

EXHIBIT 1

SHINE MICRO, INC.

WWW.SHINEMICRO.COM

PHONE: (360) 437-2503

FAX: (360) 437-2483

March 1, 2006

To Whom It May Concern:

Shine Micro is requesting permission to sell, deploy and operate SM162B and SM161B Class B "CSTDMA" AIS transponders during the interim period until a formal FCC and USCG Type Certification is issued. SM162B refers to the all-in-one "tube" model of packaging, and SM161R refers to the "box" model (similar to the RadarPlus SL161R AIS receivers already on the market – see "Exhibit 4").

The SM162B and SM161B transponders have been developed with the assistance of SBIR HSARPA research contract NBCHC050038 with DHS (reference form 442, questions 7 and 9). Transponders have been preliminarily tested by BSH in Hamburg, Germany and units have been field tested in Germany under the supervision of BSH, in Scotland under the supervision of the NLB and in the US under the supervision of the USCG. Please see the attached datasheet marked "Exhibit 2" and brochure marked "Exhibit 3" for other particulars in reference to form 442, questions 3 and 4.

We are undergoing formal certification testing at BSH in Hamburg beginning March 19, 2006 and anticipate filing certification documents with the FCC and USCG sometime in April. We believe our transponders are compliant with IEC62287 and with all FCC regulations. We have performed internal testing (and informal BSH testing) to verify this compliance.

There is a critical need to deploy Class B AIS transponders as soon as possible for multiple reasons:

1. Large scale demonstration of the compatibility of Class B AIS with the existing Class A AIS transponders is needed to verify the USCG simulations and small scale trials.
2. Various law enforcement, military and environmental agencies need small, inexpensive transponders for enhanced Port Security and other situational awareness applications. More specific and detailed examples are available upon request; including inquiries from the US Navy, Coast Guard, and Air Force, as well as the Department of Transportation, National Data Buoy Center, several marine exchanges, fisheries, and coastal wildlife sanctuaries.

We request permission to sell SM162B and SM161B transponders under an experimental license during this interim period until formal certification is granted, not to exceed 1,000 units total (reference for 442, question 13). All units will be clearly marked as experimental. In reference to form 442 question 11, this period will likely be less than the 2 year period generally extended to experimental licenses. When formal FCC/USCG certification is issued all experimental units will be hardware and/or software retrofitted as needed and will be properly labeled with the correct FCC identifier.

Respectfully,



Mark M. Johnson
President, Shine Micro, Inc.
(360) 437-2503 phone
(360) 437-2483 fax
mark@shinemicro.com email