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| Proposals for the work of the conference |
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ADD D/73/1

Draft New Resolution [D-1]

ITU as Supervisory Authority of the future International Registry for Space Assets under the Space Protocol

The Plenipotentiary Conference of the International Telecommunication Union (Dubai, 2018),

recognizing

*a)* Article 1 of the ITU Constitution that defines the purposes of the Union;

*b)* that at the Diplomatic Conference, held in Berlin in 2012 under the auspices of the International Institute for the Unification of Private Law (“UNIDROIT”), the Plenipotentiaries adopted the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Space Assets (the “Space Protocol”);

*c)* that the Space Protocol will not come into force until a minimum of 10 States become parties;

*d)* that the diplomatic Conference also adopted Resolution 1 to establish, pending the entry into force of the Protocol, a Preparatory Commission to act with full authority as Provisional Supervisory Authority for the establishment of the International Registry for Space Assets, under the guidance of the General Assembly of UNIDROIT and Resolution 2 inviting the governing bodies of the ITU to consider the matter of the ITU becoming Supervisory Authority of the International Registry for Space Assets under the Space Protocol, upon or after the entry into force of the Protocol, and to inform UNIDROIT accordingly,

recalling

Resolution 70/1 of the United Nations General Assembly of 25 September 2015, entitled “Transforming our world: the 2030 Agenda for Sustainable Development”, especially goal 9, target c which reads “significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020”,

considering

the Report by the Secretary-General on ITU’s Role as Supervisory Authority of the Future International Registry for Space Assets under the Space Protocol,

considering further

*a)* the absence of objections of principle of ITU Member States to ITU becoming the Supervisory Authority and that the final decision should be taken by PP-18;

*b)* the expected positive effects of the Space Protocol on the reduction of financing costs for space assets, especially for small and medium sized satellite operators;

*c)* ITU’s responsibility for frequency allocation and its special expertise in the field of communications in space as well as its role as an international organization with 193 Member States;

*d)* that the UN specialized agency ICAO (International Civil Aviation Organization) has taken over the role as the Supervisory Authority for the International Registry, which was established by the Aircraft Protocol,

resolves

that ITU shall become the Supervisory Authority of the International Registry for Space Assets under the Space Protocol,

instructs the Secretary-General

1 to continue to participate in the work of the Preparatory Commission and its working groups and to inform UNIDROIT about resolves above;

2 to submit an annual report on the results of implementation of this resolution to the ITU Council sessions in 2019-2022.

**Reasons:** The Space Protocol is the third asset-specific Protocol to the Convention on International Interests in Mobile Equipment (Cape Town Convention), which is sponsored by the International Institute for the Unification of Private Law (UNIDROIT). The Cape Town Convention aims at stimulating investment in high value mobile equipment by providing secured lenders, conditional sellers and lessors with an autonomous international interest, which is protected by registration in an International Registry. The benefits of asset-based financing are that the financer is able to use the value of the asset to secure his credit.

The Space Protocol leads to reduced financing costs for those who acquire space assets, especially for satellite operators. Based on experience with the Aircraft Protocol, we assume that financing costs could decrease by up to 30 %. It is likely that this will be of primary benefit to small and mid-sized satellite operators, because without the security interests introduced by the Space Protocol, they would have to shoulder considerably higher and often unaffordable financing costs. Accordingly, the Space Protocol will also increase the sales potential for the producers of space assets.

As an international organisation with 193 Member States, the ITU is a recognised, non-partisan authority with an operative area of responsibility, and offers a guarantee that the supervisory authority's duties will be performed with neutrality, skill and commitment to the public good.

The acquisition of supervisory functions unmistakably falls within the mandate of the ITU, as laid out in Article 1 of the Constitution, especially point d, which defines the purposes of the Union as “to promote the extension of the benefits of the new telecommunication technologies to all the world’s inhabitants”. This is because the Protocol makes it easier for developing countries with small and medium-sized satellite operators to finance satellites, and thus to give people access to new telecommunications technologies that they have never had access to before.

The tasks of the Supervisory Authority are strictly limited to matters related to the International Registry for Space Assets and related costs are recovered through a portion of the fees collected by the Registrar. The Preparatory Commission, as the provisional Supervisory Authority, will appoint the first registrar. It is the registrar’s duty to register the international interest in space assets. The tasks of the supervisory authority are strictly limited to supervisory functions by the Protocol. The Preparatory Commission has already drafted the registry regulations so that the ITU would be relieved of those tasks. Finally, a commission of experts would support the ITU in the exercise of its duties.

ITU Member States have discussed the Organization’s role as the future Supervisory Authority of the International Registry for Space Assets under the Space Protocol since the 2011 session of the Council. ITU expressed its interest at the Diplomatic Conference in 2012 in Berlin, which adopted the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Space Assets. Resolution No. 2 of the Diplomatic Conference expressively invites the governing bodies of the ITU to consider the matter of ITU becoming supervisory authority upon or after the entry into force of the Protocol.

At its 2016 session, the Chairman of the Council noted from the discussion on this topic that there were no objections of principle to ITU becoming the Supervisory Authority and that there was general agreement that the final decision should be taken by PP-18.

We are therefore convinced that it is now - at a time when the Preparatory Commission is also in an advanced stage to select a Registrar - appropriate to instruct the Secretary General to take the necessary steps for the ITU to become the Supervisory Authority.

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