

To the attention
Commissioner Thierry Breton
European Commission

Brussels, 07/06/2024

EARSC Letter following the “Space Council” of May 23 2024

The European Association of Remote Sensing Companies (EARSC) acknowledges the Council’s conclusions on space’s contribution to Europe’s competitiveness.

EARSC is encouraged by the recognition of the increasingly significant role of the space sector in the strategic autonomy of Europe and the EU’s ambition to develop the use of space data for cross-sectoral purposes. This includes utilising public procurement and public-private funding schemes and creating quality jobs requiring specialised skills. However, despite the conclusions stating that these programs “should” benefit all ESA Member States and the EU, the EU space industry urgently needs a dedicated industrial strategy with a substantial and secured budget to compete internationally and secure sovereign European and commercial access with a priority on European-sourced and -managed space data and space-based services.

Threats

- *Fragmentation of Demand:* Compared to other space powers, the European Space services institutional market is characterised by low volume and low commitment. Copernicus Contributing Mission contracts required to deliver critical Copernicus services are currently being discussed with ESA on behalf of the European Commission, however, with a decreased volume and smaller budget versus the former MFF. Institutions, through agencies, are expanding tender scopes, requesting new technologies that are not yet fully operational, often with lower budgets that create barriers for providers. Rapidly changing processing chains do not allow companies to implement sustainable plans or attract investors. Particularly the funding adequacy of cutting-edge downstream applications (in Copernicus and beyond) contracted by European institutions needs to be urgently rethought, to ensure a thriving and long-term sustained European service provider ecosystem and strengthen its international competitiveness.
- *Open Access to the Institutional Market:* Non-European actors have access to the European market, even partially for the provision of Copernicus services, while European actors usually do not have reciprocal opportunities accessing Asian and American national markets with the same low access barriers as offered by Europe.
- *Fragmentation of the offer:* Companies or start-ups are created to respond to local needs with some initial financial support. However, due to the low volume linked with

the fragmentation of demand, they struggle to develop outreach capabilities, failing to create an environment for the growth and resilience of start-ups and small actors.

Solutions

- *Long-term commitment and adequate budget:* The space downstream industry requires a budget aligned with the growing user adoption of services and the continuous increase in data volumes and technical complexity demand, as well as a clear roadmap describing future needs for data and value-added solutions to efficiently support the European priorities, enabling a globally competitive offer.
- *Diverse funding sources:* Funding for space should not come solely from space-related funds but also from other thematic sectors and areas, such as agriculture, environment, natural resources, and education, to develop sustainable and stable funding as well as relevant skills being built up, supporting the growth of a next-generation space workforce.
- *Improved access to commercial space data and services:* The downstream industry would benefit from new approaches that ease access to commercial space data and services. This includes developing and funding new open licenses for commercial data to support the uptake by new or established commercial actors and expanding the Data Dynamic Purchasing System to a “Services Dynamic Purchasing System,” which would further support the mainstreaming of EO-based solutions and the digitalisation of the industry.
- *Regulatory frameworks* that further encourage and legally mandate the use of Satellite Earth Observation, both at the EU and Member State levels, can significantly increase private sector investment and enhance public anchor tenancy for the substantial benefit of service end users.

While the acknowledgement of the space sector’s vital role in European autonomy and global competitiveness is paramount, without a realistic budget and appropriate actions to support the further development and the uptake of space-based data and services, investment in space will fail to produce the expected benefit for citizen, finally jeopardising European leadership in EO infrastructure and services provision.

Yours faithfully,

On behalf of the EARSC Board of Directors



Emmanuel PAJOT
Secretary General, EARSC