



Department for Transport

From the Second Permanent Secretary

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22 July 2022

Meg Hillier MP
Chair, Committee of Public Accounts
House of Commons
London
SW1A 0AA

[Sent via email]

Dear Chair,

RE: Notification of Contingent Liabilities entered into by the Department for Transport

I am writing to notify you of a contingent liability raised by my department in relation to commercial spaceflight launch activities from the UK. A Written Ministerial Statement (attached) was laid in Parliament on 19th July 2022. I apologise for failing to notify you in advance of the statement being laid.

The 2018 Space Industry Act and the 2021 Space Industry Regulations establish the legal framework to license and regulate commercial spaceflight activities in the UK. As a “launching nation” UK is party to the United Nations convention on international liability for damage caused by space objects 1972. This means we are liable to pay compensation for any damage caused by Spaceflight activity.

The 2018 Act requires an operator to indemnify the Government against any claims. In the 2021 National Space Strategy we set out that we will limit this liability based on evidence which showed that the insurance market would not provide cover for operators. Under the 2021 regulations each operator’s license will specify the limit of their liability.

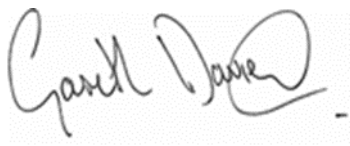
A contingent liability will arise each time a business receives an operator licence under the 2018 Act. The contingent liability will be in place for the duration of each launch activity. The beneficiaries of the contingent liability will be the businesses licensed to conduct space launch.

The Civil Aviation Authority is currently considering the first launch licence applications. We anticipate that the first launch, and first time the contingent liability will arise, will be in 2022.

I have also provided a notification of Contingent Liabilities to the Transport Select Committee on 22nd July 2022.

I am happy to answer any comments or questions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Gareth Davies', followed by a small horizontal line.

Gareth Davies CB
Second Permanent Secretary