

such that upon consummation of the transaction the amalgamated entity, to be known as Telesat Canada, will be a direct wholly owned subsidiary of Acquireco and an indirect wholly owned subsidiary of Holdco. Able Infosat will remain an indirect subsidiary of the new Telesat.

In the second transaction, which will occur contemporaneously with or after the consummation of Holdco's acquisition of indirect control of Telesat and Able Infosat, Holdco will acquire indirect control of certain U.S. licenses and assets of Loral Skynet. To effect this second transaction, Loral Skynet has created two new subsidiaries organized under Delaware law: (1) Skynet Satellite Holdings Corporation ("Skynet Holdings") and (2) Skynet Satellite. At the closing, Loral Skynet will transfer the shares of Skynet Holdings, Skynet Satellite and LSNSI to Holdco. Holdco will transfer the shares of Skynet Holdings, Skynet Satellite and LSNSI to Acquireco, which will in turn transfer the shares of those three entities to the new Telesat. Telesat will transfer the shares of Skynet Satellite and LSNSI to Skynet Holdings, and Skynet Holdings will transfer the shares of LSNSI to Skynet Satellite. Following these share transfers, LSNSI will be a wholly owned subsidiary of Skynet Satellite; Skynet Satellite will be a wholly owned subsidiary of Skynet Holdings; Skynet Holdings will be a wholly owned subsidiary of Telesat; Telesat will be a wholly owned subsidiary of Acquireco; and Acquireco will be a wholly owned subsidiary of Holdco. In addition to this share transfer transaction, Loral Skynet will assign its FCC licenses to Skynet Satellite.

Attachment A to Exhibit E is a chart depicting Holdco's proposed corporate structure, including indirect control of companies holding U.S. licenses and authorizations, following consummation of the two proposed transactions described above.

V. THE TRANSFEREE IS QUALIFIED TO ACQUIRE TELESAT CANADA AND THE ASSETS AND SUBSIDIARIES OF LORAL SKYNET.

The Transferee, including for purposes of this Section V its owners PSP and Loral, is legally, financially and technically qualified to operate earth and space stations and to provide satellite services in the United States. Indeed, the Commission has considered and approved both Loral's¹⁰ and Telesat's qualifications in prior decisions.¹¹ The Transferee's financial qualifications are impressive; Loral is a publicly traded company on NASDAQ with a market capitalization of more than US\$900 million, and annual net contributions to PSP are approximately CAD\$4 billion (US\$3.4 billion). Both Loral and Telesat are pioneers in the satellite industry with industry-leading reputations, and both have extensive experience in the management and operation of satellites and satellite systems. Finally, the home market of

¹⁰ In connection with the emergence of Loral Space & Communications Ltd. ("Old Loral") and its debtor subsidiaries from bankruptcy, the International Bureau granted Old Loral authority to transfer control of certain of its subsidiaries, along with the space and earth station licenses held by such entities, from Old Loral to Loral Space & Communications Inc. *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.*, Public Notice, 20 FCC Rcd 15691 (2005).

¹¹ The FCC has granted Telesat Canada authority to operate three earth stations. SES-LIC-20040625-00887, *Satellite Communications Service Information Actions Taken*, Public Notice, Report No. SES-00643 (2004); SES-LIC-20041027-01601, *Satellite Communications Service Information Actions Taken*, Public Notice, Report No. SES-00677 (2005); SES-LIC-20051102-01508, *Satellite Communications Service Information Actions Taken*, Public Notice, Report No. SES-00782 (2006). The FCC also has granted requests that Telesat satellites be added to the U.S. permitted space station list. *See e.g., Telesat Canada Petition for Declaratory Ruling For Inclusion of ANIK F1 on the Permitted Space Station List*, Order, 15 FCC Rcd 24828 (2000); *Telesat Canada Petition for Declaratory Ruling to Add the C- and Ku-band Payloads of ANIK F3 to the Permitted List*, Order, File No. SAT-PPL-20060516-00061, DA 07-118 (Jan. 19, 2007).

Acquireco and Holdco is Canada, a member of the WTO. Thus, although the Transferee is required to obtain a finding under Section 310(b)(4) that Canadian ownership above 25% is in the public interest due to the fact that Able Infosat holds a CMRS radio license, the Transferee is entitled to a presumption in favor of such a finding, which the Commission should issue as requested in the Petition for Declaratory Ruling under Section 310(b)(4) filed with respect to the transfer of control of Able Infosat's wireless licenses. The foreign ownership of Holdco is described in Exhibit E.

VI. THE COMBINATION OF TELESAT AND LORAL SKYNET BY HOLDCO WILL SERVE THE PUBLIC INTEREST.

The proposed transactions will promote competition in the provision of satellite services. First, combining the geographically complementary satellite assets of Loral Skynet and Telesat will provide consumers access to a new global satellite service provider. As a result of the sale of its North American fleet to Intelsat in 2004, Loral Skynet relinquished its presence in the U.S. satellite services business. At present, both Loral Skynet and Telesat provide limited satellite space segment services within the U.S. or to/from the U.S. and foreign points. The Loral Skynet combined satellite footprint covers much of the land mass of Europe, Africa, Asia and Australia and portions of North and South America, while Telesat's combined satellite footprint virtually blankets North and South America. However, although Telesat's satellites have a footprint covering North America, Telesat has concentrated on Canada. Thus, at present, neither Telesat nor Loral Skynet presently provides significant space segment satellite services in the U.S.¹²

¹² Indeed, Loral's satellite fleet provides an array of video and data services primarily outside of North America and complements Telesat's North American fleet, which hosts

Following completion of the transaction, U.S. satellite capacity consumers will be able to purchase a broader range of satellite services from the combined entity than they could purchase from either Telesat or Loral Skynet individually today. Currently, neither Telesat nor Loral Skynet are significant providers of space segment satellite service in the U.S. As a result, these transactions will expand competition in the provision of U.S. satellite services to the benefit of U.S. consumers of such services. The increase in potential U.S. space segment capacity available to the combined entity that results from the consummation of the transactions actually will promote competition by enhancing the reliability, redundancy and spectrum efficiency of such services.

Second, the new Telesat also will be able to supply expanded satellite and terrestrial coverage, enhanced back-up advantages and an unparalleled level of customer service. The combined satellite footprint of the new Telesat will cover virtually all of the world's populated land mass, and will comprise the world's fourth largest satellite fleet and the third largest fleet with a global satellite footprint.¹³ As a result, U.S. consumers of satellite services will have access to a more complete package of satellite services from a single provider, enhancing competition by providing consumers with a third satellite services provider with truly global

strong video and data distribution services focused on Canada, as well as Canada's two premier DTH video services.

¹³ Peter B. de Selding, *The List, Top Fixed Satellite Service Operators*, Space News (Jun. 26, 2006) (providing data from Dec. 31, 2005 including the number of satellites that top operators have in orbit. Based on this data, the new Telesat (Telesat plus Loral) would be fourth with 10 satellites behind Eutelsat with 22 satellites, SES (including New Skies) with 35 satellites, and Intelsat (including PanAmSat) with 52 satellites.).

reach. The FCC has acknowledged that transactions that “better [position the combined company] to compete in the global satellite services market” serve the public interest.¹⁴

Third, the post-consummation Telesat will have much greater scale than either Loral or Telesat presently enjoys, which will provide numerous benefits to the combined company and consumers of satellite services. First, the increased scale will allow the new Telesat to grow its fleet and thus increase redundancy and improve reliability by providing the combined company more options in the event service restoration becomes necessary than either company would have independently. This flexibility will redound to the benefit of consumers of satellite services, as their needs will be met more quickly and efficiently.¹⁵

While the overlap in satellite footprint for Loral Skynet and Telesat is not extensive, the increase in global capacity available to the combined company will improve the efficiency of spectrum utilization by enabling the combined company to rationalize its orbital slot resources. Finally, greater scale will enhance the efficiency of both Telesat’s and Loral Skynet’s operations. After the acquisition, Telesat and Loral Skynet will be able to leverage each entity’s respective strengths in sales, operations and management support, and the combination of Loral Skynet and

¹⁴ *Application for Consent to Transfer of Space Station Licenses of Columbia Communications Corporation*, Order and Authorization, 15 FCC Rcd 11590, ¶ 11 (2000); see also *Application of General Electric Capital Corporation and SES Global, S.A.*, Order and Authorization, 16 FCC Rcd 17575, ¶ 52 (2001) (“The combination may also provide the merged entity with resources to better compete with other operators that can offer services throughout the world, and thus, strengthen competition in the satellite telecommunications services industry.”).

¹⁵ The FCC has recognized that reducing the time required to meet customers’ needs serves the public interest. See e.g., *Amendment of the Commission’s Space Station Licensing Rules and Policies*, Second Report and Order, 18 FCC Rcd 12507, ¶ 7 (2003).

Telesat will permit reductions in expenses. Increased scale and reduced costs will make the combined company a more vital competitor, to the benefit of consumers of satellite services and therefore the public interest.¹⁶

VII. CONCLUSION

For the foregoing reasons, the Applicants hereby request that the Commission grant the applications and related filings described herein expeditiously.

¹⁶ See *Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors and Intelsat Holdings, Ltd., Transferee; Consolidated Application for Authority to Transfer Control of PanAmSat Licensee Corp. and PanAmSat H-2 Licensee Corp.*, Memorandum Opinion & Order, 21 FCC Rcd 7368, ¶¶ 45, 74 (2006); see generally *Application of New Skies Satellites Holdings Ltd., Transferor, and SES GLOBAL S.A., Transferee, to Transfer Control of Authorizations Held by New Skies Networks, Inc., and Notification of Change to Permitted Space Station List; International Authorizations Granted*, Public Notice, 21 FCC Rcd 3194 (2006).

OWNERSHIP AND CONTROL OF HOLDCO

I. Introduction

4363205 Canada Inc. ("Holdco") and 4363213 Canada Inc. ("Acquireco") were created for the purpose of acquiring Telesat Canada ("Telesat") by the Public Sector Pension Investment Board ("PSP") and Loral Space and Communications Inc. ("Loral"). As described in more detail in the Public Interest Statement, Exhibit F, Telesat holds three U.S. earth station authorizations and has four satellites licensed by Industry Canada on the current U.S. Permitted Space Station List. Telesat also wholly owns Infosat Communications Inc. ("Infosat"), which in turn wholly owns Infosat Able Holdings, Inc., which in turn wholly owns Able Infosat Communications Inc. ("Able Infosat"). Able Infosat holds two international Section 214 authorizations and 15 wireless radio licenses in the Industrial/Business Pool.¹

Contemporaneous with or after the acquisition of Telesat, in a separate transaction Loral Skynet Corporation ("Loral Skynet") will, as described more completely below, transfer a substantial portion of its assets, including the stock of its subsidiaries holding FCC licenses, to an indirect subsidiary of Holdco. Loral Skynet holds three space station licenses, 20 earth station licenses, one wireless Industrial/Business Pool license and one receive-only earth station

¹ On January 19, 2007, Infosat filed an application for approval of a *pro forma* transfer of control of Able Infosat (ULS File No. 0002865620) with respect to Able Infosat's wireless licenses, and Infosat notified the Commission of the *pro forma* assignments of its international Section 214 authorizations to Able Infosat, which occurred on January 17, 2007 (IBFS File No. ITC-ASG-20070119-00031).

registration. Loral Skynet's subsidiary, Loral Skynet Network Services, Inc. ("LSNSI"), holds 30 earth station authorizations and two VSAT licenses.²

II. Description of Acquisition of Telesat by Holdco

The acquisition of Telesat and its direct and indirect subsidiaries Infosat, Infosat Able Holdings, Inc. and Able Infosat will occur as described below. Loral and PSP have incorporated Holdco and Acquireco, such that Acquireco is a wholly owned subsidiary of Holdco. A third new entity, 4363230 Canada Inc. ("Interco"), is a wholly owned subsidiary of Acquireco. Each of Holdco, Acquireco and Interco are corporations organized under the Canada Business Corporations Act. Under the terms of a Share Purchase Agreement, dated as of December 16, 2006, among Acquireco, BCE Inc. ("BCE") and Telesat, Acquireco will purchase all of the issued and outstanding common shares of Telesat from BCE. Acquireco will then transfer the shares of Telesat to Interco, and Interco will amalgamate with Telesat under Canadian law, such that upon consummation of the transaction the amalgamated entity, to be known as Telesat Canada, will be a wholly owned subsidiary of Acquireco. Infosat will remain a direct subsidiary of Telesat, and Infosat Able Holdings, Inc. and Able Infosat will remain indirect subsidiaries of Telesat. An organization chart depicting the resulting final ownership structure for Telesat is attached hereto as Attachment A.

² An indirect subsidiary of Loral Skynet, Loral Skynet do Brasil Ltda. ("Loral Skynet Brasil") has a satellite on the U.S. Permitted Space Station List. Notification of the transfer of control of Loral Skynet Brasil and a request to update the Permitted Space Station List will be filed in accordance with the FCC's requirements on a post-closing basis.

III. Description of Skynet Contribution to Holdco

Contemporaneous with or after the consummation of the acquisition of Telesat by Holdco, Loral Skynet will transfer certain of its assets, including the stock of certain of its subsidiaries, to an indirect subsidiary of Holdco as described below. Loral Skynet has created two new subsidiaries, Skynet Satellite Holdings Corporation ("Skynet Holdings") and Skynet Satellite Corporation ("Skynet Satellite"). Both Skynet Holdings and Skynet Satellite are Delaware corporations. At the closing, the shares of Skynet Holdings, Skynet Satellite and LSNSI will be transferred to Holdco. Holdco will transfer the shares of Skynet Holdings, Skynet Satellite and LSNSI to Acquireco, which will in turn transfer the shares of those three entities to the newly amalgamated Telesat. Telesat will contribute the shares of Skynet Satellite and LSNSI to Skynet Holdings and Skynet Holdings will transfer the shares of LSNSI to Skynet Satellite, such that LSNSI will be a wholly owned subsidiary of Skynet Satellite; Skynet Satellite will be a wholly owned subsidiary of Skynet Holdings; Skynet Holdings will be a wholly owned subsidiary of Telesat; Telesat will be a wholly owned subsidiary of Acquireco; and Acquireco will be a wholly owned subsidiary of Holdco. Finally, the licenses issued by the FCC and presently held by Loral Skynet will be assigned to Skynet Satellite. The ownership structure with respect to the transfer of the Loral Skynet assets also is depicted in Attachment A.

IV. Description of Direct Ownership and Control of Holdco

Loral, through its direct and indirect wholly owned subsidiaries Loral Space and Communications Holdings Corporation and Loral Holdings Corporation, will hold 64% of the equity of Holdco, and PSP, through its wholly owned subsidiary Red Isle Private Investments Inc., will hold 36% of the equity of Holdco. Loral will hold a 33⅓% voting interest for all

matters, while PSP will hold a 66 $\frac{2}{3}$ % voting interest for all matters except the election of the board of directors, and a 30% voting interest for the election of the board of directors. A third party investor, John P. (Jack) Cashman ("Mr. Cashman"), a citizen of Canada and Ireland, will hold approximately a 30% voting interest solely for the election of the board of directors of Holdco. Likewise, a second third party investor, Colin D. Watson ("Mr. Watson" and together with Mr. Cashman, the "TPIs"), a Canadian citizen, will hold approximately a 6 $\frac{2}{3}$ % voting interest solely for the election of the board of directors of Holdco.³ Each of Mr. Cashman and Mr. Watson will be independent directors of Holdco, and were selected in a manner intended to ensure their independence from each of PSP and Loral. This ownership information is summarized in the following table:

Shareholder	Participating Equity	Shares with voting rights for directors	Shares with voting rights on all other matters
PSP ⁴	36%	30%	66 $\frac{2}{3}$ %
Loral	64%	33 $\frac{1}{3}$ %	33 $\frac{1}{3}$ %
TPIs (aggregate)	--	36 $\frac{2}{3}$ %	--
Total shares	100%	100%	100%

³ One thousand special voting shares for the election of directors will be held between Mr. Cashman, who will hold 820, and Mr. Watson, who will hold 180.

⁴ PSP also will hold CAD\$173.6 (US\$150) million worth of non-voting senior preferred shares in Holdco or an affiliate of Holdco.

The shareholders of Holdco will enter into a unanimous shareholders agreement that will effectively make Holdco a company controlled by its Board of Directors. Holdco will have a board of directors comprising 10 directors, 8 of whom must be Canadian citizens. Each of PSP and Loral will have the right to nominate three directors, and two directors will be the TPIs. The remaining two directors also will be independent of PSP and Loral and will be nominated by a committee comprising one PSP nominee, one Loral nominee and Mr. Cashman. The second third party investor, Mr. Watson, who also will be a director, was selected by the nominating committee. The unanimous shareholders agreement will provide that the shareholders entitled to vote for the directors will vote for the directors nominated as described above.

A. PSP

PSP is a Canadian Crown corporation, established by the Canadian Parliament pursuant to the Public Sector Pension Investment Board Act, S.C. 1999, c.34 ("PSP Act"). PSP is a pension fund manager, operating at arm's length from the Government of Canada, with a mandate to invest funds held for the benefit of the contributors and beneficiaries of the Canadian federal Public Service, the Canadian Forces and the Royal Canadian Mounted Police pension funds. The mailing address for PSP is 1250 René Lévesque Boulevard West, Suite 2030, Montreal (Quebec), H3B 4W8.

B. Loral

Loral is a Delaware corporation with a mailing address of 600 Third Avenue, New York, NY 10016. Through its subsidiary Loral Skynet, Loral owns and operates a fleet of geosynchronous satellites used to distribute video entertainment programming, distribute broadband data, and provide access to Internet services and other value-added communications

services around the globe. Together with terrestrial fiber and other resources, Loral Skynet provides services and platforms for use by television and cable networks to distribute video programming, and by communications service providers, resellers, corporate and government customers for broadband data transmission, Internet services and other value-added communications services.

C. Third Party Investors

As noted above, John P. Cashman will hold approximately a 30% voting interest solely for the election of the board of directors of Holdco. Mr. Cashman is president of Humphrey Management Limited of Toronto. In the course of a forty year career, Mr. Cashman has served as a senior executive of both Johns-Manville Corporation and R.P. Scherer Corporation. He presently serves as a non-executive director of six Canadian and United Kingdom companies. He holds dual Canadian and Irish citizenship and is resident in Canada.

Colin D. Watson will hold approximately a 6 $\frac{2}{3}$ % voting interest solely for the election of the board of directors of Holdco. Mr. Watson's business career has included service as chief executive officer of Rogers Cable Inc., Spar Aerospace Limited and Vector Aerospace Corporation. Mr. Watson presently serves as a director of six Canadian corporations. He is a citizen and resident of Canada.

V. Description of Indirect Owners of Holdco

A complete list of the names, addresses, citizenship and principal businesses of the 10% or greater owners of the Applicant identified in the foregoing FCC application is attached hereto as Attachment B. Set forth below is a detailed description of the 10% or greater owners of Holdco.

A. PSP

PSP will hold its interest in Holdco through a wholly owned subsidiary, Red Isle Private Investments Inc., a corporation organized under the Canada Business Corporations Act. Set forth below is a description of PSP and its ownership and control structure.

PSP is a Canadian Crown corporation, established by the Canadian Parliament pursuant to the PSP Act. The mandate of PSP is to manage employer and employee contributions made after April 1, 2000, to the Canadian federal Public Service, the Canadian Forces and the Royal Canadian Mounted Police pension funds (the "Funds"); annual net contributions are approximately CAD\$4 billion (US\$3.4 billion). PSP assets are invested in fixed income instruments and Canadian and foreign equity investments, real estate, infrastructure, private equity and other permissible investments.

PSP is a pension fund manager, operating at arm's length from the Government of Canada, whose function is to invest funds held for the benefit of the contributors and beneficiaries of the Funds, none of whom has a 10% or greater beneficial interest in the Funds. Under the PSP Act, the control of PSP rests solely with PSP's Board of Directors. The Board of Directors appoints all officers of PSP and determines the investment policy for the assets managed by PSP.⁵

⁵ The PSP Act provides that all 10 of PSP's shares (which, with a par value of \$10 each, constitute the total share capital of PSP) are held by a Cabinet Minister in the Government of Canada, namely the Minister who holds the position of "President of the Treasury Board" from time to time. The shares are held by the Minister as a fiduciary, and as a formal requirement of the Ministerial office of the President of the Treasury Board, and do not represent any right to a beneficial interest in, or control of, PSP by the

The members of the PSP Board of Directors are effectively appointed by the federal Cabinet of the Government of Canada⁶ on the recommendation of the President of the Treasury Board.⁷ The PSP Board members must be selected from a list of qualified candidates proposed by an eight member nominating committee that is also established by the President of the Treasury Board pursuant to requirements of the PSP Act, which ensure that the nominating committee reflects the Funds that PSP manages. The PSP Act thus establishes PSP as a pension-fund managing agency that acts independently from the Government of Canada to manage and invest its pension fund assets in the interests of the contributors and beneficiaries of the Funds. Under the terms of the PSP Act, “[PSP] is not an agent of Her Majesty,”⁸ and “[d]irectors, officers, employees, and agents and mandataries, of [PSP] are not part of” the Canadian federal public administration. Directors of PSP cannot be Canadian federal government employees, members of the Canadian Senate, House of Commons or a provincial legislature, or persons entitled to or who have been granted a pension benefit from the Canadian federal public sector.

Minister. As such, the Minister is not a 10% or greater owner of PSP, nor does he control PSP for the purpose of the Communications Act.

⁶ Technically, the appointments are made by the “Governor in Council”. According to Canadian constitutional law, this means “the Governor General of Canada acting by and with the advice and consent of the Queen’s Privy Council for Canada as represented by Cabinet.” The Governor General is the Canadian representative of Queen Elizabeth II, the formal Head of State of Canada, but in this and other capacities, the Governor General acts in accordance with the advice and consent of the Cabinet of the Government of Canada.

⁷ See footnote 5 for a description of the office of the President of the Treasury Board.

⁸ Under Canadian constitutional law, the use of the term “Her Majesty” here is equivalent to a reference to the Government of Canada.

The current members of the PSP Board of Directors and their principal businesses are listed below. All are citizens of Canada; Mr. Gage is also a citizen of the United Kingdom.

NAME	PRINCIPAL BUSINESS/OCCUPATION
Bob Baldwin	Retired Executive (Consultant)
Cheryl Barker	Retired Executive (Consultant)
Paul Cantor	Chair, Canadian Advisory Board
Tony Gage	Retired Executive (Consultant)
Jean Lefebvre	Retired Executive (Consultant)
Lynn Loewen	Vice-President, Financial Operations, Bell Canada
Keith G. Martell	Chairman of the Board, First Nations Bank of Canada
Michael Peter Mueller	Retired Executive (Consultant)
Anil K. Rastogi	Vice-President & Chief Information Officer, McCain Foods Limited
William John Saunderson	Retired Executive (Consultant)
Susan Sherk	Senior Associate, AMEC Earth & Environment Ltd.

The mailing address of the PSP Board of Directors is:

c/o Public Sector Pension Investment Board
 1250 René Lévesque Boulevard West
 Suite 2030
 Montreal (Quebec)
 H3B 4W8

B. Loral

The name, address, citizenship and principal business of the holders of 10% or greater equity or voting interests in Loral are set forth in the following table. Due to the fact that Loral will be entitled to a greater than 50% equity interest in Holdco, the FCC's ownership rules⁹ may

⁹ Under the FCC's ownership rules, if an ownership percentage is equal to or exceeds 50%, it is treated as if it were 100%.

be understood to provide that these entities are deemed to hold the same percentage equity interest in Holdco as they do in Loral.¹⁰ Please note that the percentages in the table apply the Commission's ownership attribution requirements, which results in double-counting some interests. Specifically, seven MHR limited partnerships own Loral common stock; the two MHR limited partnerships that hold more than 10% of Loral's common stock are shown in the table. Three MHR limited liability companies are the general partners of the MHR limited partnerships, and are attributed under the FCC's rules with the ownership interests in Loral held by those limited partnerships, although they do not hold any interest in Loral directly. Two of those limited liability companies are attributed with a greater than 10% interest in Loral and are listed in the chart (MHR Institutional Advisors II LLC and MHR Institutional Advisors LLC). MHR Fund Management LLC ("Fund Management") is an affiliate of, and has an investment management agreement with each of the seven MHR limited partnerships that own an interest in Loral, pursuant to which it has the power to vote or direct the vote and to dispose or to direct the disposition of the Loral common stock, and accordingly, Fund Management is attributed under the FCC's rules with the total amount of Loral common stock that those limited partnerships hold (in the aggregate, approximately 35.9%). Fund Management has no ownership interest in either the MHR limited partnerships or the MHR limited liability companies. Mark Rachesky is

¹⁰ Percentage interest calculations for Mark Rachesky and the MHR entities are based on the total number of shares of Loral common stock outstanding as disclosed on Loral's most recent Form 10-Q for the quarterly period ended September 30, 2006. The information as to the ownership interest held by BlackRock, Inc. is based on a Schedule 13G filed with the Securities and Exchange Commission reporting that certain of Blackrock's investment subsidiaries beneficially own in the aggregate 12.86% of Loral common stock. See BlackRock, Inc., SEC Schedule 13-G, Oct. 10, 2006.

the managing member of the three MHR limited liability companies that are the general partners of the MHR limited partnerships, and is therefore also attributed under the FCC's rules with the ownership interests that the limited partnerships hold in Loral (in the aggregate, approximately 35.9%). Mr. Rachesky is also the managing member of Fund Management.

To the extent that the multiplier would apply to their indirect voting interest in Loral, under the Commission's rules Mark Rachesky and Fund Management each would be deemed to have approximately a 12% voting interest in Holdco (calculated by multiplying their 35.9% interest in Loral by Loral's 33.33% voting interest in Holdco). Applying the multiplier, no other shareholder of Loral would hold a 10% or greater voting interest in Holdco.

Ten Percent or Greater Attributable Equity Owners of Loral

<u>Name:</u>	<u>Percentage Interest in Loral</u>	<u>Address:</u>	<u>Citizenship:</u>	<u>Principal Business:</u>
Mark Rachesky (Indirect Attributed Ownership)	35.9%	40 West 57th Street, 24th Floor New York, NY 10019	U.S.	Investor
MHR Fund Management LLC (Indirect Attributed Ownership)	35.9%	Same as above	U.S. (Delaware)	Investment Manager
MHR Institutional Advisors II LLC (Indirect Attributed Ownership)	16.9%	Same as above	U.S. (Delaware)	Investment Advisor
MHR Institutional Advisors LLC (Indirect Attributed Ownership)	13.1%	Same as above	U.S. (Delaware)	Investment Advisor
MHR Institutional Partners IIA LP (Direct Ownership)	12.1%	Same as above	U.S. (Delaware)	Investment Fund
MHR Institutional Partners LP (Direct Ownership)	10.6%	Same as above	U.S. (Delaware)	Investment Fund
BlackRock, Inc. (Indirect Attributed Ownership)	12.86%	40 East 52nd Street New York, NY 10022	U.S. (Delaware)	Investment Fund

VI. Foreign Ownership

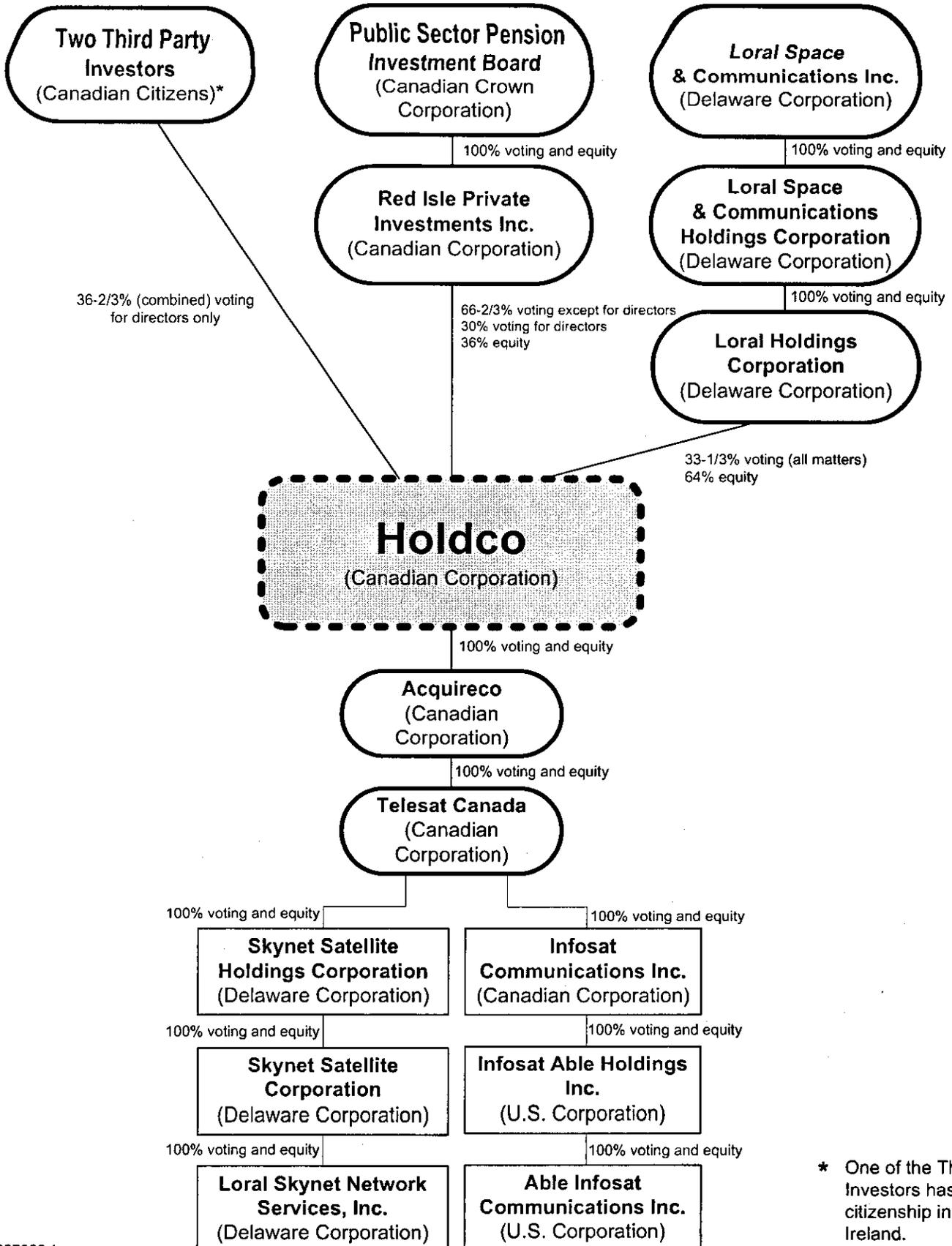
The requirements of Section 310(b)(4) apply to only one license involved in either the acquisition of Telesat by Holdco or the contribution of the Loral Skynet assets and subsidiaries to the new Telesat. Specifically, Able Infosat holds one Part 90 CMRS license, WPDG659; all

other licenses involved in the transactions are held on a non-common carrier basis. A Petition for Declaratory Ruling seeking a finding pursuant to Section 310(b)(4) that indirect 100% ownership of Able Infosat by Holdco, a Canadian corporation, is in the public interest, is attached to the application to transfer control of Able Infosat to Holdco.¹¹ As noted in the Petition for Declaratory Ruling, Holdco's voting stock is 66⅔% owned by Canadians, as is 36% of its equity. The remaining voting interest, 33⅓%, and equity interest, 64%, is held by Loral, an entity organized in the U.S. As Canada is a member of the WTO, the acquisition of Able Infosat by Holdco, as well as the other FCC licenses involved in the transaction, is presumptively in the public interest.¹²

¹¹ PSP is not a representative of the Canadian government, and thus these applications are consistent with Section 310(a) of the Communications Act, 47 U.S.C. §310(a). See PSP Act, Section 3(2) ("The Board is not an agent of Her Majesty.").

¹² In the Foreign Participation Order, the Commission found that "additional foreign investment can promote competition in the U.S. market," and that "the public interest will be served by permitting more open investments by entities from World Trade Organization ("WTO") member countries in U.S. common carrier wireless licenses." *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891, 23939 ¶ 111 (1997).

Attachment A Holdco Final Ownership Structure



* One of the Third Party Investors has dual citizenship in Canada and Ireland.

Attachment B

The name, address, citizenship, and principal businesses of the direct or indirect holders of at least 10% of the equity or voting interest of Skynet Satellite Corporation are as follows (ownership percentages are stated applying the FCC's ownership attribution rules and, where applicable, the multiplier):

Skynet Satellite Holdings Corporation

600 Third Avenue
New York, NY 10016
Citizenship: United States (Delaware)
Principal Business: Holding company for telecommunications-related investments
Percentage: 100% direct equity and voting interest in Skynet Satellite Corporation.

Telesat Canada

1601 Telesat Court
Ottawa, Ontario K1B 5P4
Canada
Citizenship: Canada
FRN: 0006195226; 0006195770; 0007547847
Principal Business: Satellite Services
Percentage: 100% indirect equity and voting interest in Skynet Satellite Corporation., held through 100% direct equity and voting interest in Skynet Satellite Holdings Corporation

4363213 Canada Inc. ("AcquireCo")

c/o McCarthy Tetrault LLP, attn. Robert Forbes
66 Wellington Street West
Toronto, Ontario M5K 1E6
Canada
Citizenship: Canada
FRN: 0015993074
Principal Business: Holding company for telecommunications-related investments
Percentage: 100% indirect equity and voting interest in Skynet Satellite Corporation, held through 100% direct equity and voting interest in Telesat Canada.

4363205 Canada Inc. ("Holdco")

c/o McCarthy Tetrault LLP, attn. Robert Forbes
66 Wellington Street West
Toronto, Ontario M5K 1E6
Canada

Citizenship: Canada
FRN: 0015992969
Principal Business: Holding company for telecommunications-related investments.
Percentage: 100% indirect equity and voting interest in Skynet Satellite Corporation, held through 100% direct equity and voting interest in AcquireCo.

Red Isle Private Investments Inc. ("Red Isle")

1250 René-Lévesque Boulevard West
Suite 2030
Montreal, Quebec H3B 4W8
Canada

Citizenship: Canada
FRN: 0016027096
Principal Business: Holding company for telecommunications-related investments.
Percentage: 36% indirect equity interest, 30% indirect voting interest for directors, and 66.67% indirect voting interest for all other matters in Skynet Satellite Corporation, held through direct 36% equity interest, direct 30% voting interest for directors, and direct 66.67% voting interest for all other matters, in Holdco.

Public Sector Pension Investment Board

1250 René-Lévesque Boulevard West
Suite 2030
Montreal, Quebec H3B 4W8
Canada

Citizenship: Canada
FRN: 0016017279
Principal Business: Pension fund management.
Percentage: 36% indirect equity interest, 30% indirect voting interest for directors, and 66.67% indirect voting interest for all other matters in Skynet Satellite Corporation, held through 100% direct equity and voting interest in Red Isle.

John P. ("Jack") Cashman

103 Roxborough Street East
Toronto, Ontario M4W 1V9
Canada

Citizenship: Canada and Ireland
FRN: 0016027112
Principal Business: Company Director
Percentage: Indirect voting interest in Skynet Satellite Corporation, held through 30% direct voting interest for directors of Holdco.

Colin D. Watson

72 Chestnut Park Road
Toronto, Ontario M4W 1W8
Canada

Citizenship: Canada
FRN: 0016027120
Principal Business: Company Director
Percentage: Indirect voting interest in Skynet Satellite Corporation, held through 6.67% direct voting interest for directors of Holdco.

Loral Holdings Corporation

600 Third Avenue
New York, NY 10016

Citizenship: United States
FRN: 0016025090
Principal Business: Holding company for telecommunications-related investments
Percentage: 64% indirect equity interest and 33.33% indirect voting interest in Skynet Satellite Corporation, held through 64% direct equity interest and 33.33% direct voting interest in Holdco.

Loral Space & Communications Holdings Corporation

600 Third Avenue
New York, NY 10016

Citizenship: United States
FRN: 0016018715
Principal Business: Holding company for telecommunications-related investments
Percentage: 64% indirect equity interest and 33.33% indirect voting interest in Skynet Satellite Corporation, held through 100% direct equity and voting interest in Loral Holdings Corporation.

Loral Space & Communications Inc.

600 Third Avenue
New York, NY 10016

Citizenship: United States
FRN: 0013676879
Principal Business: Holding company for telecommunications-related investments.
Percentage: 64% indirect equity interest and 33.33% indirect voting interest in Skynet Satellite Corporation, held through 100% direct equity and voting interest in Loral Space & Communications Holdings Corporation.

Please refer to the Ownership Exhibit for an explanation of the MHR ownership in Loral.¹

MHR Institutional Advisors II LLC

40 West 57th Street, 24th Floor
New York, NY 10019

Citizenship: United States
Principal Business: Investment Advisor
Percentage: 16.9% indirect equity interest, and 5.6% indirect voting interest in Skynet Satellite Corporation, held through 16.9% indirect equity and 16.9% indirect voting interest in Loral Space & Communications Inc.

MHR Institutional Partners IIA LP

40 West 57th Street, 24th Floor
New York, NY 10019

Citizenship: United States
Principal Business: Investment Fund
Percentage: 12.1% indirect equity interest, and 4% indirect voting interest in Skynet Satellite Corporation, held through 12.1% direct equity and 12.1% direct voting interest in Loral Space & Communications Inc.

MHR Institutional Advisors LLC

40 West 57th Street, 24th Floor
New York, NY 10019

Citizenship: United States
Principal Business: Investment Advisor
Percentage: 13.1% indirect equity interest, and 4.4% indirect voting interest in Skynet Satellite Corporation, held through 13.1% indirect equity and 13.1% indirect voting interest in Loral Space & Communications Inc.

¹ Percentage interest calculations for Mark Rachesky and the MHR entities are based on the total number of shares of Loral common stock outstanding as disclosed on Loral's most recent Form 10-Q for the quarterly period ended September 30, 2006. The information as to the ownership interest held by BlackRock, Inc. is based on a Schedule 13G filed with the Securities and Exchange Commission reporting that certain of BlackRock's investment subsidiaries beneficially own in the aggregate 12.86% of Loral common stock. See BlackRock, Inc., SEC Schedule 13-G, Oct. 10, 2006.

MHR Institutional Partners LP

40 West 57th Street, 24th Floor
New York, NY 10019

Citizenship: United States
Principal Business: Investment Fund
Percentage: 10.6% indirect equity interest, and 3.5% indirect voting interest in Skynet Satellite Corporation, held through 10.6% direct equity and 10.6% direct voting interest in Loral Space & Communications Inc.

MHR Fund Management LLC

40 West 57th Street, 24th Floor
New York, NY 10019

Citizenship: United States
Principal Business: Investment Manager
Percentage: 35.9% indirect equity interest, and 12% indirect voting interest in Skynet Satellite Corporation, held through 35.9% indirect equity and 35.9% indirect voting interest in Loral Space & Communications Inc. (Interests attributed by virtue of management agreement with MHR investment funds.)

Mark Rachesky

40 West 57th Street, 24th Floor
New York, NY 10019

Citizenship: United States
Principal Business: Investor
Percentage: 35.9% indirect equity interest and 12% indirect voting interest in Skynet Satellite Corporation, held through 35.9% indirect equity and 35.9% indirect voting interest in Loral Space & Communications Inc.

BlackRock, Inc.

40 East 52nd Street
New York, NY 10022

Citizenship: United States
Principal Business: Investment Fund
Percentage: 12.86% indirect equity interest, and 4.3% indirect voting interest in Skynet Satellite Corporation, held through 12.86% indirect equity and 12.86% indirect voting interest in Loral Space & Communications Inc.

Response to Question 40

The following are the officers and directors of the Applicant, Skynet Satellite Corporation. The remaining information requested in Question 40 is set forth in Exhibit F.

Officers

Name	Title
Michael B. Targoff	CEO
Eric J. Zahler	President and COO
Richard J. Townsend	Executive Vice President and CFO
Avi Katz	Vice President and Secretary
Richard P. Mastoloni	Vice President and Treasurer
Harvey B. Rein	Vice President and Controller
Janet T. Yeung	Vice President and Assistant Secretary
Laurence D. Atlas	Vice President
Stephen L. Jackson	Vice President
Russell R. Mack	Vice President
Barry J. Sitler	Vice President
John Stack	Assistant Treasurer

Directors

Michael B. Targoff (Chairman)
Eric J. Zahler
Avi Katz

The address of all Skynet Satellite Corporation's officers and directors is:

600 Third Avenue
New York, NY 10016

REVOCATION OF AUTHORIZATIONS

The following information involved entities owned by Loral Space & Communications Inc., an indirect owner of Skynet Satellite Corporation.

In an order issued April 1, 2003, the International Bureau declared null and void authorizations held by Loral SpaceCom Corporation and Loral Space & Communications Corporation to construct, launch and operate geostationary Fixed Satellite Service Ka-band payloads at 89° W.L., 81° W.L., 47° W.L., and 78° E.L.¹ The Bureau affirmed its earlier decision not to extend the construction milestones associated with these authorizations.²

In an order issued July 7, 2005, the International Bureau declared null and void, by its own terms, Loral SpaceCom Corporation's authorization to launch and operate a satellite at the 69° W.L. orbit location.³

In an order issued September 26, 2005, the International Bureau declared null and void, by its own terms, CyberStar Licensee, LLC's Ka-band system authorization to launch and operate satellites at the 93° W.L. and 115° W.L. orbital locations.⁴

¹ See *Loral SpaceCom Corporation and Loral Space & Communications Corporation*, Memorandum Opinion, Order and Authorization, 18 FCC Rcd. 6301 (2003).

² See *Loral Space & Communications Corporation*, Order, 16 FCC Rcd. 11044 (2001).

³ See *Loral SpaceCom Corporation (Debtor-in-Possession)*, Memorandum Opinion and Order, 20 FCC Rcd. 12045 (2005).

⁴ See *CyberStar Licensee, LLC*, Order, 20 FCC Rcd. 15412 (2005).