

George F. Wazeter
Director, Regulatory Affairs

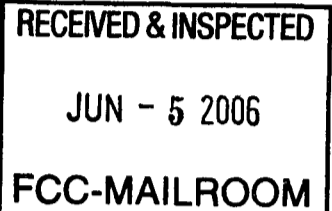
S2670 SAT-MOD-20050322-00069 IB200500061
Loral Skynet Corporation
Telstar 11

S2415 SAT-MOD-20050325-00077 IB200500066
SES Americom, Inc.
AMC-12

May 30, 2006

500 Hills Drive
P.O. Box 7018
Bedminster, NJ 07921
Tel: 908-470-2350
Fax: 908-470-2453
E mail: gfw@loralskynet.com

Ms. Andrea Kelly
Chief, Policy Branch, Satellite Division, International Bureau
Federal Communications Commission
345 12th St. SW
Washington, DC 20554



Dear Ms. Kelly:

In response to the Commission's questions relating to the Loral Orion, Inc. (Loral) submission of the satellite construction contract for Telstar 11N, a replacement Ku-band satellite for Loral's Telstar 11 satellite to be located at 37.55° W.L., Loral provides the following information:

1. The satellite construction contract states that the satellite will be optimized to operate at 37.55° yet the satellite authorization assigns the satellite to the 37.5°.

On May 5, 2005 the Commission issued Grant Stamp approval of Loral Orion, Inc.'s application (File No SAT-MOD 20050322-00069, Call Sign S2670) to relocate Telstar 11 to 37.55°W.L. pursuant to a coordination agreement between Loral and SES Americom. The replacement satellite authorization (File No. SAT-MOD 20011130-00118, Call Sign S2357) at the 37.5° orbital position was granted on September 28, 2004. Loral will be submitting a satellite modification application, to reflect the to-be-built design of the satellite, prior to the CDR milestone date, September 28, 2006. This modification will also seek reassignment to the 37.55° orbital position.

This is described in footnote 1 of the cover letter that was submitted with the contract on September 28, 2005. The letter references the May 6, 2005 date of the Policy Branch Public Notice of Actions taken. A copy of the cover letter is enclosed as Attachment 1 for the Commission's convenience.

Loral understands that Commission approval of the Contract milestone does not constitute approval of the change in orbital location.

2. The contract signature page is incorrectly numbered. Identify who signed the contract and their affiliation.

During the contracting process, electronic drafts of the contract were exchanged between Loral Orion, Inc. and Space Systems/Loral. When the contract was finalized, but before preparing the contract for submission to the Commission (*i.e.*, converting to pdf format, preparing redacted version), the signature page was printed and executed. When the final draft was prepared for submission to the Commission, the pagination changed slightly. The incorrect pagination was referenced in footnote 13 of the cover letter that was sent to the Commission with the contract. Loral hereby reaffirms that, despite the incorrect pagination, the contract as submitted to the Commission is complete and was fully approved by both parties to the contract.

The contract was executed by:

For SS/L:

Ronald Haley
CFO

For Loral Orion, Inc.:

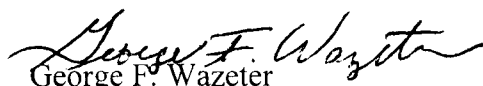
Jeffrey C. Stine
Assistant Secretary

3. Explain which Loral company, post emergence from Chapter 11 bankruptcy, is now responsible to fulfill the satellite purchase agreement.

On November 16, 2005, Loral Orion, Inc. filed with the State of Delaware to change its name from Loral Orion Inc. to Loral Skynet Corporation. In such circumstances, a contract modification to reflect a name change is unnecessary as a matter of corporate law. The same company that executed the contract, with a different name, is responsible to complete the purchase transaction. Copies of the documents are enclosed as Attachment 2.

Please contact me if you require additional information.

Sincerely,


George F. Wazeter
Director, Regulatory Affairs

Attachment 1

WILLKIE FARR & GALLAGHER^{LLP}

**WF&G
STAMP IN**

1875 K Street, NW
Washington, DC 20006-1238
Tel: 202 303 1000
Fax: 202 303 2000

REQUEST FOR CONFIDENTIAL TREATMENT

September 28, 2005

VIA HAND DELIVERY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW TW-A325
Washington, DC 20554

RECEIVED

SEP 28 2005

Federal Communications Commission
Office of Secretary

Re: Loral Orion, Inc. (Debtor in Possession)
First Milestone Manufacturing Contract Submission
Call Sign: S2357 (Telstar 11N)

Dear Ms. Dortch:

Pursuant to the Commission's rules, Loral Orion, Inc. (Debtor in Possession) ("Loral Orion") hereby submits a binding, non-contingent satellite manufacturing contract and accompanying exhibits executed between Loral Orion and Space Systems/Loral, Inc. (Debtor in Possession) ("SS/L") for Telstar 11N, to be located at 37.55° W.L.¹ Loral Orion submits two versions of the satellite manufacturing contract: a redacted version for public inspection and an unredacted version that is confidential, subject to this request for confidential treatment.

Consistent with Commission policy, Loral Orion requests confidential treatment of the unredacted copy of the satellite manufacturing contract. The unredacted satellite manufacturing contract contains highly sensitive commercial and financial information, including details regarding amounts due, payment terms and schedules, financial and performance incentives, technical specifications, and unique commercial terms and conditions. The disclosure of this information likely would cause

¹ Telstar 11N was previously referred to as Telstar 11R. While the T11 satellite was originally launched into 37.5° W.L., pursuant to a March 2005 coordination agreement with SES Americom, Inc., the satellite is operated at 37.55° W.L. A modification to the license to reflect this relocation was granted on May 6, 2005. *Policy Branch Information Actions Taken, International Bureau*, 20 FCC Rcd 8839 (2005). A modification to the Telstar 11N authorization will be sought to permit continued operation at this revised orbital location.

substantial financial and competitive harm to Loral Orion and SS/L, and is therefore exempted from mandatory disclosure under Exemption 4 of the Freedom of Information Act ("FOIA")² and section 0.457(d) of the Commission's rules.³ The unredacted satellite manufacturing contract should be withheld from public inspection and should not be placed in the public file.

In support of its request for confidential treatment and pursuant to the requirements of section 0.459(b) of the Commission's rules,⁴ Loral Orion states the following:

1. Loral Orion seeks confidential treatment of the unredacted copy of its satellite manufacturing contract, including related exhibits, with SS/L. The unredacted contract and its exhibits contain trade secrets, unique and negotiated commercial terms and conditions, technical specifications, payment terms and schedules, and financial and performance incentives. This information has been redacted from the version of the contract that is available for public inspection. In addition to portions of the contract, exhibits A through E have been omitted from the public inspection copy.
2. The satellite contract is submitted pursuant to section 25.164(c) of the Commission's rules, which requires a satellite licensee to submit a copy of its manufacturing contract with the Commission on or before the deadline for entering into such a contract.⁵
3. The satellite manufacturing contract contains trade secrets, unique and negotiated commercial terms and conditions, technical specifications, payment terms and schedules, financial and performance incentives, and other commercial, financial and technical information that is customarily guarded from competitors.⁶ This information is exempt from disclosure under FOIA Exemption 4⁷ and section 0.457(d) of the Commission's rules.⁸ The satellite manufacturing contract details unique financial and commercial terms and conditions that have been negotiated extensively by the parties. It also details the negotiated satellite construction schedule, including exhibits A through E, which provide technical specifications for construction, testing, and deployment of a sophisticated, unique GSO FSS satellite. Thus, this information in the satellite manufacturing contract qualifies as a trade secret, which is defined as "a secret, commercially valuable plan, formula, process, or device that is used for the making, preparing, compounding, or processing of trade commodities and that can be said to be

² 5 USC § 552(b)(4). See *Public Citizen Health Research Group v. FDA*, 704 F.2d 1280, 1290-91 (D.C. Cir. 1983).

³ 47 CFR § 0.457(d).

⁴ 47 CFR § 0.459(b).

⁵ 47 C.F.R. § 25.164(c). In addition, the Commission required submission of the satellite manufacturing contract when it granted a November 29, 2001 modification request on September 28, 2004. *Policy Branch Information Actions Taken, International Bureau*, 20 FCC Rcd 960 (2004).

⁶ 47 CFR § 0.457(d)(2).

⁷ 5 USC § 552(b)(4).

⁸ 47 CFR § 0.457(d).

the end product of either innovation or substantial effort.”⁹ Neither Loral Orion nor SS/L customarily discloses any of the information redacted or omitted from the satellite manufacturing contract to competitors or to the public. Therefore, all of the aforementioned information is exempt from disclosure.

4. Loral Orion faces competition from a substantial number of companies involved in or developing Ku-band satellite systems, along with other companies currently providing comparable services using other satellite frequencies. These competitors include, but are not limited to, PanAmSat Corp., Intelsat, SES Americom, Inc., and New Skies Satellites.
5. Disclosure of the aforementioned trade secrets, unique and negotiated commercial terms and conditions, technical specifications, payment terms and schedules, financial and performance incentives, and other commercial, financial and technical information that would customarily be guarded from competitors likely would result in substantial competitive harm to both Loral Orion and SS/L. Release of this information would provide Loral Orion’s competitors with commercial information developed by Loral Orion and SS/L. The contract and its exhibits contain detailed descriptions of the satellite’s performance requirements and provide a roadmap of Loral Orion and SS/L’s satellite construction. Release of that information would provide competitors with valuable proprietary information at no expense, allowing competitors to imitate or build on Loral Orion and SS/L’s innovations without expending funds for their own research and development. Competitors could use the information disclosed to develop a competitive marketing strategy likely to cause harm to Loral Orion and SS/L. Furthermore, disclosure of financial information contained in the contract would provide competitors with valuable insight as to how Loral Orion and SS/L structure and price satellite programs. Disclosure likely would cause SS/L to be disadvantaged in competing for future contract procurements by allowing competitors and potential customers to better estimate and undercut SS/L’s bids. Indeed, release of redacted and omitted portions of the satellite manufacturing contract would provide competitors with a “model contract” to use when soliciting SS/L’s clients. It could also be used to provide other satellite manufacturers with key contractual provisions that they can use in tailoring competitive strategies, adversely affecting Loral Orion and SS/L’s future negotiating postures.
6. Article 28 of the satellite manufacturing contract contains specific provisions requiring both parties to maintain the confidentiality of proprietary information included in the contract and disclosed orally during discussions connected with the contract.
7. Neither Loral Orion nor SS/L customarily discloses the information redacted or omitted from the satellite manufacturing contract to competitors or to the public.
8. Loral Orion requests that the unredacted copy of the satellite manufacturing contract and exhibits be considered confidential indefinitely or for ten years as consistent with Article 28 of the satellite manufacturing contract. Premature disclosure of the redacted and omitted

⁹ See *Public Citizen Health Research Group v. FDA*, 704 F.2d 1280, 1288 (D.C. Cir. 1983) (citation omitted).

information would unfairly advantage other satellite operators and damage Loral Orion's competitive position.

9. Using the *National Parks* test, commercial, technical, or financial data is kept confidential if its disclosure would either (1) impair the government's ability to obtain necessary information in the future, or (2) cause substantial harm to the competitive position of the person from whom the information was obtained.¹⁰ The Commission has previously determined that the financial and technical data contained in a satellite manufacturing contract are considered confidential under the second prong of the *National Parks* test.¹¹ Disclosure of this information would cause the satellite operator to "lose its competitive edge."¹² Loral Orion's satellite manufacturing contract contains just such proprietary and confidential financial and technical information. Disclosure would cause substantial competitive injury.

To provide appropriate protection from public disclosure, the Commission should strictly limit distribution of the unredacted copy of Loral Orion's satellite contract within the agency. Should any person outside the Commission request disclosure of the unredacted copy, Loral Orion requests to be notified immediately in order to oppose such request or take other actions as deemed necessary.¹³

Please contact the undersigned with any questions regarding this submission.

Kind regards,



Philip L. Verveer
Jennifer D. McCarthy
Karen Henein*
Counsel to Loral Orion, Inc. (Debtor in Possession)

Enclosures

cc: Andrea Kelly w/ enclosures (confidential version)

* Admitted only to the Maryland Bar. Practicing under the supervision of members of the D.C. Bar.

¹⁰ *National Parks and Conservation Association v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974).

¹¹ See *American Satellite Company; Request for Inspection of Rainbow Satellite, Inc. Documents*, Memorandum Opinion and Order, 1985 FCC LEXIS 3117 at ¶ 17 (1985).

¹² *Id.*

¹³ Please note that although the final page is not numbered in sequence, the contract as submitted is complete as agreed to and executed by both parties.

RECEIVED

SEP 28 2005

Federal Communications Commission
Office of Secretary

CONTRACT

BETWEEN

LORAL ORION, INC.

AND

Space Systems/Loral, Inc.

FOR THE

"TELSTAR 11N"

Satellite Program

The attached Contract and the information contained therein are confidential and proprietary to Loral Orion, Inc. and Space Systems/Loral, Inc. and shall not be published or disclosed to any third party except as permitted by the terms and conditions of this Contract.

[Use or disclosure of the data contained on this page is subject to the restrictions set forth in this Contract.]

Final

Attachment 2

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
LORAL ORION, INC.

Loral Orion, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation") does hereby certify that:

The amendment to the Certificate of Incorporation of the Corporation set forth below has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware:

1. The Certificate of Incorporation of the Corporation is hereby amended by striking Paragraph 1 in its entirety and inserting in lieu thereof the following:

"1. The name of the corporation (the "Corporation") is: Loral Skynet Corporation. The date of filing of its original Certificate of Incorporation with the Secretary of State was January 22, 1988, and the name under which the corporation was originally incorporated is Orion Satellite Corporation."

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by its duly authorized officer on this 16th day of November 2005 in accordance with Section 103 of the General Corporation Law of the State of Delaware.

LORAL ORION, INC.

By: Avi Katz
Name: Avil Katz
Title: Vice President

Delaware

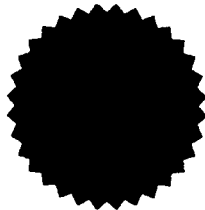
PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "LORAL ORION, INC.", CHANGING ITS NAME FROM "LORAL ORION, INC." TO "LORAL SKYNET CORPORATION", FILED IN THIS OFFICE ON THE SIXTEENTH DAY OF NOVEMBER, A.D. 2005, AT 6:50 O'CLOCK P.M.

2150050 8100

051070431



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State
AUTHENTICATION: 4410837

DATE: 12-29-05