

DOWJONES | Newswires**CD Radio Gears Up For 1999 Launch Of New Satellite Service**

By Scott Ritter

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WASHINGTON (Dow Jones)--Motorists could begin tuning in super-crisp satellite radio programs as early as 1999 under a new nationwide digital service one company calls "the birth of the future of radio."

"This is a better way to listen to radio," said David Margolese, chairman and chief executive of CD Radio Inc. (CDRD), one of two companies that will pay a total of \$173 million for rights to offer the service across the nation.

As reported, units of CD Radio and American Mobile Satellite Corp. (SKYC) on Wednesday emerged the winners of a two-day Federal Communications Commission auction. The pair were among four companies vying for two licenses to offer digital audio radio service, or DARS.

CD Radio offered to pay \$83.3 million for one license, while American Mobile Satellite posted a high bid of \$89.9 million for the second. The pair beat out Primosphere L.P. of New York and Seattle-based Digital Satellite Broadcasting Corp. after more than two dozen rounds of bidding.

Margolese says CD Radio plans to launch three satellites during the second half of 1999. Motorists who equip their cars with a silver dollar-size antenna and special radio equipment will be able to start receiving some 50 channels of programming soon after. The company will spend \$500 million to get the service up and running, excluding the cost of the FCC licenses.

The American Mobile Satellite unit, American Mobile Radio Corp., expects to take three years to build its system, says Lon Levin, the unit's president. Both companies say they plan to offer the service via subscription at prices attractive to consumers, perhaps \$5 to \$10 a month.

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