



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
445 TWELFTH STREET, S.W.  
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Released: March 9, 2007

**INTERNATIONAL BUREAU SEEKS COMMENT ON APPLICATIONS FILED BY  
4363205 CANADA INC., ET AL. SEEKING FCC CONSENT TO ACQUIRE CONTROL  
OF SPACE STATION, EARTH STATION, AND WIRELESS LICENSES, AND  
INTERNATIONAL SECTION 214 AUTHORIZATIONS AND REQUESTING  
DECLARATORY RULING ON FOREIGN OWNERSHIP**

**IB Docket No. 07-44**

**PLEADING CYCLE ESTABLISHED**

**Comments/Petitions Due: April 9, 2007**

**Responses/Oppositions Due: April 19, 2007**

**Replies Due: April 24, 2007**

**I. INTRODUCTION**

4363205 Canada Inc. (Holdco), 4363213 Canada Inc. (Acquireco), 4363230 Canada Inc. (Interco), BCE Inc. (BCE), Telesat Canada (Telesat), Loral Space and Communications Inc. (Loral), Loral Skynet Network Services, Inc. (LSNSI), Loral Skynet Corp. (Loral Skynet), Able Infosat Communications, Inc. (Able Infosat, collectively, the "Applicants") filed a series of applications pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended (the "Act"),<sup>1</sup> and a petition for declaratory ruling under Section 310(b)(4) of the Act.<sup>2</sup> In these applications, the Applicants seek Commission approval for a two step transaction to, first, transfer control of Commission licenses and authorizations held by Telesat and its subsidiaries from BCE to Holdco, and, second, to assign certain Commission licenses and authorizations and transfer control of certain Commission licenses and authorizations held by Loral Skynet and LSNSI to Holdco and subsidiaries of Holdco. These applications pertain to space station licenses, earth station licenses, wireless licenses in the Industrial/Business Pool, and international section 214 authorizations. In addition, Holdco has filed a petition for a declaratory ruling that the proposed foreign ownership of Able Infosat in excess of the 25 percent benchmark set for in Section 310(b)(4) of the Communications Act is in the public interest.<sup>3</sup>

<sup>1</sup> 47 U.S.C. §§ 214 & 310(d).

<sup>2</sup> *Id.* § 310(b)(4).

<sup>3</sup> 47 U.S.C. § 310(b)(4).

## II. THE PARTIES

### **The Transferors/Assignors – BCE Inc. and Loral Space and Communications Inc.**

BCE, a Canadian publicly traded corporation, is the ultimate parent of Telesat, a Canadian corporation, and Able Infosat, a U.S. corporation. Telesat holds three U.S. earth station authorizations and four satellites licensed by Industry Canada on the current U.S. Permitted Space Station List. Telesat is the direct 100 percent parent of Infosat Communications, Inc. (Infosat), a Canadian corporation, and holds 100 percent ownership interest in Able Infosat through Infosat Able Holdings Inc., a U.S. entity. Able Infosat holds two international section 214 authorizations and 15 wireless radio licenses.

Loral provides satellite services through its wholly-owned subsidiary, Loral Skynet. Loral Skynet is a full service communications solutions provider with five satellites in geosynchronous orbit. Using VSAT/terrestrial fiber Loral Skynet facilitates television and cable networks to distribute video programming, and provides broadband data transmission and other services including Internet, IP and systems integration. LSNSI, Skynet Satellite Holdings Corporation (Skynet Holdings), and Skynet Satellite Corporations (Skynet Satellite) are currently wholly-owned direct subsidiaries of Loral Skynet.

### **The Transferees/Assignees – Holdco, 4363213 Canada Inc., 4363230 Canada Inc., Skynet Satellite Corporation**

Holdco. Holdco is a newly formed Canadian company established to acquire control of various licenses, authorizations and assets currently held by Telesat, Able Infosat, Loral Skynet, and Loral Skynet Network Services, Inc. (LSNSI). Entities 4363213 Canada Inc (Acquireco) and 4363230 Canada Inc. (Interco) are two wholly-owned direct and indirect subsidiaries of Holdco. They are Canadian corporations that were also created for the purpose of acquiring Telesat. Upon consummation of the first transaction, Interco will be subsumed into the amalgamated new entity Telesat Canada (New Telesat).

Upon consummation, the following entities and individuals will hold 10 percent or greater direct and indirect ownership interests in Holdco:

(1) Public Sector Pension Investment Board (PSP). PSP is a Canadian Crown corporation established by the Canadian Parliament pursuant to the Public Sector Pension Investment Board Act (PSP Act) and is mandated to manage employer/employee pension contributions (Fund). PSP operates at arm's length from the Canadian government. There are eleven current members of the PSP Board of Directors, all of whom are citizens of Canada, with one member who is also a citizen of the United Kingdom. No current contributors or beneficiaries of PSP hold 10 percent or greater beneficial interest in the Fund. PSP will hold its interest in Holdco through a wholly-owned subsidiary, Red Isle Private Investments Inc. (Red Isle), a Canadian holding company for telecommunications-related investments. Red Isle's direct interest and PSP's indirect interest in Holdco will be 36% equity interest, 66 2/3% voting on all matters except Directors, and 30% voting interest in Directors.

(2) Loral. Loral and its wholly-owned indirect subsidiary, Loral Holdings Corporation (Loral Holdings), through which it derives its interest in Holdco. Loral Holdings' direct interest, and Loral's indirect interest, in Holdco will be 64% equity, 33 1/3% voting on all matters including Directors. The following 10 percent or greater equity owners of Loral, all U.S. citizens, hold indirect ownership interests in Holdco: Mark Rachesky (35.9% indirect equity interest; 12% indirect voting interest), MHR Fund Management LLC (35.9% indirect equity interest; 12% indirect voting interest), MHR Institutional Advisors II LLC (16.9% equity interest; 5.6% voting interest), MHR Institutional Partners IIA LP (12.1% indirect equity interest; 4% indirect voting interest), MHR Institutional Advisors LLC (13.1% indirect equity interest; 4.4% indirect voting interest), MHR Institutional Partners LP (10.6% indirect equity interest; 3.5% indirect voting interest), and BlackRock, Inc. (12.86% indirect equity interest; 4.3% indirect voting interest).<sup>4</sup>

(3) Two Third Party Canadian Investors (TPI) – TPI John P. Cashman (Company Director) will hold 30% voting interest for Directors only, and TPI Colin D. Watson (Company Director) will hold 6 2/3% voting interest for Directors only. Mr. Cashman holds dual Canadian and Irish citizenship. Mr. Watson is a Canadian citizen.

The Board of Holdco will consist of ten directors, eight of whom will be Canadians. Three of the directors will be nominated by PSP Investments, three will be nominated by Loral, the two TPIs will be independent directors, and two other independent directors will be selected by majority vote of the nominating committee consisting of 1 PSP Investments nominee, 1 Loral nominee and 1 TPI nominee.

### III. THE TRANSACTIONS

**First Transaction** – Pursuant to the terms of a Share Purchase Agreement dated December 16, 2006 (Agreement), between Acquireco, BCE, and Telesat, Acquireco proposes to purchase all of the issued and outstanding shares of Telesat from BCE, and then transfer the shares of Telesat to Interco. Interco will then amalgamate with Telesat under Canadian law. Upon consummation, the amalgamated entity will be known as Telesat Canada (New Telesat) and will become a wholly-owned subsidiary of Acquireco. Telesat's current direct subsidiary Infosat Communications Inc., and its indirect subsidiaries Infosat Able Holdings Inc., and Able Infosat, will remain direct and indirect subsidiaries of New Telesat after closing. The first transaction will result in the substitution of ultimate ownership and control of the following licenses and authorizations held by Telesat and its indirect subsidiary Able Infosat from BCE to Holdco: Two transmit/receive earth stations and one VSAT license, Able Infosat's two international section 214 authorizations and 15 Part 90 wireless licenses, fourteen of which are private radio licenses and one of which is a CMRS (common carrier) license.

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<sup>4</sup> Percentile ownership interests for Mark Rachesky and the MHR entities are based upon total number of Loral common stock outstanding as disclosed on Loral's most recent Form 10-Q for the quarterly period that ended Sept. 30, 2006. See Application Attachment 1 at fns. 8, 10. Percentile ownership interest for BlackRock, Inc. is based SEC Schedule 13-G, dated Oct. 10, 2006. *Id.*

**Second Transaction** – The second transaction is expected to occur contemporaneously with or after Holdco’s acquisition of Telesat. Applicants contemplate the following six chronological steps to execute and achieve the transaction, from pre-transaction to final structure:

(1) Loral Skynet has created two new subsidiaries, Skynet Satellite Holdings Corporation (Skynet Holdings) and Skynet Satellite Corporation (Skynet Satellite), both Delaware corporations; (2) Loral Skynet will transfer the shares of its subsidiaries, Skynet Holdings, Skynet Satellite, and LSNSI to Holdco; (3) Holdco will transfer the shares of Skynet Holdings, Skynet Satellite, and LSNSI to Acquireco; (4) Acquireco will transfer the shares of Skynet Holdings, Skynet Satellite, and LSNSI to New Telesat; (5) Telesat will retain the shares of Skynet Holdings, and will transfer the shares of Skynet Satellite and LSNSI to Skynet Satellite; and, (6) Loral Skynet will assign its FCC licenses, consisting of Part 90 wireless, space station and earth station licenses and related assets, to Skynet Satellite.

Upon closing, New Telesat, the direct and indirect subsidiary of Acquireco and Holdco respectively, will be the direct 100% parent of Skynet Holdings, and the indirect 100% parent of Skynet Satellite and its wholly-owned direct subsidiary LSNSI. Application states that the second transaction is expected to result in integrating, under common ownership and control of Holdco, the existing Telesat and Able Infosat assets with those of Loral Skynet.

**IV. INTERNATIONAL SECTION 214 AUTHORIZATIONS**

The following application for consent to the transfer of control of international section 214 authorizations to Holdco have been assigned the file number listed below.

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20070130-00044	Able Infosat Communications Inc.	ITC-214-19990128-00050 ITC-214-20000113-00025

**V. SECTION 310(d) APPLICATIONS**

**(a) Part 25- Satellite Earth Station, VSAT, and Space Station Authorization Applications**

The following applications for consent to the assignments and transfer of control of satellite earth station, VSAT, and space station authorizations to Holdco have been assigned the file numbers listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign(s)</u>
SAT-ASG-20070130-00025	Loral Skynet Corp.	S2462, S2357, S2670
SES-ASG-20070130-00166	Loral Skynet Corp.	E000706, E950053, E940376, E940375, E910218, E861065, E030040, E010128, E000707, E990216, E990194, E990165, E990125, E980196, E980195, E980154, E950056, E950055, E950054, WB30

SES-T/C-20070130-00167	Loral Skynet Network Services, Inc.	KA355, E980450, E980149, E990082, E980156, E060085, E980175, E990183, KA358, E950407, E980176, E990277, KA359, E990278, E980205, E990292, E990541, E980206, KA399, E980207, E980208, E980250, E000127, E000128, E000189, E990081, E000321, KA360, KA356, KA357
SES-T/C-20070130-00168	Loral Skynet Network Services, Inc.	E020101, E030029
SES-T/C-20070130-00169	Loral Skynet Network Services, Inc.	E0400285, E040419
SES-T/C-20070130-00170	Loral Skynet Network Services, Inc.	E050321

**(b) Part 90- Wireless Licenses**

The following application for consent to the transfer of control of wireless service licenses from BCE Inc., to Holdco has been assigned the file number listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0002888879	Able Infosat Communications, Inc.	WIK991

The following application for consent to the assignment of wireless service licenses to Skynet Satellite, and indirect, wholly-owned subsidiary of Holdco has been assigned the file number listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0002883230	Loral Skynet Network Services, Inc.	WPRF209

**VI. PETITION FOR DECLARATORY RULING UNDER SECTION 310(b)(4)**

The Applicants have filed a petition pursuant to Section 310(b)(4) of the Communications Act for a declaratory ruling that it is in the public interest for Able Infosat to have indirect foreign ownership by entities from Canada up to and including 100%, which is in excess of the 25% benchmark under Section 310(b)(4) of the Act. Able Infosat is the licensee of one Commercial Mobile Radio Service (CMRS) license (call sign WPDG659). Upon consummation of the proposed transactions, Able Infosat will be an indirect wholly-owned subsidiary of Holdco, a corporation organized under the laws of Canada, a WTO Member country. As described above, PSP, through Red Isle, both companies organized under the laws of Canada, will have 36% equity interest, a 66 2/3% voting interest on all matters except Directors, and 30% voting interests in Directors. John Cashman, a citizen of Canada and Ireland, a WTO Member country, will hold 30% voting interests in directors and will be a director. Colin Watson, a citizen of Canada will have a 6 2/3% voting interest in Directors and will be a director. In addition, 8 of the 10 directors must be

Canadian citizens. The petition for declaratory ruling under Section 310(b)(4) of the Communications Act has been assigned File No. ISP-PDR-20070130-00002.

## VII. EX PARTE STATUS OF THIS PROCEEDING

Pursuant to section 1.1200(a) of the Commission's rules,<sup>5</sup> the Commission may adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires. We announce that this proceeding will be governed by permit-but-disclose *ex parte* procedures that are applicable to non-restricted proceedings under section 1.1206 of the Commission's rules.<sup>6</sup>

We direct parties making oral *ex parte* presentations to the Commission's statement re-emphasizing the public's responsibility in permit-but-disclose proceedings and are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.<sup>7</sup> More than a one- or two-sentence description of the views and arguments presented is generally required.<sup>8</sup> Other rules pertaining to oral and written presentations are set forth in section 1.1206(b) as well.<sup>9</sup> We urge parties to use the Electronic Comment Filing System ("ECFS") to file *ex parte* submissions.<sup>10</sup>

## VII. GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Final action on these applications will not be taken earlier than thirty-one (31) days following the date of this Public Notice.<sup>11</sup>

Interested parties must file petitions to deny or comments no later than **April 9, 2007**. Responses or oppositions to comments and petitions must be filed no later than **April 19, 2007**. Replies to such pleadings must be filed no later than **April 24, 2007**. All filings concerning matters referenced in this Public Notice should refer to **DA 07-1122** and **IB Docket No. 07-44**, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

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<sup>5</sup> 47 C.F.R. § 1.1200(a).

<sup>6</sup> *Id.* § 1.1206.

<sup>7</sup> See Commission Emphasizes the Public's Responsibilities in Permit-But-Disclose Proceedings, Public Notice, 15 FCC Rcd 19945 (2000).

<sup>8</sup> See 47 C.F.R. § 1.1206(b) (2).

<sup>9</sup> *Id.* § 1.1206(b).

<sup>10</sup> See discussion *infra* Part VI.

<sup>11</sup> See 47 U.S.C. § 309(b).

Under the Commission's procedures for the submission of filings and other documents,<sup>12</sup> submissions in this matter may be filed electronically (i.e., through ECFS) or by hand delivery to the Commission's Massachusetts Avenue location.

- **Electronic Filers:**<sup>13</sup> Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/>. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket number. Parties also may submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.

Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington, D.C. 20554.

One copy of each pleading must be delivered electronically, by e-mail or facsimile, or if delivered as paper copy, by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (according to the procedures set forth above for paper filings), to the Commission's duplicating contractor, Best Copy and Printing, Inc., at [fcc@bcpweb.com](mailto:fcc@bcpweb.com) or (202) 488-5563 (facsimile).

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<sup>12</sup> See *Implementation of Interim Electronic Filing Procedures for Certain Commission Filings*, Order, 16 FCC Rcd 21483 (2001); see also *FCC Announces a New Filing Location for Paper Documents and a New Fax Number for General Correspondence*, Public Notice, 16 FCC Rcd 22165 (2001); *Reminder: Filing Locations for Paper Documents and Instructions for Mailing Electronic Media*, Public Notice, 18 FCC Rcd 16705 (2003).

<sup>13</sup> See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

Additionally, filers may deliver courtesy copies by email or facsimile to the following Commission staff:

(1) David Krech, Policy Division, International Bureau, at [David.Krech@fcc.gov](mailto:David.Krech@fcc.gov) or (202) 418-2824 (facsimile);

(2) Sumita Mukhoty, Policy Division, International Bureau, at [Sumita.Mukhoty@fcc.gov](mailto:Sumita.Mukhoty@fcc.gov) or (202) 418-2824 (facsimile);

(3) JoAnn Lucanik, Satellite Division, International Bureau, at [JoAnn.Lucanik@fcc.gov](mailto:JoAnn.Lucanik@fcc.gov) or (202) 418-0748 (facsimile);

(4) Jeffrey Tobias, Wireless Telecommunications Bureau, at [Jeffrey.Tobias@fcc.gov](mailto:Jeffrey.Tobias@fcc.gov) or (202) 418-2643 (facsimile);

(5) Neil Dellar, Office of General Counsel, at [Neil.Dellar@fcc.gov](mailto:Neil.Dellar@fcc.gov) or (202) 418-1234 (facsimile).

Copies of the Applications and any subsequently-filed documents in this matter may be obtained from Best Copy and Printing, Inc., in person at 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at (202) 488-5300, via facsimile at (202) 488-5563, or via e-mail at [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com). The Applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The Applications also are available electronically through the Commission's ECFS, which may be accessed on the Commission's Internet website at <http://www.fcc.gov>.

People with Disabilities: To request this Public Notice in accessible formats (computer diskette, large print, audio recording, and Braille) send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

For further information, contact Sumita Mukhoty, Policy Division, International Bureau, at 202-418-7165.

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