

REGULATION

FCC Puts Off an Auction

With little public explanation, the FCC has postponed its February auction of spectrum designated for a new terrestrial competitor to satellite TV until Aug. 6. Agency court filings in a pending legal battle over the auction plan go a long way toward explaining the delay, however.

In its latest update to the court, the FCC said its own pending review of petitions for reconsideration filed by several vested parties, including would-be bidder MDS America, the Satellite Broadcasting and Communications Association and opponents of the new service EchoStar, won't be complete until first quarter 2003, too late to be ready for a February auction.

Northpoint Technologies, which first petitioned the FCC to create the terrestrial service, is the lead plaintiff in the court fight and is seeking to kill the auction. Judges are holding Northpoint's court fight in abeyance, pending the FCC's reexamination.—B.M.

BEHIND THE SCENES | BEFORE THE FACT

IN THE LOOP

PROGRAMMING

Hogan's HDTV Heroes

When we got the release that hi-def producer HDNet had made a deal with Paramount for the rights to a bunch of shows produced in HDTV—*That's Life*, *Wolf Lake*, etc.—but also “including conversion of *Hogan's Heroes* for HDTV broadcast,” we had to ask: Why *Hogan's Heroes*?



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Let us count the ways or, better yet, we'll let HDNet co-founder Mark Cuban do it (he responded by e-mail):

1. Because it's co-owned by Rysler Entertainment, which I also own.
2. It's a classic.
3. It was filmed in 35mm and we were able to come up with all the elements to allow for a complete conversion.
4. In our tests it looked awesome in HD and, when we broadcast the first episode to get viewer feedback, we got back more than a thousand e-mails saying people wanted more.—J.E.

TV NEWS

Nightline Toast? Not Yet, Anyway

Nightline anchor Ted Koppel, whose show's fate was in doubt this past year during ABC's attempt to



woo David Letterman, customarily gives a holiday gift to the show's staff and crew. One year it was a plasma

stock, another a Hiberry Farms least. This year's gift—a bottle of wine—had a custom label: “*Nightline* Survivor 2002? *Private Reserve*, with a gift card addressed “With thanks to another *Nightline* Survivor.”—J.L.

SYNDICATION

See You at NATPE, Maybe in a Taxi

A year ago at the NATPE conference, there were lots of complaints about the long wait for elevators at the Venetian in Las Vegas, where most of the big distributors had fled after deciding to abandon the main programming bazaar on the floor of the Las Vegas Convention Center.

That shouldn't be a problem next month in New Orleans. But you'd better bring your walking shoes or extra cab fare to the show. Syndicators not on the convention center floor (most, if not all, of the big ones) are scattered in numerous hotels around the Big Easy.

One source in contact with two dozen or so distributors says no more than two of the group are at the same hotel. Twentieth is at the Fairmont, while Warner Bros. Domestic Television Distribution is at the Wyndham Canal. But all the syndicators hotted up in hotels will have a directory/kiosk in a corner of the convention center, which NATPE has dubbed “Hollywood Plaza,” telling attendees what hotel and suite they are in.—S.M.

WASHINGTON

Quello's Band of Brothers

Mark your perpetual calendars: The RSVPs for former FCC Commissioner and Chairman Jim Quello's 100th birthday party are already piling up. The fête is set for April 21, 2014, at the Army Navy Club in Washington; everyone who still someone will be there. The event will double as a salute to congressional veterans of World War II. Acceptances include Sens. Ted Stevens, Fritz Hollings, Daniel Inouye, John Dingell, broadcasters Stanley Hubbard of Hubbard Broadcasting and Clear Channel's Lowry Mays. Good authority has Mays volunteering to bring fuzzy navel (Quello's favorite libation) and Viagra; the veteran commissioner responded: “Bringing me Viagra is like putting a new flagpole on a condemned building.” Fellow former Chairman and Wiley, Rein & Fielding partner Dick Wiley will emcee.—J.E.



XM Radio Gets \$450M Infusion

By DAN TRIGOBBOFF

XM Radio last week announced it has put together a \$450 million financing package that includes \$200 million in cash from new investors and restructuring of \$250 million in existing debt owed to General Motors.

The deal will dilute the value of existing shares but is expected to keep the satellite radio company in business at least until mid 2004, when the company hopes to be generating enough money to operate.

Both XM and its competitor, Sirius Satel-

lite Radio Inc., are pinning hopes on American motorists' latching onto satellite radio through car radios.

The new investors include American Honda, Hughes Electronics, Hearst Corp., Columbia Capital, AEA Investors, Eastbourne Capital Management, BayStar Capital and others. The new notes are convertible into common stock at \$3.18 per share.

General Motors, which is installing XM radios in 25 of its 2003 vehicle lines, agreed to defer or finance its future obligations. Additionally, XM said it will exchange all \$325 million of discount notes due 2009. XM Chief Executive Hugh Panero said that

removes doubt about the company's ability to fund operations until cash flow is sufficient to break even.

Based on sales to date, XM predicted it would have more than 350,000 radios sold and ready for activation by New Year's Eve. There were slightly more than 200,000 subscribers to XM Satellite Radio at the end of the third quarter.

Despite more than \$1 billion invested largely in advertising and promotion, the economic downturn has not helped satellite radio business to a quick start in its attempt to convert people used to listening to radio for free into paid subscribers. XM

laid off 60 employees last month.

In October, XM's satellite-radio competitor Sirius announced its intent to recapitalize \$1.2 billion, which, the company said, will give it enough cash to operate through the second quarter of 2004.

Stock offerings are intended to add \$200 million in new capital, eliminate \$700 million in debt and convert \$525 million in preferred stock into common stock. The stock exchange will dilute the value of Sirius common stock by 8%.

So far, Sirius has signed up 14,000 subscribers but has said it expects 400,000 by the end of next year. Satellite radios receiving Sirius can be found in models from DaimlerChrysler, Nissan and BMW of North America LLC. Both XM and Sirius have moved into the rental-car market. ■