

Regulatory Briefing – December 2020

Europe

United Kingdom

BEIS publishes consultation on secondary legislation to define the sectors (including satellite and space technologies) subject to mandatory notification in the National Security and Investment Bill 2020

On 11 November 2020, the Department for Business, Energy & Industrial Strategy (**BEIS**) published a [consultation](#) on secondary legislation to define the sectors subject to mandatory notification in the National Security and Investment Bill 2020 (**NSI Consultation**).

The National Security and Investment Bill 2020 (**NSI Bill**) gives the Secretary of State increased powers to intervene in transactions giving rise to national security concerns. The NSI Bill requires mandatory notification of certain business transactions in 17 key sectors, including: communications; satellite and space technologies; and artificial intelligence.

The NSI Consultation seeks views on the clarity and proportionality of the proposed definitions of the key sectors, and how screening of transactions can be carried out whilst minimising the impact on businesses.

The deadline for submitting a response is 11:45pm GMT on 6 January 2021.

CAA publishes consultation on proposed statutory charges, covering spaceflight charges, under the revised CAA Charges Scheme 2021/22

On 26 November 2020, the Civil Aviation Authority (**CAA**), published a [consultation](#) on the proposed revisions to statutory charges in the CAA Charges Schemes (**Charges Consultation**), which are due to take effect from 1 April 2021.

The Charges Consultation covers charges for both aviation and spaceflight, and it supplements the Government's recent consultation on draft insurance and liabilities requirements to implement the Space Industry Act 2018 (**SIA**), which closed on 10 November 2020.

The proposed charging schemes assign responsibility for implementing licence fees under the SIA to the CAA. The current licence fees under the Outer Space Act 1986 regime will be transferred to the CAA through legislation in 2022 or 2023.

Under the proposed charging schemes, there will be no charges for spaceport, launch and range licensing for the first three years, with the charging scheme then moving to full cost recovery over a phased approach, subject to annual review.

It is proposed that SIA orbital operator licence fees will take effect by 1 April 2021, although applications may not be received until regulations under the SIA come into force later in 2021.

The deadline for submitting a response is midnight (GMT) on 4 February 2021.

UK Government publishes draft Telecommunications (Security) Bill

On 24 November 2020, the UK Government published the [draft Telecommunications \(Security\) Bill](#) (**Security Bill**).

The Security Bill creates new powers for the UK Government to manage national security threats from hostile cyber activity and remove high risk vendors from the UK telecommunications network.

The Security Bill imposes new legal duties on telecommunications providers to meet minimum security standards, and gives the Government the power to place controls on telecommunications providers' use of goods, services or facilities

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provided by high risk vendors. Ofcom will be responsible for monitoring and assessing the security of telecommunications providers.

Companies in breach of these new duties could face fines of up to ten percent of turnover or, if the contravention is ongoing, £100,000 a day.

UK Government publishes a Roadmap to remove high risk vendors from the UK telecommunications network

On 30 November 2020, the UK Government published its [roadmap to remove high risk vendor equipment from the UK telecommunications network \(Roadmap\)](#), alongside the [5G Supply Chain Diversification Strategy](#) to build a resilient, open and sustainable telecommunications supply chain in the UK.

The UK Government also published the illustrative drafts of a [designated vendor direction](#) and a [designation notice](#) designating “Huawei Technologies (UK) Co., Limited and its affiliated companies” as “designated vendors” under the Communications Act 2003, as amended by the Security Bill.

Under the draft text of the Security Bill, the Secretary of State will be required to consult with public communications providers which would be subject to the proposed direction and the persons who would be specified as the designated vendor in the proposed direction (i.e. Huawei) “so far as it is reasonably practicable” unless such consultation would be contrary to the interests of national security.

The Roadmap outlines the relevant dates by which public communications providers are required not to make use of Huawei equipment and services in accordance with the draft designated vendor direction.

UKspace publishes a report on ‘Securing our Future in Space’

On 3 December 2020, UKspace (the UK trade body) published a [report](#) setting out policy recommendations to secure the UK’s future in

space. The report recommends that the UK Government commit to increasing space funding from all current sources, including through ESA, and focuses on expanding the UK’s sovereign space capabilities by:

- setting the Space Innovation Fund at £150m per year, sustained over 10 years;
- creating a National Procurement Fund of £250m per year, sustained over 10 years, for the specific procurement by the Government of UK products and services; and
- establishing a Space Delivery Agency to drive forward a program of hi-tech initiatives, accountable to the National Space Council.

Finland

Finland approves a bill authorising the ban of telecommunications equipment on the basis of national security

On 7 December 2020, the Finnish Parliament approved a bill giving authorities powers to ban the use of equipment from core parts of the telecommunications network where they have “serious grounds for suspecting that the use of the device endangers national security or national defence”.

The bill states that the Finnish government will pay compensation where equipment is ordered to be removed.

Germany

Germany publishes the draft Telecommunications Modernisation Act

On 11 November 2020, the German Federal Ministry for Economic Affairs (**BMWi**) and the Federal Ministry for Transport and Digital Infrastructure (**BMVI**) published the [draft Telecommunications Modernisation Act \(Modernisation Act\)](#), which implements the European Code for Electronic Communications

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(EECC) that came into force on 20 December 2018.

The Modernisation Act comprehensively amends the existing German Telecommunications Act in areas such as market regulation, spectrum management, infrastructure rollout and consumer protection, paving the way for expansion of high-capacity networks.

The Modernisation Act makes the following key changes:

- implementation of comprehensive new definitions, expanding the scope of the Modernisation Act to include other service providers;
- creation of regulatory incentives and acceleration of approval procedures for the expansion of high-capacity networks;
- establishment of a legal right for all citizens to be supplied with telecommunications services; and
- stabilisation of consumer rights at a high level; and
- adaptation of public safety obligations to meet current needs and technical developments.

The German government is currently undertaking discussion on the scope, objectives, rights of citizens and powers of security authorities under the Modernisation Act.

Luxembourg

Luxembourg signs an implementation agreement with ESA to create European Space Resources Innovation Centre (ESRIC)

On 18 November 2020, the Ministry of the Economy of Luxembourg signed an implementation agreement with ESA to create the ESRIC.

The ESRIC will focus on space resources research and development through collaboration between public and private sector entities, offering

business incubation support and encouraging technology transfer between space and other industries.

Ukraine

Ukraine is the ninth country to sign the Artemis Accords

On 12 November 2020, Ukraine became the ninth country to sign the [Artemis Accords](#), a set of principles to support international cooperation on NASA's Artemis programme, which aims to land the first woman and next man on the Moon by 2024 and ultimately achieve a sustainable presence on the Moon and Mars.

United States

House of Representatives passes the draft Utilizing Strategic Allied Telecommunications Act of 2020

On 17 November 2020, the House of Representatives approved the draft [Utilizing Strategic Allied Communications Act of 2020 \(Bill\)](#), aimed at accelerating development and deployment of 5G Open Radio Access Network (RAN).

The Bill allocates \$750 million in funding to support a domestic 5G equipment market and

Open RAN development over the next 10 years. The Bill also stipulates the formation of an oversight committee to direct the issuing of competitive grants for this purpose.

Space Preservation and Conjunction Emergency (SPACE) Bill passes the Senate Commerce Committee

On 18 November 2020, the Senate Commerce Committee approved the [Space Preservation and Conjunction Emergency \(SPACE\) Bill \(SPACE Bill\)](#).

The SPACE Bill codifies Space Policy Directive-3, National Space Traffic Management Policy, by

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transferring authority for space situational awareness notification by civil, commercial and international operators from the Department of Defence to the Department of Commerce.

The SPACE Bill also elevates the Office of Space Commerce to a Bureau which reports directly to the Secretary of Commerce and authorises \$15 million for the Bureau for the Financial Year 2021.

The SPACE Bill must now pass through the full Senate and the House of Representatives to enter into force.



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