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February 27, 1995

*ADMITTED IN PA AND NJ ONLY
**OF COUNSEL

Mr. H. Franklin Wright
Spectrum Utilization and Economics Branch
Office of Engineering and Technology
Federal Communications Commission
2000 M Street, N.W., Room 230
Washington, DC 20054

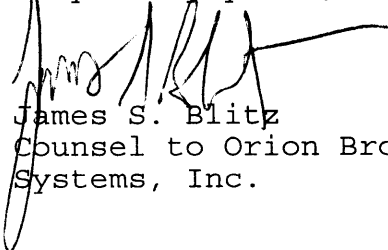
Re: Experimental Station KI2XIE
Corbin City (Atlantic City), New Jersey
File Nos. 4264-EX-PL-94 and 4426-EX-ML-94

Dear Mr. Wright:

Transmitted herewith, on behalf of Orion Broadcasting Systems, Inc., is the third status report required pursuant to a condition placed on the license of the above-referenced Experimental Station.

Should further questions arise in connection with this matter, please communicate directly with the undersigned.

Very truly yours,



James S. Blitz
Counsel to Orion Broadcasting
Systems, Inc.

Enclosure



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MEMORANDUM

TO: Michael Myers, Omnivision Via Fax (609) 826-3917
FROM: Susan Greene, Sega Channel
DATE: February 15, 1995
RE: Sega Channel Technical Test

This memorandum is to confirm our discussions today about conducting a Sega Channel technical test on your southern New Jersey wireless cable system.

As you know Sega Channel is just beginning to launch to the cable television industry. We anticipate that the cable version of the Sega Channel adapter (the technical interface that downloads the game data to the Genesis game player) will also function for the wireless industry. However, since this equipment has not been tested in a wireless cable environment, (with the additional factor of broadcast distribution of the Sega Channel signal), we are planning a wireless cable technical test prior to rolling out Sega Channel to this industry.

Technically, in order to receive Sega Channel, an affiliate will need a satellite dish that picks up Galaxy 7, transponder 1, headend equipment and Sega Channel adapters (one per customer). Headend equipment runs about \$5,000 and adapters cost approximately \$170 each.

Both Scientific Atlanta and General Instrument will be manufacturing Sega Channel headend equipment and adapters. Currently only SA is producing this equipment. GI is expected to come on line with their adapters and headend equipment in second quarter, 1995.

We would be interested conducting a technical test of Sega Channel on your New Jersey system. We would propose using Scientific Atlanta equipment, which SA will lend to you and support for the test. This, of course, assumes that you will be purchasing Sega Channel adapters from SA.

Assuming the technical test is successful, we would need to execute an affiliation agreement. Thereafter you could order your equipment from SA and we would work with you on the Sega Channel launch.

We are delighted at your enthusiasm about Sega Channel. Please let me know when you have final approval for this technical test and I will then take the appropriate next steps with SA.

I can be reached at 212 - 767-4605 if you have any questions.

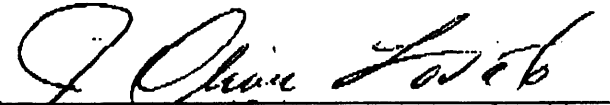
STATUS REPORT

On May 31, 1991, the Commission granted Orion Broadcasting Systems, Inc. ("Orion") a license for Experimental Station KI2XIE (File No. 4262-EX-PL-94, the "License") to permit Orion to develop and test an interactive MMDS and ITFS system in Corbin City, New Jersey. A condition of the License requires Orion to provide the Commission with a report of its progress every 90 days from the date on which the License was granted. This is Orion's third such report.

Orion expects to commence an ambitious experimental program in the immediate future, in conjunction with an innovative two-way programming service called the Sega Channel. As explained in the attached memorandum to Orion from the Sega Channel, the experiment is intended to determine whether the cable version of the Sega Channel adapter will also function for the wireless cable industry. Since the equipment used for the Sega Channel has not been tested in a wireless cable environment, Sega needs to conduct a technical test prior to marketing the Sega Channel to the wireless cable industry. Orion is pleased to have been selected to participate in this endeavor and is anxious to use the License to assist in conducting these experiments.

Orion's future progress reports will provide further information concerning the results of this experimentation.

ORION BROADCASTING SYSTEMS, INC.


J. Oliver Lovato
President

February 24, 1995