in this</td>
</tr>
<tr>
<td>16</td>
<td>case that a lot of money has been spent on</td>
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<tr>
<td>17</td>
<td>satellites and special antennas and things</td>
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<tr>
<td>18</td>
<td>like that so that these services can be</td>
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<tr>
<td>19</td>
<td>received in a moving car.</td>
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<tr>
<td>20</td>
<td>Based on what you know about</td>
</tr>
<tr>
<td>21</td>
<td>satellite radio, it makes sense that the way</td>
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<tr>
<td>22</td>
<td>to receive the service in a car is an</td>
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<tr>
<th>Page 27</th>
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<tbody>
<tr>
<td>1</td>
<td>A Yes.</td>
</tr>
<tr>
<td>2</td>
<td>Q Most people use it in a car.</td>
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<tr>
<td>3</td>
<td>right?</td>
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<tr>
<td>4</td>
<td>A Yes.</td>
</tr>
<tr>
<td>5</td>
<td>Q But that isn’t an attribute that</td>
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<tr>
<td>6</td>
<td>you tested in your conjoint, correct?</td>
</tr>
<tr>
<td>7</td>
<td>A Well, unless consumer assumes that</td>
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<tr>
<td>8</td>
<td>this is part of the coverage.</td>
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<td>9</td>
<td>Q Geographic coverage.</td>
</tr>
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<td>10</td>
<td>A Geographic coverage.</td>
</tr>
<tr>
<td>11</td>
<td>Q Okay, but geographic coverage is</td>
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<td>12</td>
<td>different from being able to receive it on a</td>
</tr>
<tr>
<td>13</td>
<td>mobile basis, right?</td>
</tr>
<tr>
<td>14</td>
<td>A Right, maybe. I don’t know how</td>
</tr>
<tr>
<td>15</td>
<td>consumers will receive it. Some consumers may</td>
</tr>
<tr>
<td>16</td>
<td>assume that this is included here, especially</td>
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<tr>
<td>17</td>
<td>given their usage pattern. Others may not.</td>
</tr>
<tr>
<td>18</td>
<td>I don’t know.</td>
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<tr>
<td>19</td>
<td>Q So either it wasn’t included or</td>
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<tr>
<td>20</td>
<td>you don’t know if mobility was included,</td>
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7 (Pages 25 to 28)
Q: So you're saying that the respondents might have just assumed that satellite radio would be available in the car, right?
A: Which is a reasonable assumption given the usage data that we've seen.
Q: But because they're just assuming it, it's not weighted within these responses, correct? Or given a relative value within these responses?
A: It's not -- we don't have an explicit value for this particular variable.
Q: Now your amended testimony is Exhibit 52 which is about halfway back in the binder. Did the lawyers right the text of the amended testimony?
A: No. As I mentioned on Thursday, there were -- I preferred a very rough first draft and it was worked in basically as a series of iterations with Matt Hellman.
Q: So you worked collaboratively with that could shed light on my report and that's the reason I focused on these items.
Q: And so one of the items you focused on was Howard Stern, right?
A: Correct.
Q: And did you try to give a fair and unbiased analysis of the Howard Stern issue based on all of the data and you had in these surveys?
A: No, this was not designed to cover, summarize all the hard stored material in the documents. It was designed to try explain what basically happened over time to the importance of Howard Stern and this is reflected in Exhibit -- in Figure 12 of the report.
Q: So you didn't intentionally leave out things that demonstrated the importance of non-music programming at Sirius, did you?
A: I did not intend to. I basically tried to focus primarily on the report and see do they confirm or not the importance of music

Mr. Hellman on this?
A: Inputting it in this format and he also did the exhibits, the graphics for the report.
Q: Mr. Hellman did the graphics?
A: He or someone in his office, but they did the graphics.
Q: Did you and Mr. Hellman go through and try to present a fair and unbiased analysis or were you just picking some things out of the research that supported SoundExchange's position?
A: The way it worked is I reviewed the material that I received which is the package here. It's all the tabs behind it. And concluded that basically the areas which help explain or validate my report are the areas relating to usage and cancellation and they provide an explanation also with respect to the Howard Stern question and these are the areas I focused on in the report.
Q: So you didn't intentionally leave things that demonstrated the importance of both to Sirius and XM. And two, to try to see if they provide an explanation for the Howard Stern question.
A: Yes.
Q: You have a chart, Figure 4, about that, correct?
A: Yes.
Q: And that is based on Exhibit 111 which is the next document in the binder, correct?
A: Yes.
Q: And that's at page 22, I believe?
A: Yes.
Q: Now that same chart shows some trends in listening, doesn't it? That overall usage went up two hours; music went down almost two hours; and talk went up almost four times, right?
1. Q: Are you looking at Exhibit 111, page 17?
   A: Yes. And you have there basically -- the analysis there was done by basically subscription tenure. And the last number I focused on was primarily the June '06 number that we had.

2. Q: That's my point. These are -- all this data, all these data were gathered at the same time. These are different subscription tenures, not different studies, right? Or do you not know?
   A: Well, the question is if you look at page 3, of the same document it talks about survey field periods and talk about tracking began in 2002. Then there is also if you go back, the last point there, they were talking about research anticipated engaging in another wave on or about November 2006, a decision to conduct that wave was presented by Sirius and then they give under it a table with CSat waves going back to the third quarter, second

3. Q: Figure 10, which is on page 13 of your former testimony --
   A: Yes.
   Q: That is based on Exhibit 116, which is a Fox News study?
   A: Correct.
   Q: And that Fox News study is from data.

4. Q: Looking at Figure 12 which is on page 17, now as I understood your testimony, you said that this showed changing interest in talk programming over time based on different surveys? Is that what you said on direct?
   A: I don't recall exactly what I said. It basically shows that the interest in kind of the trend or the pattern of interest in top programming.
   Q: But these aren't different studies are they?
   A: They're all based on -- this will be the next document --
   Q: The next document is 17, correct?
   A: Correct.
   Q: And so when you say June 2006, last data provided by Sirius, all of this data, all of these data were gathered at the same time, correct?
   A: No. My understanding of this document, this is --

5. Q: Again, your survey doesn't explain that change in listening over time, correct?
   A: Well, it's not designed as a longitudinal study, so it's primarily, it's a point in time study in October and it presents the picture, the importance of music versus the other programming types as of October of last year.

6. Q: Figure 10, which is on page 13 of your former testimony --
   A: Yes.
   Q: That is based on Exhibit 116, which is a Fox News study?
   A: Correct.
   Q: And that Fox News study is from data.

7. Q: Your survey doesn't explain that change in listening, does it?
   A: No. My survey is basically a point in time and presents the result as of October of '06.
quarter '03.
So I'm not sure to what extent the
data that are on page 17 that are used was
collected only if the second quarter of '06 or
represents also some data from previous
tracking reports.
Q You couldn't figure out that based
on these documents?
A At the time I did not really focus
on this question and now I'm not sure, but I'm
just saying that given my understanding of
this was these are the result of tracking
reports and therefore I'm not sure whether
this is all based on the data in one point in
time survey.
Q Don't the -- does it look like to
you that the -- do you see under the headings
for the different time periods there are Ns
which represent the number of respondents,
correct?
A Yes
Q And does it look like to you that
the numbers that are broken out by month there
add up to the total presented in the second
quarter of '06 column?
A The interviewers for comparison,
the fourth quarter of '05 --
Q Right.
A Which is a similar large number.
Q So you're saying, just so I'm
clear on this, you're not clear if these are
all different studies or different cohorts,
subscription tenure cohorts within the same
study?
A Now that I look at the numbers, it
seems that the data for the '06, the six
columns are subheadings of the second quarter
'06 and the report here, probably for
comparison, the fourth quarter '05 is the
first column.
Q But you didn't really focus on
that when you were doing your report?
A I looked earlier at those segments
and the results were these segments.
Q But you weren't really clear what
the different segments meant?
A I think it's clear what they
meant. I wasn't clear whether they were all
collected at the same time or there were some
other days, but basically I think that the
headings are very clear what they mean.
CHIEF JUDGE SLEDGE: Mr. Sturm,
your initial question leading to this
examination of 11 confuses me.
You asked about Figure 10 and that
was based on Exhibit 116 and August '05 study.
And then you asked about Figure 12 which is
based on Exhibit 111, a June '06 study.
MR. STURM: Yes.
CHIEF JUDGE SLEDGE: And then I
understood to ask him if these were all based
on the same study? And I don't understand why
you're asking that.
MR. STURM: When I asked that
question i was just asking about Figure 12.
CHIEF JUDGE SLEDGE: Figure 12 is
based on Exhibit 111?
MR. STURM: Yes, Your Honor.
CHIEF JUDGE SLEDGE: I see. Thank
you.
MR. STURM: Figure 10 is based on
something different.
CHIEF JUDGE SLEDGE: All right.
BY MR. STURM:
Q Now if you will turn a couple
pages to page 20, Figure 14, and this purports
to compare percentage of June 2006 Sirius
subscribers interested in music as compared to
Sirius respondents in the October
2006 Wind study, right?
A Correct.
Q Now what you have done is just
take the people who subscribed to Sirius in
June 2006 and compared them to your overall
survey results for the entire subscriber base,
right?
A Correct.
Q So you basically just cherry
picked this one month of subscriber data and compared it to an overall, rather than taking the overall data that are also nit eh Sirius survey, correct?

A I don't look at this as cherry picking. I think this is the last point in time. This is the last month available. So this is also the same 17 percent that we have in the previous figure and Figure 12.

Q Sir, you're ignoring all of the people who subscribed to Sirius May 2006 and before in this chart, correct?

A Correct. And I thought I made it very clear in the write up what I'm doing here.

Q So you're just relying on these 96 people who subscribed in June 2006 as opposed to covering the more than 2,150 who subscribed at other times, right?

A Because I'm trying -- this is an elaboration on Figure 12 and trying to explain the trend and showing for the last for those subscribers.

CHIEF JUDGE SLEDGE: All right.

BY MR. STURM:

Q You also have -- and by the way, that June 2006 cohort is the smallest one of all of them, correct?

A It's still close to 100 people and you can definitely analyze them and conclude from them what is -- what are the reasons that they provide for subscribing.

Q It was a very simple question. That one June month that you picked is the smallest, has the smallest number of respondents of any of the ones that are broken out, correct?

A Yes.

Q Now you also talk later in your report about the impact of Howard Stern and how it's less than music and things like that, right?

A Correct.

Q And you say "among other things, which I think I was very clear indicating -- if you look at Figure 12 in the heading of this which is the June 2006, focusing only on them and not previous to this and trying to add now the relation between music and talk and entertainment. And that's this is designed. I think I made it very explicit in the report what we're looking at.

Q Now your survey covers, purports to cover the entire group, right, and doesn't break it out among subscription tenures, correct?

A Correct.

Q In fact, you didn't even gather any data about subscription tenure, correct?

A Correct.

Q So there's no way --

CHIEF JUDGE SLEDGE: What is that word?

MR. STURM: Subscription tenure.

CHIEF JUDGE SLEDGE: Tenure?

MR. STURM: How long they've the music channels have shown increased listenership." Do you remember saying that?

A Vaguely.

Q But overall, we know that total music listening has gone down recently, correct, the time spent listening that we looked at earlier?

A Based on this one report. I think there are other indications there, including if you look in terms of the talk channels people listen to and some of the XM studies, and I'm not sure that this will be the general pattern.

Q Well, XM studies wouldn't go to Howard Stern, right, because he's not on XM.

Now you also say that Howard Stern is not really attracting listeners, right?

A I'm not sure I said that.

Q Did you say that he has stopped attracting listeners?

A Well, as we can see from the data, the number of new subscribers who attribute

their subscription to Howard Stern is getting smaller.

CHIEF JUDGE SLEDGE: Dr. Wind, that sounds to me like his listeners are so passionate that all of them rushed out at the first opportunity they had to subscribe and therefore there weren't any left to subscribe after that.

THE WITNESS: This is consistent with my interpretation.

CHIEF JUDGE SLEDGE: Okay.

THE WITNESS: So if we're talking about new subscribers I think the percent of people who subscribe now subscribe -- or the latest data we have is June, that subscribed is smaller than before. That's what Figure 12 is actually showing us.

BY MR. STURM:

Q     There was a question in the listener study, "what was your primary reason you subscribed to Sirius? Please type in your one primary reason." Do you remember that

A     Right, which is for a brand, which is a brand choice decision, whereas the data I relied on on page 17 was the subscription to satellite radio in general.

Q     The question is what was the primary -- your primary reason you subscribed to Sirius?

A     Yes, because I focused in the report not so much on the determinants of selection of Sirius versus XM which this page 23 of Exhibit 112 that music is down in fourth place below miscellaneous, correct?

A     Again, for this selection of the brand as opposed to selection of the category.

Q     And you didn't mention this slide in your report, did you?

A     No, because I focused in the report not so much on the determinants of selection of Sirius versus XM which this addresses itself to. I focused more on the attraction to the category, to satellite radio.

MR. STURM: Your Honor, I don't have any further questions right now.

CHIEF JUDGE SLEDGE: Mr. Handzo, any redirect?

MR. HANDZO: Yes, Your Honor.

REDIRECT EXAMINATION

BY MR. HANDZO:

Q     Good morning, Dr. Wind.

A     Good morning.

Q     Dr. Wind, do you have there, page 23 of Exhibit 112 is that music is down in fourth place below miscellaneous, correct?

A     Yes.

Q     And unaided means what?

A     That you are not providing people options, but it's an open-ended question.

Q     All right, and it's all past week listeners based on a total 25,702? See that at the top?

A     Yes.

Q     And without putting the specific numbers on the record, the overwhelming top reason is Howard Stern, correct?

A     But if my recollection is correct, page 23 of Exhibit 112 is that music is down in fourth place below miscellaneous, correct?

A     Again, for this selection of the brand as opposed to selection of the category.

Q     And you didn't mention this slide in your report, did you?

A     No, because I focused in the report not so much on the determinants of selection of Sirius versus XM which this addresses itself to. I focused more on the attraction to the category, to satellite radio.

MR. STURM: Your Honor, I don't have any further questions right now.

CHIEF JUDGE SLEDGE: Mr. Handzo, any redirect?

MR. HANDZO: Yes, Your Honor.

REDIRECT EXAMINATION

BY MR. HANDZO:

Q     Good morning, Dr. Wind.

A     Good morning.

Q     Dr. Wind, do you have there,
excuse me, SDARS Exhibits 6 through 12 or do you need copies of those?
A No.
(Pause.)
Q Dr. Wind, do you recognize these as the verbatims that you were asked about?
A Yes.
Q On Thursday?
A Yes.
Q Now the first question was how many survey respondents did you have in your survey?
A Four hundred twenty-four.
Q If you need to refresh your recollection, you might want to take a look at page eight of your written testimony.
A Four hundred twenty-eight.
Q And that would be how many open-ended questions for each of those respondents?
A There will be four questions, 1, 2, 3, and 11, plus a probe, plus possibility of multiple responses for each one.

Q And you just said you know why the error was made?
A Yes.
Q What is that?
A It was basically a computer glitch that I had a letter that I can explain from the coder who checked actually the process and explained how it happened.
Q Well, leaving aside why it happened, does the fact that there are 7 coding errors out of 3,000 plus coding decisions changed your results?
A No.
Q Now let me ask you to start with Exhibit 6.
A Looking at the --
JUDGE WISNIEWSKI: Can I follow up on that last question?
MR. HANDZO: Oh sure.
JUDGE WISNIEWSKI: Are you saying that the errors don't affect the results absolutely or are you saying in no material way?
THE WITNESS: Well, obviously, the results that I reported will be affected by those few cases, but the substantive conclusion from the study in terms of the magnitude of the importance of music compared to the other variables is not changed. And I actually kind of ran even an analysis to try to show the comparison between the two.
JUDGE WISNIEWSKI: Thank you.
BY MR. HANDZO: Dr. Wind, looking at the first of these verbatim, Exhibit 6, it starts Exhibit 6?
A Yes.
Q Looking at the first three verbatim responses, do any of those responses mention music?
A I'm not sure. Top 20 on 20 is good for me and my family. This may be a music program.
Q Okay. And looking at the next
one, Exhibit 7, do you see the response to
question 2?
A     Yes. Top 10 on 20.
Q     Does that also appear to be a
mention of music?
A     Yes.
Q     So the date with entry response to
questions two and three? Do you see the
mention --
A     Sports and Hispanic music.
Q     And question three?
A     And three will be the music and
the variety of stations and what do they
offer.
Q     Okay. Looking at Exhibit no. 9.
Do you see the response to question one?
A     Yes.
Q     Does that mention music?
A     Yes. I want to get it for the
music and the news. It was the Freedom Pack.
Q     Now looking at Exhibit 10. Do you
see the response to Exhibit 3? I'm sorry, to
a person says music in question one, says
music in question two, this person will be
counted only once.
Q     Okay, now let me ask you that
given that each of the verbatim responses that
we just looked at in Exhibits 6 through 12
mentioned music, would the coding errors have
any impact on this chart?
A     No. It will have no effect
Q     Let me ask you to turn to Figure
13 on page 32. Can you tell us what this
represents?
A     This is the programming type most
critical to the decision to continue to
subscribe. This is the retention measure
based on question number three.
Q     So I'm sorry, this is showing the
results from question three?
A     Yes, the results of the open-ended
question three.
Q     Let me just make sure we're both
on the same page literally. We're talking
about Figure 13 on page --
A     I'm sorry, I was looking at figure
14. Figure 13 on page 32.
Q     Okay, and that is showing what?
A     This shows the programming type
most critical to decision to subscribe --
Q     consider to subscribe. This is the
programming draw which is the open-ended
response to question two.
Q     So this would have been asked of
all 428 respondents?
A     Yes.
Q     Okay. Now am I right that in the
verbatim that you were shown, Exhibits 6
through 12, only one respondent had a wrongly
coded answer to question two?
(Pause.)
A     That's the way it seems.
Q     So if there was one wrongly coded
answer to question two out of 428 respondents,
what impact would that have on this chart?
A: Virtually none.
Q: I take it I'm not going to take you through the exercise, but I assume that you could do the same thing with each of these verbatims --
A: Sure.
Q: -- to see how many wrong responses there were for one question and compare it to the appropriate chart?
A: Correct.
Q: And if we -- let's say for the sake of argument that there are no more than two erroneous codes with respect to any one of the open-ended questions, the impact on your chart would be 2 people out of 428?
A: Correct.
Q: So less that one percent?
A: Correct.
Q: You were asked on Thursday, I think, a number of questions about the demographics of the respondents to your study. I think you indicated something about being able to go back and re-weight the data if you that I have not seen it either. We're all playing on a level playing field as far as that is concerned. But the question was raised on cross. I don't think that it can fairly be said that it is outside the scope of the cross and apparently he's taken a look at it, so I think it is fair for the Court to hear that.

CHIEF JUDGE SLEDGE: Is this an exhibit you have exchanged 24 hours in advance?
MR. HANDZO: I'm not planning on offering it as an exhibit, Your Honor. I'm just going to ask him what his conclusions were.

CHIEF JUDGE SLEDGE: Objection sustained.
BY MR. HANDZO:
Q: Dr. Wind, without telling us what you did, how would you go about weighting the data?
A: It's very simple. What you do is found out that for example XM and Sirius listeners represented a different demographic.
Do you recall that?
A: Correct.
Q: Can you explain how you would do that?
A: I actually did it over the weekend. Do you want to -- I can present the results.
Q: Let's hear it.
MR. MEYER: Your Honor, I would object. I mean, we obviously haven't seen this. It's unfair because if it's something that he testified he could have done before in connection with his written direct testimony. He obviously didn't do it. So I would say that it is unrelated to his written direct testimony and is unfair at this point, Your Honor.

CHIEF JUDGE SLEDGE: Mr. Handzo?
MR. HANDZO: Well, Your Honor, as to the fairness or unfairness, I have to say...
natural distribution in the sample, give them a weight of 75 or 85 and run it by them and see to what extent the results that you get for weighting it by 75 percent or 85 percent are different from the results that we had originally.

Q    So I take it if someone were concerned that the demographics of your respondent group were not correct, they could weight the data and see whether it made any difference?

A    Right. I did and basically it doesn't with one exception.

MR. MEYER: Your Honor, the witness just -- I would suggest -- ignored Your Honor's ruling sustaining my objection and just testified that his analysis showed. I think it's obvious that it was an intentional intent to circumvent Your Honor's ruling.

CHIEF JUDGE SLEDGE: Mr. Handzo?

MR. HANDZO: I don't think I have anything to add to what I said, Your Honor.

CHIEF JUDGE SLEDGE: Motion to strike the response on the effect of weighting the data is sustained.

BY MR. HANDZO:

Q    Dr. Wind, with respect to the various criticisms that people attempted to make in the course of cross examination with respect to your survey, how do your survey results compare to the survey results that XM and Sirius obtained in their own surveys?

A    Very consistent.

MR. HANDZO: That's all I have,
MR. HANDZO: Your Honor, I object

CHIEF JUDGE SLEDGE: Sustained.

You don't have to answer questions yes or no
if that is not the appropriate answer to the
question.

MR. MEYER: May I withdraw the
question?

CHIEF JUDGE SLEDGE: Yes, sir.

BY MR. MEYER:

Q     Let's look at page five of your
amended report just to save time. On page
five of your amended report, Dr. Wind, it may
come as no surprise to you that in my question
which you were not able to answer yes or no,
I was simply reading directly into the record
a sentence from your amended report --

A     And you ignored the next sentence.

Q     Did you see the sentence I read?

A     Yes, but you --

Q     Did I read the sentence correctly
that says that I note that in comparing the
results of the Sirius and XM service to my
own, differences in survey methodology
question rating, sample size, etcetera make it
impossible to directly compare the results of
the service to my own.

My only question to you is did I
read that sentence correctly?

A     Yes, you did, but you ignored the
next sentence.

Q     Now with respect to the coding
errors that Mr. Handzo asked you about, and
also with respect to the re-weighting which
you did which I'm not going to ask you about
the substance, obviously.

Did you talk to the lawyers for
SoundExchange over the weekend?

A     No.

Q     So when Mr. Handzo asked you
whether you had done any re-weighting, he simply
was making a lucky guess, that in fact, you
had done some re-weighting. Is that right?

A     I don't know the reason for his

asking. We have not talked at all about
anything relating to this case since I left
the Court.

And I've done a number of analyses
following the Court session on Thursday to try
to help the Court and clarify some of the
questions that were left unanswered.

Q     And Mr. Handzo again, when he
asked you whether you had done any
re-weighting, actually had no idea to your
knowledge that you had?

A     He had no idea that I did any of
the additional analyses that I'd done.

Q     Now with respect to the verbatims
Mr. Handzo showed you. I think you said there
were seven, but I had shown you. It's not
your testimony that those were the only seven
errors in your coding, is it?

A     No. These are the ones that you
showed. I actually did a follow-up checking
what happened and I mentioned before that it
was a computer glitch in the coding situation.
additional errors that were responses that had nothing to do with music under the code of music, isn't that right?
A: That's what I explained. That's what I explained, that it was a computer glitch in the coding in some of the transfer in the coding. There were about 21 or so errors and they were all kind of identified and the data corrected.
Q: Okay, the fact that -- and your coder who you apparently who you still apparently have utmost confidence in, right?
A: I do, because they basically found the reason for this and was no basically in this code. Because this was originally correct and then basically when they transformed the data, there are two symbols in the coding. They were interpreted as a wild card by Excel, the Microsoft system, and that's what led to these 21 errors.
Q: And it just so happened that all of the errors I showed you and possibly cases that were all -- 21 or 31 -- I'm not sure exactly. Many of them were coded as 1,1, inappropriately. These are the codes that you can -- so this was an error that was identified. It had nothing to do with the original coding which was correct. So my confidence in my coder is in place.
A: And then given that we filed this, this was corrected. We re-ran the data, it was the corrected --
Q: This is way beyond the scope of my question, sir.
A: It was coincidental.
Q: Yes, if you want to --
CHIEF JUDGE SLEDGE: Mr. Meyer, is he answering your question. Don't interrupt him.
THE WITNESS: We recoded the data base on this and there was no difference.
BY MR. MEYER:
Q: So it now could be as many as 31 errors is that right?
each question individually and analyzed each question individually, right?

A    Well, as an aggregate, if you go back to the report, and you look at Figure 10 on page 27, this is designed as a figure that captures all the responses to all the open-ended questions which in 1, 2, 3 and 11, it looks at it as a net, so given the fact that each one of these respondents mentioned music at least in answer to one of these questions, Figure 10 is not affected at all by this because they will still be included as part of the net.

Q     My question is you also analyzed each of the questions individually, right?

A     Yes.

Q     Question 1A asked people directly and in an most open-ended way, I think you agreed, why did you subscribe to satellite radio, do you recall that?

A     Yes, I do.

Q     And so that question doesn't take program.

Okay.

CHIEF JUDGE SLEDGE: Any further cross, Mr. Sturm?

MR. STURM: No, Your Honor.

CHIEF JUDGE SLEDGE: Any questions on redirect, Mr. Handzo?

MR. HANDZO: No, Your Honor.

CHIEF JUDGE SLEDGE: Any questions from the bench?

JUDGE WISNIEWSKI: Dr. Wind, could you turn to Figure 7 of page 23 of your written direct testimony?

THE WITNESS: Yes.

JUDGE WISNIEWSKI: Right, I believe you were indicating that if you go back to Tab C for your main questionnaire that appears and looking at Question 9B that as I understand it, the choices that were offered to the respondent was one of these four choices and there was not a choice that indicated music as compared to a combination of sports talk and news -- is that the essential reason why they can't be aggregated?

THE WITNESS: Yes, because when I meant they cannot be aggregated, because from
1 the point of view of the respondent, what the
2 respondent responded to is the assignment here
3 that says how much will you be willing to pay
4 for satellite radio, if for example, no music
5 programming were available, assuming that all
6 other programming and non-programming feature
7 of the service remained the same.
8
9 So given that this was the
10 assignment, that's what they responded to, I
11 felt it will not be appropriate to aggregate
12 them.
13
14 JUDGE WISNIEWSKI: Well, if the
15 question had simply been a simple question,
16 would you cancel if there were no music
17 programming, no news programming, no sports
18 programming, and no talk and entertainment
19 programming? Would that change your answer?
20 THE WITNESS: Without specifying
21 about the rest of the programming?
22 JUDGE WISNIEWSKI: Yes.
23 THE WITNESS: Yes, that's a
24 separate question, I would assume.
25
26 JUDGE WISNIEWSKI: And if you look
27 at page 109, at the asterisk at the bottom, in
28 small print, I take it that is essentially the
29 question that was asked.
30 THE WITNESS: Yes. I assume so.
31 JUDGE WISNIEWSKI: And it says
32 "for all channels listened to if this channel
33 was taken off the air today would you most
34 likely be -- and one of the choices would be
35 I would cancel my subscription", but I take it
36 there was a list of a series of individual
37 channels that was available to the respondent
38 to look at before making this decision?
39 THE WITNESS: They did it for each
40 channel, at least the data is for each channel
41 separately.
42 JUDGE WISNIEWSKI: Under that set
43 of circumstances, would this be somewhat
44 similar to or would this be similar to what
45 you were doing back in Figure 7? Could you
46 take the answers to this and actually
47 aggregate the answers with respect to each
48 channel?
49 THE WITNESS: You can do it here.
50 I did not have the data by channel.
51 JUDGE WISNIEWSKI: Why could you
52 do it here, but you couldn't do it before?
53 THE WITNESS: Well, first of all
54 here, I was not aware of this study when I
55 designed my study.
56 And I haven't even thought about
57 doing the analysis cancellation at channel by
58 channel.
59 They did it here because they did
60 it channel by channel, as all these different
61 options and then they calculate the percent
62 basically, they could cancel each one of them.
63 JUDGE WISNIEWSKI: For each
64 channel.
65 THE WITNESS: For each channel
66 separately.
67 JUDGE WISNIEWSKI: My question is
68 could -- could that data then be aggregated?
THE WITNESS: Yes, and I've done it actually.

JUDGE WISNIEWSKI: Well, why could you do it here and not do it in the previous set of questions that you had used in your own survey? That's what I'm trying to understand.

THE WITNESS: I see a fundamental difference in the type of questions. Here, you are dealing basically, you are given a very specific channel. And give them a number of options concerning this, whether they will complain or some other things and then cancel.

JUDGE WISNIEWSKI: And cancel is one of those options. And what they report or in fact, the number of percentage of respondents who would cancel with respect to that particular channel.

THE WITNESS: Right, because they look to this from the micro level, looking at each channel separately, I felt that it would be reasonable to try to do what I did in the amended testimony which is basically calculate assigning weights again by usage, then the number of folks who listen to let's say there's something called The Jazz Channel and something called The Bluegrass Channel. The number of folks that listen to The Jazz Channel and The Bluegrass Channel are not mutually exclusive.

THE WITNESS: Correct.

JUDGE WISNIEWSKI: You can't make that assumption. So how can you assign the weights to one or the other, based on listenership and then aggregate these separate responses?

THE WITNESS: Well, if I'm looking at the question, is I take it for each one, let's say I have 100 channels or whatever, n channels. For each one of the channels, I know the percent of people who would cancel.

JUDGE WISNIEWSKI: Right.

THE WITNESS: I know the percent of people who use the two.

JUDGE WISNIEWSKI: Yes.

out of all of the channels that people had, weighing each channel by the usage of the channel to try to calculate the percentage of cancellation across all of these.

JUDGE WISNIEWSKI: That's what I'm having some difficulty with. Because if the weights are by usage, the usage of any particular channel may be, in fact, coincidental with the usage of another channel for that same respondent.

So how is it that this could be additive?

THE WITNESS: Well, I thought of it basically as a simple comparison that you can actually look at the latest usage you had for this and the weighting usage seemed to me to be reasonable.

JUDGE WISNIEWSKI: I'm not sure I see a problem there and why I can do it here and I cannot do it with my question 9 is because I think question 9 is structured differently.

JUDGE WISNIEWSKI: But if you're THE WITNESS: If I multiple the two and I'm getting then basically the weighted kind of consolation --

JUDGE WISNIEWSKI: That's my problem is that the weights themselves that you're choosing are not weights that come from some mutually exclusive area. There may be listeners that listen to both.

So aren't you over-weighting in one case as opposed to another?

And if you do over-weight, then how does that make the aggregation accurate?

THE WITNESS: Well, the comparison that I'm using here in the amended report I'm comparing it to the percent of people who said -- responded to question 9, that they will cancel as a percent of all the people who said they will cancel any one of the four programs. So I'm adjusting it basically, so the base is not 100, but all the people that indicated they would cancel.

So by comparing the two, this --
JUDGE WISNIEWSKI: This is your question. I'm talking about what you did with respect to this other data.

THE WITNESS: You're right, there's obviously to the extent that we have overlapped. We have probably kind of double counting here.

JUDGE WISNIEWSKI: Okay, and the reason I ask the question is because as you correctly point out, that serves as the basis, I believe, what you did there for the percentage that you report in Figure 10 of your amended testimony.

THE WITNESS: Correct. And this was the best that I could do there, because I did not have separate, independent data here.

JUDGE WISNIEWSKI: Very well, thank you.

JUDGE ROBERTS: Well, Dr. Wind, in addition to struggling with this cold this past weekend, I have continued to struggle with measuring the value of music and for music is or the value of sports programming or the value of talk programming to Sirius and XM, is its ability to attract and then hold subscribers.

And my question to you is in your view, what is the best metric to measure value? Is it the value to the companies providing the services, XM and Sirius? Is it listenership? Is it something else?

THE WITNESS: I think it is an excellent question, but you have actually three compounded questions underlying it. And the first one in terms of the cancellation data, I think you're absolutely right. We don't have a follow up. We don't have a real validation of these questions.

Either in their data nor in my study that will following as people, what you have actually done, assuming a channel has been canceled. That's the reason that the essence of my report is multiple measures and looking at convergence validity of them. So it's not instance, in looking at what Judge Wisniewski just mentioned here on page 109 of Exhibit 112, likelihood to cancel if channel gone, to me the results of asking that kind of question are extremely speculative.

Again, as a satellite subscriber, I know that if I was asked the question, if the NFL network was being taken off, would you cancel? I might be inclined to say yes, I would cancel. But I might not.

And there's just not a concrete way of knowing, of course, unless a channel like that is, in fact, removed.

And then I've been looking at the survey data here with respect to listenership and trying to make a determination as to whether listenership determines value. And then the other thing I've been looking at is the ability to attract subscribers. Is the programming sufficient to attract subscribers and isn't that the greatest value? In other words, the music -- what the value of the looking at any single measure, but what they're looking at the fact as we have in figure one, we develop these multiple measures, incidentally all of them are from the consumer point of view.

So the point of view that I take in determining value is the perception of the consumer, what's important for the consumer. And I say there is no single measure. There are multiple measures and this is the reporting on these multiple measures and there are different ways in which I'm getting them. So the question is attraction. I think the best way to address this was with the open-ended question on Question 2.

If we want to look at importance, we can look at a number of measures like the constant sum, the conjoint analysis. And incidentally, you raise again the point that you raised on Thursday, which was the relation between usage or listening and the other important variables.
And my response at the time was that the markets are heterogeneous, that there are different segments that will have different relationships and that I believe there will be a positive association between the two.

I did one over the weekend, the regressions, actually, usage against importance and found --

MR. MEYER: Your Honor, I hate to interrupt again. This is new analysis and he's not testified that he's done. We haven't seen it. It wasn't part of his direct report, and it may be something he can do in rebuttal, but at this point I would say it's premature.

CHIEF JUDGE SLEDGE: You have made your point.

JUDGE ROBERTS: I don't hear him offering any numbers. Please continue.

THE WITNESS: The point, what I suggested is there is a strong association between the usage and importance is very fine. So and to the extent that you want to, I'd be delighted to share with the question the results of these studies.

So I think that going back it's from a marketing point of view the study that I preferred has done has identified a number of dimensions that was summarized in figure 1 and present the results on a common base in terms of comparing the structure of music, compared to the best second programming feature.

And to me, there is the strength of the study, the convergence validity we have here, that all of these measures are consistent, all of them showing the three eminence of music compared to the others in dealing with attraction, in cancellation, in importance, in any one of the measures that we have here.

JUDGE ROBERTS: And all from the consumer point of view?

CHIEF JUDGE SLEDGE: We'll recess ten minutes.

(Off the record.)

CHIEF JUDGE SLEDGE: We will come back to order. You are going to be our next presenter?

MR. DeSANCTIS: I am, Your Honor.

CHIEF JUDGE SLEDGE: All right, Mr. DeSanctis.

MR. DeSANCTIS: I would like to call Mark Eisenberg.

Whereupon,

MARK EISENBERG was called as a witness by counsel for SoundExchange and, having been first duly sworn, was examined and testified as follows:

CHIEF JUDGE SLEDGE: Please be seated.

MR. DeSANCTIS: Good morning.

DIRECT EXAMINATION
Before the 
UNITED STATES COPYRIGHT ROYALTY JUDGES 
Washington, D.C.

In the Matter of: 

Digital Performance Right in Sound 
Recordings and Ephemeral Recordings 

Docket No. 2009-1 
CRB Webcasting III

TESTIMONY OF 

GEORGE S. FORD 

President, Applied Economic Studies 

Witness for SoundExchange, Inc. 

SX Trial Ex. 4
Before the
UNITED STATES COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of:
Digital Performance Right in Sound
Recordings and Ephemeral Recordings

Docket No. 2009-1
CRB Webcasting III

TESTIMONY OF

GEORGE S. FORD

President, Applied Economic Studies

September 2009
I. **My Experience and Qualifications**

My name is George S. Ford. I am the President of Applied Economic Studies, a private consulting firm specializing in economic and econometric analysis, located in Birmingham, Alabama. I am also the Chief Economist of the Phoenix Center for Advanced Legal & Economic Policy Studies, a Washington, D.C. based 501(c)(3) research organization that specializes in the legal and economic analysis of public policy issues involving the communications and technology industries. In addition, I am an Adjunct Professor at Samford University, a private university located in Birmingham, Alabama, where I teach economics in the graduate program of the business school. I serve as a member of the Alabama Broadband Taskforce upon appointment by Alabama Governor Bob Riley.

I received a Ph.D. in Economics from Auburn University in 1994. Since then, I have worked as a professional economist in both government and industry. In 1994, I became an economist in the Competition Division of the Federal Communications Commission, an organization located in the General Counsel’s Office that provided competition analysis support to the many bureaus of that organization. My primary interests were multichannel video services and broadcasting policies, though my work ranged from international policy to radio interference standards to statistical analysis. After my government tenure, I became an economist at MCI Communications, where my work focused on telecommunications policy. In April 2000, I became the Chief Economist of Z-Tel Communications in Tampa, Florida, a small competitive telephone company where I performed both regulatory and business analysis. I have been in my present employment since the Summer of 2004.
My areas of specialty in economics include Industrial Economics, Regulation, and Public Policy, with an emphasis on the communications industries, including broadcast radio and television. I have written many papers on telecommunications and media policy, and much of this work has been published in economic and law journals including the *Journal of Law & Economics*, *Empirical Economics*, the *Journal of Business*, the *Journal of Regulatory Economics*, the *Antitrust Bulletin*, *Energy Economics*, the *Yale Journal on Regulation*, the *Federal Communications Law Journal*, and many others. I have testified before numerous public service commissions, state legislative bodies, and committees of the U.S. Congress on communications policy and rate setting. In June of this year, I filed testimony before the Copyright Royalty Judges in the Matter of Distribution of the 2004 and 2005 Cable Royalty Funds, Docket No. 2007-3 CRB CD 2004-2005. A copy of my curriculum vitae is attached as Appendix A.

II. **Summary of My Testimony**

The purpose of this proceeding is to establish the rates and terms for certain digital public performances of sound recordings under Section 114 of the Copyright Act and for the making of ephemeral copies in furtherance of such performances under Section 112(e) of the Copyright Act. I was engaged by SoundExchange, Inc. to provide an economic framework useful for establishing a rate for ephemeral copies under the statutory license provided in Section 112(e) of the Copyright Act and to canvas available sources for information relevant to that task.

In the course of my work, I have been given free reign by SoundExchange to examine any sources that I believed might be relevant in setting a rate for ephemeral copies. I have reviewed the relevant statutory provisions and the various decisions of the CRB and its predecessor, the CARP, as well as the Register of Copyrights, interpreting
those provisions. I have familiarized myself with the terms of marketplace agreements for non-statutory forms of music streaming licensing. I have familiarized myself with the technological issues arising from ephemeral copies. I have conferred with SoundExchange’s other expert, Dr. Michael D. Pelcovits, Ph.D. I have also carried out a free-ranging search of online materials in an effort to determine whether there is any information that would help establish the proper royalty rate for ephemeral copies in the webcasting context.

As I will explain below in further detail, I have concluded that sound principles of economic theory as well as observed marketplace benchmarks firmly establish that ephemeral copies have economic value. I have also concluded on the basis of marketplace benchmarks that the economic value of ephemeral copies is properly measured as a fixed percentage of the overall value of the rights acquired by webcasters under Sections 112 and 114. However, there exists very little in the way of traditional marketplace benchmarks to facilitate the proper computation of that percentage. This is because the hypothetical “marketplace” envisioned by Sections 112 and 114 is made up of actors with very different economic interests from the marketplace that exists outside of the statutory framework. In the unregulated marketplace, where copyright owners and services that publicly perform sound recordings freely negotiate to determine rates, the “willing buyers” and “willing sellers” are less concerned about the allocation of those royalty rates between payments for ephemeral copies and payments for public performances. However, when copyright owners and the service providers must abide by rates determined under Sections 112 and 114, the explicit allocation of payments between those two components becomes much more relevant, because the ephemeral copy payments under Section 112(e) are made
directly to copyright owners (or record companies in this case), while the performance payments under Section 114 are shared equally between copyright owners and artists. This particular division of payments is solely an artifact of the statute and does not bind or constrain market transactions.

While this division of royalties among upstream providers makes little difference to the “willing buyer” in this hypothetical marketplace — that is, the webcasters — it makes a significant difference to the “willing seller” or “sellers”, i.e., the record companies that own the rights to the sound recordings and the artists who get a share of the royalties. Record companies and artists care about what portion of royalty payments are allocated to ephemerals because the higher the portion allocated to ephemerals, the lower the portion paid directly to artists per the terms of the Section 114 license. Record companies and artists therefore have every incentive to negotiate over the proper percentage of royalty payments that are allocated to ephemeral copies. This negotiation is precisely what one would expect to happen in a hypothetical free market in which both artists and record companies are forced by statute to share 50-50 in performance royalty payments.

Such a negotiation is the basis of the rate proposal advanced by SoundExchange. SoundExchange, a collective made up of both record companies and artists, has proposed a rate that represents the result of negotiations between the artists and the record companies that make up its board. As long as the ephemeral rate is defined as a percentage subset of the total royalty payment, the willing buyer — the webcaster — is indifferent to the ephemeral copy rate. As such, marketplace negotiations between the “willing buyer” — the webcaster — and the “willing seller” — the copyright owner — while potentially informative, may or may not establish a specific ephemeral copy rate. From a ratemaking
standpoint, it does not matter. The SoundExchange proposal is what the willing seller in such a marketplace would propose. Because the willing buyer is indifferent, the rate proposed by SoundExchange is legitimately viewed as the proper marketplace rate for ephemeral copies. The proposal resolves the problem of a non-market allocation of royalties, and is the best evidence available of the market rate of, and rate mechanism for, ephemeral copies under Section 112.
IV. **My Conclusions**

Section 112(e), which governs the compulsory license for ephemeral copies, provides in relevant part that:

The Copyright Royalty Judges shall establish rates that most clearly represent the fees that would have been negotiated in the marketplace between a willing buyer and a willing seller....

Despite minor differences in the language between Section 112(e)(4) (governing ephemeral licenses) and Section 114(f)(2) (governing statutory licenses for nonsubscription services and new subscription services), the economic criteria for setting rates and terms under those licenses are, in the words of the CARP, “essentially identical.”

In measuring the value of the Section 112(e) statutory license, just as in measuring the value of the Section 114(f)(2) license, a key consideration in setting a proper rate is the identification of proper marketplace benchmarks. As the CARP has observed: “[T]he quest to derive rates which would have been observed in the hypothetical willing buyer/willing seller marketplace is best based on a review of actual marketplace agreements, if they involve comparable rights and comparable circumstances.”

As I will explain below, in reviewing the most closely analogous marketplace agreements, I come to three conclusions about the proper royalty rate for ephemeral copies under Section 112(e). First, marketplace benchmarks as well as basic economic theory demonstrate that ephemeral copies have economic value to services that publicly perform sound recordings because these services cannot as a practical matter properly function without those copies. Second, marketplace benchmarks show that the royalty rate for

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16 17 U.S.C. § 112(e)(4)
17 Webcaster I CARP Opinion at 25; see also Webcaster II at 24100-01.
18 Webcaster I CARP Opinion at 43; see also Webcaster II at 24092 (“we adopt a benchmark approach to determining ... rates”).
ephemeral copies, if directly established, is almost always expressed as a percentage of the overall royalty rate for combined activities under Sections 112 and 114. Third, because the only actors in the hypothetical three-party market established by the statute — webcasters, record companies, and artists — that have any economic interest in the measure of that allocation are the artists and the copyright owners, the agreement reached between them as to that allocation is the best measure of how a willing buyer and a willing seller would allocate royalty payments between performance royalties and ephemeral copies, and would value the ephemeral license in the course of a marketplace negotiation for public performances.

A. **The Ephemeral License Has Economic Value.**

As an initial proposition, it is beyond serious question that ephemeral copies of sound recordings have economic value. This is because, as Congress recognized in enacting Section 112(e), webcasters simply could not exist without the ability to make ephemeral copies. In fact, because webcasters must have both the ephemeral copy right as well as the performance right in order to operate their services, as a matter of economic theory one could say that the Section 114 right has zero economic value without the Section 112 right, and the Section 112 right has zero economic value without the Section 114 right. One cannot remove the Section 112(e) right from the full complement of rights required by webcasters any more than one can remove oxygen molecules from water and still have water.

This theoretical proposition is confirmed by a number of marketplace benchmarks. First, in the marketplace deals between record companies and webcasters for non-statutory forms of licenses, it is typical for ephemeral copy rights to be expressly included among the grant of rights provided to the webcaster. Most of these agreements do not set a
distinct rate for those ephemeral copies, incorporating them instead into the overall rate that the webcaster pays for the combined ephemeral copy rights and performance rights. Nonetheless, economic theory teaches that rational companies do not give away something for nothing. Because these ephemeral copy rights are essential for webcasters to operate their services, it follows that the value of ephemeral copy rights has been included in the overall rate that webcasters pay under these agreements.

Second, I am aware of several agreements over the years between record companies and services that publicly perform sound recordings that do establish specific rate mechanisms for ephemeral copies. For example, I have reviewed a current agreement between a major record label and a webcaster that covers ad-supported internet radio service, subscription radio service, and on-demand streaming and recites the parties’ agreement that 10% of the royalty payments made under the agreement shall be designated as payment for ephemeral copies. Other agreements have contained similar language. For example, in Webcaster II and SDARS the CRJs were presented with evidence of agreements negotiated by Sony BMG and by Warner Music Group which provided that 10% of the overall fees for streaming are attributable to the making of ephemeral copies.  

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19 See Webcaster II at 24101. The actual rates established in such marketplace agreements, while potentially informative, are not necessarily the best proxy for the ephemeral rate in the instant proceeding. These agreements are made without statutory constraints on how ephemeral and performance royalties are allocated between copyright owners and artists. Had these agreements been bound by such statutory conditions, then the outcomes may very well have been different. But these agreements are relevant in two important ways: First, they demonstrate that willing buyers and willing sellers do trade in ephemeral rights, which would be economically irrational if they had no value. Second, as discussed more fully in the next section below, they demonstrate that the payments for ephemeral rights, even absent regulatory constraint, employ a percent-of-total mechanism where ephemeral royalties are expressed as a percentage of payments metered on performances.
Third, I am also aware that, more recently, SoundExchange negotiated a number of voluntary agreements (with broadcasters, certain commercial webcasters and certain noncommercial educational webcasters) for the very same Section 112 and 114 rights at issue in this proceeding. In these agreements, the willing participants in the market agreed to structure the ephemeral reproduction rate as an allocation of the correlative performance royalty.20

B. **It Is Appropriate to Express the Value of Ephemeral Copies as a Fixed Percentage of the Performance Royalty.**

Setting the ephemeral rate as a share of the total performance royalty fee does no injustice to economic theory. In fact, marketplace benchmarks consistently confirm that a percent rate is the appropriate measure. The marketplace has spoken with near unanimity in structuring the Section 112(e) ephemeral reproduction license as a percentage of the Section 114 performance royalty where such performance royalty is established. As discussed above, I have seen numerous voluntary agreements between willing buyers and willing sellers in which the rate for the ephemeral reproduction license was expressed as a percent of the performance royalty. Similarly, as mentioned above, SoundExchange negotiated a number of voluntary agreements (with broadcasters, certain commercial webcasters and certain noncommercial educational webcasters) for the very same Section 112 and 114 rights at issue in this proceeding. There, again, the willing participants in the

market agreed to structure the ephemeral reproduction rate as an allocation of the correlative performance royalty.\textsuperscript{21}

Thus, it appears that, where a rate for ephemeral copies is set in the marketplace, it is set as a percentage of overall royalties. As a structural matter, the available evidence suggests that setting the ephemeral rate as a percent of an overall payment is consistent with marketplace negotiation.

C. The Best Market Benchmark is the Agreement Between Artists and Record Companies.

Having established that the Section 112(e) ephemeral reproduction right clearly has value and is best expressed as a percentage of the Section 114 performance royalty where such royalty is set, the final step in the analysis is to determine how to set an actual percentage as required by the Register. As noted above, most agreements that set a rate for ephemeral copies specify that rate as a percentage of total royalty payments. Given the nature of the rights at issue, that is not a surprising outcome. Where performance royalties for streaming activities are negotiated in a free market setting, that is, outside of the Section 114 context, the copyright owner (in this case the record companies) and the service provider should have less at stake with respect to the allocation of payments between ephemeral copies and performances.

By contrast, in the Section 114 context, Congress radically altered this market dynamic when it comes to statutory licenses. There is a very significant difference between payments under the Section 112(e) compulsory license and the Section 114 compulsory license: payments under Section 114 are by law split between copyright

\textsuperscript{21} Although these agreements do not set the specific allocation, but leave that open to future determination, the point here is that the willing buyers and willing sellers agreed to structure the ephemeral rate as an allocation of the performance rate.
owners and artists, while payments under Section 112(e) go directly to copyright owners. The implication of this phenomenon is immediate. The sharing of income between record companies and artists for performances is set by law. Thus, if it is to have any relevance for the Judges, the willing buyer / willing seller market analysis suggested by Section 112(e) for ephemeral rates must reflect this statutory alteration to the market dynamics whereby the artists and the record companies jointly have a real interest in negotiating the Section 112(e) rate while the webcasters (as the willing buyers) do not.

By the very nature of the statute, the agreements reached under the constraints relevant in this proceeding will not be the same as in the unregulated market. Evidence suggests that the terms between the “willing buyer” in this hypothetical market — the webcaster — and the “willing seller” — the record companies — will either embody the ephemeral copy rate in the performance rate or express the ephemeral rate as a percent of the total overall performance royalty. If so, the buyer is indifferent to the allocation of payments between ephemeral copies and performance royalties. But the “willing seller” — the record companies — will not be so indifferent under the statutory division of royalties that cannot be assumed away. Under plausible conditions, only the record companies and artists are parties to the establishment of the ephemeral rate, and these parties have arrived at a royalty rate for ephemeral copies that reflects a more market based allocation of payments between ephemerals and performance royalties.

Because the willing buyer is disinterested with respect to that allocation, the agreement between the record companies and the artists thereby becomes the best indication of the proper allocation of royalties.
My understanding is that the recording artists and the record companies have
reached an agreement that five percent (5%) of the payments for activities under Section
112(e) and 114 should be allocated to Section 112(e) activities. In light of the principles I
have articulated above, that appears to be a reasonable proposal, and credibly represents
the result that would in fact obtain in a hypothetical marketplace negotiation between a
willing buyer and the interested willing sellers under the relevant constraints.
I declare under penalty of perjury that the foregoing testimony is true and correct.

Date: 9/29/09

George S. Ford
Appendix A
George S. Ford, Ph.D.

EDUCATION:

Ph.D., Economics, Auburn University, 1994.

B.S., Economics (magna cum laude), Auburn University, 1990.

EXPERIENCE:

2000 - Present
PHOENIX CENTER FOR ADVANCED LEGAL AND ECONOMIC PUBLIC POLICY STUDIES
Washington, DC
Chief Economist

2006 - Present
SAMFORD UNIVERSITY, Birmingham, Alabama
Adjunct Professor

2004 – Present
APPLIED ECONOMIC STUDIES, Birmingham, Alabama
President

2000 – 2004
Z-TEL COMMUNICATIONS
Tampa, FL
Chief Economist, Strategic Policy and Planning

1996 - 2000
MCI WORLDCOM CORPORATION
Washington, D.C.
Senior Economist, Office of Policy and Strategic Planning

1994 - 1996
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.
Economist, Office of the General Counsel & Cable Bureau,
Competition Division
PUBLISHED RESEARCH:


CURRENT RESEARCH PROJECTS FOR PUBLICATION (Partial List):

“An Economic Analysis of Late Fees,” with T. R. Beard.

“An Investigation into the Influence of Retail Gas Prices on Oil Company Profits.”

“An Analysis of RESET for Conditional Mean Models,” with J. Jackson.
“Selecting Members for Panel Unit Root Tests,” with J. Jackson.


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Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma, Federal Communications Commission, CC Docket No. 00-217 (2000/2001).

Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Arkansas and Missouri, Federal Communications Commission, CC Docket No. 01-194 (2001).
Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc., And BellSouth Long Distance, Inc for Provision of In-Region, InterLATA Services In Georgia and Louisiana, Federal Communications Commission, CC Docket No. 02-35 (2002).


BOOK REVIEWS, EDITORIALS, REPORTS, and POLICY PAPERS:

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“The Broadband Adoption Index: Improving Measurements and Comparisons of Broadband Deployment and Adoption,” PHOENIX CENTER POLICY PAPER No. 36 (July 2009).

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BEFORE THE UNITED STATES COPYRIGHT ROYALTY JUDGES

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IN THE MATTER OF:          :

DIGITAL PERFORMANCE RIGHT IN : Docket No. 2009-1
SOUND RECORDINGS and EPHEMERAL: CRB Webcasting III
RECORDINGS                   : Volume II
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Washington, D.C.

Tuesday, April 20, 2010

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<td>Copyright Royalty Tribunal:</td>
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<td>Foster City, California 94404</td>
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<td>DAVID A. HANDZO, ESQUIRE</td>
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<td>MICHAEL B. DeSANCTIS, ESQUIRE</td>
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<td>ANGUS MacDonald, ESQUIRE</td>
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CHIEF JUDGE SLEDGE: Thank you. We'll come to order.

WHEREUPON,

MICHAEL D. PELCOVITS,
called as a witness, and after having been previously sworn by the chief judge, was examined and testified as follows:

CROSS-EXAMINATION (RESUMED)

BY MR. OXENFORD:

Q Good morning, Mr. Pelcovits.
A Good morning, Mr. Oxenford.

Q If we could resume with a few housekeeping matters, I would ask you to refer to what was marked yesterday as Live365 Exhibit Number 5, the testimony of Michael Pelcovits dated October of 2005. Do you recognize that document?
A I do.

BY MR. OXENFORD:

Q And was that, in fact, your testimony in the Web II proceeding, your direct testimony in the Web II proceeding?
A Yes.

MR. OXENFORD: Your Honor, we would ask that this be accepted into evidence.

CHIEF JUDGE SLEDGE: Any objection?

MR. HANDZO: No objection, Your Honor.

CHIEF JUDGE SLEDGE: What is the exhibit here you're referring to?

MR. OXENFORD: It was his direct testimony from the Web II proceeding. We had some testimony on that yesterday.

MR. OXENFORD: It was his direct testimony from the Web II proceeding. We had some testimony on that yesterday.
1 those actions?
2 A Well, I'm not sure I understand the question,
3 but if it is part of the role and the mission of the
4 organization that is consistent with enforcing the
5 payments and the royalties that performers and
6 copyright owners are entitled to, and it is a
7 necessary cost of doing business for the organization,
8 it is something that the organization has to do. It
9 would seem to me that any organization always tries to
10 improve its efficiency if you're talking about the
11 question of efficiency.
12 Q Let me see if I can get at it another way.
13 Does SoundExchange prioritize its administration
14 efforts with a view towards maximizing revenue or
15 maximizing the disbursements to the artists and
16 labels?
17 A I think SoundExchange is -- certainly its
18 mission is to try and collect and ensure that the
19 collections and the distributions to performers are as
20 strong as possible.
21 Q How about -- strength, in terms of your
22 answer, would mean a comparison of the amounts spent
23 in the efforts against the amounts yielded?
24 A I'm not sure I could answer that question.
25 Q What sort of direction does the board give to
26 the administrators in SoundExchange as to how they
27 should focus their efforts, how they should budget for
28 various efforts?
29 A As I understand, and it's not dissimilar from
30 my experience in AFTRA which, as a nonprofit, is that
31 the board of directors looks at the anticipated work
32 that needs to be done, reviews that and makes
33 appropriate approvals and judgments in consultation
34 with the SoundExchange staff.
35 Q And what are these judgments based on? What
36 factors?
37 A It will be based upon all of the information
38 that's before a board member at the time.
39 Q To what extent is this an efficiency test in
40 terms of the return for the expenditure on a
41 particular function?
42 A I'm not -- I'm not sure I can answer that
43 question.
44 Q Who would be able to answer that question?

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A: We do economic and consulting, quantitative statistical analysis for various clients related to a wide range of issues.

Q: And what do you do for them?

A: I'm the president of the organization and its primary consultant.

Q: You mentioned the Phoenix Center. What's your position with the Phoenix Center?

A: I'm the chief economist of the Phoenix Center.

Q: What is it that the Phoenix Center does?

A: The Phoenix Center is a non-profit research organization. We do research projects primarily in the communications industries, radio, television, telephone, Internet, as well as some intellectual property, energy issues as well.

Q: Can you just briefly tell the court your employment history before AES and the Phoenix Center.

A: When I left Auburn University with my Ph.D., I went to the Federal Communications Commission, worked in its competition division, in the cable services bureau, and then in the office of general counsel. I left the FCC and went to the federal policy shop of MCI Communications here in Washington, D.C., I spent five or six years there, and then went to Z-Tel Communications in Tampa, Florida, which was a small telecommunications start-up that -- after the 1996 Telecommunications Act. I worked there for four years, and then took on my current positions.

Q: Do you hold any teaching positions?

A: I teach as an adjunct professor at Samford University where I teach economics to MBA students.

Q: Have you written any peer-reviewed or published any peer-reviewed papers?

A: I've published over 50 papers. I've published over 30 papers in peer-reviewed journals.

Q: What kinds of subjects do those papers address?

A: Most of them, again, are in the communications industries, radio, Internet, telephone. I've also done some energy papers. I've done some papers on statistical methodology, the funeral business, various other topics, but mostly communications.

Q: Have you previously testified before this court?

A: I have in the '04-'05 cable royalty distribution proceeding.

Q: And were you accepted by this court as an expert?

A: I was.

Q: In what subject?

A: Industrial economics and maybe regulation, public policy -- but I know industrial economics for sure.

Q: What do you mean by industrial economics?

A: It's the application of microeconomics to industry and firms. It's also referred to as industrial organization.

Q: And within the area of industrial economics, do you have a particular area of concentration?

A: Yes. Much of my appearances before public service commissions were rate-setting proceedings implementing total element long-run incremental cost rates for the elements of the telecommunications network that were required to be sold by the 1996 Act. MR. HANDZO: Your Honor, it would offer Dr. Ford as an expert in industrial economics.

CHIEF JUDGE SLEDGE: Any objection to the proffer?

MR. MACDONALD: No objection, Your Honor.

MR. MALONE: No objection, Your Honor.

CHIEF JUDGE SLEDGE: Without objection, the proffer is accepted.

MR. HANDZO: Thank you.

BY MR. HANDZO:

Q: Dr. Ford, I'm going to show you what we've marked as SoundExchange Exhibit Number 4.

MR. HANDZO: May I approach, Your Honor?
| 1 | BY MR. HANDZO: | 407 | 1 | MR. HANDZO: Your Honor, I can ask the |
| 2 | Q Can you tell us what that is, Dr. Ford? | 2 | 2 | question of Dr. Ford, but I think the answer is -- |
| 3 | A This looks like the testimony I filed in this | 3 | 3 | CHIEF JUDGE SLEDGE: No, sir, it's not a |
| 4 | case. | 4 | 4 | question to him. It's a question to you. |
| 5 | Q And did you prepare this testimony? | 5 | 5 | MR. HANDZO: That's fine. I think the answer |
| 6 | A I did. | 6 | 6 | is that, in his economic opinion, the legal and |
| 7 | Q Is there anything in that testimony, as you | 7 | 7 | regulatory environment in which this particular rate |
| 8 | sit here today, that is inaccurate and that you would | 8 | 8 | is being set is really very much affected by the legal |
| 9 | want to correct? | 9 | 9 | structure and the legal rights, and he really can't |
| 10 | A No. | 10 | 10 | opine on what the rate would be in this market given |
| 11 | MR. HANDZO: Your Honor, I would offer | 11 | 11 | the particular impact of section 114 and the fact that |
| 12 | SoundExchange Exhibit 4 into evidence. | 12 | 12 | it splits the royalties between artists and the record |
| 13 | CHIEF JUDGE SLEDGE: I don't believe you've | 13 | 13 | companies. |
| 14 | authenticated it. | 14 | 14 | He can't not consider that in his analysis. |
| 15 | BY MR. HANDZO: | 15 | 15 | In fact, I suspect what he would say is his analysis |
| 16 | Q Dr. Ford, is this the testimony that you | 16 | 16 | would be just totally wrong if he ignored that |
| 17 | filed in this case? | 17 | 17 | regulatory environment in which he is setting the rate |
| 18 | A Yes, this the testimony of George S. Ford, | 18 | 18 | here. And so he has to recite his understanding of |
| 19 | president of Applied Economics -- | 19 | 19 | it. |
| 20 | Q And let me ask you to turn to page 16. Is | 20 | 20 | CHIEF JUDGE SLEDGE: But isn't that what he's |
| 21 | that your signature? | 21 | 21 | put in the first page of "my conclusions" in |
| 22 | A It is indeed. | 22 | 22 | section IV? |

| 1 | Q And does this report represent your own work? | 1 | MR. HANDZO: I think that his conclusions are |
| 2 | A Yes. | 2 | 2 | the economic analysis, but what he is telling you in |
| 3 | Q And your opinions? | 3 | 3 | this section III is how he understood the regulatory |
| 4 | A Yes. | 4 | 4 | environment and how that factored into his economic |
| 5 | MR. HANDZO: With that foundation, Your | 5 | 5 | analysis. Now, obviously, if the court believes that |
| 6 | Honor, I would offer -- | 6 | 6 | his legal analysis is wrong, you know, that would |
| 7 | CHIEF JUDGE SLEDGE: Any objection to | 7 | 7 | impact your consideration of his economic analysis. |
| 8 | Exhibit 4? | 8 | 8 | But I think in order for him to give his |
| 9 | MR. MacDONALD: No objection, Your Honor. | 9 | 9 | economic analysis, he has to tell you what he's basing |
| 10 | MR. MALONE: No objection. | 10 | 10 | it on and, in part, he's basing it on his |
| 11 | CHIEF JUDGE SLEDGE: All right. We'll recess | 11 | 11 | understanding of what the regulatory environment is, |
| 12 | just a minute or two. | 12 | 12 | which he what he has done in other matters in the |
| 13 | (Whereupon, a short recess was taken.) | 13 | 13 | communication sphere, for example. |
| 14 | CHIEF JUDGE SLEDGE: We'll come to order. | 14 | 14 | CHIEF JUDGE SLEDGE: I think your last |
| 15 | Mr. Handzo, this is a good example of why | 15 | 15 | comment hit the nail on the head. He's not able -- |
| 16 | it's dangerous for judges to anticipate or expect what | 16 | 16 | he's not permitted to give an understanding of what |
| 17 | parties in a proceeding will do. There's been no | 17 | 17 | the standard -- legal standards are. The exhibit is |
| 18 | objection to section III of the testimony. It would | 18 | 18 | admitted, striking section III. |
| 19 | appear from section III that all of it is testimony | 19 | 19 | (SoundExchange Trial Exhibit Number 4, as |
| 20 | that would only be appropriate from a legal expert. | 20 | 20 | amended, was received into evidence.) |
| 21 | How is section III appropriate for an expert in | 21 | 21 | BY MR. HANDZO: |
| 22 | industrial economics and communications? | 22 | 22 | Q Dr. Ford, do you recall when you were |
1 retained by SoundExchange in the case?
2 A I believe it was in August of '09.
3 Q What were you asked to do?
4 A I was asked to provide an economic analysis
5 of rate setting for the ephemeral right for digital
6 transmissions.
7 Q And did you take steps to familiarize
8 yourself with that market?
9 A I did, indeed. I read the statute, of
10 course, prior decisions, prior testimony that I could
11 find. I read -- I looked through legal research,
12 economic research on these issues and related issues.
13 I was given access to some agreements by counsel
14 related to this issue. I spoke with Dr. Pelcovits who
15 was the SoundExchange expert in this case.
16 Q And based on your research, did you come to
17 any conclusions about whether the section 112
18 ephemeral rights have value in the hypothetical market
19 that we're setting a rate for here?
20 A Certainly they would. They're an essential
21 component of the service that's being provided.
22 Without the ephemeral -- without the rights of copy,
outside of this market.

THE WITNESS: Repeat the question.

BY MR. HANDZO:

Q    Sure. Sorry. Have you seen any agreements outside of the statutory webcasting market where the ephemeral right has actually been sold separate from the 114 right?

A    One agreement.

Q    And do you recall what that was?

A    The business services agreement, music played in stores and things, where the performance right was not part of the package.

Q    Now, based on what you've seen from these agreements, Dr. Ford, do you have an opinion as to whether a willing buyer and a willing seller in our market -- that is, statutory webcasting -- would sell the ephemeral rights separately or bundled with the 114?

A    Bundled together.

Q    Now, you mentioned earlier that you had actually seen one agreement, not in this market, that concerned with the total rate that he has to pay. How it gets divided amongst the seller or sellers is not material to his decisions. That leaves the seller as the interested party.

THE WITNESS: The buyer isn't interested because the -- if you set it as a percent of the total, then, if you alter the percent, it doesn't affect the check the buyer has to write.

JUDGE ROBERTS: Before you go any further, Dr. Ford, do you know why the buyer is not interested?

THE WITNESS: The buyer isn't interested because the -- if you set it as a percent of the total, then, if you alter the percent, it doesn't affect the check the buyer has to write.

JUDGE ROBERTS: That's if you do it that way.

THE WITNESS: Yes.

JUDGE ROBERTS: But is the buyer ever interested in the value of the 112 license?

THE WITNESS: Yes. If the -- if the right, the ephemeral right or let's just -- if copies occur in variable proportions to performances, then they would care. If it doesn't, then they wouldn't. If we thought that every performance required two ephemeral copies -- you get one for free, so that means you have one that you have to pay for. If you said it was actually specified what the allocation was, 10 percent, then -- let's say -- to make the math easy, let's say it's 10 cents a copy, 10 cents a performance. Then that's one penny per ephemeral copy because you get one per performance. If it's variable, then it would begin to matter.

But I think that it may be so complicated -- given this is market transactions, it may be so complicated to monitor all that, or the technology may be so close to fixed or may be fixed proportions, that you wouldn't end up contracting for the rate. It wouldn't be worth the effort to do so.

JUDGE ROBERTS: Are you aware of how many webcasters actually need the 112 license?

THE WITNESS: I suspect almost all do, from what I seen of the technology.

JUDGE ROBERTS: Why do you think that?

THE WITNESS: Because they're copying the music. If they use multiple servers, they're going to need multiple copies. There's also a debate as to what constitutes an ephemeral copy, and I couldn't find a good solution to that problem.

In the process of webcasting, the thing --
1 you know, it's broken apart and hits various parts of
2 the network and it, in essence, is being stored
3 electronically to some extent along the way. When it
4 hits the end user's computer, it's stored, it's sorted
5 and then played. Is that an ephemeral copy?
6 So there's a debate, I think, about what
7 constitutes an ephemeral copy, which, if we don't know
8 exactly what it is, then it's very difficult to meter
9 on that. I mean, it's impossible to meter on that.
10 It's somewhat like the SDARS decision where
11 we used -- where you decided to use a percentage of --
12 of revenues instead of a performance rate, as in this
13 case, was because, well, we can't measure quantity
14 right. And if you can't measure quantity right, then
15 you have to come up with some other means to do so.
16 JUDGE ROBERTS: Well, if we can't determine
17 what it is, then how can we ever attach a value to it?
18 THE WITNESS: Well, I think that was the
19 point of the testimony. If the two occur together --
20 like four tires on a car. Okay? I mean, if the
21 dealer said 90 percent of your car purchase is the
22 tires, you'd say, I don't care, I'm just going to

1 don't want to bother counting them, we don't really
2 mind, so, okay, it's fine.
3 In this case, though, we've got this
4 constraint of the 50/50 split which creates the
5 motivation for the seller to try to resolve the
6 problem.
7 So while in a market agreement you might not
8 see a percentage, or you might see a percentage, I
9 don't think that -- you know, it's not really saying
10 much about this. I mean, it does say that the thing
11 is occurring in a roughly fixed proportion -- we
12 believe it to be, today, to be roughly fixed
13 proportions, and if that's true, why bother setting a
14 separate rate for it because, in the end, it's just
15 going to be a percentage anyway?
16 So I think that's the difference. But here
17 we've got this 50/50 problem that has to be resolved
18 because that doesn't exist in the market.
19 JUDGE ROBERTS: You brought up the car
20 industry, and that made me think of an analogy here.
21 When I buy a car in this area, cars don't rust, and if
22 I go to the dealer and I buy a car, and he says, you

write a check for the car; whatever you want to do is
fine with me, then certainly the tire has value in the
same sense that the ephemeral right has value. If you
can't make a copy, or can't make multiple copies in
the webcasting context, you may not be able to provide
your service.
7 So it's there. It does have value because
8 it's necessary to provide the service. So it has it.
9 So the question is, how do you deal with assigning a
10 value to something when it is so tightly integrated or
11 occurring alongside the other service that you're
12 providing?
13 In economics, the buyer just wouldn't care.
14 If it comes together like that -- and it's always this
15 number for that number, fixed proportions -- if it
16 comes together, the buyer just really doesn't care.
17 Okay? And it's very difficult to separate out the
18 values for the two.
19 But in this case -- which is why I think in
20 the contracts you don't see them doing a lot of that.
21 He says, okay, you get them both, because it's not
22 worth splitting it up because they come together, you

1 know what, I'm going to throw in rust-proofing on
2 this -- and I say, I don't care, because it doesn't do
3 me any good, the car is not going to rust in this
4 area. But he insists, no, you're going to get the
5 rust-proofing. Is there any value to that
6 rust-proofing? I don't want it. I'm not particularly
7 interested in it. But he's throwing it into the deal.
8 THE WITNESS: I think it's relevant in two
9 ways. First, you could drive off without it and the
10 car would work perfectly well, unlike webcasting where
11 that probably is not true. You know, if he says, I'm
12 going to take out the motor, you go, well, wait a
13 minute, you know, that's not --
14 JUDGE ROBERTS: That would be different.
15 THE WITNESS: That's different because it's
16 required to provide the service. And ephemeral copies
17 are required to provide the service.
18 The second case is that there is -- the
19 seller is offering you something, okay, that is
20 important to him, and you say you don't care. So
21 there are contracts -- and you've probably seen many
22 of them, many more than I have -- where there are
1 parts of the contract that one side may care about and
2 the other side doesn't. Okay? In this case, we sort
3 of have that, where the seller does care --
4 JUDGE ROBERTS: I'm still troubled by the
5 fact that the buyer doesn't care. Because if the
6 buyer can't run a webcasting operation without the 112
7 license, then you have every reason to care, just as,
8 in the car example, if the dealer is not going to give
9 me the engine, I have every reason to care about
10 getting that engine. But yet, your testimony says,
11 well -- and you recognize that the buyer doesn't care.
12 Why doesn't the buyer care?
13 THE WITNESS: Okay. I understand your
14 question. The buyer doesn't care because of the
15 pricing mechanism. He certainly cares about getting
16 ephemeral copies, because he can't exist without them.
17 But by assigning it as a percentage -- if it's a penny
18 a song -- to keep the math simple, if I say it's a
19 penny a song, 10 percent ephemeral. The guy says,
20 it's a penny a song, that's all I care about, here's a
21 penny.
22 JUDGE ROBERTS: Right.

1 case that the two -- that the ephemerals and the
2 performances are consumed in fixed proportions, which,
3 I mean, you know, you get two ephemerals per play or
4 whatever it might be, then there's no reason to
5 separate your prices out. It's just an extra price
6 that has no meaning, has no purpose.
7 JUDGE WISNIEWSKI: There's no reason to have
8 two either, is there?
9 THE WITNESS: Well, the cost of contracting
10 and monitoring and all those sorts of things. You
11 could set an ephemeral rate based on performances.
12 JUDGE WISNIEWSKI: You could have 10 cents a
13 copy for performance, one cent for the ephemeral even
14 if they were in that proportion all the way
15 throughout, couldn't you?
16 THE WITNESS: If you could count ephemerals,
17 if you knew exactly how to do so, you could do that.
18 But it may --
19 JUDGE WISNIEWSKI: Well, aren't you implying
20 you can count them when you do the allocation?
21 THE WITNESS: No.
22 JUDGE WISNIEWSKI: Well, you obviously must

1 be, because you're assuming fixed proportions. If you
2 can't count them, how do you know it's a fixed
3 proportion?
4 THE WITNESS: Well, I know that it can be --
5 it can be a fixed proportion technology without
6 knowing what the fixed proportion is. Okay? It is --
7 and it's --
8 CHIEF JUDGE SLEDGE: And those proportions
9 can change depending on the technology, right?
10 THE WITNESS: Well, it may. But my view is
11 when you look at the way it's going, when you look at
12 the contracts and you say this is the way these
13 willing buyers and willing sellers are making this
14 deal in a marketplace exchange without constraint,
15 that they're thinking, for the most part, it's not
16 worth bothering with setting -- with separating these
17 two rights, okay, so we're going to put them together.
18 It eliminates a whole separate price. It eliminates a
19 whole separate monitoring scheme, accounting scheme,
20 for something that, because of the newness of the
21 technologies, we may not even be exactly sure how we
22 would go about doing it.
But -- so, you know, we think that as this
guy scales, he's going to put on servers in roughly a
constant rate per play, that sort of thing, so the
copies work out that way.

If you go in a different route and say, well,
we're going to do rate setting, like we do in telecom,
you might actually decide, we're going to assume, to
simplify the problem, that there are X number of
copies per play. And then, even if you used a
percentage allocation, you could compute from that
what the actual copy rate was. Okay? If we can't
measure the copy rate very well, or we could if we
knew exactly how to define it, which would require, I
guess, a proceeding and lots of testimony, the
alternative would be to say, okay, it's, you know, .1
cents per play, and meter it on play rather than meter
it on copy. That would be another pricing scheme that
you might observe -- and we observe all kinds of weird
pricing schemes in market outcomes. It depends on
what the buyers and sellers are interested in and how
they can get to a deal that's most efficient.

It doesn't always look like we think it would look. I got a $500 cell phone for free. That's pretty weird. A lot of people go, ooh, that's not a market outcome. Well, sure it's a market outcome. I promised to send them a hundred dollar check every month for two years. It's a market outcome. It just doesn't look exactly like the textbook might say it would look, but that's the way markets work. You almost always get an answer that looks peculiar.

As an economist, you know you didn't get that phone for free.

THE WITNESS: Well, exactly, but I didn't --

CHIEF JUDGE SLEDGE: I'm not an economist and I know that.

THE WITNESS: Nothing is free. There's no free lunch.

CHIEF JUDGE SLEDGE: Something you just mentioned. We have had that proceeding, and the technology people can't agree on how to define it. They all have a different opinion.

THE WITNESS: And if that's the case, I think the -- the cleanest way, and certainly within a zone of reasonableness -- and this matches up with market

evidence -- to proceed is to assign the two rights
together and allocate some percentage to that rate
because, you know -- I mean, the register's decision
said, hey, I want a rate, I mean, so we want a rate.
We go to people who care -- under the percentage
pricing scheme, okay, we go to the people who care
what that percentage is, because the buyer doesn't
care what the percentage is -- he cares about ephemerals, but doesn't care what the percentage is.

And you say, okay, seller, what would -- what offer would you make -- under the constraints of the statute, what offer would you make? And then that becomes the market rate because the buyer is happy, the seller is happy and the components of the seller are happy under this artificial constraint that's been levied by the statute. So everybody is happy. When everybody is happy, that's the market exchange.

JUDGE ROBERTS: Let me ask you a question. A record company that negotiates an agreement with a large webcaster -- the number one webcaster right now being Pandora, apparently. Pandora is going to make a lot of performances. Presumably, there's going to be a lot of ephemeral copies made because of the volume of customers that Pandora serves. Yet, in the agreement, the record company makes no distinction between the fact that Pandora is making lots and lots and lots of ephemeral copies, and yet, the agreement that they negotiate with the startup webcaster, who is making far less, it's -- they treat it as the same. Aren't they just leaving money on the table?

THE WITNESS: Well, if they do, they're doing it voluntarily, which is -- you know, we always -- as I was always taught, always leave some money on the table so everybody is happy when you leave. But I think it's probably -- you could make an efficiency argument that, in the end, it's whatever we might could get -- the nickel we could get from it is not worth the effort of trying to negotiate that specific term, whatever it may be.

But I think the real issue is, as you scale it, sure you're making more copies, but you're making more copies because you're making more performances, and so that the ratio of copies to performances, it may vary a little, but it doesn't vary enough to...
bother with in a market transaction.

CHIEF JUDGE SLEDGE: Well, that answer in your earlier statement that everybody is happy, doesn't that assume that the distributions of the two rights is equal? As long as the distributions of 112 is different than the distributions of 114, how can it be that it doesn't matter, because one side is getting slighted, how you make that allocation?

THE WITNESS: Are you talking about the between the musicians' and the record companies' distribution?

CHIEF JUDGE SLEDGE: Yes.

THE WITNESS: In the market, that doesn't occur. There is no -- the contract -- the 112 -- an ephemeral rate and a performance royalty is not split any differently in the market. So there is no issue about how to allocate one to the other. It doesn't matter. All the money comes in and goes out, however the contract has been written.

CHIEF JUDGE SLEDGE: Isn't that because the musicians aren't at the table?

THE WITNESS: No. It's because the musicians have already signed a deal. This is just some piece of their business. They've already signed some agreement. The guy says, I'll give you a million dollars to make a record, and then I'm going to keep the first ten that comes in the door and then I'll start paying you 10 percent of every record sale after that, or whatever it might be, but I might not give you anything. Or maybe -- you know, if it's Sting or somebody like that, I'll give you $20 million for a record, and then I'll pay you 10 percent of every record that gets sold.

So it -- all these agreements are going to be different in the market, but there is no statutory obligation to split the money in any particular way. We come over to the statutory world and, bam, we slap this obligation -- this doesn't exist over here in the market.

So it makes it -- I know that the goal here is to look to the market, grab something and put it over here. I mean, that's the plan, and that's a good plan. But if the transaction here is not the transaction here, or has some constraint on it that's different, then you can't just port it, no better than you could port the number from this case over to the market, because the constraint was different and the distribution of the royalties was different.

So the only people that are concerned about that distribution are the musicians and the record companies, as long as we're in this percentage world, okay. So they're the only ones that care.

So if we're going to ask ourselves what a willing seller is going to offer, then we go ask the seller, what's your offer? And the buyer is going to say, okay, whatever, you know, I don't care, willing -- I'm willing. It doesn't matter to me. I just want to pay you a penny a song and be done with it.

BY MR. HANDZO:

Q    Dr. Ford, the court has actually conducted most of my examination for me, albeit they led you a lot more than I could. So let me sort of cut to the chase here. Do you have an opinion about what the ephemeral rate should be in this case?

A    Well, given the explanation I've provided, my recommendation would be to ask the people that care, the musicians and the record companies, what they would recommend the ephemeral rate to be. They have done that. They have negotiated and made a proposal of 5 percent.

Q    When you say they've negotiated and made a proposal, how do we know that?

A    They did that -- I was advised by counsel that agreement through the SoundExchange, which has a board that is equal part musician, equal part record company, they had a meeting, they discussed the issue, they voted and unanimously approved the 5 percent recommendation.

Q    And have you actually seen the board minutes?

A    I've seen the board minutes, yes.

MR. HANDZO: That's all I have for this witness, Your Honor. Thank you.

CHIEF JUDGE SLEDGE: Any further cross-examination?

MR. MacDONALD: Yes, Your Honor, I have several questions.
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<td>1</td>
<td>CHIEF JUDGE SLEDGE: All right. Once again, you surprise me by asking questions.</td>
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<td>2</td>
<td>MR. MacDONALD: Well, we'll see how good these questions are, though. I want to keep your expectations up.</td>
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<td>3</td>
<td>CROSS-EXAMINATION BY MR. MacDONALD:</td>
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<td>4</td>
<td>Q Good afternoon Dr. Ford.</td>
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<td>5</td>
<td>A Good afternoon.</td>
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<td>6</td>
<td>Q My name is Angus MacDonald. I represent Live365. Dr. Ford, your opinion is that a 5 percent rate for the ephemeral license is an appropriate one for this proceeding; is that correct?</td>
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<td>7</td>
<td>A Yes.</td>
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<td>8</td>
<td>Q And that 5 percent rate recommendation is based on your understanding that the recording artists and record companies had already reached an agreement for a 5 percent allocation for the ephemeral license; is that correct?</td>
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<td>9</td>
<td>A Yes.</td>
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<td>10</td>
<td>Q Now, what's the basis for that understanding?</td>
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<td>11</td>
<td>A I was advised by counsel, and I have seen this looks like what I have seen, yes.</td>
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<td>12</td>
<td>Q Just for the record, this is Bates numbered SXW3_00008266 to 8268.</td>
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<tr>
<td>13</td>
<td>A Yes.</td>
</tr>
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<td>14</td>
<td>Q Who gave you these board of director meeting minutes?</td>
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<td>15</td>
<td>A Counsel.</td>
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<td>16</td>
<td>Q Were you -- you were essentially informed about the board's decision before proposing your 5 percent recommendation?</td>
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<td>17</td>
<td>A Would you repeat that question?</td>
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<td>18</td>
<td>Q Did you already have the 5 percent recommendation in mind for the ephemeral license before you reviewed the board meeting minutes?</td>
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<td>19</td>
<td>A I had no number until I was told the product of this meeting.</td>
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<td>20</td>
<td>MR. MacDONALD: Your Honor, I move for admission of Live365 Exhibit 19 into evidence.</td>
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<td>21</td>
<td>CHIEF JUDGE SLEDGE: Any objection to the offer?</td>
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<td>22</td>
<td>MR. HANDZO: No, Your Honor.</td>
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<td>23</td>
<td>CHIEF JUDGE SLEDGE: Without objection, it's admitted.</td>
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<td>24</td>
<td>(Live365 Trial Exhibit Number 19 was received into evidence.)</td>
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<td>25</td>
<td>MR. MacDONALD: I have no further questions.</td>
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<td>26</td>
<td>JUDGE ROBERTS: Before you step down, Counsel, I'm looking at your proposal for ephemeral copies, and it seems to be the same one that was put forward last time, 8.8 percent. Are you willing to stipulate with counsel for the other side that 5 percent would be the rate?</td>
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<td>27</td>
<td>MR. MacDONALD: Your Honor, we have -- we are considering that, that stipulation, and I would suggest that, before the end of this hearing, the direct hearing, that if we were to stipulate, we would do so by then.</td>
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<td>28</td>
<td>JUDGE ROBERTS: Thank you.</td>
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<td>29</td>
<td>CHIEF JUDGE SLEDGE: Well, it's obvious you're causing curiosity on the bench by cross-examining this witness.</td>
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<td>30</td>
<td>CHIEF JUDGE SLEDGE: Any objection to the offer?</td>
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Mr. Malone, any questions?

MR. MALONE: No, Your Honor.

CHIEF JUDGE SLEDGE: Mr. Handzo?

MR. HANDZO: Nothing further, Your Honor.

CHIEF JUDGE SLEDGE: Anything from the bench further?

Thank you, sir.

THE WITNESS: Thank you.

(Witness excused.)

MR. HANDZO: If we could just have a few seconds, our next witness is outside.

(Pause.)

CHIEF JUDGE SLEDGE: Mr. Freedman.

MR. FREEDMAN: Yes. SoundExchange calls it next witness, Barrie Kessler.

WHEREUPON,

BARRIE KESSLER,
called as a witness, and after having been first sworn by the chief judge, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. FREEDMAN:

Q    Good afternoon. Could you please state your name for the record.
A    Barrie Kessler.
Q    Can you spell your last name, please.
A    K-E-S-S-L-E-R.
Q    Where are you currently employed.
A    At SoundExchange.
Q    What is your job title?
A    I am the chief operating officer.
Q    And what are your job responsibilities as chief operating officer?
A    I oversee the collection and distribution of royalty payments made by services availing themselves of the statutory license. I supervise staff who are responsible for the collection of the royalty payments as well as the distribution and the payments to the artists and the copyright owners. And I oversee the technology and the platform upon which we make our distributions.
Q    How long have you held that position.
Q    I would like to show you now what we have marked as SoundExchange Trial Exhibit 5.

Exhibit Number 5 into evidence.

CHIEF JUDGE SLEDGE: Any objection to Exhibit 5?

MR. MacDONALD: No objection, Your Honor.

CHIEF JUDGE SLEDGE: Without objection, it's admitted.

(SoundExchange Trial Exhibit Number 5 was received into evidence.)

BY MR. FREEDMAN:

Q    In general terms, Ms. Kessler, can you describe what SoundExchange does.
A    We're charged with the fair and efficient collection and distribution of royalties under the statutory license. We're up to billions and billions of performances SoundExchange processes every year.
Q    Since the previous webcasting proceeding, has SoundExchange developed any new collection and distribution systems?
A    Yes, we have.
CERTIFICATE OF COURT REPORTER

I, Denise M. Brunet, the court reporter before whom the foregoing proceedings were taken, do hereby certify that the proceedings were taken by me stenographically and thereafter reduced to print by means of computer-assisted transcription by me; that said proceedings are a true record; that I am neither counsel for, related to, nor employed by any of the parties to this litigation and have no interest, financial or otherwise, in the outcome of this matter.

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Denise M. Brunet
Court Reporter