



By: The Editorial Board

Space as a new regulatory dividing line between the EU and the US



At the end of June, the European Commission published a draft regulation known as the **EU Space Act**, marking the first attempt to introduce uniform rules for space activities at the Union level.

The issue became central in European and American political circles because the official **deadline** for submitting comments and objections expired on 7 November, and among the documents received, the strong reactions of the American government stood out.

Thus, the proposal, which initially seemed a technical adjustment, entered the core of EU-US relations, becoming one of the most intriguing and sensitive regulatory disputes of the year.

A clear European framework

The Commission describes the proposal as a means to establish a clear European framework for the safety, resilience, and sustainability of satellite missions.

The reason is straightforward: member states currently have different laws, licensing criteria, and standards for space debris management and cyber security.

In practice, this means that an operator wishing to provide now-common space services – such as satellite Internet, communications, navigation or Earth observation – in Europe must navigate a set of national procedures that differ from one another.

EU Space Act continues the European ambition to establish unified rules and a single market in key sectors

The EU Space Act should replace this system with uniform rules and a single European mission registry. Politically, the proposal for the EU Space Act continues the European ambition to establish unified rules and a single

market in key sectors.

The EU has taken a similar approach to previous strategic initiatives, such as creating a single telecommunications market, establishing shared aviation standards, and harmonising energy regulations.

These projects have demonstrated that fragmentation among member states leads to costs and delays, while shared regulation enables stable development and the entry of private capital.

The European Commission is now seeking to apply the same model to the space sector, which in many countries still lacks clearly defined legal frameworks.

Extending the European regulatory approach

Currently, European countries have more than ten different regimes for authorising, registering, and supervising **satellite missions**. Considering the completely different standards for security, cyber protection, and space debris management makes it clear why the Commission believes there is a need to unify the rules.

The idea is to introduce a single system in which every operator—whether in France, Germany, the US, or Japan— must follow the same set of rules if they provide services to customers in the EU.

This separates the entire market from national differences and provides a coordinated European framework.

The proposal is drafted to clearly demonstrate the ambition to extend the European regulatory approach to orbital space as well.

The Commission envisages that operators will be required to register their satellites in the European database and provide proof that the mission meets safety standards.

Every segment of the mission, from launch to satellite decommissioning, must have a risk assessment and incident management plan in place.

Europe aims to prevent the rapid accumulation of space debris

Within this model, there is also an obligation to remove the satellite from orbit at the end of its life cycle, either by controlled re-entry into the atmosphere or by transferring it to a "graveyard orbit" (a high trajectory above the usual orbital zones, where old satellites are sent so they do not remain among active spacecraft and increase the risk of collision).

With this approach, Europe aims to prevent the rapid accumulation of space debris, which today represents one of the greatest risks for communication and navigation systems.

The proposal also addresses cyber security. The draft requires operators to prove that each phase of the mission can withstand attempts to jam signals, hack, and breach communications links.

In the last three years, especially since the start of the war in Ukraine, this has become a central topic in the global space industry.

US objections to the draft EU Space Act

The most sensitive part of the proposal concerns the category of so-called **giga-constellations**, which the EU is introducing as a new legal category. It includes constellations with more than a thousand satellites.

Although the proposal does not mention specific names, the market clearly shows that this category is almost exclusively filled by American companies.

SpaceX, with Starlink, has more than eight thousand operational satellites and plans for several tens of thousands, while Amazon's

Project Kuiper plans a network of at least three thousand satellites. European constellations are much smaller.

For this reason, Washington – in comments submitted by the US government to the EU during the official consultation period from July to November – openly warned that the proposal has a "selective effect".

In their view, the technological requirements set by the proposal for large constellations represent a regulatory burden that, in practice, applies only to American companies.



The US argues that the draft EU Space Act would require European rules to apply to American companies operating outside Europe

Comments from the US administration state that the draft contains provisions that are "unfair and unacceptable". The US government warns that the "national security" section of the regulation is written so vaguely that, in practice, it could include missions carried out by European national space agencies, as well as the ESA and EUMETSAT programmes.

This is problematic for the US, as these missions are often used in joint US-European operations, including NATO-related programmes, so Washington is asking the EU to clearly separate commercial activities from security-related activities.

The United States argues that the draft EU Space Act would require European rules to apply to American companies operating outside Europe.

According to their interpretation, even

operators launching satellites from the US with permits from the US FAA (Federal Aviation Administration) would need to seek additional approval in the EU if their services are used by European institutions or firms.

Washington believes this would introduce double regulation for the same companies and increase their costs, even though they already operate under strict US regulations.

Too abstract and technically impossible to guarantee

One of the most sensitive aspects of the American objections concerns the technical requirements the EU envisages for large satellite networks.

The draft requires each satellite to have its own **propulsion system**, which enables it to manoeuvre independently and avoid collisions in orbit.

Washington warns that such a rule would exclude cheaper manoeuvring methods, such as atmospheric drag, which many smaller missions use today.

According to the American interpretation, making propulsion mandatory would significantly increase the costs of university and research projects and impose equipment that is not technically necessary for many missions.

The EU wants to introduce a rule that satellites must be "dark" enough not to disturb astronomers. The US government claims this is unfeasible in its current form, as operators would be required to maintain the same level of reflectivity under all orbital conditions.

Most of the criticism relates to the obligation to submit an assessment of the environmental impact of the mission throughout its entire life cycle

This would require maintaining the same level of reflectivity under varying angles of sunlight, altitudes, and positions, which current technology cannot achieve. In the American view, the requirement is too abstract and technically impossible to guarantee.

Most of the criticism relates to the obligation for operators to submit a comprehensive assessment of the environmental impact of the mission throughout its entire life cycle.

The US government is particularly critical of the requirement for operators to submit a detailed assessment of the environmental impact of each mission.

According to their interpretation, such an analysis would require collecting data from a vast number of suppliers worldwide, significantly increasing costs.

The EU draft does not clarify how the assessment should be conducted or by what standards it would be measured, so start-ups and smaller companies would bear the brunt of the burden.

A broader problem in EU-US relations

In the background of this dispute lies a broader problem in EU-US relations. Washington increasingly claims that European regulations, regardless of how they are drafted, in practice mostly affect American technology companies.

While the EU Space Act is under debate, tensions have already arisen over the application of European rules for digital platforms.

As a result, suspicion is growing in the US that security, economic, and industrial interests are intertwined in European regulations, and that space is now simply a new area where these differences will become more apparent.

Analyses by American think tanks go further.

The Lexington Institute warns that the US could resort to **trade measures** against EU countries if the law is adopted in its current form.

Their analyses also mention the possibility of activating instruments that allow the introduction of additional tariffs on goods from countries that apply "discriminatory technical standards".

The European side insists that the law is not directed against American companies

The International Center for Law & Economics warns that the EU Space Act could be interpreted as a technical **barrier to trade** and could become the subject of proceedings at the World Trade Organization.

The European side, however, insists that the law is not directed against American companies. Legal analyses in the EU state that the draft is a response to real challenges related to security, cyber risks, orbital debris, and inconsistent procedures in member states.

At the same time, it is acknowledged that the law has already caused tensions between the EU and the US, but also that this is inevitable at this moment in a sector that has become crucial for communication, navigation, energy, and defence.

From legislative procedure to a broader debate

The EU Space Act proposal is now in the ordinary legislative procedure in the European Parliament. Elena Donazzan, an MEP from Italy from the European Conservatives and Reformists Group and a member and vice-president of the Committee on Industry, Research and Energy, has been appointed as the main **rapporteur**.

Donazzan comes from the Fratelli d'Italia party, was a regional politician in Veneto for a

long time, and dealt with education, employment, and the economy.

Her mandate is to prepare the first draft report on the EU Space Act and to propose a political framework in which the Parliament will interpret this law.

EU Space Act is no longer seen solely as an industrial or regulatory matter but as part of a broader debate

At the same time, the EU Council is already considering the text through its Working Group on Space, which is analysing the technical details and preparing a shared position for member states.

In addition to ITRE's work, a special discussion on the security and defence dimensions of outer space opened in Parliament, with MPs from the Security and Defence Committee also participating.

This made it clear that the EU Space Act is no longer seen solely as an industrial or regulatory matter but as part of a broader debate on strategic security and the EU's role in space.

A political and economic issue beyond technology

During this period of sharp exchanges, the EU and the US signed a joint declaration on space cooperation just a few months ago. Both sides commit to developing "fair, balanced and mutually beneficial trade" in the space sector.



The EU Space Act demonstrates how much the space sector has become a political and economic issue, not just a technological field – Andrius Kubilius

This is where the paradox lies: the diplomatic tone is full of partnership, while the technical dialogue is becoming increasingly harsh.

The EU Space Act already demonstrates how much the space sector has become a political and economic issue, not just a technological field.

The US government's response demonstrates that they are taking European orbit regulation as seriously as they do rules for digital platforms or energy security.

For Europe, this law is an instrument to bring order to an area developing faster than existing legal frameworks. It is a move that Washington believes has the potential to change a market that is currently controlled by American businesses.

That is why the EU Space Act is one of the rare European initiatives that simultaneously shapes industrial policy and affects relations with its most important ally – and as such, it already carries a significance that goes beyond the technical provisions of the draft itself.