November 2025

EARSC Position Paper on the EU Space Act Proposal

Executive Summary: This position paper expresses the views of the European Earth Observation (EO) services industry, represented by EARSC, the European Association of Remote Sensing Companies, on the Proposal for a Regulation on the safety, resilience, and sustainability of space activities in the Union (EUSA) presented by the European Commission in June 2025. The paper focuses on the different types of companies represented by EARSC and the typologies of companies addressed in the proposal, including operators, primary providers of space-based data, and added value companies. Additionally, the paper highlights considerations regarding the cybersecurity requirements, the governance structure, and international engagement in the context of market reciprocity and regulation.

EARSC represents the Earth Observation geo-information services sector in Europe, with over 140 members from 25 countries covering the full EO services value chain, including commercial operators of EO satellites, data resellers, added value companies, geospatial information suppliers, consultancies, and system/software providers. The sector plays a key role in providing value-added, geospatial information to its customers in Europe and worldwide. This paper reflects the views of the full members of EARSC, which are commercial companies from EU or ESA Member States providing services (including consultancy) or supplying equipment in the field of remote sensing or using EO data.

EARSC observer members are informed and may have commented on the paper, but are not necessarily endorsing its conclusions. For any further information on this position paper, please contact us at: info@earsc.org.

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Introduction

The European Association of Remote Sensing Companies (EARSC) is a trade association representing over 140 members across Europe in the Earth Observation (EO) downstream industry. EARSC acknowledges the European Commission's EU Space Act proposal to outline a harmonised EU approach to safety, sustainability, and resilience, aiming to ensure the longevity of the space domain. In response to the proposal for an EU Space Act (EUSA), published in June 2025, EARSC convened a dedicated group of expert members in a task force to gather views, raise concerns, and address challenges from the viewpoint of the European EO industry. EARSC believes that the expertise of these industry representatives can guide certain aspects of the proposal to ensure that it achieves the outlined goals of stimulating competitiveness of the European space industry.

EARSC represents a wide range of companies with diverse focuses and activities throughout the Earth observation value chain, from satellite operators and data providers to added value companies operating in different market sectors at various scales. These company types will be affected differently by the implementation of the EUSA. Therefore, EARSC has aimed to outline potential impacts and considerations for each type, recognising that many issues are crosscutting. Additionally, EARSC wants to highlight further considerations in specific areas where industry representatives can offer support to the legislative process, drawing on practical, real-world experience to identify the best steps forward.

This paper focuses on the key issues and open questions that EARSC and its members believe are crucial to address and clarify during the legislative process. In particular, several provisions raise concerns regarding implementation, legal certainty, proportionality, governance, and international cooperation. Additionally, the current proposal does not include clear financial measures to offset the higher compliance costs for companies.

EARSC and its members remain ready to support the European Commission and the co-legislators throughout the process and ask the relevant stakeholders to maintain a continued dialogue with industry players.

Impacts on the European EO Industry

Satellite Operators

Members of EARSC who operate satellites or intend to operate satellites will be affected by the full scope of the EUSA and will be required to comply with all aspects. All companies will be faced with additional administrative burden and cost increases, as calculated in the Impact Assessment accompanying the EUSA. Due to the specificities of their satellites, EO operators may face even higher costs for manufacturing than the 3-10% assumed by the Impact

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Assessment[1], limiting their global competitiveness in terms of satellite export and resulting services.

A key concern for these companies is the administrative and procedural burdens created by the EUSA, especially as operators established in Member States with a national space law will need to comply with both the requirements of the national laws and those of the EUSA. EARSC members have highlighted the following articles and points, particularly:

Article 2&5: Scope and Definitions

Article 2 of the EUSA provides a list of the space service providers under the scope of the regulation, and Article 5 seeks to provide relevant definitions. EARSC and its members advocate for clearer definitions, namely those of "Union Space Operator" and "Primary Providers of Space-Based Data". The EUSA must provide clarity to the different types of value chain actors, whether they fall under the EUSA, and which requirements apply to them.

The definition of "constellation" in the proposal also requires further clarification; the term is not used consistently in the document: Article 5(3) refers to "spacecraft working together for a common space mission, subject to a predefined orbital deployment plan," while Article 9(1)(a) specifies that "all satellites planned to be launched under the respective space mission are identical and perform the same tasks in the same manner." A clearer definition is needed to avoid ambiguity and ensure legal certainty.

Articles 6-7: Authorisation of Union Space Operators

The EO industry generally welcomes the harmonisation of authorisation requirements but highlights that implementation speed and proportionality are crucial. Except for new launch sites, new launch vehicles, or very specific new types of services, the 12-month authorisation timeline outlined in Article 7 is incompatible with the speed of technology and market developments, and the resulting competitive pressure on industry. For standard satellite operations, as are common in the EO sector, authorisation decisions should be made within six months for complete applications.

Additionally, missions, constellations that will add satellites in the future, and designs that have already been authorised under existing national regimes should be explicitly "grandfathered" in or subject to a simplified notification procedure under Articles 7 and 119 to avoid retroactive compliance burdens and to ensure operational and legal continuity. Additionally, early alignment processes (pre-application process) should be in place and accessible to operators, including proportionate support for smaller entities to prevent a two-tier market based on size, financial strength, human resources, and expertise capacity.

[1] European Commission, "SWD – Impact Assessment Report – Part 1/2: EU Space Act" (Brussels: Directorate-General for Defence Industry and Space, 25 June 2025) https://defence-industry-space.ec.europa.eu/eu-space-act_en

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Articles 80-95: Risk Management

EARSC generally welcomes the introduction of a "light regime" for certain types of operators or missions. However, the current approach, focusing primarily on research activities, appears too narrow and not sufficiently justified. In our view, the drivers for applying the light regime should focus on the risk and threat levels of a satellite or constellation. Prototype, precursor, and testing satellites should be considered along with IOV/IOD missions. A risk-based flexible approach is critical and should be a key part not only of the risk management provisions, but throughout the whole EUSA.

Articles 96-100: Environmental Sustainability of Space Activities

Preparing the Life Cycle Analysis and Environmental Footprint (EF) assessments (Articles 96-100) will be a very challenging and costly exercise. We perceive the cost impact calculations in the Impact Assessment as considerably low; members expect significantly higher costs related to these requirements. The methodology for the calculation of the EF will be prescribed in implementing acts, leaving uncertainty at this stage. Additionally, the EUSA posits that the EF will comprehensively cover "all the activities carried out throughout the lifecycle of a space mission" from design and manufacturing to operation and end of life. This cycle can be many years long, and much of the required information, when submitted at the time of application for authorisation, will not be available or speculative. The necessity to collect inputs from their suppliers along the value chain adds complexity and cost to the process and risks leading to significant delays. While a flexible approach should be considered at first, the methodology that is currently being developed under the PEFCR4Space initiative could be considered for use. The initiative is developing a streamlined process, based on current ESA guidelines, that would significantly reduce the burden for downstream entities. All measures should be aligned with broader EU sustainability initiatives, including the Green Deal and the Zero Debris Charter, to ensure coherence and avoid overlapping requirements.

Primary Providers of Space-Based Data

For EARSC and its members, one of the key provisions of the EUSA regards implications for so-called "*primary providers of space-based data*". The definition in the text is highly unclear, and further clarification is needed to thoroughly define which companies may be impacted by these provisions. The key problem in our view is the reference to "*first processing*". More and more satellites have on-board processing capabilities, while cloud-based EO platforms make data available to added value companies, often also including raw data. The approach, therefore, seems not to be in line with market realities and creates confusion and uncertainty. It also remains unclear whether multiple providers receiving data from the same foreign or European space mission will need to register in separate procedures via their respective nations. A unified approach centred around the mission, irrespective of the number of entities acting as primary providers, could be considered. EARSC members have highlighted the following articles and points:

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Article 27: Requirements for Primary Providers of Space-based Data

Key concerns of EARSC and its members relate to Article 27. Primary providers of space-based data are mandated to contact EUSPA or the competent authority in their Member State if they become aware of potential irregularities. This is a key challenge for companies, as they would have to assess themselves first whether an irregularity has potentially occurred or not. Furthermore, the companies falling into this category generally have very close contractual relationships and commercial dependencies with the operators generating the data. Asking such companies to "police" the compliance with the EUSA and to report irregularities to EUSPA or national authorities puts them in extremely difficult positions. Responsibility should extend only to the data as disseminated; providers cannot ensure or be liable for the actions of third parties, be they upstream operators or downstream users.

Added Value Companies

A large majority of EARSC members are providing downstream services, constituting "added value" companies. As these companies are neither considered satellite operators nor primary providers of space-based data, we understand that they do not fall directly under the scope of the EUSA and will not have concrete obligations under it.

Nonetheless, indirect economic impact is a key concern for these companies. As operators will face high compliance costs and may decide to increase prices for their data and related services, we see a risk that these cost increases will lead to higher prices for commercial data serving as input for value-added services. This potential impact should be better assessed and considered to prevent downstream market distortion, i.e., through an impact assessment focusing on European added value companies.

Although these impacts might be felt from 2030 only, several companies in the "added value" category are small- and medium-sized European companies. They will require ample time to adapt and adjust their activities to remain competitive in an evolving global market.

Additional Considerations

Market Access and Engagement

Articles 16 and 17 of the EUSA proposal outline conditions for third-country space operators and registration procedures for third-country space services providers, which may lead to reciprocal measures from international partners. Earth Observation, by its very nature of satellites circling the globe, is based on access to the global market to incentivise and amortise private investment. Retaliation by other nations, requiring reciprocal registration of European providers in their legal domain, would create substantial global market access barriers. It is vital to maintain international cooperation and consult the EU's key partner

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countries (e.g., Canada, India, Japan, South Korea, the United Kingdom, and the United States) to ensure willingness to create equivalence and advance mutual recognition of space laws and regulations to ensure that the global market will persist and continue to grow.

Close cooperation is key to creating harmonised conditions across the different jurisdictions to foster the growth of a sustainable ecosystem for the European EO industry. Continued and open dialogue with these partners is vital to avoiding market access restrictions and trade conflicts that will directly impact the competitiveness of the European industry.

Additionally, as regards standardisation and international engagement, it is key for technical rules to align with global best practices. The EUSA should rely on international standards and avoid the risk of parallel standards. It should strike a balance, both referring to internationally recognised standards in order to avoid double regulation and ensure planning certainty, and avoiding reliance on legacy standards, which could hamper innovation and impose disproportionate costs on smaller operators. In this regard as well, open and continued engagement with existing standards organisations and European bodies involved in aligning EU and international standards is vital.

Governance

As regards technical requirements, the EUSA proposal envisions an extensive use of the secondary legislation, which will define thresholds and values at a future date. Examples include the EF assessment and Articles 94-95, which outline the creation of implementing acts to define key technical standards and procedures, such as encryption protocols and incident reporting formats. While this offers flexibility, it creates considerable uncertainty and costs for operators and suppliers until those details are finalised. Involving industry stakeholders in the drafting process is crucial to ensure that measures are feasible, consistent with EU and international standards, and proportionate to operational realities. Collaboration and consultation with industry should go much beyond the standard procedures for secondary legislation foreseen in EU law. EARSC recommends the establishment of a continuous mechanism for exchange with industry, such as the creation of a board.

The duration of the legislative process, which is expected to produce the final version of the text around 2027-2028, leaves limited time for system redesigns or supply-chain adaptation of the EO industry. Furthermore, the proposed 24-month implementation timeline and the decision to apply the EU Space Act only to assets launched after January 1, 2030, as stated in Article 118, are considered insufficient given the long design and development cycles for satellites. A longer implementation period, as well as transitional and grandfathering measures, are essential to maintain continuity and ensure preparedness of the industry. The EUSA should also include phased implementation and prioritise the near-term application of administrative rules while allowing more time for operators to adapt to complex technical requirements that may impact system design.

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Cybersecurity and Resilience Provisions

The EUSA introduces a wide range of new cybersecurity and resilience obligations, including requirements for risk assessments, access controls, encryption, incident reporting, and vendor risk management. While the regulation outlines the main obligations, many of the crucial technical specifications will be determined later through implementing acts. These measures will have a significant impact on the competitiveness of Europe's Earth Observation sector. Although creating a resilience baseline is a positive step, all obligations must remain risk-based and strictly proportionate to the nature and criticality of the respective mission or service, as well as the concrete threats. Transitional and practical guidance must be offered in support of the industry.

Articles 75-77: Relationship with NIS2 Directive and Legal Hierarchy

The EU Space Act will serve as lex specialis to the NIS2 Directive. While this clarification is helpful, more precision is needed for space operators that also provide services in other NIS2 sectors, such as digital infrastructure or ICT management. It remains unclear whether these entities should follow the cybersecurity measures in Article 21 of NIS2 or those in the Space Act's resilience chapter. This ambiguity could lead to duplicative compliance efforts and inconsistencies in oversight. To prevent these issues, the final Regulation should clearly define the relationship between the two instruments and enable mutual recognition of compliance to avoid redundant obligations.

Articles 78-85: Risk Management and Technical Measures

The EU Space Act establishes a cyber risk management framework with specific technical measures that exceed NIS2 requirements. While these measures focus on principles like incident handling and supply chain security, they must remain risk-based and proportionate. Applying the same scrutiny to all missions could disproportionately burden the European EO service industry and start-ups. Measures like threat-led penetration testing (Article 88) and certified cryptographic equipment (Article 85 paragraph 4) should be limited to government or critical infrastructure missions. Overly prescriptive rules for low-risk commercial missions and services could lead to unnecessary costs at the expense of competitiveness. Implementation should remain flexible and aligned with frameworks like NIS2 and the CER Directive.

Articles 86-92: Supply Chain and Vendor Risk Management

The provisions of Articles 86 to 92 introduce new supply chain and vendor risk management requirements, including potential cybersecurity certification for suppliers. While aimed at strengthening the European space ecosystem's security, these measures may create significant administrative and financial burdens for industry, particularly for smaller service providers and innovative SMEs. Existing EU certification schemes, like EUCC and EUCS, can

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be used to recognise equivalence and self-declaration where applicable. A proportionate, risk-based approach will enhance resilience without harming competitiveness or innovation.

Article 93: Incident Reporting Obligations

Incident reporting is a complex area of EU cybersecurity regulation. Article 93 of the EU Space Act requires space operators to report incidents to multiple authorities, including the EU Agency for the Space Programme (EUSPA) and national authorities under NIS2. This can lead to duplicative obligations and confusion regarding reporting responsibilities. To simplify this, the final Regulation should adopt a "report once" principle, establishing coordinated reporting channels and streamlined procedures between EUSPA, Member State authorities, and NIS2 bodies. This would enhance information sharing and reduce administrative burdens.

Conclusions

EARSC and its members recognise the importance and value of the EU Space Act proposal and share its objectives of enhancing the safety, resilience, and sustainability, as well as the competitiveness, of space activities in Europe. The Association also welcomes the initiative as a positive step towards a clear legislative framework for the European space sector. At the same time, European companies call for further clarification and proportionality regarding several provisions of the proposal, to ensure that it will foster, rather than constrain, the development, international competitiveness, and long-term growth of the European EO industry, and its access to the global market.

EARSC and its members remain committed to contributing to these shared objectives by engaging with the European Commission, the Parliament, Member States, and all relevant stakeholders.

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