

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,

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| 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 |

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| | Hughes Communications, Inc. |
| | Inmarsat |
| | Intelsat |
| | Iridium |
| | Korea Telecom |
| | Kypros Satellites |
| | LightSquared |
| | Measat |
| | New Dawn Satellite Company Ltd. |
| | NewSat |
| | O3b Limited |
| | Optus Satellite |
| | Quetsat |
| | RapidEye |
| | SES |
| | SKY Perfect JSAT |
| | Spacecom |
| | StarOne |
| | SWANsat Holdings, LLC |
| | Telenor Satellite Broadcasting AS |
| | Telesat |
| | Telespazio |
| | Thuraya |
| | Turksat |
| | ViaSat |
| | WildBlue |
| | XTAR, LLC |
| | Yahsat |
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| 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 |
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| 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 |
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| 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 |
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| 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 |