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Technology



XM Satellite Radio to Broadcast on Web

MICHAEL P. REGAN Associated Press

NEW YORK - XM Satellite Radio Holdings Inc. will soon begin broadcasting some of its stations to subscribers over the Internet, fresh on the heels of the company's discontinuation of a receiver for PCs that some users used to circumvent the music industry's crackdown on illegal file sharing.

Starting in early October, XM will charge \$7.99 for a subscription to listen to its 68 commercial-free music stations and about a half dozen other XM stations on the Internet, the company said Wednesday. Those who already subscribe to XM's satellite service, typically at \$9.99 a month, can sign up for XM Radio Online for an extra \$3.99 a month.

Software currently on the market allows users to record music from Internet radio stations onto their computers anonymously - circumventing the music industry's much-publicized crackdown on piracy. But XM said it is discouraging subscribers from doing so.

"We don't condone that type of activity, and in fact that can theoretically constitute a violation of the user agreement of our service," said XM spokesman Chance Patterson.

A program called TimeTrax fueled a surge in demand for XM's PCR receiver, a PC-based satellite-radio receiver that went on sale about a year and a half ago. Using the PCR and TimeTrax, users can record multiple XM stations at once and store the programming as individual songs in MP3 or WAV formats.

But the PCR was discontinued recently as XM prepared to launch XM Radio Online.

"The PCR had been on the market for more than a year and a half, and so that's sort of the typical life cycle anyway of some of these consumer electronic products anyway," said Patterson.

Some satellite radio insiders believe the PCR created a big buzz among those looking to copy tunes because the sound quality of music from satellite broadcasts is much higher than music streamed over the Internet.

Still, analysts believe the chance to listen to about 70 music channels and about a half dozen other XM stations online could push more customers toward XM, which has more than 2.1 million subscribers

"There are a lot of people who listen to radio during the workday and this is a way to reach those types of consumers," said April Horace, an analyst with Janco Partners.

"XM has already built a good brand. So for people who want the same content online, it makes a lot of sense," said Michelle Abraham, an analyst with In-Stat/MDR. "Especially with more broadband connections and new devices that let you take the content from your PC to your entertainment center and play it through your home stereo system."

XM is promoting the new service through a partnership with Dell Inc., offering buyers of Dell Inspiron notebooks and Dimension desktops a 30-day trial subscription to XM.

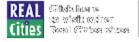
XM's competition, New York-based Sirius Satellite Radio Inc., doesn't offer an Internet-only subscription, but does lets subscribers listen to its 65 music stations on the Internet at no extra charge, and offers 72-hour free trials on the Net.

"It's been a significant reason why people have come to our service," said Sirius spokesman Ron Rodrigues.

XM shares rose 30 cents to \$29.46 on the Nasdaq Stock Market, where Sirius shares fell 1 cent to \$2.89.







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