



Space & Communications Ltd

1421 Jefferson Davis Highway, Suite 810

Arlington, VA 22202-3290

(703) 414-1057 • Fax: (703) 414-1079

Laurence D. Atlas

Vice President

Government Relations

September 6, 2005

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Loral Space & Communications Ltd. (DIP) (Transferor) Seeks Approval for the Transfer of Control of FCC Licenses Held by Loral Orion, Inc. (DIP), Loral SpaceCom Corporation (DIP) and Loral Skynet Network Services, Inc. (DIP) to Loral Space & Communications Inc. (Transferee) and CyberStar Licensee, L.L.C. (Assignor) Seeks Approval for the Assignment of FCC Licenses Held by CyberStar Licensee, L.L.C. to Loral CyberStar L.L.C. (Assignee), IB Docket No. 05-233

Loral Orion, Inc. (DIP), File Nos. SAT-T/C-20050628-00140, SAT-T/C-20050628-00141, 0002221736; Loral Skynet Network Services, Inc. (DIP), File No. SES-T/C-20050628-00837; Loral SpaceCom Corporation (DIP), File Nos. SES-T/C-20050628-00838, SES-T/C-20050628-00839; CyberStar Licensee, L.L.C., File No. SAT-ASG-20050628-00138; Space Systems/Loral, Inc. (DIP), File No. 0002221758

Dear Ms. Dortch:

Per the informal request of the staff of the International Bureau of the Federal Communications Commission ("Commission"), this letter provides certain additional ownership information intended to supplement the above-referenced assignment and transfer of control applications ("Applications"). It is not possible to know with certainty who initially will own the issued common stock of the proposed Transferee, Loral Space & Communications Inc. ("New Loral"), or the issued preferred stock of Loral Skynet Corporation ("New Skynet") upon emergence from bankruptcy. The debt of the various Loral entities is currently being traded privately and rights to the initially issued stock are being traded on an "as issued" basis. Consequently, the information set forth herein is based on the knowledge and belief of the parties to the Applications. Please also note that the stock of New Loral is expected to be publicly traded on Nasdaq or another national securities exchange soon after its issuance.

Ownership of New Loral. The parties to the Applications are unaware of any entity other than MHR Fund Management LLC ("MHR") that will initially directly or indirectly own or control 10% or more of the issued common stock of New Loral upon emergence from bankruptcy. Pursuant to the Debtors' Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated June 3, 2005, as modified by the Confirmation

Ms. Marlene Dortch, Secretary
September 6, 2005
Page 2

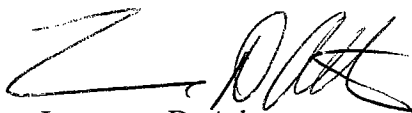
Order (the "Plan"), New Loral is not issuing preferred stock in connection with its emergence. We have been advised by MHR that it is expected to indirectly control, in the aggregate, approximately 36% of the initially issued New Loral common stock through its management of certain investment funds identified in the Applications. The Plan also provides a management incentive program pursuant to which New Loral's management and key employees will be granted options that will represent approximately 6.5% of the New Loral common stock on a fully diluted basis as of the emergence date.

Ownership of New Skynet. All of the issued common stock of New Skynet, the direct licensee of certain earth station licenses set forth in the Applications, will be directly owned and controlled by Loral Space & Communications Holdings Corporation, a Delaware corporation, which, in turn, will be wholly owned and controlled by New Loral. New Skynet also will issue preferred stock upon its emergence from bankruptcy. The parties to the Applications are unaware of any entity other than MHR that will directly or indirectly own or control 10% or more of the issued preferred stock of New Skynet. As advised by MHR, MHR is expected to indirectly control, in the aggregate, approximately 38% of New Skynet's initially issued preferred stock through its management of certain investment funds identified in the Applications.

Ownership of New Loral and New Skynet by Dr. Rachesky. As set forth in the Applications, Dr. Rachesky controls MHR and therefore will indirectly control the New Loral common stock and New Skynet preferred stock that MHR will indirectly control through its management of certain investment funds identified in the Applications. According to Dr. Rachesky, he also holds a direct ownership interest in certain of the funds managed by MHR. As a result of this ownership interest, we have been advised that Dr. Rachesky indirectly will hold a beneficial ownership interest in less than 2% of the initially issued New Loral common stock and New Skynet preferred stock. In addition to this indirect beneficial ownership interest, MHR has informed us that Dr. Rachesky, through his ownership of certain affiliates of MHR, also will hold a majority of MHR's industry-standard "carry" right to 20% of the profits accrued by the funds managed by MHR from their ownership interests in New Loral common stock and New Skynet preferred stock.

Please do not hesitate to contact the undersigned with any questions.

Respectfully submitted,



Laurence D. Atlas

cc: JoAnn Lucanik, Satellite Division, International Bureau