

9 December 2011

Mr. Martin John Stanford
Deputy Secretary-General
International Institute for the Unification of Private Law (UNIDROIT)
Via Panisperna, 28
00184 Rome, Italy

Dear Mr. Stanford:

The undersigned are leading satellite operators, spacecraft manufacturers, launch services providers, insurance and financial companies that provide services to those in the satellite industry, and satellite and space-related associations. We write to urge UNIDROIT and its Members to reconsider the adoption of the draft Space Assets Protocol, which we understand will be the subject of the Diplomatic Conference on the Draft Space Assets Protocol to the Convention on International Interests in Mobile Equipment, to be held in Berlin in February-March 2012.

The undersigned believe that the current draft, if adopted and implemented, would introduce new and unnecessary regulation for the financing of satellites, which would have serious negative consequences, impairing the real-world businesses of the critical industries we represent. The current draft Space Assets Protocol is inconsistent with the market practices of commercial space financing, incorporates numerous impractical features that would deter potential investors in the satellite industry, and would add increased costs to our businesses, including higher insurance premiums and higher transactional costs.

The draft Space Assets Protocol was created to encourage and aid space financing. However, few satellite operators or financiers globally have advocated for this new legal instrument or endorsed its adoption. In fact, a substantial part of the global satellite sector has directly opposed the initiative, as evidenced by this letter.

The major associations that represent the satellite industry, including the European Satellite Operators Association (ESOA) and the US Satellite Industry Association (SIA), have repeatedly voiced concerns that:

- The draft Protocol offers no tangible benefits for commercial satellite operators and financiers;
- The draft Protocol would impose unnecessary and costly bureaucratic burdens on the satellite industry;
- There is no identifiable problem in the current financing environment that is addressed by the Protocol, and indeed there is substantial evidence that the Protocol is not required:

- o The current process has worked consistently well for the numerous new and established operators that in recent years have secured financing by banks, export credit agencies, and other financing parties, with successful enforcement of security, where needed; and
- o No satellite financings have failed to proceed or been unduly expensive due to impediments over the granting and perfection of security interests.

UNIDROIT has not addressed these concerns in the draft Space Assets Protocol. Indeed, the organization has consistently disregarded the views of the satellite manufacturing, operator and financing communities in the UNIDROIT meetings and drafting.

The premise of the draft Space Assets Protocol is that space objects should be identified on an international registry in order to create and protect an international interest in such objects. This would constitute a new supra-national layer of regulation, in addition to the existing national regulatory requirements, resulting in duplicative or supplemental filing requirements. It is unclear how this registry would benefit financial institutions. We believe that creditors would find the system unnecessary, confusing and cumbersome, effectively impeding the financing of satellite systems that the draft Protocol was meant to encourage.

As leaders of all sectors of the satellite industry, we urge UNIDROIT to halt your plans to adopt the current draft Space Assets Protocol. We believe that the draft Protocol is unnecessary and would, if adopted, create new uncertainties and additional regulatory processes that could actually limit the access to investment capital that the Protocol was designed to promote.

Yours sincerely,

For the Satellite Operators:	
	Arabsat
	Asia Broadcast Satellite
	Asia Cellular Satellite
	AsiaSat
	Astrium Services
	Avanti
	Ciel
	EchoStar Corporation
	EgyptSat
	Empresa Argentina de Soluciones Satelitales
	Eurasiasat
	Eutelsat
	Globalstar
	Hellas Sat
	Hispamar
	Hispasat
	Horizons LLC

	Hughes Communications, Inc.
	Inmarsat
	Intelsat
	Iridium
	Korea Telecom
	Kypros Satellites
	LightSquared
	Measat
	New Dawn Satellite Company Ltd.
	NewSat
	O3b Limited
	Optus Satellite
	Quetzsat
	RapidEye
	SES
	SKY Perfect JSAT
	Spacecom
	StarOne
	SWANsat Holdings, LLC
	Telenor Satellite Broadcasting AS
	Telesat
	Telespazio
	Thuraya
	Turksat
	ViaSat
	WildBlue
	XTAR, LLC
	Yahsat
For the Spacecraft Manufacturers and Launch Service Providers:	
	Arianespace
	Astrium Satellites
	Boeing
	International Launch Services
	Lockheed Martin
	Mitsubishi Electric Corp. Space Division (MELCO)
	OHB AG
	Orbital Sciences Corporation
	Sea Launch
	Space Systems/Loral
	SpaceX
	Thales Alenia Space

For the Space Insurers and Underwriters:	
	Aon Risk Services
	Atrium Space Insurance Consortium
	Brit Insurance
	Elseco Limited
	Global Aerospace Underwriting Managers Ltd.
	Hiscox
	International Insurance Company of Hannover Limited
	JLT Specialty Limited
	Liberty Syndicate Management
	Marsh Space Projects
	Munich Reinsurance Company
	Satec srl
	SCOR Global
	Swiss Reinsurance Company
	Watkins Syndicate
	Willis Inspace
	XL Insurance America
For the Financial Community:	
	Banco Bilbao Vizcaya Argentaria
	Bank of America Merrill Lynch
	Barclays Capital
	Commerzbank
	Deutsche Bank
	Goldman Sachs
	ING
	JP Morgan
	Lazard
	Morgan Stanley
	UBS
Other Satellite- and Space-Related Organizations and Institutions	
	Cable & Satellite Broadcasting Association of Asia
	European Satellite Operators Association
	Global VSAT Forum
	ManSat LLC
	Mobile Satellite Users Association
	Satellite Action Plan Regulatory Group
	Satellite Industry Association
	Space Industry Association of Australia