

IN BRIEF

SERIOUSLY SIRIUS

Sirius Satellite Radio announced programming deals with A&E, Discovery Channel and The Weather Channel and with country music star Randy Travis at the Consumer Electronics Show in Las Vegas last Friday. It also closed a marketing deal with House of Blues Entertainment. Sirius receivers, which will also receive analog AM/FM signals, will cost \$300-\$400, with a \$9.95 monthly service charge when the service launches later this year.

Also, lone competitor XM Satellite Radio is slated to launch the first of two satellites from a platform in the Pacific Ocean today (Jan. 8), XM previewed about 20 of its 100 channels at CES. Distribution of its receivers will begin in more than 2,200 Sears stores this summer.

FOXY MULLIGAN

News Corp. named Brian Mulligan chairman of Fox Television, replacing Chase Carey, who now runs Rupert Murdoch's Sky Global Networks. Mulligan oversees the Fox TV station group, cable networks and business operations of Fox Broadcasting. Formerly, he was CFO and co-chairman of Universal Pictures prior to the merger of Seagram and Vivendi, which was effected last month.

MOLL IS NEW CLEAR CHANNEL CHIEF

Former TV Bureau of Advertising President William G. Moll has succeeded William Riperton "Rip" Riordan as chief of Clear Channel Communications' 18-station TV division, Clear Channel said. Riordan, 43, is retiring. Moll, 62, most recently was president/general manager of Clear Channel's WKRC-TV Cincinnati.

path" interference created when TV signals reflect off buildings and terrain and create ghost images, company officials said.

Separately, the NAB is expected to spend a lot of time on digital TV issues at its annual board meeting Jan. 13-17, including digital must-carry.

At press time, the FCC was planning to introduce a rulemaking Jan. 11 on issues surrounding digital must-carry, such as channel capacity and program exclusivity rules. Last week, NAB President Eddie Fritts asked the FCC to stop delaying



NAB President Eddie Fritts asked the FCC not to delay a decision on digital must-carry.

its decision on the entire question of whether cable operators should be forced to carry both digital and analog TV stations.

Copy-protection issues also are expected to take up the NAB board's time, from royalty fees that radio stations may have to pay for streaming their signal on the Web to protecting digital content.

Finally, the radio board will discuss low-power FM, and satellite and Internet radio as well as the FCC's proceeding on how to define radio markets. ■

Doctoring the Health Channel

With WebMD out of the equation, News Corp. has two options

By Deborah McAdams

The Health Channel could be on life support now that WebMD has pulled out of its network partnership with News Corp.

Rolling the channel's 20 million subscribers into National Geographic Channel (which officially launched yesterday in 10 million homes), FX, Fox Movie Channel or Fox Sports World is probably the option of least resistance, barring contract violations with distributors.

Pumping money into health programming, which has yet to light a fire with viewers, is the other. "We're re-evaluating the business," said Jeff Shell, head of Fox cable networks. He said he doesn't necessarily need the distribution for the other channels, given the power of Fox's many regional sports channels in contract negotiations.

"Our current thinking is to remain a health network."

WebMD, an online company that links doctors, patients and insurers over the Internet, became the managing partner of The Health Network a little over a year ago in a \$1 billion deal with News Corp.

Pat Fili-Krushel, the former ABC programming exec, was hired by WebMD to run the network. A name change planned for last November—to WebMD TV—never

materialized.

In the meantime, the company racked up \$2 billion in losses for the first nine months of 2000 and will take a \$275 million charge against earnings in the fourth quarter.

Its 50% stake in The Health Network goes back to News Corp., which regains 100% ownership.

Fox had expected Health to be a huge convergence hit when it teamed up with WebMD, Shell said, but almost all Internet financial things have soured in the past year. (Fox also confirmed significant layoffs in its News Digital Media division; see page 14.)

As for WebMD, it is now relieved of all future capital commitments to the network and won't issue 8.3 million shares of its common stock. News Corp. will reduce its advertising and promotion commitment from \$700 million to \$205 million over 10 years.

The two parties are also dissolving an international joint venture. A News Corp. spokesman likened the developments to a "friendly divorce." WebMD is trying to refocus its business, away from consumer applications to services for the health-insurance industry. Late last week, the company's stock fell 31 cents, to \$7.63. It traded as high as \$71 at the beginning of 2000. ■