



TO:
European Commission
Rue de la Loi, 200
B-1049 Brussels,

ATTN:
Commissioner Breton

Brussels, 27/07/2021

Dear Commissioner Breton,

The new EU Space Programme renews the EU's commitment to its world-leading Copernicus programme. In the form of the Cassini initiative, the EU Space Programme also brings forward measures to help companies, especially SME's, find finance. EARSC welcomes these commitments as well as the user uptake, innovation support and downstream market development activities through the new role of the European Union's Agency for the Space Programme (EUSPA). We consider that all these are important steps if Europe's EO Services companies are to develop and maintain a leading position in this key part of the digital economy.

Space technology and satellite data are key, strategic assets for governments as well as for industry as Earth Observations (EO) and derived products become increasingly important for a good understanding of our world and helping mankind to run it better. In the same way that GNSS data is underpinning many digital services, so is EO data becoming a critical component for informed decision making. It is a key element in the new digital age and for data sovereignty.

The EU flagship programme, Copernicus, is proving to have more and more value to support government policy implementation at all levels: European, national, regional and local. Information coming from the Copernicus services is essential to support better decision making for environment and climate policies, the new Common Agricultural Policy (CAP) and more. Copernicus is proving its enormous value¹ to help manage infrastructure (roads, pipelines etc) and for national agencies to work more effectively. It is an essential tool to provide European autonomy and protect its citizens. The "Next Generation EU" initiative can clearly benefit from an extensive use of Earth intelligence provided by EO considering its focus on the environment through the European Green Deal and/or Digital Transition.

Consequently, the public sector is a key customer for EO services, whether provided under the

¹ For example, see the specific case studies developed under the study: [Sentinels Benefiting Citizens: Showcasing Europe's Earth Observation Capacity through Sentinel Benefit Studies \(SeBS\)](#)

Copernicus programme or purchased from commercial suppliers, as well as a key enabler of the sector through investments in new space technologies and infrastructure.

Whilst the space infrastructure makes it possible, it is the downstream sector which delivers the results which make the substantial investment in the space infrastructure justifiable. It is the sector which drives businesses both as suppliers of data from the Copernicus Contributing Missions and the exploitation of the Copernicus data in commercial markets within Europe and export markets around the world. European companies are world leaders in the supply of new and innovative EO services.

Survey results² show consistently that over 50% of this market is with the public sector as a customer with a further 15% as a sponsor linked to R&D at national and European levels. This market is constantly growing at over 10% per annum and is stimulating the founding of many new enterprises (start-ups) in every EU and ESA Member State. European companies are world leaders in the supply of new and innovative EO services and, with new start-ups, Europe is now establishing a strong base of SME's offering Earth Observation and geospatial data services.

But Europe is not alone, and in the face of increasing global competition, support is needed for the European commercial EO sector to develop. The sector is strategic in nature and international competitors have strong support from their national governments. Consequently, for the European EO service companies to develop business in European markets and beyond, a partnership with the public sector, our major and dominant customer, is essential.

Such a partnership should rest on three pillars:

Firstly, there is a need to organise and secure the demand from public bodies. The EU should establish a favourable, regulatory framework, broadly recognising the utility of EO services to spatially explicit monitoring, and thus supporting to fulfil EU and Member States policies. Introducing reporting obligations, where EO data must be used, especially in policies concerning ecological resources, would represent a significant step to improve utilisation of public and private resources to the benefit of all EU citizens. Common provision of data and information, building upon the successful service-provision models of the Copernicus Entrusted Entities, procured as far as possible from the private sector, will then establish a long-term, public demand.

Secondly, the emergence of new services should be encouraged through the use of innovative pull mechanisms from the public sector (e.g. innovative procurement and industrial policies) to stimulate technology development and its commercial uptake. Strengthened policies for European defence and security could be an important driver for the development of new EO services.

Thirdly, the European downstream sector is highly fragmented with the result that it is particularly difficult to access finance compared to the upstream sector. It is a problem of dimension: the downstream sector is dominated by very small companies, and the overall revenues are distributed around Europe. The industry welcomes the Cassini initiative as one means to address this issue.

We propose that such a partnership can have the goal to develop a "public market" securing a solid demand for EO services from the EU and its Member States so supporting the public mission towards its citizens. It would complement the emerging commercial market which industry is addressing. It would also complement the services resulting from the EU investment in Copernicus. It should ensure,


² EARSC Industry Surveys, 2013, 2015, 2017, 2019, 2020.

and make easier, efficient and effective procurement for public authorities, with maximum contribution from the private sector. It can improve the interaction between the institutions and companies so directing private investment where it can generate the most benefit in the European economy. A well organised “Public Market” will greatly increase the opportunities and capabilities for companies to address commercial needs in the international arena.

EARSC is ready and will be pleased to contribute the views of the industry towards the definition of the future Copernicus Services, and to explore with the EC how to maximise Copernicus’ contribution to meeting the needs of the public sector and their potential for exploitation commercially by the private sector.

We look forward to discussing this further and elaborating the concrete steps to make it happen.

Yours sincerely,



Marc Tondriaux
Chairman of the Board of EARSC