

Ukraine Launch Agreement

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF UKRAINE REGARDING
INTERNATIONAL TRADE IN COMMERCIAL SPACE LAUNCH SERVICES

I. PURPOSE

The Government of the United States of America ("the United States") and the Government of Ukraine ("Ukraine"), (hereinafter the "Parties"),

Recognizing the joint presidential commitment of November 1994 to "work together to open prospects for Ukrainian access to international aerospace markets,"

Taking into account continued Ukrainian fulfillment of the May 1994 Memorandum of Understanding Between the Government of the United States of America and the Government of Ukraine on the Transfer of Missile Equipment and Technology,

Recognizing that this Agreement is a transitional measure as the international space launch services market evolves into an environment characterized by free and fair trade among market economy space launch services providers, and

Recognizing that Ukrainian entities intend to offer commercial space launch services to international customers consistent with market principles, at fair and reasonable prices, and in a manner that does not disrupt the international market for commercial space launch services,

Have concluded this Agreement to facilitate early Ukrainian entry into the international commercial space launch services market in a manner that encourages market-oriented reform in the Ukrainian economy, including its space-launch sector.

II. DEFINITIONS

For the purposes of this Agreement:

1. "Commercial space launch services" means the commercially offered or provided services to launch into space any spacecraft or satellite, including but not limited to communications satellites, for an international customer.

2. "Ukrainian space launch services provider" means any legal entity, or agent or representative acting on its behalf, which is permitted by Ukraine to provide commercial space launch services or space launch vehicles for such services.

3. "Integrated space launch services provider" means a joint venture that includes Ukrainian and U.S. companies and provides commercial space launch services or commercial space launch vehicles through implementation of joint projects in the field of rocket and space technology where the financing for such projects comes from investments, commercial loans, and other means. In this joint venture: a) the venture receives a commercial launch license issued by the U.S. Department of Transportation; b) the U.S. partner maintains a significant equity interest in, and control in fact of the joint venture and the United States is the source of a significant share of the goods and services employed by the joint venture in any space launch; c) a majority of the goods and services utilized by the joint venture in any space launch have their origin in market-economy countries. Determination of a qualifying joint venture must be agreed upon by both Parties.

4. "International customer" refers to the following:

(a) any person or any kind of corporation, company, association, venture, partnership, or other entity, whether or not organized for pecuniary gain, or privately or governmentally owned or controlled, or

(b) any governmental body or entity, excluding the United States and Ukraine; or

(c) any international organization or quasi-governmental consortium, including but not limited to INTELSAT, INMARSAT, and their respective legal successors, which is the ultimate owner or operator of a spacecraft or satellite or that will deliver the spacecraft or satellite to orbit for use by such ultimate owner or operator.

5. "Contract" means (i) to agree or commit to the provision of commercial space launch services such that a launch is effectively removed from competition in the international market, or (ii) any such agreement or commitment (The term "contract" applies to any agreements signed calling for the lease of a satellite-on-orbit. It does not include reservation agreements.)

6. "Comparable commercial space launch services" means commercial space launch services offered to launch a spacecraft of the weight class that is the subject of a launch competition, sole source or directed procurement, taking into consideration relevant factors that may be considered when evaluating the price, terms and conditions of such services, including, but not limited to, intended orbit, risk management, financing, satellite lifetime on orbit, and integration costs.

7. "Inducements" with respect to particular launch services transactions include, but are not limited to: unreasonable political pressure, the provision of any resources of commercial value unrelated to the launch service competition and offers of favorable treatment under or access to defense and national security policies and programs, development assistance policies and programs, and general economic policies and programs (e.g., trade, investment, debt, and foreign exchange policies)

8. "Impermissible business practices" means the making of any offer; payment; promise to pay; promise to offer anything of value or to authorize the payment of anything of value; or any promise to make such payment to any official, individual, or any other entity for the purpose of obtaining or retaining business for or with or directing business to any person, including making payment to a person while knowing that all or a portion of the payment will be offered, given or promised, directly or indirectly, to any official, individual or any other entity for the purposes of obtaining or retaining business.

9. "Geosynchronous earth orbit" means an orbit approximately 19,400 nautical miles (35,900 kilometers) above the surface of the earth at the equator in which a payload completes one Earth orbit in a 24-hour period, holding a fixed position above the Earth.

10. "Geosynchronous transfer orbit" means a temporary orbit used to reposition a spacecraft or satellite into a geosynchronous Earth orbit.

11. "Low earth orbit" means any orbit below geosynchronous orbit or below geosynchronous transfer orbit.

12. "Principal payload" means a telecommunications satellite, or, in the absence of a telecommunications satellite, any other spacecraft or combination of spacecraft.

13. "Sole source or directed procurement" means any agreement where the launch services customer does not hold a competition and selects a supplier with whom to negotiate a launch services contract.

14. "LEO single launch" means a launch to low earth orbit, which would not include launches that are part of the initial deployment of a LEO satellite constellation.

III. SCOPE

1. This Agreement applies to commercial space launch services for an international customer for launches to geosynchronous earth orbit (GEO), to geosynchronous transfer orbit (GTO), and to low earth orbit (LEO).

2. This Agreement covers commercial launches using the Zenit and Tsyklon launch vehicles and their upgrades.

3. Nothing in this Agreement, however, applies to launches of payloads for military purposes or for use in the non-commercial, civilian space programs of either Party which are executed in accordance with existing cooperative agreements.

4. This Agreement also applies to the lease of a satellite on orbit. Any satellite launched by a Ukrainian space launch services provider or an integrated space launch services provider that is entirely leased on orbit to international customers (pursuant to a commitment between the provider and such customers) represents a launch of a principal payload for purposes of this Agreement. If not entirely leased on orbit to international customers, such a satellite may represent a launch of a principal payload if the satellite's capacity is primarily leased to international customers, depending upon the circumstances and facts of a particular case.

IV. GENERAL PROVISIONS

1. The Parties shall support the application of market principles to international competition among providers of commercial space launch services, including the avoidance of below-cost pricing, and impermissible business practices.

2. Neither Party shall engage in practices that distort competition among providers of commercial space launch services, including but not limited to:

(a) the provision of grants, subsidies, or credits that distort the production or operation costs for commercial space launch systems;

(b) the provision of inducements to international customers or potential international customers for commercial space launch services;

(c) the offering of additional services such as insurance or reflight guarantees except on a par with prevailing rates and practices in international markets for comparable risk; and

(d) the provision of government-supported financing for commercial space launch vehicles or services except in accordance with the terms of the Organization for Economic Cooperation and Development's "Arrangement on Guidelines for Officially-Supported Export Credits."

3. The Parties, including their agents and instrumentalities, shall not engage in impermissible business practices to secure contracts to provide commercial space launch services. Each Party shall also endeavor to ensure that any entity or organization subject to its jurisdiction, whether or not owned or controlled by that Party, shall not engage in impermissible business practices to secure contracts to provide commercial space launch services.

V. MARKET PARTICIPATION

1. During the term of this Agreement:

(a) Ukrainian space launch services providers may provide commercial space launch services to international customers or commercial space launch vehicles to an integrated space

launch services provider for the launch of up to five principal payloads to geosynchronous earth orbit or geosynchronous transfer orbit. If the average annual number of internationally competed commercial launches, including launch failures, is 24 or more over the first three years of this Agreement or if the Parties, by mutual agreement, conclude that commitments for such launches indicate that an average annual number of internationally competed commercial launches of 24 or more will occur during the first three years of this Agreement, then this quantitative limit shall be raised to six.

(b) In addition, Ukrainian space launch services providers may supply, during the term of this Agreement, space launch vehicles to an integrated space launch services provider for the launch of 11 principal payloads to geosynchronous earth orbit or geosynchronous transfer orbit. If the average annual number of internationally competed commercial launches, including launch failures, is 24 or more over the first three years of this Agreement or if the Parties, by mutual agreement, conclude that commitments for such launches indicate that an average annual number of internationally competed commercial launches of 24 or more will occur during the first three years of this Agreement, then this quantitative limit shall be raised to 12. If the average annual number of internationally competed commercial launches, including launch failures, is 24 or more over the first four years of this Agreement or if the Parties, by mutual agreement, conclude that commitments for such launches indicate that an average annual number of internationally competed commercial launches of 24 or more will occur during the first four years of this Agreement, then this quantitative limit shall be raised to 14.

2. During the term of this Agreement, the Parties agree that Ukrainian commercial space launch services to low earth orbit that are single launches and that are not part of the initial deployment of a satellite constellation shall be governed by this Agreement. Both Parties also agree that Ukrainian participation in this LEO market segment shall not be disruptive to the normal functioning of the market. The United States shall be guided in its assessment of the effect, or potential effect, of Ukraine's participation in this LEO market segment by, inter alia, the extent and growth of overall Ukrainian and U.S. participation in this market. If either Party believes that the other Party is participating, or may participate, in this market in a manner inconsistent with its commitments under this Agreement, the Parties shall meet pursuant to the consultations provided for under Article VIII (2) to ascertain the facts of the situation and take appropriate corrective action.

3. During the term of this Agreement, the Parties agree that Ukrainian commercial space launch services to low earth orbit that are part of the initial deployment of a satellite constellation shall be governed by this Agreement. With respect to proposals to deploy satellite constellations in low earth orbit during the term of this Agreement, the United States shall assess the effect or potential effect of Ukraine's participation in this LEO market segment relative to Ukraine's commitments under this Agreement in terms of the extent of participation by Ukrainian, U.S., and third country launch services providers in the deployment. In particular, the United States will consider whether the overall level of participation by launch services providers in countries with whom the United States has concluded a bilateral commercial space launch

services agreement (measured according to distribution of payloads) in the deployment of any single LEO communications satellite constellation is greater than the participation of market economy launch services providers. The following factors will, inter alia, also be taken into account:

- (a) launch scheduling requirements and the need to optimize launch vehicle selection to meet deployment or operational requirements;
- (b) the availability of competitively-priced market economy launches to meet these requirements;
- (c) opportunities made available to other parties for participation in the replacement market;
- (d) reasonable considerations by the proposed system operator regarding commercial risk sharing; and
- (e) customers' requirements.

If either Party believes that the other Party is participating, or may participate, in the LEO constellation market in a manner inconsistent with its commitments under this Agreement, the Parties shall meet pursuant to the consultations provided for under Article VIII (2) to ascertain the facts of the situation and take appropriate corrective action. The criteria set forth in this paragraph may be reconsidered by the Parties. Among the events which would justify favorable reconsideration for elimination of the criteria in this paragraph would be a commercially viable project for satellite services that fundamentally changes demand for launch services.

4. Ukraine agrees that any commitments to provide commercial space launch services to geosynchronous orbit under paragraph 1 above shall be proportionally distributed over the period of the Agreement. To this end, Ukraine shall make its best efforts to prevent a disproportionate concentration of such launches during any two-year period of the Agreement. Ukraine shall seek to ensure that Ukrainian launches of principal payloads for international customers are performed as scheduled in the original launch commitment.

5. If in the course of the annual consultations provided in Article VIII (1), the Parties agree that the market for commercial space launch services has developed more favorably than anticipated and if each Party is satisfied with the other Party's compliance with the terms of this Agreement, the quantitative restrictions set forth in paragraph 1 above may be increased by written agreement of the Parties.

VI. PRICING

1. The contractual terms and conditions, including the price, of commercial space

launch services offered or provided by either Ukrainian space launch services providers or integrated space launch services providers to international customers shall be comparable to the terms and conditions, including prices, for comparable commercial space launch services offered by commercial space launch services providers from market economy countries, including the United States.

2. When a bid, offer or contract by either a Ukrainian space launch services provider or an integrated space launch services provider is less than 15 percent below a bid, offer or contract by a commercial space launch services provider from a market economy country, including the United States, to provide the commercial space launch services described in Article V (1), it shall be assumed, unless information is provided to the contrary, that such bid, offer, or contract is consistent with paragraph 1 above and that no special consultations are needed. When a bid, offer or contract by either a Ukrainian space launch services provider or an integrated space launch services provider is greater than 15 percent below a bid, offer or contract by a commercial space launch services provider from a market economy country, including the United States, the United States, after taking into consideration the comparability factors described in the Annex to this Agreement, may request special consultations under Article VIII (2) of this Agreement.

VII. TECHNOLOGY CONTROLS AND EXPORT LICENSES

1. Notwithstanding any other provision of this Agreement, the Parties shall negotiate and conclude a Technology Safeguards Agreement prior to the launch of a U.S. satellite on a Ukrainian launch vehicle. This Technology Safeguards Agreement will be intended to facilitate the issuance of U.S. export licenses and shall include requirements relating to controlling the transfer of missile technology.

2. Both Parties recognize that a relationship exists between this Agreement and Ukraine's fulfillment of the May 1994 Memorandum of Understanding Between the Government of the United States of America and the Government of Ukraine on the Transfer of Missile Equipment and Technology

3. With regard to export licenses, any application for a Party's export license will be reviewed on a case-by-case basis consistent with that Party's laws and regulations. Nothing in this Agreement shall be construed to mean that either Party is constrained from taking any appropriate action with respect to any of its export licenses, consistent with its laws and regulations. Nevertheless, each Party will do its utmost to assure, consistent with its laws and regulations, continuity of issued licenses and the completion of the transactions covered in such licenses.

VIII. CONSULTATIONS

1. The Parties will consult annually with respect to the obligations in this Agreement and related matters, including the nature and extent of direct and indirect government support

provided to commercial space launch services providers and developments in the international market for commercial space launch services.

2. In addition, each Party undertakes to enter into special consultations within thirty (30) days of a request by the other Party to discuss matters of particular concern. In particular, special consultations will be held to review the situation in which there is an absence of Western launch availability due to full manifests or launch failures during the required launch period (generally within three (3) months before and after the preferred launch date), if Ukraine has reached the limitation set out in Article V (1). If information is provided which verifies, to the satisfaction of the United States, that the situation described above exists, the United States may increase the quantitative limits on available launches established under Article V (1) to permit the satellite to be placed on a Ukrainian launch vehicle manifest for launch.

3. The United States and Ukraine agree to work toward a common understanding of the application of market principles to prices, terms, and conditions of commercial space launch services for international customers.

4. To facilitate the annual consultations, the United States and Ukraine agree to exchange information as follows:

(a) The United States shall each year in advance of such consultations provide to Ukraine such publicly releasable information as it possesses with respect to prices, terms and conditions prevailing in the international market for commercial space launch services. Ukraine may request that the United States provide additional publicly releasable information with respect to international prices, terms and conditions, and may in addition request U.S. views regarding prevailing international market conditions and likely future developments, as well as government supports or inducements. The United States shall respond to such requests within thirty (30) days. If such information cannot be provided directly because of business confidentiality, the United States shall provide such information in summary form.

(b) Ukraine shall in advance of such consultations provide comprehensive information to the United States regarding prices, terms, and conditions offered by Ukrainian space launch services providers or integrated space launch services providers for the launch of principal payloads. The United States may request additional information with respect to the prices, terms, and conditions offered by Ukrainian space launch services providers or integrated space launch services providers and any government supports or inducements. Ukraine shall respond to such requests within thirty (30) days. If such information cannot be provided directly because of business confidentiality, Ukraine shall provide such information in summary form.

(c) The United States and Ukraine shall also provide each year, in advance of annual consultations, information on a consolidated basis concerning the commitments their space launch service providers have undertaken to provide commercial space launch services for international customers. This information may be made publicly available.

5. If a launch of a satellite for an international customer which is subject to the terms of this Agreement will not be performed as scheduled, Ukraine shall notify the United States regarding the reasons for the delay and the new date for the launch as soon as possible.

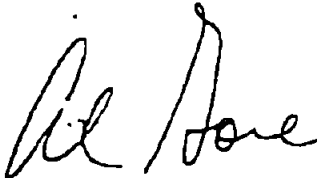
6. If, after consultations provided for under this Article, either Party determines that the provisions of this Agreement have been violated by the other Party, each Party reserves its right to take any action permitted under its national laws and regulations

IX. ENTRY INTO FORCE AND TERM

The Protocol, the Annex, and side letters are an integral part of this Agreement. This Agreement shall enter into force upon signature and remain in force until December 31, 2001. This Agreement may be terminated at any time by mutual written agreement of the Parties.

DONE at Washington, in duplicate, in the English and Ukrainian languages, both texts being equally authentic, this twenty-first day of February, 1996.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:



FOR THE GOVERNMENT OF
UKRAINE:



Protocol

The Parties agree that the Sea Launch Limited Partnership meets the criteria for integrated commercial space launch services provider set forth in Article II (3) of this Agreement.

ANNEX:
Pricing Comparability Factors for Commercial Space Launch Services

The Parties agreed to the following factors as being relevant to the comparison or evaluation of commercial space launch services offered in the international market. Such factors can often explain legitimate distinctions in the price offered for the launch of a particular payload by different space launch providers, and are particularly useful in comparing bids from market economy providers to those from economy-in-transition providers of commercial space launch services.

<u>Comparability Factor</u>	<u>Description</u>
Intended Orbit	Based on delivery orbit for launch provider, and the provider of Perigee Kick Motor (PKM)
Risk Management	Addresses potential differences in different forms of risk management, such as political risk insurance)
Additional Costs	
- Integration Costs	Addresses different types of payload/vehicle integration costs, and mission software/hardware modifications necessary for the mission
- Launch Support	Involves extra transportation expenses, security costs, extra equipment, and personnel support costs (relative to Western launches) due to launching in the New Independent States of the former Soviet Union
Required Vehicle Lift Capability	Ensures comparison of vehicle classes providing similar performance

Payment Conditions/Terms

Relates to various payment and financial conditions or incentives that may be offered as part of a launch services bid (governed by the provisions of any relevant trade agreements and OECD guidelines)

Lifetime

Addresses impacts of different satellite lifetimes (on orbit) resulting from the launch services (this is not always a factor - the impact varies depending on case in question)

Form of Compensation

Relates to the net present value of information services, such as telecommunications, navigation and remote sensing, and derived from the satellite or satellite system received by the launch provider as payment in kind

Шановний пане Віце-президенте !

Маю честь підтвердити, що наступне взаєморозуміння було досягнуто нашими урядами відносно Угоди між Урядом України та Урядом Сполучених Штатів Америки щодо міжнародної торгівлі в галузі комерційних послуг із космічних запусків (далі "Угода").

Положення Угоди поширюються на розроблені та виготовлювані серійно українськими підприємствами ракети-носії "Циклон" та "Зеніт", а також на всі їхні модифікації, які здійснюватимуться протягом терміну дії зазначеної Угоди.


За час дії Угоди заплановано здійснити модернізацію системи керування та систем двигунів ракети-носія "Циклон".

Вдосконалення ракети-носія "Зеніт" буде спрямовано на модернізацію системи керування, зміну першого та другого ступеня, розробку нового обтікувача та верхнього ступеня українського виробництва для створення модифікації ракети-носія "Зеніт", що може використовувати "Блок ДМ" російського виробництва (верхній ступінь), а також здійснення модифікацій щодо підвищення надійності та безпеки ракети-носія "Зеніт".

Я звертаюся до Вас з проханням підтвердити, що Ваш Уряд поділяє таке розуміння.

Я також маю честь запропонувати, щоб цей лист та Ваш лист як підтвердження згоди були невід'ємною частиною зазначеної Угоди.

З повагою


Леонід Кучма

Його Високоповажності
Панові Алберту Гору
Віце-президенту Сполучених
Штатів Америки
м.Вашингтон

FACT SHEET

SCOPE

- The Agreement applies to commercial space launch services for international customers to geosynchronous earth orbit (GEO), to geosynchronous transfer orbit (GTO), and to low earth orbit (LEO).
- The Agreement allows the commercial use only of the Zenit and Tsyklon launch vehicles, and their upgrades.

GEOMARKET PARTICIPATION

- Ukraine will be allowed up to five launches to geosynchronous orbit.
- Eleven additional launches are available for exclusive use by a qualified U.S.-Ukrainian joint venture.
- If the market improves significantly beyond current expectations, Ukraine will be allowed one additional launch. Under such circumstances, the qualified U.S.-Ukrainian joint venture will also be allowed up to 3 additional launches.
- To qualify as a joint venture:
 - the U.S. partner must maintain control in fact;
 - the U.S. must be the source of a significant share of the goods and services employed in any launch;
 - a majority of the goods and services, including financing and insurance, must originate in market-economy countries,
 - the joint venture must receive a launch license from the U.S. Department of Transportation.

LEO MARKET PARTICIPATION

- In the case of the initial deployment of LEO telecommunications constellations, the U.S. will assess whether the participation by the Ukraine, China and Russia in the deployment of any single LEO constellation is greater than the participation of market-economy launch providers.

PRICING

- Contractual terms and conditions, including the price, for both GEO and LEO, provided by Ukrainian space launch services must be comparable to the terms and conditions offered by market economy countries.
- When a Ukrainian bid for GEO space launch services is more than 15% below the price offered by market economy countries, the U.S. may request special consultations.

CONSULTATIONS

- The U.S. and Ukraine will consult annually regarding the agreement and developments in the international market for commercial launch services.
- In addition, either the U.S. or Ukraine may request special consultations within 30 days on matters of particular concern, including prevailing international market conditions.

TECHNOLOGY CONTROLS AND EXPORT LICENSES

- The U.S. and Ukraine will negotiate a Technology Safeguard Agreement to facilitate the control of the transfer of missile technology.
- The U.S. and Ukraine recognize that a relationship exists between this Agreement and Ukraine's fulfillment of its obligations regarding the transfer of missile equipment and technology.
- U.S. export licenses will be reviewed on a case-by-case basis, consistent with the U.S. law and regulations.

FAIR PRACTICES

- The Agreement prohibits inducements and unfair business practices. It also prohibits grants, subsidies or credits that distort the production or cost for commercial space launch systems.

LENGTH OF AGREEMENT

- It is in effect until December 31, 2001.

OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508

FOR IMMEDIATE RELEASE
Thursday, December 14, 1995

95-91
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**United States Reaches Agreement with Ukraine on a Commercial
Space Launch Agreement**

U.S. Trade Representative Mickey Kantor announced that the United States and Ukraine today initialed an agreement on commercial space launches. "I am pleased by today's outcome," Kantor said. "This agreement will ensure that all segments of the U.S. space industry remain competitive."

The Agreement's main provisions allow Ukraine, on its own and in partnership with a U.S.-led joint venture, to enter the international space launch market. Quantitative limits and pricing guidelines ensure that Ukraine's entry into the market will be non-disruptive.

The text, initiated in Vienna, Austria would allow Ukraine opportunity over the term of the Agreement to win contracts for up to five (5) launches to geosynchronous earth orbit, currently the most frequently used orbit for commercial satellites. In addition, Ukraine would be given opportunity to win up to 11 more contracts exclusively for the use of a U.S.-Ukrainian joint venture, such as "Sea Launch" led by the Boeing company. Should the market for commercial space launch services expand over the next three to four years, the Agreement would also provide Ukraine with the possibility of winning up to four additional launch contracts, three of which would be available solely to a U.S.-Ukrainian joint venture.

Kantor said that the U.S. economy can expect significant benefits from this deal. "A project such as the Boeing Sea Launch project alone could generate several hundred jobs and could contribute to the conversion of idled domestic military facilities to productive commercial use," he added. In addition, he said that the agreement would further diversify the supply of launch services available to the \$4 billion U.S. satellite industry, and would allow that industry to maintain its world leadership position.

Other provisions in the Agreement limit Ukraine's ability to unfairly underbid their U.S. competitors. The Agreement also creates guidelines for Ukraine's participation in the growing

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 21, 1996

STATEMENT BY THE PRESS SECRETARY

U.S.-Ukraine Agreement on
Commercial Space Launch Services

Vice President Gore and President of Ukraine Leonid Kuchma signed today the U.S.-Ukraine Agreement regarding International Trade in Commercial Space Launch Services. Vice President Gore welcomed the Agreement as a sign of the growing ties between the United States and Ukraine, noting that cooperation in this important high-technology industry will benefit both countries. He added that the Agreement further diversifies the supply of launch services available to the U.S. satellite industry and would allow that industry to maintain its world leadership position.

The Agreement paves the way for Ukraine to enter the international space launch market in a non-disruptive fashion. Ukraine will have the opportunity to provide commercial space launches to geosynchronous earth orbit (GEO), currently the most frequently used orbit for commercial satellites, as well as to low earth orbit (LEO), a rapidly growing market.

Ukraine has the opportunity to win contracts for five launches to GEO. In addition, Ukraine will be able to provide up to 11 more GEO launches for use by a U.S.-Ukrainian joint venture, such as the Boeing-led "Sea Launch" venture. Should the market for GEO commercial space launch services expand over the next four years, the Agreement provides Ukraine with the possibility of winning up to four additional launch contracts, three of which would be reserved for a U.S.-Ukrainian joint venture.

The Agreement establishes guidelines for Ukraine's participation in the market for launching commercial satellites to low earth orbit. It also stipulates that prices provided by Ukrainian space launch services will be comparable to those offered by the United States or other market economy countries.

The Agreement entered into force upon signature and will expire at the end of 2001.

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market for launching commercial satellites to low earth orbit.

The Agreement, which will expire at the end of 2001, is similar to agreements the United States already has in place with Russia and China. All three agreements are designed to be transitional measures allowing for the non-disruptive entry of the space launch industries of economies in transition (EIT) into the market for internationally competed commercial space launches.