

**Written evidence submitted by Policy Impact Partners and SpaceX
(SPA0099)**

The evidence sessions held by the Science and Technology committee have proven to be very interesting.

The evidence provided by Dr Aschbacher and the questions put to him by members did point to a potential problem with the EU's approach to its space programme and one which it is to be hoped that the UK will continue to avoid.

Both the UK and the EU have since the 1980s approached the regulation of infrastructure, including in telecoms, by separating regulation from the ownership of infrastructure and the provision of services over that infrastructure. Indeed, the EU has in the past taken member states to the CJEU to enforce this principle in relation to other network industries.

The evidence given by Dr Aschbacher suggested that the European Space Agency wants to be part of both the regulatory process and the operation of EU space assets. There is a risk that this could prejudice competition in the market for services provided by satellite within the EU. There is a further risk that any damage to the competitive process in EU markets could have a knock on effect for UK consumers as the same satellite constellations that service the UK market are also designed to serve European markets. Foreclosure would mean higher costs for UK consumers.

Funding from the EU as an institution in combination with the separate contributions from member states of the EU comprises the vast bulk of ESA funding, so ESA will inevitably be drawn to give greater consideration to EU interests than any others. In actual practice today, ESA is the body which implements the bulk of the EU space programme on behalf of the EU Commission.

Conflicts of interest could affect decisions in relation to space traffic management. The decision taken could be influenced by a need to reduce costs for a state subsidised European provider relative to potentially better regulated competitors headquartered outside the EU. This could mean weak transparency requirements regarding orbital debris reviews, lax requirements regarding orbit levels (the higher the altitudes used, the longer debris remains in orbit), lax requirements regarding reviews of satellite safety and a lack of public transparency regarding the findings of the latter.

Space provides the first opportunity for the EU institutions to control infrastructure over which services are provided to consumers. It is to be hoped that in executing regulatory design for the secure space-based connectivity system which the EU intends to commission that it observes the same separation of functions that it has itself required for good reason from others over the last 40 years.

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