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Received

FEB 03 2005

Policy Branch  
International Bureau

January 28, 2005

RECEIVED

JAN 28 2005

Federal Communications Commission  
Office of Secretary

Marlene Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
12th Street Lobby, TW-A325  
Washington, DC 20554

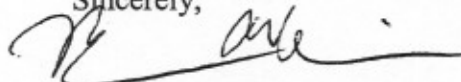
RE: Celsat America, Inc.  
SAT-MOD-20040717-00134

Dear Ms. Dortch:

Enclosed on behalf of Celsat America, Inc. ("Celsat") please find a letter from David D. Otten, Chairman & CEO of Celsat, responding to a letter dated January 24, 2005 to the undersigned counsel from Fern Jarmulnek, Deputy Chief of the Satellite Division of the Commission's International Bureau.

Please contact the undersigned should you have any questions concerning this submission.

Sincerely,



Brian D. Weimer  
Counsel to Celsat

Enclosures

cc: Fern Jarmulnek  
Alyssa Roberts



*David D. Otten  
Chairman & CEO*

Federal Communications Commission  
Washington, DC 20554

Attention: Fern J. Jarmulnek  
Deputy Chief, Satellite Division

Dear Ms. Jarmulnek:

In response to your letter of January 24, 2005, to date, Space Systems Loral ("Loral") has not assumed Celsat's satellite manufacturing contract, as amended (the "Celsat Contract"). Any such assumption by Loral of the Celsat Contract will require bankruptcy court approval.

When Celsat filed its request to modify its satellite system and alter certain milestones with the Commission in July of 2004, Loral was expected to exit bankruptcy in the fall of 2004. Subsequent to Celsat's request, however, the bankruptcy proceedings were delayed, and we are advised a hearing has now been scheduled for February 8<sup>th</sup>, 2005, to obtain Court approval on the sufficiency of the Loral Disclosure Statement. If approved on that date, a Confirmation Hearing will be scheduled, which hearing date may fall as early as the end of March, 2005. Should all of these procedural matters continue on course, the timing for Loral to emerge from bankruptcy and assume contracts (including the Celsat Contract) will be delayed until no earlier than the end of April, 2005.

While Loral's final Plan has not been presented to, or voted on by the creditors in the bankruptcy process, all indications from Loral are that they plan to assume the Celsat Contract. Celsat will notify the Commission as soon as possible once Loral assumes the Celsat Contract and the assumption is approved by the bankruptcy court.

Celsat did request that Loral assume the Celsat Contract last year, by motion in the bankruptcy proceedings, but Loral has not agreed to that request – indicating that they prefer to simply file the Plan previously mentioned, and assume all contracts at the same time.

Yours Sincerely,  
Celsat America, Inc., by

A handwritten signature in black ink, appearing to read "David D. Otten", with a long horizontal flourish extending to the right.

David D. Otten  
Chairman & CEO