

COPY



Received

JUN 28 2005

June 23, 2005
Policy Branch
International Bureau

RECEIVED

JUN 23 2005

Federal Communications Commission
Office of Secretary

By Hand Delivery

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW, Room TW-A325
Washington, D.C. 20554

Re: File Nos. SAT-LOI-19970926-00163, SAT-MOD-20050110-00004

Dear Ms. Dortch:

On May 24, 2005, the Commission issued an order granted an application by ICO Satellite Services G.P. ("ICO") to modify its Letter of Intent authorization to substitute a geostationary satellite at the 91° W.L. orbital location for its non-geostationary satellite system.¹ In accordance with paragraph 40 of the *Modification Order* and Section 25.165 of the Commission's rules, ICO hereby files a copy of its \$1.5 million performance bond and related documents. ICO concurrently is filing a petition for partial reconsideration of the *Modification Order* to the extent that it requires ICO to post a bond. If the petition is granted, ICO requests permission to cancel the bond in its entirety.

The bond amount reflects a reduction of \$1.5 million from the total \$3 million required under the rules. This specific bond amount is authorized pursuant to the Commission's Public Notice of May 27, 2005, which acknowledges that ICO may reduce its bond amount by 25 percent (\$750,000) for each of the two milestones that ICO has completed to date.²

Please direct any questions regarding this matter to the undersigned.

Sincerely,

Suzanne Hutchings Malloy

¹ See *ICO Satellite Services G.P.*, DA 05-1504 (Int'l Bur. May 24, 2005) ("*Modification Order*").

² See FCC Public Notice, Policy Branch Information, DA 05-1545 (Int'l Bur. May 27, 2005).

dc-419641

2000 Pennsylvania Ave., NW
Suite 4400
Washington, DC 20006

202 330 4005 phone
202 330 4008 fax
web: www.ico.com

This bond is executed in Duplicate

Bond No. 2054304

License and/or Permit Continuous Bond

KNOW ALL MEN BY THESE PRESENTS, that we ICO Satellite Services G. P. as Principal, and North American Specialty Insurance Company, Inc., a New Hampshire corporation, as Surety, are held and firmly bound unto the United States Treasury, as Oblige, in the maximum penal sum of One Million Five Hundred Thousand No/100 (\$1,500,000) U. S. Dollars as such maximum penal sum may be reduced pursuant to the terms and conditions set forth below, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents.

WHEREAS, the above bounden Principal has obtained a license or permit from the Federal Communications Commission ("FCC") for authority to construct, launch and operate a single geostationary-satellite-orbit pursuant to its application, IBFS Nos. SAT-MOD-20050110-00004, SAT-LOI-19970926-00163, in accordance with the terms and conditions set forth in its authorization, including the filing of this bond with the FCC;

WHEREAS, the Principal is required by law to file with the FCC a bond conditioned as hereinafter set forth;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall well and truly perform each and every obligation set forth below at the time and in the manner specified during the term of this bond, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED HOWEVER, that this bond is subject to the following conditions:

1. The single geostationary-satellite authorized by the FCC must be constructed, launched and placed in operation in accordance with the technical parameters and terms and conditions of the grant authorization by the following specified time periods (milestones):

- a. Commence construction by July 31, 2005,
- b. Launch and begin operations by July 17, 2007

2. Upon completion of each milestone confirmation of which will be filed with the FCC by the Principal, and issuance of a Public Notice by the FCC confirming same, the maximum penal sum of the bond shall be reduced by \$750,000 via a rider to this bond sent to the FCC and the Oblige.

3. In the event of a Notice of Default (i.e., an order or public notice revoking the Principal's authorization) issued by the FCC to the Principal and the Surety regarding the performance of the milestones specified above during the term of this bond, the Surety shall be liable only up to the current outstanding maximum penal sum amount after applicable milestone reductions. It is also understood and unconditionally agreed that upon receipt of such Notice of Default, the sole remedy under this bond will be the tender of payment of the current outstanding maximum penal sum of the bond within thirty (30) business days of such Notice of Default.

Any such Notice of Default made under this Bond shall be made in writing and shall be given by a personal delivery or expedited delivery service, postage pre-paid, addressed to the parties at the addresses specified below:

To the Surety: North American Specialty Insurance Company
Att: Surety Claims
1200 Arlington Heights Road,
Suite 400
Itasca, IL 60143

To the Principal: Attn: Suzanne Hutchings Malloy
2000 Pennsylvania Avenue NW, Suite 4400
Washington, D.C. 20008

4. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.

5. If any conflict or inconsistency exists between the Surety's obligation or undertakings as described in this bond and as described in other documents, statutes or regulations, then the terms of this bond shall prevail.

PROVIDED FURTHER, that regardless of the number of years this bond shall continue or be continued in force and of the number of premiums that shall be payable or paid the Surety shall not be liable hereunder for a larger amount, in the aggregate, than the current outstanding maximum penal sum of this bond.

PROVIDED FURTHER, that this bond shall be effective on the 24th day of May, 2005, and shall cease at such time as the FCC confirms that the Principal has satisfied all of the milestones set forth in paragraph 1 above, unless earlier cancelled as provided below.

Signed, sealed and dated the 22nd of June, 2005.

ICO Satellite Services G.P.

By: [Signature]

(Insert Typed Name and Title of Person Signing)

Sr. VP Finance, CFO

North American Specialty Insurance Company

By: [Signature]
Kay A. Hull, Attorney in Fact

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of Arizona and having its principal office in the City of Itasca, Illinois, each does hereby make, constitute and appoint:

STEVEN F. ANDERSON, LOIS JEAN BLINN, DAVID M. LAYMAN

KAY A. HULL, and GERALD L. JAGROWSKI

jointly or severally

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

TEN MILLION (10,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 24th of March, 2000:

"RESOLVED, that any two of the President, any Executive Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature]
Steven F. Anderson, President & Chief Executive Officer of Washington International Insurance Company & Vice President of North American Specialty Insurance Company



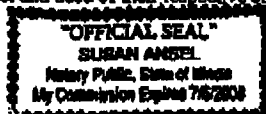
By [Signature]
David M. Layman, Vice President of Washington International Insurance Company & Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 22nd day of June, 2005.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois ss:
County of Du Page

On this 22nd day of June, 2005, before me, a Notary Public personally appeared Steven F. Anderson, President and CEO of Washington International Insurance Company and Vice President of North American Specialty Insurance Company and David M. Layman, Vice President of Washington International Insurance Company and Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature]
Susan Ansel, Notary Public

I, James A. Carpenter, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 22nd day of June, 2005.

[Signature]

James A. Carpenter, Vice President & Assistant Secretary of Washington International Insurance Company & North American Specialty Insurance Company