

**TODAY's****Electronic News**

Daily News of the Electronics Industry

Editor: Bernard Levine

**AGREEMENT BETWEEN AT&T AND DIRECTV COLLAPSES** -- AT&T and DirecTV Inc. are terminating their March 1997 marketing agreement to distribute the DirecTV direct-broadcast television service and DSS equipment through AT&T. Under the original agreement, AT&T was to distribute the service and equipment, and provide customers with special incentives on DSS equipment purchases. The company initially invested \$137.5M for a 2.5% equity stake in DirecTV, which is a unit of Hughes Electronics Corp., with options to purchase up to an additional 27.5% equity stake. AT&T found, however, that most consumers purchase DSS equipment directly through consumer electronics retailers, according to Donald E. Herr, VP of alternate channel development and direct-broadcast satellite marketing at AT&T's consumer markets division. With the termination of the original agreement, AT&T is selling back its 2.5% equity stake for \$161.8M. The remaining equity options and exclusivity provisions of the original agreement have been canceled. The two companies have instead entered into a new arrangement through which all DirecTV customers who are or become AT&T customers will be entitled to one free pay-per-view event each quarter in 1998. Claiming DirecTV has been "a big hit with the AT&T customers who subscribe to it," Mr. Herr noted they will still "get special benefits for being customers of DIRECTV and AT&T." AT&T: 908 221-8422.

**TERADYNE ACQUIRE SOFTWARE TESTING FIRM** -- Teradyne has acquired RSW Software, Inc. of Hopkinton, Mass., for an undisclosed amount of cash. RSW, founded only last February, specializes in Web-based application testing software. RSW will now be known as the RSW Software subsidiary of Teradyne. Teradyne, long noted for its semiconductor and printed circuit board test equipment, got into the software testing business in recent years with the acquisition of Hammer Technologies in 1995 and Midnight Networks in 1996. "With the industry shift from traditional client/server to Web-based applications, and the convergence of internetworking and telephony, the Internet is rapidly becoming central to our new software test business," said Steve Caplow, director of business development for software test at Teradyne. "RSW's products and core technology complement the offerings from our Softbridge, Hammer Technologies, Midnight Networks and Software & Systems Test groups, and position Teradyne at the crossroads of several exciting high-growth markets." Teradyne: 617 422-2425; RSW Software: 508 435-8000.

**ADI BUYING ADSL SOFTWARE CO.** -- Analog Devices (ADI) is purchasing MediaLight, Inc., the Toronto-based PC telecom company that uses Asymmetric Digital Subscriber Line (ADSL) technology. The acquisition, which makes MediaLight part of ADI's Communications division, is said to extend ADI's ADSL offering from phone companies' central offices to the users' computer, for the highest speed Internet access available. ADSL allows data transmission over existing telephone lines at 8 Mbps, or 60X faster than ISDN and 200X faster than 33.6 kbps voice-channel modems. Russ Johnsen, VP of ADI's Communications division, said that MediaLight-developed interface circuitry will complement the ADI/Aware ADSL chipset. Aware is another ADI ADSL software development partner. ADI: 781 937-1622.

**IRIDIUM LAUNCHES TWO MORE FROM CHINA** -- Two more Iridium satellites were successfully launched on a Chinese Long March 2C/SD rocket from the Taiyuan Satellite Launch Center in China. Today's launch brings the total number of orbiting Iridium satellites to 41, marking Iridium LLC's eighth launch in eight months. With this launch, Iridium satellites have now been launched by all three of Iridium system launch service providers: Delta II of Boeing, Proton of Khrunichev, and Long March 2C/SD of China Great Wall Industry Corp. The two satellites are part of Iridium LLC's 66-satellite wireless personal telecommunications network aimed at offering global coverage on several communications services, which should be operational in 1998. These two satellites join the 39 that were previously launched. Iridium: 202 408-3818.

**SIA RELEASES UPDATED SEMICONDUCTOR ROADMAP** -- The Semiconductor Industry Association today released an update of its long-range semiconductor roadmap. The SIA foresees a dramatic shift to new lithography processes, as feature sizes approach 0.10 micron. In addition, the pace of technological innovation is accelerating much faster in 1997 than industry experts predicted three years ago in the most recently-released roadmap. Since 1994, three-year product cycles have been cut to two years by leading-edge companies, with products built with 0.25-micron technology, for example, shipping this year, one year ahead of earlier estimates. Today, the most powerful high-end microprocessors run at speeds of 750 MHz and contain nearly 4M transistors. In 2003, according to the SIA roadmap, the most powerful MPUs will run at 1.5 GHz and contain 18M transistors. Over that same period, the capacity of the most powerful memory chip (DRAM) is expected to grow from 256 megabits (256M) to 4 gigabits in 2003. SIA: 408 436-6600.

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