



LEVENTHAL SENTER & LERMAN PLLC

January 18, 2007

VIA HAND DELIVERY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20054

Re: Virtual Geosatellite, LLC, Call Sign S2366

Dear Ms. Dortch:

Virtual Geosatellite, LLC (“Virtual Geo”), by its attorneys, hereby requests a two-week extension (from January 20, 2007 to February 3, 2007) of the deadline established in Paragraph 93 of the Order and Authorization in *Virtual Geosatellite, LLC*, DA 06-2560, slip op. at 27 (Int’l. Bur., released, December 21, 2006) (“*Virtual Geo Order*”) for Virtual Geo to submit the \$5 million system implementation bond required under Section 25.165 of the Commission’s Rules, 47 C.F.R. § 25.165. Virtual Geo offers the following points in support of this request.

As an initial matter, Virtual Geo emphasizes that it does not make this request lightly. Although Virtual Geo’s application was filed more than three years before the rulemaking proceeding that led to the 2003 imposition of the bond requirement was even initiated, it understands that the bond requirement is an important early indicator of the seriousness of a nascent licensee’s system concept and commitment to proceed with its implementation plans. The fact of the matter is that while Virtual Geo is elated finally to have been issued a license that validates its novel design and approach to the highly-efficient use of the orbital/spectrum resources, the timing of the release of the *Virtual Geo Order* – coming on the penultimate day before the start of the Christmas/New Years holiday period – could not have been more inopportune. Virtual Geo understands that this timing was inadvertent. Nevertheless, the request here is for a 14-day extension that compensates Virtual Geo for time that was effectively unusable with respect to securing arrangements for posting of the performance bond.

For all intents and purposes, Virtual Geo was not able to get the attention of investors, lenders, or potential partners regarding the issuance of the system license (and the details and conditions thereof) or the bond obligation until the week of January 8, 2007. It took the balance of December 21 (the day of issuance) and into December 22 (the last business day before Christmas) for Virtual Geo and its representatives to digest and summarize what the Commission had decided in its 27-page licensing decision. By the time Virtual Geo principals were able to intelligently reach out to the financial and satellite manufacturing communities, it is not inaccurate to say that most decision makers had ceased work for the year. Certainly, the



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aerospace and satellite industry companies had shut down, as they typically do, for the period from Christmas through New Year's Day. The truncated work week from January 2 through January 5, 2007 was only marginally more conducive to Virtual Geo's efforts. By the time the key people had ramped up for the year, it was January 8 – fully 18 days into the 30-day period Virtual Geo was afforded to post its \$5 million performance bond, and only 12 days from the deadline itself.

In the 10 days that have elapsed since January 8, Virtual Geo has made substantial progress in securing arrangements to post the bond. It has been buoyed by the excitement the license is generating, and is making very substantial progress with several potential investors who are currently conducting due diligence on the opportunity and evaluating arrangements with Virtual Geo that would enable the license's bond requirement to be met. As a start-up company, success at this level involves an additional step that new licensees with established businesses do not have. Start-up companies and established entities both have to go through the logistically time-consuming process of negotiating, funding, and securing a performance bond. This process alone can take up to a week even for a Fortune 500 company. Start-up companies, which cannot self-fund the letter of credit or other financial instrument that underlies the bond, face the additional step of making arrangements with investors or lenders that will put up the secured capital that funds the bond. This takes time above and beyond the logistical exercise of issuing a bond. Together, these two steps require more of the 30-day period than the 12 days that Virtual Geo had available to it by virtue of the unfortunate timing of the license grant.

Virtual Geo is hopeful that with an extension of just over two weeks – i.e., with a new filing deadline of February 5, 2007 (February 3, the 14th day after January 20, is a Saturday) – it will be able to complete the investment discussions that are so promising today, and have an appropriate performance bond issued for posting with the Commission. Given the intervention of the holidays and the impact the “down time” had on Virtual Geo's efforts, the two-week extension Virtual Geo seeks does not flout or otherwise contravene the Commission's requirements. A license that is issued at any other time of the year would not be subject to the same considerations, so this is not a situation that is likely often to be repeated. Virtual Geo is entitled to a “normal” 30 day period. To be sure, the public interest would not be served if the Commission were to strictly enforce an inopportunistically-timed 30-day deadline in a manner that inadvertently penalizes a new licensee that filed its application more than 8 years ago.

Virtual Geo emphasizes that if the negotiations it is now pursuing with vigor do not timely mature into meaningful arrangements, Virtual Geo will voluntarily return its authorization to the Commission by February 5, 2007. Virtual Geo also emphasizes that its requested extension of the bond condition deadline does not require or contemplate any adjustment to the license milestones in Paragraph 93 of the *Virtual Geo Order* – the first of which comes due on December 21 of this year.



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Virtual Geo encourages the Commission to give favorable consideration to this modest request for extension, which is supported by the attached Declaration of David Castiel, Virtual Geo's President and Manager. Virtual Geo thus respectfully urges the Commission to extend the performance bond posting deadline it established in the *Virtual Geo Order* – to February 5, 2007.

Please direct any questions regarding this request to the undersigned.

Respectfully submitted,

Raul R. Rodriguez
Stephen D. Baruch
Attorneys for Virtual Geosatellite, LLC.

cc (by e-mail): Robert Nelson
Andrea Kelly
Cassandra Thomas
Mark Young
Steven Spaeth
Karl Kensinger

DECLARATION OF DAVID CASTIEL

I, David Castiel, President and Manager of Virtual Geosatellite, LLC (“Virtual Geo”), hereby declare, under penalty of perjury, that the statements of fact presented in the foregoing request for a 14-day extension of the performance bond submission deadline that was imposed in the Commission’s December 21, 2006 Order and Authorization in *Virtual Geosatellite, LLC*, DA 06-2650 (Int’l. Bur., released Dec. 21, 2006), are true and correct to the best of my belief and understanding.



By: _____
David Castiel

Dated: January 18, 2007