



Prague, 19-21 June 2022

The Global Space Competition: Security, Markets and Sanctions

Background:

Since 2011, PSSI has held a series of high-level International Space Security Conferences designed to advance allied decision-making in this critical security portfolio. Five such major conferences have been convened to date, involving leading space security experts and senior officials from Europe, the United States, and Japan. Three have been held in Prague (in 2011, 2016, and 2019), one in Tokyo (in 2013), and one in Washington, DC (in 2017). The key partnering organizations have included the Center for Strategic and International Studies (CSIS), the Japanese Prime Minister's Office of National Space Policy, the European Space Agency (ESA), the European Space Policy Institute (ESPI), Japan's Cabinet Satellite Intelligence Center (CSICE), and the Secure World Foundation (SWF).

The most recent conference, entitled "*Evolution of the Counterspace Threat and Strengthening of International Space Partnerships*", was held in Prague on June 9 - 11, 2019 and focused on the prominent role played by the state-controlled space companies of authoritarian space powers (notably China and Russia) and how they are deployed to recruit smaller countries aspiring to build space capabilities. This generally entails the offer of vertically integrated packages of equipment (e.g. satellites), services (e.g. launch facilities), ground stations, operators, training and subsidized financing -- ultimately leading to sole source contracts and unhealthy levels of dependency.

To compound the problems associated with approach to space sector partnerships described above, the large Chinese and Russian space companies are often operating under official sanctions of the U.S., EU, and/or Japan for various forms of national security and human rights abuses. Chinese space companies are presently grappling with a number of U.S. sanctions regimes, including the Treasury Department's new capital markets sanctions list (instituted on June 3, 2021 by Executive Order 14032), the Pentagon's Chinese Military Companies List, the Commerce Department's Entity List, and/or the Japan Ministry of Economy, Trade and Industry's End User List.

The imposition of sanctions on space companies raises a number of new, vexing questions with regard to the risk calculus associated with space-related cooperation or partnering arrangements. These have not, to date, been included in the multilateral deliberations on space behavioral norms and governance.

To drill down further on this and other topics, the upcoming conference is entitled, "***The Global Space Competition: Security, Markets and Sanctions***", and is scheduled to be convened in Prague on June 19 - 21, 2022.



Conference Goal:

The central goal of the conference is to illuminate the connectivity among global space commerce, deterrence/security-related considerations and proper space governance. It will seek to:

- evaluate the latest developments regarding space deterrence and readiness to manage ever-more sophisticated counterspace scenarios, including those emanating from the economic and financial domain.
- assess the risks and threats of *not* addressing an uneven playing field presently favoring Chinese and Russian state-led companies in competition with their allied corporate counterparts in global space markets;
- elevate the importance and urgency of government-industry collaboration in strengthening innovation and market competitiveness of allied space companies
- gauge the level of political interest of allied governments in pushing back against the non-market business practices of state-controlled space companies which are inconsistent with international trade rules and/or have engaged in allied-sanctioned national security and human rights abuses;
- stimulate a new, allied incentives-oriented architecture that can successfully compete with the vertically-integrated, "turn-key" operations on offer by non-democratic space powers; and
- propose policy options to integrate sanctions-related considerations into existing deterrence/space security strategies and behavioral norms.