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The Proposed EU Space Act: 10 Key Implications US and Non-EU Satellite Operators Should Know

July 24, 2025

On June 25, 2025, the European Commission released a landmark proposal for a regulation on the safety, resilience and sustainability of space activities in the European Union, commonly referred to as the EU Space Act.

This legislative initiative is designed to harmonize and unify the fragmented patchwork of national space laws across the EU member states.

For US and other non-EU operators, the proposed Space Act would significantly reshape the regulatory landscape governing access to the EU space services market – introducing new requirements in areas such as licensing, environmental compliance, cybersecurity and orbital debris mitigation.

In this alert, we highlight 10 key implications operators should know about the proposed EU Space Act.

1. Key background and policy drivers

The EU Space Act is the European Commission's legislative flagship initiative aimed at establishing a harmonized regulatory framework for space activities across the EU. It responds to growing concerns about the fragmentation of national space laws, which currently leads to legal uncertainty, uneven market access and duplication of oversight across member states. By introducing a common set of rules, the Space Act seeks to enhance legal clarity, reduce administrative burden and ensure a level playing field for EU and non-EU operators alike.

The Space Act also reflects the EU's increasing ambition to play a geopolitical and strategic role in space, ensuring that Europe maintains autonomous access to space, secures its critical infrastructure and fosters a competitive internal market for commercial space activities. It is closely aligned with broader EU policy goals, including **Europe's Digital Decade**, **The European Green Deal**, and emerging priorities around economic security and digital sovereignty.

Another key driver is the need to address the growing risks to space sustainability – such as orbital congestion, the proliferation of satellite constellations, and environmental and security concerns. The Space Act incorporates mandatory obligations for collision avoidance, debris mitigation, and light and radio pollution control, reflecting a shift toward responsible and sustainable space governance. It also introduces cybersecurity requirements and oversight mechanisms to support the resilience of space-based infrastructure.

Finally, the proposal supports the EU's strategic objective of attracting investment and innovation in space technologies, particularly in the context of **The Draghi Report on EU competitiveness** and broader efforts to strengthen Europe's economic competitiveness. By creating a predictable, future-proof legal environment, the EU aims to signal its openness to private investment and position itself as a global leader in safe, secure and sustainable space operations.

2. Licensing requirements for US and non-EU operators

The Space Act applies not only to EU operators but also to any space operator whose activities affect the EU market, regardless

of whether they are physically established in the EU.

US and non-EU operators will be required to obtain a license or registration and to appoint a legal representative if they provide space-based data or services within the territory of the EU.

This broad extraterritorial scope covers US and other third-country operators, including those whose services are indirectly delivered to EU users through telemetry, tracking, and command or hosted payloads.

In practice, this means that US-based operators offering satellite communications, earth observation data or payload-hosting services that reach EU users will be in scope, even if they have no physical presence in the EU.

The Space Act also requires operators not established in the EU to appoint a legal representative within the EU to ensure effective cooperation with the competent authorities, the European Commission and the European Union Space Agency (EUSPA) on all matters necessary for receiving information and decisions concerning compliance with, and enforcement of, the Space Act.

The Space Act requires operators to obtain prior authorization from the competent authority of a member state where they are established or, in the case of third-country operators, where their designated legal representative is located.

The Space Act grants the power to the European Commission to adopt equivalence decisions recognizing that certain third-country regulatory frameworks are substantially aligned with EU requirements. These decisions are intended to facilitate international cooperation and potentially streamline market access. If an equivalence decision is adopted for a country (e.g., the US), operators from that country could be partially exempted from certain EU obligations or permitted to demonstrate compliance through their home country's authorization procedures. However, until such a decision is formally in place, full compliance with the EU Space Act would remain mandatory.

3. Satellite constellation: A design hurdle

The Space Act defines a constellation as a group of space objects consisting of at least 10 operational spacecraft, but not more than 99, working together for a common space mission, subject to a predefined orbital deployment plan.

Under the Space Act, a space operator planning to launch a satellite constellation may apply for a single, consolidated authorization covering the entire mission launch and, if applicable, operation of all satellites – provided that all satellites must be identical in design and must perform the same functions in the same way, and that all satellites must be launched using the same launch vehicle and from the same launch site.

This streamlined process is intended to simplify regulatory approvals for uniform constellations but does not apply to heterogeneous or staggered deployments. While this approach simplifies oversight and licensing for standard fleets, it poses significant challenges for operators employing differentiated or generationally evolving spacecraft.

The strict interpretation of "identical design" could lead to fragmented licensing, requiring multiple authorizations for what would otherwise be treated as a single system. Operators contemplating modular upgrades or nonuniform configurations may therefore lose the benefits of unified treatment for constellations.

4. Hosted payloads: Gray-zone compliance risk

Although the proposed Space Act does not explicitly refer to hosted payloads, its provisions apply to any operator providing space-based data or services in the EU. As a result, a hosted payload owner may fall within scope of the Space Act, even if it does not control or own the host space object.

In such cases, compliance obligations may attach to both the host space object and the hosted payload owner, depending on the

mission profile, degree of control and contractual arrangements. This includes potential exposure to licensing, cybersecurity, environmental and debris mitigation requirements under the Space Act.

In practice, both space operators and payload owners should take a conservative, risk-based approach, including thorough due diligence, clear contractual allocation of compliance responsibilities, and robust traceability mechanisms to ensure alignment with the Space Act's requirements and reduce regulatory exposure.

5. Fees: A multilayered cost structure

According to the European Commission's Impact Assessment Report, the initial authorization or licensing fee for each satellite platform or service line is expected to be approximately 100,000 euros. For launch providers, fees may range from around 200,000 euros for smaller launchers to up to 1.5 million euros for heavy launch vehicles, reflecting the complexity and scale of the associated safety and compliance assessments.

In addition to licensing costs, operators should anticipate significant compliance expenses arising from obligations related to environmental assessments, cybersecurity and orbital debris mitigation. These obligations are likely to require investment in technical studies, enhanced mission planning and updated satellite design specifications.

The Impact Assessment Report also anticipates indirect cost increases of 3% to 10% in satellite manufacturing and IT operations, driven by the need to integrate propulsion systems, debris mitigation measures and cybersecurity safeguards. Moreover, IT budgets may increase by up to 10% to support new obligations related to cyber risk management, monitoring and reporting.

6. Mandatory propulsion

The Space Act establishes a mandatory propulsion requirement for spacecraft operators of a **constellation** (a group of space objects consisting of 10 to 99 spacecraft, working together for a common space mission, subject to a predefined orbital deployment plan), a **mega constellation** (between 100 and 999 operational spacecraft) or a **giga constellation** (at least 1,000 operational spacecraft).

According to the proposal, these operators must ensure that their spacecraft are capable of active collision avoidance maneuvers, which in practice requires onboard propulsion or equivalent maneuvering capabilities. This obligation is closely linked to the elevated risk of orbital congestion and collision associated with the deployment of multiple, simultaneously operating satellites.

Notably, this requirement does not extend to single satellites or smaller missions, such as individual small research missions, unless they form part of a coordinated constellation.

By targeting the big operations, the Space Act aims to ensure proportionality, focusing mitigation efforts where systemic risk is highest, while avoiding overburdening smaller or low-risk operators.

7. Light and radio pollution

The proposed Space Act introduces a pioneering requirement for EU spacecraft operators to actively mitigate light and radio pollution caused by their satellites. Operators must develop and maintain a dedicated pollution mitigation plan that outlines adequate measures to protect the visibility of the night sky and the integrity of radio astronomy. This plan must demonstrate how the spacecraft's visual magnitude remains at or above 7 throughout its operational lifetime, effectively making the satellites less visible to ground-based observers.

To meet this obligation, the plan must describe both technical and operational measures taken to reduce visible brightness – such as the use of low-reflectivity coatings or shielding – as well as procedures to limit interference with radio astronomy observatories. This includes design and operational controls aimed at minimizing the cumulative impact of satellite constellations on optical and

radio-based astronomical research. The provision reflects the EU's broader commitment to space sustainability and environmental stewardship, ensuring that commercial space activities do not undermine scientific inquiry or public access to dark skies.

8. Orbital debris and risk mitigation requirements

Under the proposed Space Act, the establishment of orbital debris mitigation requirements is central to the EU's strategy for ensuring the long-term safety and sustainability of space operations. Operators will be required to submit detailed debris mitigation plans as part of the authorization process, including strategies for collision avoidance, end-of-life deorbiting and risk reduction.

The European Commission is empowered to adopt delegated and implementing acts to define the specific technical standards and risk thresholds applicable to these requirements.

These obligations will be further clarified during the two-year transition period following the regulation's adoption. Stakeholders are encouraged to participate in consultations and prepare internal assessments to ensure readiness once the technical rules are finalized.

9. What's next?

The proposed EU Space Act will be submitted to the European Parliament and the Council of the EU, which will begin reviewing the European Commission's proposal under the ordinary legislative procedure. This process includes:

- Committee discussions and amendments in the European Parliament, likely led by the Industry, Research and Energy (ITRE) Committee.
- Negotiations among EU member states within the Council, coordinated through the Space Working Group.
- Trilogues, three-way negotiations between the Parliament, Council and European Commission, aimed at agreeing on final text.
- A formal vote in the European Parliament and Council to adopt the Space Act.
- Once adopted, the Space Act will enter into force 20 days following its publication in the Official Journal of the European Union. Most substantive obligations will apply after a transitional period of two years, with the regulation becoming fully applicable as of 1 January 2030.

The legislative process, which will follow the ordinary legislative procedure, is expected to take 12 – 18 months, depending on political priorities and the complexity of the negotiations. This proposal has been identified as a key legislative priority under the Danish presidency of the Council of the European Union, and, given the current geopolitical context, there is strong political momentum to finalize the proposal within the current legislative cycle.

The European Commission also will be adopting delegated and implementing acts, covering technical standards, thresholds and approval procedures. All operators are encouraged to actively monitor these developments or engage in consultations to shape the final form of the regulatory environment.

10. What should you do now?

Given the wide scope and potential cost implications, non-EU operators should begin preparing now by:

- Auditing their exposure to the EU market.
- Evaluating whether any services, even indirect, could fall under the Space Act.
- Mapping current compliance gaps.
- Considering representation in Brussels to follow legislative developments and shape the implementing measures.

Additionally, other countries appear to be actively analyzing the impact of the proposed Space Act, and parties may be interested in participating in those activities, as an indirect way to be involved.

We are closely tracking the legislative process and advising clients on compliance strategies and stakeholder engagement. Please get in touch if you would like a tailored briefing or support on navigating this evolving regulatory environment.

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