

New US Remote Sensing Act

Recently, I read with interest that the US Department of Commerce has [published proposals](#) for revision to the export limitations for EO satellites and data supplied by US companies. The original restrictions were part of the Landsat Remote Sensing Policy act published way back in 1992. This was revised in 2006 in part reflecting the Commercial Remote Sensing act of 2003. Now the DoC wishes to remove many of the constraints which have been barriers for US companies in the global market.

The market has changed significantly since the last review (to put it mildly!). In 2006, public systems still dominated completely the EO satellite ecosystem. Since then, the launch of many systems by private companies has transformed the market so that data which a few years ago would only be available to military users, can now be accessed relatively easily. In consequence, the DoC is responding to pressure from the US industry to remove the barriers and enable them to compete more effectively in the market outside the US.

The emphasis has moved from direct control over who can have what data based on national security considerations to ensuring that the US has the capacity through an industry competing in the world market. This brings it much more in line with European policy which has relied for many years on its industry maintaining its competitiveness through export business. The revenue for EU space companies have been around 50% commercial and 50% governmental for many years whereas for the US the figure is closer to 20:80 for a much larger business underpinned by DoD budgets.

Now the US seek to move more towards the European model. As the DoC sees it:

Through the National Space Council, this Administration recognizes that long-term U.S. national security and foreign policy interests are best served by ensuring that U.S. industry continues to lead the rapidly maturing and highly competitive private space-based remote sensing market. Towards that end, the Administration seeks to establish a regulatory approach that ensures the United States remains the "flag of choice" for operators of private remote sensing space systems.

The regulation shifts the process away from a control based on security factors to one which more reflects international competition. If a specific type of data is available from other sources (US or non-US) then the company seeking to sell its data will automatically be able to do so. The system is more transparent and much more flexible.

In consequence, European companies, which are currently leaders in the market, will face increasing competition from US players. The more favourable and more easily accessed sources of financing in the US, will also act to encourage non-USA companies to incorporate in the US.

What should Europe do?

The regulatory environment in Europe is very different to the US. Defence is a national competence and European nations have their own approaches to control. This has led to some restrictions for very high-resolution systems but nothing like the same barriers as have existed in the US. As a result, European companies have had a much easier ride when exporting either satellite systems or data.

Just as the US is removing controls, Europe does not need to impose them as was being considered by the EC a few years ago. Rather, other steps will be necessary to enable the European industry to maintain its edge. For, whilst the new measures will help US companies to sell data and services elsewhere, it does nothing to open up the US market to non-US suppliers. Here there is still work to be done.

In our recent position paper, we (EARSC) set out a number of measures which we hope the European Union will be able to implement. I wrote recently about innovation and how small measures can bring large rewards by linking industrial policy to other policy measures. I was explicitly referring to Copernicus where public needs can be met by private suppliers and in doing so, can open up business opportunities for European suppliers. The public sector can encourage companies to invest in innovative products and services by setting out its service needs and leaving the private sector to compete. The policy tool of anchor tenancy is a powerful one which can be even further developed by using pre-competitive procurement to stimulate innovative solutions. Overall, we seek to closely align industrial policy with other policies.

Our proposals were sent to Commissioner Breton - who is in charge of the DG Defence Industry and Space (DEFIS) - along with a letter setting out our supplementary views on the impact of the Covid crisis. Both can be found in [the website library](#) and we await with great interest to see how the Commissioner will respond to our suggestions.