



original assignment was to develop a full-time channel to support those broadcasts. In September 2004, I became Vice President, Sports, and added responsibility for all of Sirius' other sports programming, including our full-time NBA channel, our college sports broadcasts, our various ESPN channels, and the sports talk channels that we have developed. I was also personally involved in meetings with NASCAR that ultimately resulted in Sirius gaining the exclusive right to carry live broadcasts of NASCAR races next season. My team and I are presently in the process of developing a dedicated NASCAR channel, which is currently in preview mode and will launch in January 2007.

#### **Summary of Testimony**

4. Major sports programming is critical to Sirius in attracting and retaining subscribers. The exclusive availability of major sports programming on Sirius is a fundamental point of differentiation between both Sirius and terrestrial radio and Sirius and XM. Based on my nearly 20 years in the industry, the dedication of sports fans to their team and their sport is virtually unrivaled. NFL and college sports fans love their team, and NASCAR fans love their driver; this devotion drives purchasing decisions. As such, exclusive access to both play-by-play coverage of premiere sporting events nationwide, as well as related call-in shows and other programming, is a major attraction to Sirius and is a unique opportunity that sports fans are willing to pay for. This conclusion is confirmed by Sirius research, which I regularly consult and rely upon in my work. For these reasons, I believe that sports programming is critical in attracting subscribers to Sirius.

### **Overall Description of Sirius Sports Programming**

5. Ten channels on Sirius satellite radio are devoted to sports. These channels are as follows:

<b><u>Channel</u></b>	<b><u>Description</u></b>
120	ESPN Radio
121	ESPNEWS
122	Sports Byline USA
123	Sirius Sports Action
124	Sirius NFL Radio
125	Sports Play-by-Play 1
127	NBA Radio on Sirius
128	NASCAR (beginning January 2007)
181	ESPN Desportes (Spanish language ESPN)
186	Canadian Hardcore Sports

A copy of the web page for some of these Sirius sports channels is SIR Ex. 26. In addition to these full-time, dedicated sports channels, we preempt the regular programming on other channels to present live sports play-by-play coverage, particularly during March Madness and the fall football season.

### **Pass Through Programming**

6. The three ESPN channels are programmed on a “pass through” basis. In other words, Sirius takes the audio feed that it receives from the ESPN studios and passes it through to subscribers through the Sirius system. While programming these channels therefore does not

involve creative work by my staff, the availability of these channels is important because ESPN is the best known brand in sports broadcasting. Sports fans expect to be able to listen to ESPN talk shows (e.g., Mike & Mike in the Morning, the Dan Patrick Show, Pardon the Interruption with Tony Kornheiser and Michael Wilbon), ESPN News and other well-known ESPN programming. The presence of ESPN is also consistent with our strategy of having the best known brands in sports available to our subscribers.

### **Exclusive Programming**

7. While the ESPN programming is important, in my view the far more significant sports programming is that which can be heard only on Sirius. Since 2004, we have had an exclusive relationship with the NFL, the dominant sports league in the United States. We have also broadcasted NBA and NHL games for many years. In 2007, we will begin our exclusive relationship with NASCAR. Neither terrestrial radio nor XM can compete with Sirius when it comes to sports. As such, sports is a dominant factor in attracting paying subscribers to Sirius and keeping them.

### **The NFL**

8. Sirius has exclusive satellite radio broadcast rights for the NFL through the 2010 season. Sirius broadcasts every NFL game, typically (except for the Tennessee Titans) with a separate feed for each team. Thus, if the Redskins are playing the Giants, we will have a feed available for Redskins fans (with Sonny Jurgenson, Sam Huff and Larry Michael) and a separate feed available for Giants fans. While local team games and a few national games may be available in some markets on terrestrial radio, Sirius is the only source where fans located anywhere in the country can listen to their favorite team play live on the radio. Moreover, unlike terrestrial radio, if a fan is driving, he or she can continue to listen to a game from beginning to

end without having to change channels or losing the signal due to distance. Thus, Sirius' game coverage is significantly better than terrestrial radio (when it is even available) and the exclusive relationship with the NFL in my view is one of the two biggest advantages (along with Howard Stern) that we have over competitors.

9. It is important to note that our NFL coverage is not limited to broadcasting of games. When we reached our agreement with the NFL, it was our intent to have a full time, year round NFL channel. When I joined Sirius from WFAN, my principal responsibility was to create that channel by hiring talent and producing shows that would draw fans on a year round basis. We have developed, and continue to develop, numerous talk and call-in shows for NFL fans. These include NFL Rewind, Late Hits, The Red Zone, Moving the Chains, and Taking it to House. We have shows hosted by well known current players such as Ronde and Tiki Barber and Keyshawn Johnson, and former players such as Jerry Rice. These shows originate from our studios in New York and from remote locations. We also cover non-game events such as the draft, the scouting combine, and training camps, and air shows devoted to fantasy football, an increasingly popular hobby among football fans. Because we have a channel totally dedicated to the NFL, we can provide far more NFL coverage than any other radio station or network.

10. The importance of the NFL to Sirius is reflected in our advertising, where the NFL logo and shield frequently appear on our advertising and the first page of our website. The importance of the NFL is also reflected in our Customer Satisfaction Monitor and Listener Study, where the Sirius NFL Radio channel scores in the top five in satisfaction, evangelism and willingness to cancel if the channel were removed from our lineup. A substantial number of respondents also mention sports in general, and the NFL in particular, as reasons for deciding to subscribe to Sirius. These results are even more impressive when one considers the fact that the

most recent surveys were taken during the off season. In my view, these results vindicate our strategy of developing an entire channel around the NFL.

#### **NBA/NHL Programming**

11. Sirius is also a satellite radio broadcast partner of the NBA and the NHL. Sirius broadcasts up to 40 NHL games a week including all of the playoffs and the Stanley Cup finals. During the season, Sirius also has a live NHL call-in show every weekday. As with the NFL, Sirius also has an NBA channel. Sirius is scheduled to broadcast over 1,000 NBA games in the upcoming season.

#### **NASCAR Programming**

12. Most recently, my team and I have been focused on the launch of our new NASCAR channel. After vigorous negotiations with the sanctioning body, Sirius will be the exclusive home of NASCAR during the 2007 through 2011 seasons and will broadcast every NASCAR Nextel Cup race from flag to flag, with pre- and post-race analysis. As with Sirius NFL Radio, live coverage of events will form the backbone for a dedicated channel of related programming. We have already signed Tony Stewart, one of the most popular and controversial Nextel Cup drivers, to host a live two-hour weekly program exclusively on Sirius. We believe that, when the channel is launched in January and racing begins in February with the Daytona 500, the NASCAR channel will be an important addition to the Sirius sports lineup.

### **Other Sports Programming**

13. College sports are also important to Sirius listeners. Sirius is the official satellite radio partner of numerous major universities, including Alabama, Auburn, Colorado, Florida, Kentucky, Louisville, LSU, Ole Miss, Navy, Nebraska, Notre Dame, Ohio State, Oklahoma, Texas, UCLA, USC, and West Virginia. In addition to play-by-play coverage of college football and basketball, Sirius hosts an exclusive college football coaches' show and a college scoreboard show. We will broadcast approximately 375 college football games this year, and will end the season by broadcasting many of the biggest bowl games. Sirius is also the exclusive satellite broadcast partner of the Men's NCAA College Basketball Tournament, one of the most popular sporting events of the year.

14. While the NFL, the NBA, the NHL, NASCAR and college football and basketball are all among the most popular sports, Sirius also broadcasts sports that have a smaller but equally dedicated fan base. For example, we broadcast the Championships at Wimbledon, we have shows that cover horse racing, English Premier League Soccer, scuba diving and poker. We have recently announced a deal to broadcast UEFA Champions league soccer from Europe. This depth of programming is not available anywhere else on radio.

### **Conclusions**

15. The sports programming that I have discussed above reflects an enormous commitment of money, bandwidth and creative resources on the part of Sirius. In my view, and as corroborated by the research data, this investment is justified because our sports programming is both highly desired by subscribers and more comprehensive than the sports programming available from other terrestrial and satellite radio..

**Before the  
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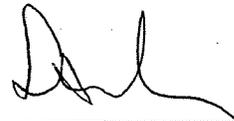
**In the Matter of**

**Adjustment of Rates and Terms for  
Preexisting Subscription and Satellite  
Digital Audio Radio Services**

**Docket No. 2006-1 CRB DSTRA**

**DECLARATION OF STEVE COHEN**

I, Steve Cohen, declare under penalty of perjury that the statements contained in my Written Direct Testimony in the above-captioned matter are true and correct to the best of my knowledge, information and belief. Executed this 27<sup>th</sup> day of October 2006 at New York, New York.



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Steve Cohen