

realitycheck

YESTERDAY'S HYPE MEETS TODAY'S REALITY



STATS

offers more than 100 commercial-free channels / transmits in 2332.5- to 2345-MHz band / costs about \$10 month

Satellite upsets terrestrial radio firma



Conventional broadcast radio's business hasn't changed much since the introduction of AM radio in the 1920s and FM (and stereo FM) in the 1950s. Precious license assignments, varying signal reach, and lots of commercials, along with free reception, defined the situation.

But that situation is now changing rapidly. Competitors XM Satellite Radio (www.xmradio.com) in 2001 and Sirius Satellite Radio (www.sirius.com) in 2002 began broadcasting directly to users from satellites. Each system provides more than 100 commercial-free channels, for a fee of about \$10/month, to specialized receivers that are now integrated as standard equipment into cars and available for home and portable units. XM's two geostationary satellites transmit in the 2332.5- to 2345-MHz band; the Sirius units are similar.

As of the end of 2004, Sirius had about 1.14 million subscribers, including a net gain of 480,000 during 2004; XM claimed 3.2 million, an increase of 1.8 million for the year. Although these numbers may look small compared with the 250 million people who tune in at least once a week to conventional broadcast radio, they represent a complete alteration of the established broadcast model, receiver-electronics architectures, and receiver suppliers.

—by Bill Schweber, Executive Editor