# UK-US Technology Safeguards Agreement (TSA) for Spaceflight Activities: Understanding the TSA

## Introduction

The UK-US Technology Safeguards Agreement (TSA) is a treaty: a legally binding agreement between the government of the United States of America and the government of the United Kingdom. Signed on the 16 June 2020, it will enable US companies to operate from UK spaceports and export space launch technology. Furthermore, it will ensure that US-originating spaceflight technology is properly protected when in the UK whilst enabling UK companies' access to revenues and customers previously unavailable.

#### What it does

The TSA establishes the principles under which US spaceflight technology (including launch vehicles, equipment, information, spacecraft) may be licensed for export by the US authorities to the UK for use in spaceflight activities.

#### How it does it

The TSA places various obligations on the two governments to make sure that our common commitments to counter-proliferation are respected, whilst allowing for the use of US spaceflight technology in the UK.

A key principle of counter-proliferation frameworks, such as the Missile Technology Control Regime (MTCR) is the prevention of transfer of technology which could be used to launch weapons of mass destruction between countries. Space launch technology could, in theory, be used for such purposes. The UK and the US have therefore agreed a set of measures which will prevent the relevant US technology being transferred to non-US entities without the proper authorisation.

# What is in scope?

Spaceflight activities in the UK which involve US technology are addressed by the TSA. This could be by means of a US launch vehicle; a US spacecraft; or other substantial US involvement.

# What is not in scope?

Any spaceflight activities which do not utilise US technology or have significant US involvement are not within the scope of the Agreement, and it places no limitations on such activities.

# **Further questions**

For any questions not addressed in this document, please contact the UK Space Agency spaceflight@ukspaceagency.gov.uk

# **Frequently Asked Questions**

## 1. Do we actually need a TSA to undertake spaceflight activities from the UK?

The UK could, in theory, choose to pursue a programme with no significant US involvement. However, doing so would put us at a significant disadvantage in the early years of developing our domestic spaceflight capability and limit commercial opportunities for UK companies.

The two launch market sectors of which the UK stands to capture a significant share are small satellite launch and suborbital spaceflight. US companies are significantly more advanced in these markets than companies from elsewhere in the world. Therefore, it makes sense to allow for partnership with US companies – provided this is done in a manner which complements and benefits the exciting and innovative British developments in this area.

## 2a. Why does the TSA not address tariffs and taxes for companies?

# 2b. Why does the TSA not allow for UK companies to export launchers to the US (or elsewhere overseas)?

The TSA is not a Trade Agreement and does not deal with areas such as taxes, tariffs or domestic UK support. The TSA is a bilateral UK-US treaty that sets out the principles for handling sensitive US spaceflight technology and data when in the UK.

Should it become apparent that there are opportunities for UK exports which require similar equivalent agreements with other countries, the UK government will put these in place.

### 3. Doesn't the TSA only benefit the US Industry?

The TSA negotiations focused on areas of mutual benefit to both the UK and the US. The US has experience in launch and the UK has a lot to offer and a lot to gain from working with the US.

With the necessary export licences in place, it will allow US satellite customers to launch on UK launchers therefore providing great opportunities for UK companies to increase their access to new revenue and customers from the US.

It should be noted that US companies will still be required to obtain export licences from the US authorities and will incur some costs from exporting to the UK. UK-based launch companies will, therefore, be at a comparative advantage in this respect (as there is no need to consider export issues between one part of the UK and another).

# 4. Does the TSA restrict growth of the UK space industry?

No. The TSA has been negotiated to deliver maximum possible commercial benefit to the UK and maximum flexibility for UK companies. It does not constrain HMG support for existing or future UK technological developments. The government will continue to support the UK space industry.

## 5. Can we launch foreign vehicles from the UK?

Importantly, within the parameters of the MTCR, the TSA permits spaceports to utilise both US and non-US operators and does not disadvantage any new European spaceflight or launch firms.

There is nothing in the TSA to prevent a single spaceport hosting both US and non-US launch vehicles, spacecraft and other technology.

## 6. Is the TSA a blanket approval for US technology to be brought to the UK?

No. The TSA will provide assurance to the US Government that appropriate steps are being taken in the UK to protect sensitive technologies.

However, it is not a blanket approval for technology to be brought to the UK. US export control regulations (including but not limited to International Traffic in Arms Regulations (ITAR) will continue to apply and companies will need to adhere to these.

In short, it sets out common principles that will apply to US technology while it is in the UK, but each individual export will require approval from the US authorities.

Any US company seeking to export relevant technology to the UK should be advised to consult with US authorities.

Any UK company seeking to import relevant technology to the UK should ensure that the relevant licences are obtained in the US, and that any requirements to be adhered to are properly understood.

# 7. Is it true that segregated and Controlled areas are very restrictive and do not allow for the use of global technology?

As with UK airports where there are separate areas for security controls, there will be a requirement for Controlled Areas at spaceport sites. It is likely that these Areas could encompass most or the entirety of a spaceport site. A segregated area is likely to be a much smaller zone within a controlled area where access is further restricted in order to protect US launch technology.

UK spaceports could host launch vehicles and technology from different countries provided all spaceflight controls are in place to protect US-origin technology. There is some flexibility as to how spaceports implement that on the ground.

Segregated areas are only considered to be such when US technology is at the spaceport and US launch activity is taking place.

# 8. How can a company operating in the UK ensure it is abiding by the terms of the TSA?

<u>The TSA is not binding on companies directly</u>. It is an international agreement, binding on the governments of the United States of America and the United Kingdom.

The UK Government will realise its obligations under the TSA principally through the <u>Space Industry Regulations</u>, which should come into force in the <u>Summer of 2021</u>, and through conditions on licences issued for spaceflight activities under the Space Industry Act 2018.

Any company operating in the UK must act in accordance with UK law.

# 9. Will UK Authorities be prevented from undertaking their duties around spaceflight activities?

UK regulatory and investigatory authorities can undertake their duties and will not be impeded by the provisions set out in the TSA.

This is an important principle for the UK government: we will not cede our responsibility for ensuring spaceflight from the UK is performed in a safe and secure manner.

# 10. When will the TSA be in force? Will it be in time for first launch from the UK?

The TSA will come into force shortly after Space Industry Regulations come into force.

We anticipate the Space Industry Regulations will complete their passage through Parliament in the Summer of 2021.

## 11. What consultation and scrutiny has the Agreement been subject to?

As a legally binding bilateral treaty with the United States of America, the Agreement was subject to 21 sitting days scrutiny in Parliament under the Constitutional Reform and Governance Act (<u>CRaG</u>). The Command Paper, along with the Exchange of Notes for the TSA and Explanatory Memorandum, were published and E-laid before Parliament on 16 October 2020.

Companies which are likely to be affected by the provisions in the TSA were consulted prior to and throughout its negotiation, both through the LaunchUK Industry Group and via direct consultations.

## 12. Will the definition of Foreign Launch Vehicles hinder UK companies?

The definition of Foreign Launch Vehicles is intended to capture all non-US vehicles which may launch US technology from the UK.

It does not place any requirements or restrictions on companies other than to meet the purpose of the Agreement (i.e., to safeguard US technologies and prevent their unauthorised transfer).

Importantly, it does not affect any space launch activities in which there is no US involvement.

#### Points of contact:

Email: engagement@ukspaceagency.gov.uk