



November 3, 2009

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

Via Email at: mj.stanford@unidroit.org

Re: Proposed Draft Space Assets Protocol to the Cape Town Convention

Dear Mr. Stanford:

On behalf of the Satellite Industry Association ("SIA"), I write to you regarding the proposed draft Space Assets Protocol to the Cape Town Convention (the "Protocol"). SIA is a consensus-based trade association which serves as the unified voice of the U.S. satellite industry on policy, regulatory, and legislative issues affecting the satellite business. SIA represents the leading global satellite operators, service providers, manufacturers, launch services providers, integrators, ground equipment suppliers, and satellite radio and television providers.¹

SIA supports the general goal of the UNIDROIT to seek to facilitate financing of high value assets through the formulation of various protocols. While our membership commend the efforts of the International Institute for the Unification of Private Law ("UNIDROIT"), we have significant concerns with the direction of the current draft Protocol.

¹ SIA Executive Members include: Artel Inc.; The Boeing Company; CapRock Government Solutions; The DIRECTV Group; Hughes Network Systems, LLC; DBSD North America, Inc.; Integral Systems, Inc.; Intelsat, Ltd.; Iridium Satellite, LLC; Lockheed Martin Corp.; Loral Space & Communications Inc.; Northrop Grumman Corporation; Rockwell Collins; SES World Skies, Inc.; SkyTerra Communications, Inc; and TerreStar Networks, Inc. Associate Members include: ATK Inc.; Comtech EF Data Corp.; DRS Technologies, Inc.; EchoStar Satellite, LLC; EMC, Inc.; Eutelsat Inc.; iDirect Government Technologies; Inmarsat Inc.; Marshall Communications Corp.; Panasonic Avionics Corporation; Spacecom Ltd.; Stratos Global Corp; SWE-DISH Space Corp; Telesat Canada; ViaSat Inc.; and WildBlue Communications, Inc. Additional information about SIA can be found at <http://www.sia.org>.

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First, we doubt that that this draft Protocol will facilitate financing for the satellite industry. On the contrary, we fear that the draft Protocol will instead deter financing by imposing an additional, unnecessary, burdensome and vague layer of law through broad, unclearly defined rules on ownership and security interests in space assets.

Second, SIA believes that existing national law more than adequately addresses the issue of granting of security in assets located in space. As a result, the satellite industry does not see a need for, and therefore does not support, a new layer of supra-national law addressing ownership and collateral security issues relating to space assets. Indeed, based upon the current draft, we believe the Protocol would create potential additional conflicts, potentially chilling the very space asset financing UNIDROIT seeks to encourage.

Asset-based satellite financing is infrequent relative to other classes of high-value mobile assets, such as aircraft, vessels and rolling stock. Parties seeking such financing typically are already able to obtain necessary financing. SIA members are concerned that the proposed supra-national law would neither aid the satellite industry, nor facilitate financing.

The absence of supportive representation from U.S. and international satellite operators and the financial community in exercise of drafting this Protocol should serve to indicate to UNIDROIT and the Committee of Governmental Experts the insufficiency of support and of need for the proposed regime.

We respectfully urge you to reconsider the need for the Protocol and stand ready to discuss these concerns with you at your convenience.

With Regards,



Patricia Cooper
President
Satellite Industry Association

cc: Ambassador Philip L. Verveer
Deputy Assistant Secretary of State and U.S. Coordinator for International
Communications and Information Policy
U.S. State Department

Mr. Hal Burman
Executive Director, Office of Legal Adviser
U.S. State Department



November 23, 2009

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

Via e-mail at: mjstanford@unidroit.org

Re: Proposed Draft Space Assets Protocol to the Cape Town Convention

Dear Mr. Stanford:

Thank you for your letter of November 6, 2009. For the reasons stated in our letter dated November 3, 2009, the Satellite Industry Association (SIA)¹ firmly opposes the creation of a Space Assets Protocol. After extensive consultation and internal discussion, we have concluded that there is simply no need for such a Protocol. Moreover, the Protocol's adoption may have negative and costly consequences on our members and the U.S. and international satellite industry in general.

You have asked us to enumerate areas where the draft Protocol is deficient. Such expressions of concern have been conveyed several times over the past years and, as a group, we now have concluded that both the text and the construct of the draft Protocol are incurable. Despite the many years exploring this project, we believe that the Protocol fails to achieve its goal of commercial viability. As stated in our previous letter, we remain convinced that the Protocol risks actually deterring the ability of the satellite industry to secure necessary financing by creating conflicts with existing law and by adding an unnecessary layer of administrative burden.

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Again, we urge you to reevaluate the need for the Protocol, consider its potential deleterious effect on the satellite industry worldwide, and stop all efforts to create the Protocol.

With Regards,

A handwritten signature in black ink, appearing to read "Patricia Cooper". The signature is fluid and cursive, with the first name being more prominent.

Patricia Cooper
President
Satellite Industry Association

cc: Ambassador Philip L. Verveer
Deputy Assistant Secretary of State and U.S. Coordinator for International
Communications and Information Policy
U.S. State Department

Mr. Ken Hodgkins
Director, Office of Space and Advanced Technology
U.S. State Department

Mr. Hal Burman
Executive Director, Office of Legal Adviser
U.S. State Department