IB 07-44

pproved by OMB
3060-0678

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File Number: SES-T/C-INTR2007-00306

APPLICATION FOR SATELLITE SPACE AND EARTH STATION AUTHORIZATIONS FOR TRANSFER OF CONTROL OR ASSIGNMENTFCC 312 MAIN FORM FOR OFFICIAL USE ONLY	FCC Use Only

APPLICANT INFORMATION
Enter a description of this application to identify it on the main menu:
Transfer of Control of LSNSI VSAT Licenses from Loral to 4363205 Canada Inc.

1-8. Legal Name of Applicant

Name:	4363205 Canada Inc.	**Phone Number:**	301-258-3208
DBA Name:		**Fax Number:**	301-258-3360
Street:	c/o McCarthy Tetrault LLP, attn. Robert Forbes, 66 Wellington Street West Toronto	**E-Mail:**	latlas@loralskynet.com
City:		**State:**	
Country:	Canada	**Zipcode:**	-
Attention:	Mr. Laurence D. Atlas		

9-16. Name of Contact Representative

Name:	Michael G. Jones	**Phone Number:**	202-303-1141
Company:	Willkie Farr & Gallagher LLP	**Fax Number:**	202-303-2141
Street:	1875 K Street, N.W.	**E-Mail:**	mjones@willkie.com
City:	Washington	**State:**	DC
Country:	USA	**Zipcode:**	20006-1238
Attention:		**Relationship:**	Legal Counsel

CLASSIFICATION OF FILING

17. Choose the button next to the classification that applies to this filing for both questions a. and b. Choose only one for 17a and only one for 17b. ● a1. Earth Station ○ a2. Space Station	(N/A) b1. Application for License of New Station (N/A) b2. Application for Registration of New Domestic Receive-Only Station (N/A) b3. Amendment to a Pending Application (N/A) b4. Modification of License or Registration ○ b5. Assignment of License or Registration ● b6. Transfer of Control of License or Registration (N/A) b7. Notification of Minor Modification (N/A) b8. Application for License of New Receive-Only Station Using Non-U.S. Licensed Satellite (N/A) b9. Letter of Intent to Use Non-U.S. Licensed Satellite to Provide Service in the United States (N/A) b10. Other (Please specify)

17c. Is a fee submitted with this application?

● If Yes, complete and attach FCC Form 159. If No, indicate reason for fee exemption (see 47 C.F.R.Section 1.1114).

○ Governmental Entity ○ Noncommercial educational licensee

○ Other(please explain):

17d.

Fee Classification A	CZV – Fixed Satellite VSAT System	Quantity 1 (First Station)
Fee Classification B	CZV – Fixed Satellite VSAT System	Quantity 1 (Each Additional Station)

18. If this filing is in reference to an existing station, enter:	19. If this filing is an amendment to a pending application enter:	
(a) Call sign of station:	(a) Date pending application was filed:	(b) File number of pending application:
Not Applicable	Not Applicable	Not Applicable

TYPE OF SERVICE

20. NATURE OF SERVICE: This filing is for an authorization to provide or use the following type(s) of service(s): Select all that apply:

- [x] a. Fixed Satellite
- [ ] b. Mobile Satellite
- [ ] c. Radiodetermination Satellite
- [ ] d. Earth Exploration Satellite
- [ ] e. Direct to Home Fixed Satellite
- [ ] f. Digital Audio Radio Service
- [ ] g. Other (please specify)

21. STATUS: Choose the button next to the applicable status. Choose only one.

○ Common Carrier ● Non–Common Carrier

22. If earth station applicant, check all that apply.

- [x] Using U.S. licensed satellites
- [x] Using Non–U.S. licensed satellites

23. If applicant is providng INTERNATIONAL COMMON CARRIER service, see instructions regarding Sec. 214 filings. Choose one. Are these facilities:

○ Connected to a Public Switched Network ○ Not connected to a Public Switched Network ● N/A

24. FREQUENCY BAND(S): Place an "X" in the box(es) next to all applicable frequency band(s).

- [ ] a. C–Band (4/6 GHz)
- [x] b. Ku–Band (12/14 GHz)
- [ ] c.Other (Please specify upper and lower frequencies in MHz.)

Frequency Lower: Frequency Upper:

TYPE OF STATION

25. CLASS OF STATION: Choose the button next to the class of station that applies. Choose only one.

- ○ a. Fixed Earth Station
- ○ b. Temporary–Fixed Earth Station
- ● c. 12/14 GHz VSAT Network
- ○ d. Mobile Earth Station
- ○ e. Geostationary Space Station
- ○ f. Non–Geostationary Space Station
- ○ g. Other (please specify)

26. TYPE OF EARTH STATION FACILITY: Choose only one.

● Transmit/Receive ○ Transmit–Only ○ Receive–Only ○ N/A

PURPOSE OF MODIFICATION

27. The purpose of this proposed modification is to: (Place an "X" in the box(es) next to all that apply.)

Not Applicable

ENVIRONMENTAL POLICY

28. Would a Commission grant of any proposal in this application or amendment have a significant environmental impact as defined by 47 CFR 1.1307? If YES, submit the statement as required by Sections 1.1308 and 1.1311 of the Commission's rules, 47 C.F.R. 1.1308 and 1.1311, as an exhibit to this application.A Radiation Hazard Study must accompany all applications for new transmitting facilities, major modifications, or major amendments.	○ Yes ● No

ALIEN OWNERSHIP Earth station applicants not proposing to provide broadcast, common carrier, aeronautical en route or aeronautical fixed radio station services are not required to respond to Items 30–34.

29. Is the applicant a foreign government or the representative of any foreign government?	○ Yes ● No
30. Is the applicant an alien or the representative of an alien?	○ Yes ○ No ● N/A
31. Is the applicant a corporation organized under the laws of any foreign government?	○ Yes ○ No ● N/A
32. Is the applicant a corporation of which more than one–fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	○ Yes ○ No ● N/A

33. Is the applicant a corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	○ Yes ○ No ● N/A
34. If any answer to questions 29, 30, 31, 32 and/or 33 is Yes, attach as an exhibit an identification of the aliens or foreign entities, their nationality, their relationship to the applicant, and the percentage of stock they own or vote.	

BASIC QUALIFICATIONS

35. Does the Applicant request any waivers or exemptions from any of the Commission's Rules? If Yes, attach as an exhibit, copies of the requests for waivers or exceptions with supporting documents.	○ Yes ● No
36. Has the applicant or any party to this application or amendment had any FCC station authorization or license revoked or had any application for an initial, modification or renewal of FCC station authorization, license, or construction permit denied by the Commission? If Yes, attach as an exhibit, an explination of circumstances.	● Yes ○ No
37. Has the applicant, or any party to this application or amendment, or any party directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court? If Yes, attach as an exhibit, an explination of circumstances.	○ Yes ● No

38. Has any court finally adjudged the applicant, or any person directly or indirectly controlling the applicant, guilty of unlawfully monopolizing or attemptiing unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition?If Yes, attach as an exhibit, an explanation of circumstances	○ Yes ● No
39. Is the applicant, or any person directly or indirectly controlling the applicant, currently a party in any pending matter referred to in the preceding two items? If yes, attach as an exhinit, an explanation of the circumstances.	○ Yes ● No
40. If the applicant is a corporation and is applying for a space station license, attach as an exhibit the names, address, and citizenship of those stockholders owning a record and/or voting 10 percent or more of the Filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries. Also list the names and addresses of the officers and directors of the Filer.	
41. By checking Yes, the undersigned certifies, that neither applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti–Drug Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance. See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.	● Yes ○ No
42a. Does the applicant intend to use a non–U.S. licensed satellite to provide service in the United States? If Yes, answer 42b and attach an exhibit providing the information specified in 47 C.F.R. 25.137, as appropriate. If No, proceed to question 43.	● Yes ○ No

42b. What administration has licensed or is in the process of licensing the space station? If no license will be issued, what administration has coordinated or is in the process of coordinating the space station?Only non–U.S. satellites on the Permitted Space Station List.

43. Description. (Summarize the nature of the application and the services to be provided).
(If the complete description does not appear in this box, please go to the end of the form to view it in its entirety.)

Request for FCC approval to transfer control of Loral Skynet Network Services, Inc.'s VSAT licenses from Loral Space & Communications Inc. to 4363205 Canada Inc.

Combined Exhibits

CERTIFICATION

The Applicant waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. The applicant certifies that grant of this application would not cause the applicant to be in violation of the spectrum aggregation limit in 47 CFR Part 20. All statements made in exhibits are a material part hereof and are incorporated herein as if set out in full in this application. The undersigned, individually and for the applicant, hereby certifies that all statements made in this application and in all attached exhibits are true, complete and correct to the best of his or her knowledge and belief, and are made in good faith.

44. Applicant is a (an): (Choose the button next to applicable response.)

- ○ Individual
- ○ Unincorporated Association
- ○ Partnership
- ◉ Corporation
- ○ Governmental Entity
- ○ Other (please specify)

45. Name of Person Signing	46. Title of Person Signing
Richard Mastoloni	President

47. Please supply any need attachments.

Attachment 1:	Attachment 2:	Attachment 3:

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

SATELLITE EARTH STATION AUTHORIZATIONS
FCC Form 312 – Schedule A
FOR OFFICIAL USE ONLY

Select one of the following

- ● CONSENT TO TRANSFER OF CONTROL
- ○ CONSENT TO ASSIGNMENT OF LICENSE
- ○ NOTIFICATION OF TRANSFER OF CONTROL OF RECEIVE ONLY REGISTRATION
- ○ NOTIFICATION OF ASSIGNMENT OF RECEIVE ONLY REGISTRATION

A1. Name of Licensee (as shown on FCC 312 – Main Form)

Name:	Loral Skynet Network Services, Inc.	**Phone Number:**	908–470–2350
DBA Name:		**Fax Number:**	908–470–2453
Street:	500 Hills Drive P.O. Box 7018	**E–Mail:**	gwazeter@loralskynet.com
City:	Bedminster	**State:**	NJ
Country:	USA	**Zipcode:**	07921 –
Attention:	Mr. George Wazeter		

A8. List Callsign(s) of station(s) being assigned or transfered

Callsign:	**Callsign:**	**Callsign:**	**Callsign:**	**Callsign:**	**Callsign:**	**Callsign:**	**Callsign:**
E030029	E020101						

A9. No. of station(s) listed
2

A10. Name of Transferor/ Assignor

Name:	Loral Space & Communications Inc.	**Phone Number:**	301-258-3208
Company:		**Fax Number:**	301-258-3360
Street:	600 Third Avenue	**E-Mail:**	latlas@loralskynet.com
City:	New York	**State:**	NY
Country:	USA	**Zipcode:**	10016 -
Attention:	Mr. Laurence D. Atlas, Vice President	**Relationship:**	

A15. Name of Transferee/ Assignee

Name:	4363205 Canada Inc.	**Phone Number:**	301-258-3208
DBA Name:		**Fax Number:**	301-258-3360
Street:	c/o McCarthy Tetrault LLP, attn. Robert Forbes, 66 Wellington Street West	**E-Mail:**	latlas@loralskynet.com
City:	Toronto	**State:**	
Country:	Canada	**Zipcode:**	-
Attention:	Mr. Laurence D. Atlas		

A20. If these facilities are licensed, is the transferee / assignee directly or indirectly controlled by any other entity? If yes, attach as Exhibit E, a statement (including organizational diagrams where appropriate) which fully and completely identifies the nature and extent of control including: (1) the name, address, citizenship, and primary busienss of the controlling entity and any intermediate subsidiaries or parties, and (2) the names, addresses, citizenshihp, and the percentages of voting and equity stock of those stockholders holding 10 percent or more of the controlling corporation's voting stock.

- (●) Yes
- ( ) No
- ( ) N/A

A21. If these facilities are licensed, attach as Exhibit F, a complete statement setting forth the facts which show how the assignment or transfer will serve the public interest.

CERTIFICATION

1. The undersigned, individually and for licensee, certifies that all attached exhibits pertinenet to Schedule A and all statement made in Schedule A of this application are true, compete and correct to the best of his/her knowledge and belief. The undersigned also certifies that any contracts or other instruments submitted herewith are complete and constitute the full agreement. 2. The undersigned represents that stock will not be delivered and that control will not be transferred until the Commission's consent has been received, but that transfer of control or assignment of license will be completed within 60 days of Commission consent. The undersigned also acknowledges that the Commission must be notified by letter within 30 days of consummation.	
A22. Printed Name of Licensee (Must agree with A1) Loral Skynet Network Services, Inc.	A24. Title (Office Held by Person Signing) Laurence D. Atlas, Vice President
A26. Printed Name of License Transferor / Assignor (Must agree with A10) Loral Space & Communications Inc.	A28. Title (Office Held by Person Signing) Laurence D. Atlas, Vice President
A26. Printed Name of License Transferee / Assignee (Must agree with A15) 4363205 Canada Inc.	A28. Title (Office Held by Person Signing) Richard Mastoloni, President

FCC NOTICE REQUIRED BY THE PAPERWORK REDUCTION ACT

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THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104–13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

PUBLIC INTEREST STATEMENT

I. INTRODUCTION

In a series of simultaneously filed applications, a newly formed Canadian company known as 4363205 Canada Inc. ("Holdco" or "Transferee") seeks Commission consent to two separate transactions through which Holdco will acquire indirect control of a variety of U.S. space station, earth station and wireless licenses and international Section 214 authorizations currently held by (1) Telesat Canada ("Telesat"); (2) Telesat's indirect wholly owned subsidiary Able Infosat Communications Inc. ("Able Infosat"); (3) Loral Skynet Corporation ("Loral Skynet"); and (4) Loral Skynet Network Services, Inc. ("LSNSI"). Holdco's owners are the Public Sector Pension Investment Board ("PSP"), which is a Canadian company, Loral Space & Communications Inc. ("Loral") and two independent third party Canadian investors, John P. Cashman and Colin D. Watson (together, the "TPIs").

In the first transaction, Holdco will acquire indirectly from BCE Inc. ("BCE" or "Transferor") all of the issued and outstanding common shares of Telesat. This transaction is simply a substitution of ultimate ownership and control of the FCC licenses and assets held by Telesat and its indirect subsidiary Able Infosat with no adverse impact on competition. Approval of this first transaction serves the public interest in affording licensees unfettered access to capital.

In the second transaction, which will occur contemporaneously with or after Holdco's acquisition of Telesat, Loral Skynet will assign certain Part 90 wireless, space station and earth station licenses and related assets to Skynet Satellite Corporation ("Skynet Satellite"), a newly

formed indirect wholly owned subsidiary of Telesat, and will transfer indirect control of LSNSI to Holdco. This second transaction will combine, under common ownership and control of Holdco, the existing Telesat and Able Infosat assets with those of Loral Skynet.

The second transaction will serve the public interest by giving the combined entity a satellite footprint that covers virtually all of the populated world. As such, end users 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 today. The transaction will also lead to operational efficiencies and permit greater investment in facilities, customer services and technological innovation. There will be no adverse effect on competition in the U.S. because Loral Skynet's satellite fleet is focused outside the U.S., and Telesat's existing provision of space segment satellite services in the U.S. is quite limited.

II. FCC LICENSES TO BE TRANSFERRED AND ASSIGNED

The Transferee and BCE (together, the "Applicants") are concurrently filing the following FCC applications with respect to the acquisition of Telesat and its subsidiaries:

1. Transfer of Control of Telesat's transmit/receive earth station licenses from BCE to Holdco (FCC Form 312).

   E040285
   E040419

2. Transfer of Control of Telesat's VSAT license from BCE to Holdco (FCC Form 312).

   E050321

3. Transfer of Control of Able Infosat's international Section 214 authorizations from BCE to Holdco (FCC Form 214).[1]

   ITC-214-19990128-00050
   ITC-214-20000113-00025

4. Transfer of Control of Able Infosat's Part 90 wireless licenses from BCE to Holdco (FCC Form 603). In addition, the Transferee also is filing a Section 310(b)(4) petition requesting that the Commission determine that it is in the public interest for Holdco to indirectly hold and control WPDG659, a CMRS license.[2]

   WIK991
   WIL750
   WIL752
   WIM208
   WNFU511
   WNLP820
   WNMK285
   WPBG516
   WPDG659
   WPEV234
   WPFA841
   WPMN391
   WPMN703
   WPMR639
   WPYR432

The following FCC applications are being filed concurrently with respect to the transfer of the Loral Skynet licenses and assets to Holdco:

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1 On January 19, 2007, Infosat Communications, Inc. ("Infosat") and Able Infosat notified the Commission that the international 214 authorizations held by Infosat were assigned on *pro forma* bases from Infosat to Able Infosat on January 17, 2007 (IBFS File No. ITC-ASG-20070119-00031).

2 On January 19, 2007, Infosat filed an application for approval of a *pro forma* change in control of Able Infosat (ULS File No. 0002865620) with respect to Able Infosat's wireless licenses.

1. Assignment of Loral Skynet's space station licenses to Skynet Satellite, an indirect, wholly owned subsidiary of Holdco (FCC Form 312).

   S2670 Telstar 11
   S2357 Telstar 11N
   S2462 Telstar 12

2. Assignment of Loral Skynet's transmit/receive earth stations to Skynet Satellite, an indirect, wholly owned subsidiary of Holdco (FCC Form 312).

   E000706
   E000707
   E010128
   E030040
   E861065
   E910218
   E940375
   E940376
   E950053
   E950054
   E950055
   E950056
   E980154
   E980195
   E980196
   E990125
   E990165
   E990194
   E990216
   WB30

3. Transfer of Control of LSNSI's transmit/receive earth station licenses from Loral to Holdco (FCC Form 312).

   KA355
   E990541
   E990292
   E990278
   E990277
   E950407
   E990183
   E060085
   E990082

E000321
E990081
E000189
E000128
E000127
E980250
E980208
E980207
KA399
E980206
KA360
E980205
KA359
E980176
KA358
E980175
E980156
E980149
E980450
KA357
KA356

4. Transfer of Control of LSNSI's VSAT licenses from Loral to Holdco (FCC Form 312).

   E020101
   E030029

5. Assignment of Loral Skynet's Part 90 wireless license to Skynet Satellite, an indirect, wholly owned subsidiary of Holdco (FCC Form 603).

   WPRF209

The notifications of the proposed change of ultimate ownership and control of the satellites on the Permitted Space Station List operated by Telesat and Loral Skynet do Brasil Ltda. will be filed on a post-consummation basis, in accordance with FCC policy.[3]

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[3] *See Amendment of the Commission's Space Station Licensing Rules and Policies*, First Report and Order, *18 FCC Rcd 10760, ¶¶ 326-327 (2003).* Likewise, notification of the

III. REQUEST FOR APPROVAL OF ADDITIONAL AUTHORIZATIONS

The licensees involved in the proposed transactions have on file additional applications with respect to the assets involved in the proposed transactions. Current pending requests include two applications with respect to the Telstar 11N satellite.[4] Accordingly, the Applicants request that the Commission, in acting upon the above-referenced applications, include authority: (1) for assignment to Skynet Satellite of any authorization issued to Loral Skynet during the period prior to grant of the instant applications or during the period required for consummation following approval; (2) to transfer control of Telesat, Able Infosat and LSNSI to Holdco with respect to any license or authorization issued to those licensees during the period prior to grant of the instant applications or during the period required for consummation following approval; and (3) for assignment to Skynet Satellite or transfer of control to Holdco with respect to any applications or other filings that have been filed by Loral Skynet, Telesat, Able Infosat or LSNSI and are pending at the time of consummation of the proposed assignments and transfers.

IV. THE APPLICANTS

A. The Transferee – Holdco

The Transferee, Holdco, is a Canadian holding company established to acquire control of the various licenses, authorizations and assets of Telesat, its indirect subsidiary Able Infosat,

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assignment of the receive-only earth station operated by Loral Skynet (call sign E990540) also will be filed post consummation.

4 Loral Skynet Corporation Request for Waiver of License Condition, SAT-MOD-20060306-00024 (filed Mar. 6, 2006); Loral Skynet Corporation Request for Waiver of License Condition, SAT-MOD-20060821-00091 (requesting a modification of the satellite design) (filed Aug. 21, 2006).

Loral Skynet and its indirect subsidiary LSNSI. Holdco is owned by PSP, the TPIs and Loral, each of which is described more fully below.

1. Public Sector Pension Investment Board

PSP is a Canadian Crown corporation, established by the Canadian Parliament via the Public Sector Pension Investment Board Act ("PSP Act").[5] 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. Annual net contributions to the funds are approximately CAD$4 billion (US$3.4 billion). PSP assets are invested in fixed income instruments and Canadian and foreign equity, real estate, infrastructure, private equity and other permissible investments.

2. Third Party Investors

The TPIs are two Canadian investors, John P. Cashman and Colin D. Watson. Mr. Cashman will hold approximately a 30% voting interest solely for the election of directors of Holdco. He 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.

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5 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"). Under Canadian constitutional law, the use of the term "Her Majesty" in this context is equivalent to a reference to the Government of Canada.

Mr. Watson will hold approximately a 6⅔% voting interest solely for the election of directors of Holdco. His 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.

3. Loral Space & Communications Inc.

Loral, a Delaware corporation, is a publicly traded company on NASDAQ with a market capitalization of more than US$900 million. Through its subsidiary Loral Skynet, Loral owns and operates a fleet of geosynchronous satellites. Loral's subsidiary, Space Systems/Loral, Inc. ("SS/L"), is a world leader in the design and manufacture of commercial satellites and satellite systems. SS/L will remain a subsidiary of Loral and is not involved in these transactions.

B. The Transferors/Assignors – BCE and Loral

The transferor of the Telesat and Able Infosat licenses and authorizations is BCE. BCE, one of Canada's principal telecommunications companies, is incorporated under the laws of Canada. BCE is publicly traded in Canada, the United States and Europe. BCE is the parent of Bell Canada, founded in 1880. Today, BCE provides a comprehensive suite of communications services to residential and business customers in Canada including local, long distance and wireless phone services, high-speed and wireless Internet access, IP-broadband services, information and communications technology services and direct-to-home satellite and VDSL television services.

The assignor of Loral Skynet's licenses is Loral Skynet, described below in Section IV.C.3. Loral, described above in Section IV.A.3, is the transferor of LSNSI and its licenses.

C. Existing and Proposed U.S. Licensees

1. Telesat Canada

Telesat is a Canadian company authorized by Industry Canada to operate a fleet of fixed satellite service ("FSS") and direct broadcast service ("DBS") satellites.[6] Four of Telesat's satellites, Anik F1, Anik F1-R, Anik F2 and Anik F3 are on the current U.S. Permitted Space Station List.[7] The FCC also has approved use of Anik F2's Ka-band payload in the U.S.[8] In addition, Telesat holds three U.S. earth station authorizations. Telesat's satellite operations are located primarily within Canada, although it does provide service between North and South America and within South America, and its combined satellite footprint covers most of the populated landmass of the Americas. Telesat's commercial space segment satellite services within the U.S. or between the U.S. and foreign points are limited.

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6 Telesat currently has seven satellites in orbit: three FSS satellites known as Anik F2 at 111.1° W.L., Anik F1 at 107.3° W.L. and Anik F1R at 107.3° W.L.; and four DBS satellites known as Nimiq 1 at 91° W.L., Nimiq 2 at 82° W.L., Nimiq 3 at 82° W.L. and Nimiq 4i at 91° W.L. A fourth FSS satellite, Anik F3, is scheduled for launch in the second quarter of 2007 and will be placed at the 118.7° W.L. position.

7 The FCC call sign for Anik F1 is ANIK F1, for Anik F1-R is S2674 and for Anik F2 is S2646. Telesat Canada's petition for declaratory ruling to add Anik F3, call sign S2703, to the U.S. Permitted Space Station List was granted on January 19, 2007. *See 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). Two other satellites now de-orbited, Anik E1 with FCC call sign S2597 and E2 with FCC call sign S2473, were previously on the U.S. Permitted List.

8 *Telesat Canada, Petition for Declaratory Ruling to Serve the U.S. Market Using Ka-band Capacity on Anik F2*, Order, 17 FCC Rcd 25287 (2002). The FCC call sign for the Ka-band payload of Anik F2 is S2472.

2. Able Infosat

Able Infosat, a corporation organized in the U.S., is indirectly owned by Telesat Canada and holds two international Section 214 authorizations, fourteen wireless radio licenses in the Industrial/Business Pool Conventional (IG) for internal communications purposes and one CMRS license in the Industrial/Business Pool Commercial, Conventional (IK).

3. Loral Skynet

Loral Skynet 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.

Loral Skynet's customers lease transponder capacity for distribution of video and data for television programming, direct-to-home ("DTH") services, business communications, Internet connectivity and telephony. Increasingly, satellites are being used for communications over Internet Protocol ("IP")-based technologies, commonly for enterprise-level high-speed data services using very small aperture terminal ("VSAT") networks, and for distance learning and educational television. Loral Skynet's satellite network provides reliable, high-bandwidth services around the globe, serving as a backbone network for many of the aforementioned communications services.

Loral Skynet's fleet currently consists of five geosynchronous telecommunications satellites: Telstar 10 at 76.5° E.L., Telstar 11 at 37.55° W.L., Telstar 12 at 15° W.L., Telstar 14 at 63° W.L. (a/k/a Estrela do Sul 1) and Telstar 18 at 138° E.L.[9] Together with its hybrid VSAT/fiber network infrastructure, Loral Skynet's satellite operations cover much of the land mass of Europe, Africa, Asia and Australia and portions of North and South America. As noted, Loral Skynet's services are integrated with a fiber network that interconnects with customer networks with points of presence located in San Jose, California; Ashburn, Virginia; New York, New York; and London, England. Loral also interconnects satellite and VSAT services via teleports in Mount Jackson, Virginia; Aflenz, Austria; Hong Kong; and Hawaii.

D. THE PROPOSED TRANSACTIONS

In the first transaction, Holdco will acquire indirect control of Telesat and Able Infosat. To effect this transaction, Loral and PSP have incorporated three new corporations organized under the laws of Canada: (1) Holdco, (2) 4363213 Canada Inc. ("Acquireco"), which is a wholly owned direct subsidiary of Holdco and (3) 4363230 Canada Inc. ("Interco"), which is a wholly owned direct subsidiary of Acquireco. Under the terms of a Share Purchase Agreement, dated as of December 16, 2006, among Acquireco, 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,

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[9] Telstar 11 is currently operating in inclined orbit and has no revenue generating traffic. The construction of Telstar 11N, the replacement for Telstar 11, has been approved and is underway. *Grant of Application for Modification*, Public Notice, SAT-MOD-20011130-00118 (with attached conditions) (granted Sept. 28, 2004).