

MEMORANDUM OF AGREEMENT
ON LIABILITY FOR SATELLITE LAUNCHES
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

The Government of the United States of America and the Government of the People's Republic of China (hereinafter the "Parties"),

Noting the intention of the People's Republic of China to proceed promptly to become a party to the Convention on International Liability for Damage Caused by Space Objects, which entered into force on September 1, 1972 (hereinafter the "Liability Convention"),

Have agreed as follows:

Article 1

This Memorandum of Agreement applies to the AUSSAT satellites and the ASIASAT satellite and their launch by the People's Republic of China.

Article 2

Subject to Article 4 below, the Parties agree that, as between them, the Government of the People's Republic of China assumes and shall compensate the Government of the United States of America for any and all amounts for which the Government of the United States of America may be liable under the Liability Convention; the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies, which entered into force on October 10, 1967; or any other applicable international law.

Article 3

In the event that a claim for compensation for damage within the scope of Article 2 above is brought against the Government of the United States of America, the Government of the United States of America, as soon as practicable after receiving notice of such claim, shall notify the Government of the People's Republic of China thereof.

Article 4

1. The Government of the United States of America shall not make any settlement with any such claimant without full

consultation with the Government of the People's Republic of China.

In the event that the Government of the People's Republic of China objects to the terms of a proposed settlement between the Government of the United States of America and any such claimant, the Government of the People's Republic of China shall not be obligated to compensate the Government of the United States of America with respect to such claim unless the Government of the United States of America first submits the claim to a claims commission as provided for in the Liability Convention, or, if the claim brought against the Government of the United States of America is not based on the Liability Convention, to a claims commission whose procedures accord with the procedures in Articles XI through XX thereof. In the event, the Government of the People's Republic of China shall compensate the Government of the United States of America for any settlement of such claim up to the amount recommended by the claims commission. Subject to Articles XV, XVI, and XVII of the Liability Convention with respect to failure to select a commission member, selection of members by the Government of the United States of America shall require prior consultation with, and the approval of, the Government of the People's Republic of China.

Article 5

The Government of the People's Republic of China shall provide to the Government of the United States of America, at the latter's request, all information and cooperation necessary for the defense of any such claim against the Government of the United States of America.

Article 6

Disputes relating to the interpretation or application of this Memorandum of Agreement shall be resolved through consultations between the Parties, or through any other means agreed by the Parties.

Article 7

This Memorandum of Agreement shall enter into force upon notification by the Government of the United States of America to the Government of the People's Republic of China that a license for the export of the ASIASAT or AUSSAT satellites to the People's Republic of China for launch therein has been approved.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this Memorandum of Agreement.

DONE at Washington in duplicate, in the English and Chinese languages, both texts being equally authentic, this 17 day of December, 1988.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

Everett M. Altstetter

FOR THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA

[Signature]