



Federal Communications Commission
Washington, D.C. 20554

September 22, 2004

VIA FACSIMILE AND U.S. MAIL

John P. Stern, Esq.
Loral Space & Communications, Ltd.
1755 Jefferson Davis Highway
Suite 1007
Arlington, VA 22202

Re: Loral Orion, Inc., Debtor-in-Possession, IBFS File
Nos. SAT-LOA-19951109-00185/186; SAT-AMD-
19991222-00204/216 (Loral Cyberstar, Inc.), Call Signs
S2218, S2219.

Dear Mr. Stern:

On August 3, 2001, the International Bureau (Bureau) granted Loral CyberStar, Inc., now Loral Orion, Inc., Debtor-in-Possession (Loral), a license to launch and operate two satellites in the geostationary-satellite orbit to provide fixed-satellite service in a portion of the Ka-band.¹ In the authorization, the Bureau also assigned implementation milestones for the construction, launch, and operation of the satellite system. The license provides that failure to meet any of the implementation milestones will render the satellite authorization null and void. The first implementation milestone requires Loral to commence construction of its first satellite by August 2002, and its second satellite by August 2003.²

To satisfy the construction commencement milestone for satellite licenses, the Commission requires the execution of a non-contingent construction contract. The "non-contingent" requirement contemplates that there will be neither significant delays between the execution of the construction contract and the actual commencement of construction, nor conditions precedent to construction.³

In October 2003, the Bureau determined that Loral had satisfied its first construction commencement milestone by executing a non-contingent construction contract for the satellite at 139°

¹ Loral CyberStar, Inc., *Order and Authorization*, 16 FCC Rcd 14346 (2001) (Loral Order). Loral was initially assigned to the 147° W.L. and 15° W.L. orbital locations. Loral subsequently requested and was granted a reassignment from 147° W.L. to the 139° E.L. orbital location. See Second Round Assignment of Geostationary Satellite Orbit Locations to Fixed Satellite Service Stations in the Ka-band, *Order*, 17 FCC Rcd 14400 (2002).

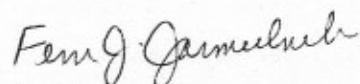
² *Loral Order*, 16 FCC Rcd at 14353.

³ See PanAmSat Licensee Corp., Application for Authority to Construct, Launch, and Operate a Ka-Band Communications Satellite System in the Fixed-Satellite Service at Orbital Locations 58° W.L. and 125° W.L., *Memorandum Opinion and Order*, 15 FCC Rcd 18720 (Int'l Bur. 2000) *aff'd*, 16 FCC Rcd 11534 (2001).

W.L.⁴ In order for the Commission to determine whether Loral is in compliance with the requirement to commence construction of its remaining satellite by August 2003, please submit a copy of the contract(s) that satisfies this obligation. The submission must include a signed copy of the contract, the statement of work, and all technical exhibits. The documentation must verify that the construction of Loral's remaining satellite has commenced and will be built within the time frame specified in Loral's license. If any standstill or stop work agreements relating to the contract have been executed, copies of these documents and any related correspondence must be submitted as well. This information must be filed with the Commission's Secretary by October 8, 2004.

Failure to provide this information by this date shall render Loral's Ka-band license for the satellite at 15° W.L. null and void. Please contact Alyssa Roberts at (202) 418-7276 if you have any questions.

Sincerely,



Fern Jarmulnek
Deputy Chief
Satellite Division

⁴ International Bureau Satellite Division Information: Second Round Ka-band Licensee Compliance with Construction Implementation Milestone and Surrender of License, *Public Notice*, Report No. SPB-194, DA 03-3426 (October 29, 2003).