

**STAMP
AND
RETURN**

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

RECEIVED

In the Matter of)
)
CenturyTel, Inc.,) IB File Nos. Federal Communications Commission
Transferor,) Office of Secretary
)
and) ITC-T/C-20060407-00244
) SES-T/C-20060407-00591
) SES-T/C-20060407-00592
Balaton Group Inc.,)
Transferee,)
)
Application for Consent to Transfer Control of)
SkyPort International, Inc.)

**PETITION TO ADOPT CONDITIONS TO
AUTHORIZATIONS AND LICENSES**

The United States Department of Justice (“DOJ”), including the Federal Bureau of Investigation (“FBI”), together with the United States Department of Homeland Security (“DHS”) (collectively, the “Agencies”), respectfully submit this Petition to Adopt Conditions to Authorizations and Licenses (“Petition”), pursuant to Section 1.41 of the Federal Communications Commission’s (“FCC” or “Commission”) rules.¹ Through this Petition, the Agencies advise the Commission that they have no objection to the Commission granting its consent in the above-referenced proceeding, provided that the Commission conditions the grant on SkyPort International, Inc. (“SkyPort”), SkyComm Technologies Corporation (“SkyComm”) and the Balaton Group Inc. (“Balaton”) (together, the “Applicants”) abiding by the commitments and undertakings contained in their July 31, 2006 letter to Sigal P. Mandelker, Stewart A. Baker, and Elaine N. Lammert (the “Letter”) attached hereto as Exhibit I.

¹ 47 C.F.R. § 1.41.

In the above-captioned proceeding, CenturyTel, Inc., which currently controls SkyPort through the ownership of debt securities in SkyPort's parent company, SkyComm, proposes to transfer control of SkyComm to Balaton. CenturyTel and Balaton have filed applications with the FCC seeking consent to the indirect transfer of control to Balaton of SkyPort, which holds two fixed earth station authorizations, one VSAT authorization and one International Section 214 authorization (the "Applications").²

As the Commission is aware, the Agencies have taken the position that their ability to satisfy their obligations to protect the national security, enforce the laws, and preserve the safety of the public could be impaired by transactions in which foreign entities will own or operate a part of the U.S. telecommunications system, or in which foreign-located facilities will be used to provide domestic telecommunications services to U.S. customers. After discussions with the Applicants' representatives in connection with the proposed acquisition of SkyComm by Balaton and the related transfer of control over SkyPort, the Agencies have concluded that the commitments set forth in the Letter are sufficient to ensure that the Agencies and other entities with responsibility for enforcing the law, protecting the national security, and preserving public safety can proceed in a legal, secure, and confidential manner to satisfy these responsibilities. Accordingly, the Agencies hereby advise the Commission that they have no objection to the Commission granting the above-referenced Applications, provided that the Commission conditions its consent on compliance by the Applicants with the commitments set forth in the Letter.

² See Public Notice, *Satellite Radio Applications Accepted for Filing*, Report No. SES-00812 (rel. Apr. 19, 2006) (including IB File Nos. SES-T/C-20060407-00591 and SES-T/C-20060407-00592); Public Notice, *Streamlined International Applications Accepted for Filing*, Report No. TEL-01021S (rel. Apr. 28, 2006) (including IB File No. ITC-T/C-20060407-00244).

The Agencies are authorized to state that the Applicants do not object to the grant of this Petition.

Respectfully submitted,

/s/ SIGAL P. MANDELKER
Sigal P. Mandelker
Deputy Assistant Attorney General
Office of the Assistant Attorney General
Criminal Division – Room 2113
United States Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530
(202) 305-8319

/s/ ELAINE N. LAMMERT
Elaine N. Lammert
Deputy General Counsel
Federal Bureau of Investigation
923 Pennsylvania Avenue, N.W.
Washington, DC 20532
(202) 324-1530

/s/ STEWART A. BAKER
Stewart A. Baker
Assistant Secretary of Policy
U.S. Department of Homeland Security
3801 Nebraska Avenue, N.W.
Washington, DC 20528
(202) 282-8030

August 3, 2006

EXHIBIT I

July 31, 2006

Ms. Sigal P. Mandelker
Deputy Assistant Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Mr. Stewart A. Baker
Assistant Secretary for Policy
U.S. Department of Homeland Security
3801 Nebraska Avenue, N.W.
Washington, D.C. 20528

Ms. Elaine N. Lammert
Deputy General Counsel
Federal Bureau of Investigation
935 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Re: Proposed Acquisition by Balaton Group Inc. of SkyPort International, Inc.

Dear Ms. Mandelker, Mr. Baker and Ms. Lammert:

SkyPort International, Inc. ("SkyPort"), its parent company SkyComm Technologies Corporation ("SkyComm") and the Balaton Group Inc. ("Balaton") (collectively, the "Signatories") provide this letter in response to the request of the Department of Homeland Security ("DHS"), the Department of Justice ("DOJ") and the Federal Bureau of Investigation ("FBI") (collectively, the "Executive Agencies") for certain assurances with respect to Balaton's proposed acquisition of an indirect, controlling interest in SkyPort.

I. Overview of the Parties and the Transaction

A. SkyPort

SkyPort provides managed broadband satellite and terrestrial communications services, including voice, data, video, and Internet backbone services. A Texas corporation, SkyPort is headquartered in Houston, Texas, where its teleport and Global Network Operations Center also are located. SkyPort holds authorizations granted by the Federal Communications Commission ("FCC") pursuant to Title II and Title III of the Communications Act of 1934, as amended (the "Communications Act").

SkyPort is a wholly-owned subsidiary of SkyComm, a holding company incorporated in Delaware. SkyComm's voting equity currently is held by a diffuse group of individuals and entities. CenturyTel, Inc. ("CenturyTel"), a mid-sized telecommunications company incorporated in Louisiana and headquartered in Monroe, Louisiana, holds convertible

debentures that give it control of SkyComm. These debt securities entitle CenturyTel to an approximately 65% voting interest in SkyComm and provide CenturyTel the right to appoint half of SkyComm's board of directors. SkyComm does not hold any FCC authorizations other than through SkyPort.

B. Balaton

Balaton, a Canadian corporation headquartered in Toronto, Ontario, is a private equity firm specializing in capital markets, corporate restructuring, and strategic development. Balaton's primary business is investments. Balaton is wholly owned by the following five individuals, each of whom is a Canadian citizen: Robert Kubbernus (30%), Martin Doane (30%), Bill Calsbeck (20%), Paul Heney (15%), and Bryson Farrill (5%). Neither Balaton nor any of its subsidiaries holds any FCC authorizations.

C. The Proposed Transaction

On February 15, 2006, Balaton and the current owners of SkyComm entered into several transaction agreements pursuant to which Balaton will obtain an approximately 83% equity interest in SkyComm (the "Proposed Transaction"). Upon completion of the Proposed Transaction, the remaining 17% of SkyComm will be owned by certain of SkyComm's existing shareholders, whose individual ownership will be substantially diluted and range from approximately 0.002% to 2.738%. All of these remaining shareholders are U.S. citizens, with the exception of one individual, a French citizen that the Signatories have been unable to locate, who will own less than 0.5% of SkyComm. CenturyTel no longer will hold any interest in SkyComm.

Consummation of the Proposed Transaction is subject to a number of closing conditions, including the receipt of requisite regulatory approvals. On April 7, 2006, CenturyTel, SkyPort and Balaton filed applications with the FCC for consent to the transfer of control of SkyPort from CenturyTel to Balaton. Those applications remain pending. The Signatories wish to consummate the Proposed Transaction in the July-August 2006 timeframe.

II. Specific Commitments

Assuming consummation of the Proposed Transaction, the Signatories undertake the following commitments to the Executive Agencies:

1. **Storage of Records in the United States.** The Signatories agree that, for all customer billing records, subscriber information, and any other related information used, processed, or maintained in the ordinary course of business relating to communications services offered to U.S. persons ("U.S. Records"), SkyPort will store such U.S. Records in the United States. For these purposes, U.S. Records shall include information subject to disclosure to a U.S. Federal or state governmental entity under the procedures specified in Sections 2703(c) and (d) and Section 2709 of Title 18 of the United States Code. SkyPort agrees to ensure that U.S. Records are not made subject to mandatory destruction under any foreign laws. SkyPort agrees to take all practicable measures to prevent unauthorized access to, or disclosure of the content of, communications or U.S. Records, in violation of any U.S. Federal, state, or local laws or of the commitments set forth in this letter.

2. Cooperation with Law Enforcement Requests. The Signatories commit that, in the event that there is a need to conduct lawfully authorized surveillance through SkyPort's facilities or services, SkyPort will take reasonable measures to assist and support the FBI or any other United States federal, state or local agency with law enforcement, public safety or national security responsibilities in conducting lawfully authorized electronic surveillance. Such assistance shall include, but not be limited to, disclosure, if necessary, of technical and engineering information relating to the design, maintenance or operation of SkyPort's systems. SkyPort and the agency seeking cooperation will work together in determining what is reasonable, taking into account the investigative needs of the agency and SkyPort's commercial interests.

3. Establishment of a U.S. Citizen Law Enforcement Point of Contact. SkyPort will designate a representative who is a United States citizen to serve as its authorized Point of Contact for U.S. Government officials in connection with the conduct of lawfully authorized electronic surveillance. Within 14 days of the consummation of the Proposed Transaction, SkyPort will inform the Executive Agencies by letter addressed to each of you of the name of the designated SkyPort Point of Contact. SkyPort will inform the Executive Agencies by letter within 10 days of any change in such Point of Contact.

4. Establishment of a U.S. Citizen Security Officer. SkyPort will designate a representative who is a United States citizen to serve as its Security Officer. The Security Officer will be responsible for the implementation of SkyPort's Security Policy and its compliance with the commitments contained in this letter. Within 14 days of the consummation of the Proposed Transaction, SkyPort will inform the Executive Agencies by letter addressed to each of you of the name of the designated SkyPort Security Officer. SkyPort will inform the Executive Agencies by letter within 10 days of any change in such Security Officer.

5. Establishment of a Security Policy. Within 90 days of the consummation of the Proposed Transaction, SkyPort will establish, and submit to the Executive Agencies for review, a Security Policy governing the policies, practices and procedures related to or materially affecting SkyPort's actions concerning: (a) requests from a Foreign government or other Foreign entity for U.S. Records, to conduct electronic surveillance using the domestic communications network, or to obtain information relating to domestic communications or electronic surveillance conducted using the domestic communications network; (b) requests or directives from a Foreign government or other Foreign entity to alter, affect or obtain information about the operations, security, personnel or infrastructure of the domestic communications network; (c) any decision by SkyPort involving document preservation requests from any government agency in the United States related to the domestic communications network, where those decisions relate to Foreign laws or requests from a Foreign government or other Foreign entity; (d) any requests or directives from a Foreign government or other Foreign entity relating to the preservation, storage, retention or destruction of documents related to the domestic communications network; (e) any attempt by a Foreign government or other Foreign entity to induce an employee of SkyPort to violate United States law; and (f) any decision by SkyPort relating to compliance with lawful U.S. process where Foreign laws or requests from a Foreign government or other Foreign entity may be a factor. (For purposes of this letter, the term "Foreign" means non-U.S.; the term "Foreign government" means any government, including an identified representative, agent, component or subdivision thereof, that is not a local, state or Federal government in the United States; and the term "domestic communications" means (x) wire communications or electronic

communications (whether stored or not) from one U.S. location to another U.S. location and (y) the U.S. portion of a wire communication or electronic communication (whether stored or not) that originates or terminates in the United States.) The Security Policy also will provide for SkyPort to conduct additional background screening of specified key U.S. employees upon the Executive Agencies' request. In the event of any subsequent material changes to the Security Policy, SkyPort shall promptly submit such changes to the Executive Agencies for review. If, within thirty (30) calendar days following submission to the Executive Agencies of the Security Policy or material changes thereto, the Executive Agencies provide comments to SkyPort on the Security Policy or the changes, SkyPort agrees to reasonably address such comments.

6. Non-Disclosure of U.S. Records. SkyPort agrees that it will not, directly or indirectly, disclose or permit disclosure of or access to U.S. Records, or to any information (including the content of communications) pertaining to a wiretap order, pen/trap order, subpoena or other lawful demand by a U.S. law enforcement agency for U.S. Records, to any person if the purpose of such disclosure or access is to respond to the legal process or request on behalf of a Foreign government without first satisfying all pertinent requirements of U.S. law and obtaining the express written consent of the DOJ and DHS or the authorization of a court of competent jurisdiction in the United States. Any such requests or legal process submitted by a Foreign government to SkyPort shall be referred to the DOJ and DHS as soon as possible, and in no event later than five (5) business days after such request or legal process is received by or known to SkyPort, unless the disclosure of the request or legal process would be in violation of U.S. law or an order of a court in the United States. If, upon the later of: (a) seven (7) business days following the Executive Agencies' receipt of SkyPort's referral, or (b) five (5) business days prior to the Answer Date, the Executive Agencies have not acted, then SkyPort may respond to such request or legal process as it deems appropriate and in a manner consistent with its Security Policy, and SkyPort thereafter shall promptly advise the Executive Agencies in writing of its actions. If, in the event of exigent circumstances, the Answer Date is less than eight (8) business days from the date SkyPort receives the request or legal process, these time periods do not apply, but SkyPort shall use its best efforts under the circumstances to consult with the Executive Agencies before responding, and will in any event notify the Executive Agencies: 1) relative to SkyPort's receipt of the request or legal process, not later than one (1) business day following such receipt; and 2) relative to SkyPort's response to such request or legal process, not later than one (1) business day from the date SkyPort submits its response.

7. Notification. SkyPort agrees that it will notify the FBI, DOJ, and DHS promptly if there are material changes in any of the facts as represented in this letter or in the event that SkyPort acquires control (as defined in 47 C.F.R. § 63.09(b)) of another telecommunications carrier. All notices to be provided to the FBI, DOJ, or DHS shall be directed to the named addressees of this letter.

8. Remedies. SkyPort agrees that, in the event the commitments set forth in this letter are breached, in addition to any other remedy available at law or equity, the DOJ, FBI, or DHS may request that the FCC modify, condition, revoke, cancel, or render null and void any relevant license, permit, or other authorization granted by the FCC to SkyPort or any successor-in-interest to SkyPort.

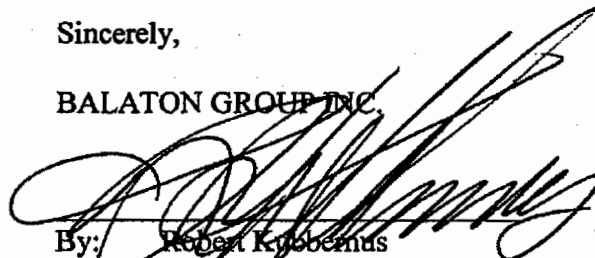
Nothing in this letter is intended to excuse the Signatories from any obligation they may have to comply with U.S. legal requirements for the retention, preservation, or production of information, records or data, or from any applicable requirements of the Communications Assistance for Law Enforcement Act, 47 U.S.C. § 1001, et seq., nor shall this letter constitute a waiver of: (a) any obligation imposed by any U.S. Federal, state or local laws on the Signatories, (b) any enforcement authority available under any U.S. or state laws, (c) the sovereign immunity of the United States, or (d) any authority the U.S. government may possess (including, without limitation, authority pursuant to the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq.) over the activities of the Signatories. Nothing in this letter is intended to, nor shall it to be interpreted to, require the parties to violate any applicable U.S. law. Likewise, nothing in this letter limits the right of the United States Government to pursue criminal sanctions or charges against the Signatories, and nothing in this letter provides the Signatories with any relief from civil liability.

We understand that, upon execution of this letter by the authorized representatives for the Signatories, the Executive Agencies shall notify the FCC that the Executive Agencies have no objection to the FCC's grant of the applications filed for the FCC's consent to the Proposed Transaction.

The commitments set forth in this letter shall not be binding on the Signatories if the Proposed Transaction does not close.

Sincerely,

BALATON GROUP INC.



By: Robert Kysbeinus
Title: President

SKYCOMM TECHNOLOGIES CORPORATION

By: Roger Klotz
Title: Chief Executive Officer and President

SKYPORT INTERNATIONAL, INC.

By: Roger Klotz
Title: Chief Executive Officer and President

* * * * *

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BALATON GROUP INC.

By: Robert Kubbernus
Title: President

SKYCOMM TECHNOLOGIES CORPORATION



By: Roger Klotz
Title: Chief Executive Officer and President

SKYPORT INTERNATIONAL, INC.



By: Roger Klotz
Title: Chief Executive Officer and President