

**MINTZ LEVIN
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POPEO PC**

*Boston
Washington
Reston
New York
Stamford
Los Angeles
London*

*701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
202 434 7300
202 434 7400 fax
www.mintz.com*

Received

DEC 02 2004

Policy Branch
International Bureau

Benjamin J. Griffin

*Direct dial 202 661 8720
bgriffin@mintz.com*

November 18, 2004

HAND AND ELECTRONIC DELIVERY

Mr. Thomas S. Tycz
Chief, Satellite Division
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

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Federal Communication Commission
Bureau/Office

**Re: Request of Rainbow DBS Company LLC for Extension of Contract
Execution Milestones**

**File Nos. SAT-LOA-20030827-00172, SAT-LOA-20030827-00248, SAT-
LOA-20030827-00175, and SAT-LOA-20030827-00249**

Dear Mr. Tycz:

Rainbow DBS Company LLC ("Rainbow DBS"),^{1/} by its counsel, hereby requests a two-week extension of the contract execution milestone requirement^{2/} for the above-referenced satellite space station authorizations. Such a *de minimus* extension, from November 22 until December 6, 2004, is necessary to give Cablevision's Board of Directors sufficient time to complete their due diligence review of the contract. Rainbow DBS does not seek any extension of future milestones.

An extension of time of the satellite milestones may be granted upon a showing that the additional time is required due to unforeseeable circumstances beyond the applicant's control

^{1/} Rainbow DBS is a wholly-owned subsidiary of Cablevision Systems Corporation ("Cablevision").

^{2/} 47 C.F.R. § 25.164(b), (c).

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and that there are unique and overriding public interest concerns that justify an extension.^{3/} As demonstrated below, Rainbow DBS meets this standard.

The Commission's milestone requirements are intended to ensure that licensees provide service to the public in a timely manner and to prevent a warehousing of scarce orbit and spectrum resources.^{4/} The Commission established a milestone requiring the execution of a non-contingent contract within one year from the date of authorization to ensure that licensees moved forward with their business plans while providing them adequate time to negotiate satellite construction contracts with manufacturers.^{5/}

Rainbow DBS has acted diligently to complete contracts for five spacecraft in satisfaction of Commission milestones. In November 2003, the Commission granted the four above-referenced satellite space station authorizations to Rainbow DBS.^{6/} A fifth authorization was granted to Rainbow DBS on January 5, 2004.^{7/} As the Commission intended through the adoption of the contract milestone, Rainbow DBS has used the time since the authorizations were granted to secure a satellite construction contract. Specifically, since initial grant, it has been engaged in a multi-stage scoping, design, contracting and procurement process to finalize construction contracts. This process included consultation with Telesat Canada on a satellite design and operations issues, issuance a Request for Proposals, acceptance of bids and proposals from multiple satellite manufacturers, narrowing the field of applicants down to two finalists, negotiating with the finalists and receiving Best and Final Offers from the finalists. Rainbow DBS has now selected a manufacturer, and will finalize an agreement with that manufacturer by the end of this week. The agreement covers the construction, launch and operation of all five state-of-the-art Ka-band satellites.

The proposed spacecraft construction contract requires the approval of the Board of Directors of Cablevision, Rainbow DBS's parent company. In anticipation of their review, on November 17, 2004, the directors of Cablevision determined that appropriate consideration and review of an agreement of this complexity and scope would require additional time beyond the November 22 milestone. Consequently, Rainbow DBS respectfully requests a two-week extension so that the directors can perform the necessary due diligence on the agreement and vote on it.

^{3/} 47 C.F.R. § 25.117(e). Rainbow DBS requests that this letter serve as the verified statement required under section 25.117(e).

^{4/} Amendment of the Commission's Space Station Licensing Rules and Policies, *First Report and Order and Further Notice of Proposed Rulemaking*, 18 FCC Rcd 10760, 10827 ¶ 173 (2003).

^{5/} *Id.* at 10829 ¶ 180.

^{6/} The authorizations were granted on November 21, 2003.

^{7/} See FCC File No. SAT-LOA-20030827-00173, as amended SAT-AMD-20031009-00312 (Call Sign S2486).


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Unique and overriding public interest concerns also justify this extension. In particular, the public interest in sound and responsible corporate governance will be served by permitting Cablevision's directors adequate time to complete their review of the agreement. The necessity of more intensive board oversight of public companies has been widely acknowledged in recent years, and the Commission has long sought to ensure that its processes did not interfere with the functioning of the securities laws.⁸⁷ Consistent with these goals, the requested two additional weeks will enable the Board of Directors to discharge their obligations to shareholders. By contrast, denying this *de minimus* extension request and therefore canceling Rainbow DBS's authorizations would disserve the public interest delaying the availability of advanced video and communications services.

Rainbow DBS seeks extensions of only the contract execution milestone, and only for the four space station authorizations referenced above. It does not seek an extension of the contract execution milestone for the fifth authorization, nor does it does not seek an extension of any future milestones for any of the five satellites. Rainbow DBS is fully committed to providing service to the public in a timely manner and does not seek to warehouse scarce orbit and spectrum resources.

For the reasons set forth more fully above, Rainbow DBS respectfully requests a *de minimus* extension of the date by which it must file a non-contingent contract with the Commission, from November 22 until December 6, 2004. Should you have any questions regarding this request, please contact the undersigned.

Sincerely,



Benjamin J. Griffin

⁸⁷ See Tender Offers and Proxy Contests, *Policy Statement*, 59 RR 2d (P&F)1536, 1540 ¶ 7 (1986).