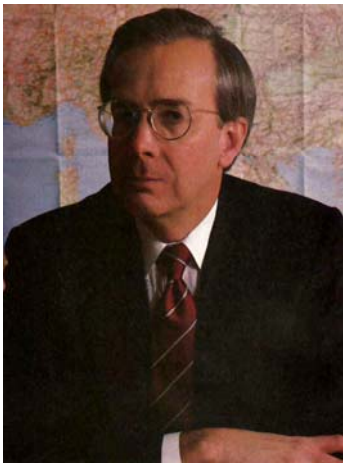


FACES BEHIND THE FIGURES

## Rare Bird

BY MARCIA BERSS



**Clay Whitehead**, 46, is used to shaking up the satellite industry. As president of Hughes Aircraft's communications subsidiary in the early Eighties, Whitehead realized that selling satellite transponders outright, like condominiums, made more sense than

leasing them, as tradition dictated. Freed from regulatory restraints on common carriers, Hughes made a killing on its 1983 Galaxy I bird, selling its 24 transponders for an estimated \$200 million. Hughes' U.S. competitors were left gaping, then quickly imitated Whitehead's innovative stratagem.

Nowadays it's the Europeans that Whitehead has sputtering. Shortly after his Galaxy triumph, Whitehead "got tired of working for a big company," left Hughes and decided to try to make some money for himself. For the last year he has been laying the groundwork for the first private pan-European television satellite, dubbed Coronet.

Under a franchise granted by tiny Luxembourg, Coronet hopes to broadcast 16 channels of news and entertainment over Western Europe, financed by advertisers and pay viewers. Each video channel will have four sound channels, so a soccer match can be broadcast in French,

German, Italian and English.

Not surprisingly, the \$180 million venture has been denounced as "anti-European" and a "Coca-Cola satellite" by European politicians who are highly protective of their government-run television. The French and the Germans have plans to put up their own television bird, free of dubbed Dallas and other examples of U.S. cultural imperialism.

"I think we're seeing wounded national pride," says Whitehead, who still calls Los Angeles home. "There would be more European programming if a large commercial marketplace already existed there," he says in his quiet, professorial manner.

Whitehead doesn't lack for political savvy, at least back home. An engineer with a Ph.D. in management from MIT, he was a special assistant to President Nixon and then served four years as the first chief of the Office of Telecommunications Policy. The real money in a European TV satellite, he insists, will be made manufacturing antennas and decoders for the system. That could be a \$1 billion market, and the components could all be produced in Europe.

In the meantime, in November Whitehead snared his first European investor outside of Luxembourg -- a Swedish investment outfit. With pledges from Time Inc.'s Home Box Office and from banks and pension funds in Luxembourg, Whitehead so far has lined up half the \$30 million in equity needed to launch Coronet in 1987. Whitehead will take a 10% ownership stake in Coronet . . . if it flies. **F**