

George F. Wazeter
Director, Regulatory Affairs

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June 19, 2006

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Subject: Bond Reduction for Telstar 11N Call Sign S2357, 37.5°W.L.
File No. SAT-MOD-20011130-00118

Dear Ms. Dortch:

Loral Skynet Corporation¹ (Loral) hereby submits five copies of the attached bond rider in the amount of \$2.25 Million. This new amount reflects a reduction of \$750,000 based on the Commission's finding that Loral has met the satellite construction contract milestone, September 28, 2005, for the spacecraft.

On June 2, 2006, the International Bureau determined that Loral met the Construction Contract milestone for this space station and that Loral is entitled to reduce the amount of the bond, for this satellite, by \$750,000. See Public Notice DA 06-1196, released June 2, 2006.

Please contact me if you have any questions in this matter.

Sincerely,

¹ On September 30, 2005, the Commission approved Loral's application for change in control from Loral Orion, Inc. DIP to Loral Skynet Corp. See Public Notice, *Authorizations Granted Applications of Loral Space & Communications Ltd (DIP) for the Transfer of Control of Licenses and Authorizations Held by Loral Orion, Inc. (DIP), Loral SpaceCom Corporation (DIP) and Loral Skynet Network Services, Inc. (DIP) to Loral Space & Communications Inc., File No. SAT-T/C-20050628-00140.*



ace usa

Westchester Fire Insurance Company
Surety Company

ACE Companies

Rider to be attached to and form a part of Bond Number KO7169681 on behalf of Loral Orion, Inc. (Principal), and in favor United States Treasury, (Obligee), executed by the Company indicated above (Surety) in the amount of Three Million and NO/100-----(Dollars) -(\$3,000,000.00).

The Principal and the Surety hereby consent to changing the said bond as follows:

Bond Amount:

From: Three Million and NO/100-----(\$3,000,000.00)-----Dollars

To: Two Million, Two Hundred and Fifty Thousand and NO/100---
(\$2,250,000.00)--- Dollars

This change is effective 2nd day of June, 2006.

Nothing herein contained shall vary, alter or extend any provision or condition of the bond other than as above stated.

Signed, sealed and dated this 14th day of June, 2006

Michael [Signature]
Witness or Attest

Loral Orion, Inc.

By: John P. Stack
Name: John P. Stack
Title: ASSISTANT TREASURER

Paola [Signature]
Witness or Attest

Westchester Fire Insurance Company

By: Mary Lawrence
Name: Mary Lawrence,
Title: Attorney-in-Fact



129596

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the State of New York, having its principal office in the City of Atlanta, Georgia, pursuant to the following Resolution, adopted by the Board of Directors of the said Company on November 8, 1999, to wit:

"RESOLVED, that the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof

- (1) That the President, any Senior Vice President, any Vice President, and Assistant Vice President, or any Attorney-in-Fact, may execute for and on behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof... (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary... (3) The signature of the President, or a Senior Vice President, or a Vice President, or an Assistant Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution... (4) Such other Officers of the Company, and Attorneys-In-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavit or record of the Company necessary to the discharge of their duties... (5) The passage of this Resolution does not revoke any earlier authority granted by Resolutions of the Board of Directors."

Does hereby nominate, constitute and appoint MARY LAWRENCE, DEBRA TEPLITZKY, THERESA GIRALDO and PAULA SEYMOUR all of the City of Morristown, State of New Jersey, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Ten Million Dollars (\$10,000,000) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 27th day of February 2006



WESTCHESTER FIRE INSURANCE COMPANY

Signature of Stephen M. Haney

Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 27th day of February, A.D. 2006, before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



NOTARIAL SEAL
Kathleen Tirri, Notary Public
Philadelphia, Philadelphia County
My commission expires September 23, 2007

Signature of Kathleen Tirri

Notary Public

I, the undersigned Secretary of WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Secretary, and affixed the corporate seal of the Corporation, this 14th day of June 2006



Signature of George D. Mulligan

George D. Mulligan, Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER February 27, 2008.

FORM NO. 8800CS

STATE OF NEW JERSEY
COUNTY OF MORRIS

On June 14th, 2006, before me personally came Mary Lawrence to me known to be an Attorney-in-Fact of Westchester Fire Insurance Company, the corporation described in the within instrument, and she acknowledged that she executed the within instrument as the act of the said Westchester Fire Insurance Company in accordance with authority duly conferred upon her by said company.

Phyllis A. Clifton
Notary Public
Phyllis A. Clifton
Notary Public of New Jersey
My Commission Expires July 21, 2007

PRINCIPAL ACKNOWLEDGEMENT

STATE OF

COUNTY OF

On this 14th day of June, 2006, before me personally came

John P. Stack to me known to be an Assistant Treasurer of

Local Orion, Inc., the corporation described in the within instrument, and

he/she executed the within instrument as the act of the said Local Orion, Inc.

in accordance with authority duly conferred upon him/her by said company.

RENEE M. YARZIG
Notary Public, State of New York
No. 01YAE057332
Certificate Filed in New York County
Commission Expires March 18, 2010

Renee M. Yarzig
Notary Public



WESTCHESTER FIRE INSURANCE COMPANY

FINANCIAL STATEMENT

DECEMBER 31, 2005

ADMITTED ASSETS

BONDS	\$1,655,482,596
SHORT - TERM INVESTMENTS	93,489,235
STOCKS	118,948,855
REAL ESTATE	0
CASH ON HAND AND IN BANK	275,775
PREMIUM IN COURSE OF COLLECTION*	123,588,897
INTEREST ACCRUED	17,757,019
OTHER ASSETS	233,090,132
TOTAL ASSETS	<u><u>\$2,242,630,509</u></u>

LIABILITIES

RESERVE FOR UNEARNED PREMIUMS	\$427,660,175
RESERVE FOR LOSSES	1,297,014,793
RESERVE FOR TAXES	23,819,231
FUNDS HELD UNDER REINSURANCE TREATIES	0
OTHER LIABILITIES	(45,884,056)
TOTAL LIABILITIES	<u><u>1,702,610,143</u></u>

CAPITAL: SPECIAL SURPLUS	213,300,000
CAPITAL: 928,592 SHARES, \$4.85 PAR VALUE	4,503,671
CAPITAL: PAID IN	160,938,389
SURPLUS (UNASSIGNED)	161,278,306
SURPLUS TO POLICYHOLDERS	540,020,366
TOTAL	<u><u>\$2,242,630,509</u></u>

(*EXCLUDES PREMIUM MORE THAN 90 DAYS DUE.)

STATE OF PENNSYLVANIA

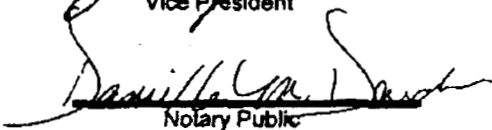
COUNTY OF PHILADELPHIA

John P. Taylor, being duly sworn, says that he is Vice President of Westchester Fire Insurance Company and that to the best of his knowledge and belief the foregoing is a true and correct statement of the said Company's financial condition as of the 31 st day of December, 2005.

Sworn before me this 13th day of April, 2006.



Vice President



Notary Public

October 21, 2009
My commission expires

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Danielle M. Darden, Notary Public
City Of Philadelphia, Philadelphia County
My Commission Expires Oct. 21, 2009
Member, Pennsylvania Association of Notaries

ace usa

Westchester Fire Insurance Company

Insurance Company

Loral Orion, Inc.

Policy Holder

KO7169681

Policy Number

Marsh USA Inc.

Broker/Producer

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You should be aware that under the Terrorism Risk Insurance Act of 2002 ("The Act") effective November 28, 2002, any losses caused by certified acts of terrorism under your existing coverage may be partially reimbursed by the United States under a formula established by federal law (applicability is subject to the terms and conditions of each individual policy). The Act was specifically designed to address the ability of businesses and individuals to obtain property and casualty insurance for terrorism and to protect consumers by addressing market disruptions and ensure the continued availability of terrorism coverage.

Under the terms of The Act, you may now have the right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism, to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Responsibility for Compensation under The Act is shared between insurance companies covered by The Act and the United States. Under the formula set forth in The Act, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible, which is paid by the insurance company providing the coverage.

We are providing you with the terrorism coverage required by The Act. We have not established a separate price for this coverage; however, the portion of your premium that is reasonably attributable to such coverage is: \$0.