

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Second Delegated Legislation Committee

DRAFT SPACE INDUSTRY (LICENCE EXEMPTION
FOR MILITARY ACTIVITIES OF ALLIES)
REGULATIONS 2025

Monday 3 February 2025

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The Committee consisted of the following Members:

Chair: † GILL FURNISS

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| † Baxter, Johanna (<i>Paisley and Renfrewshire South</i>) (Lab) | † McKenna, Kevin (<i>Sittingbourne and Sheppey</i>) (Lab) |
| † Carns, Al (<i>Minister for Veterans and People</i>) | † McDougall, Blair (<i>East Renfrewshire</i>) (Lab) |
| † Cocking, Lewis (<i>Broxbourne</i>) (Con) | Maguire, Helen (<i>Epsom and Ewell</i>) (LD) |
| † Coombes, Sarah (<i>West Bromwich</i>) (Lab) | † Morrissey, Joy (<i>Beaconsfield</i>) (Con) |
| † Coyle, Neil (<i>Bermondsey and Old Southwark</i>) (Lab) | † Platt, Jo (<i>Leigh and Atherton</i>) (Lab/Co-op) |
| † Entwistle, Kirith (<i>Bolton North East</i>) (Lab) | † Reed, David (<i>Exmouth and Exeter East</i>) (Con) |
| † Josan, Gurinder Singh (<i>Smethwick</i>) (Lab) | † Smith, Greg (<i>Mid Buckinghamshire</i>) (Con) |
| † Kitchen, Gen (<i>Wellingborough and Rushden</i>) (Lab) | Claire Cozens, Aaron Kulakiewicz, <i>Committee Clerks</i> |
| † Kohler, Mr Paul (<i>Wimbledon</i>) (LD) | |
| † Macdonald, Alice (<i>Norwich North</i>) (Lab/Co-op) | † attended the Committee |

Second Delegated Legislation Committee

Monday 3 February 2025

[GILL FURNISS *in the Chair*]

Draft Space Industry (Licence Exemption for Military Activities of Allies) Regulations 2025

6 pm

The Minister for Veterans and People (Al Carns): I beg to move,

That the Committee has considered the draft Space Industry (Licence Exemption for Military Activities of Allies) Regulations 2025.

It is an honour to serve under your chairmanship, Ms Furniss. The first duty of Government is to keep the country safe. National security is the underpinning of the Government's plan for change. As the Secretary of State has made clear, the threat to the UK is increasing, with growing instability around the globe and growing Russian aggression. Missile defence is a critical thread in our tapestry of national security.

We test and train regularly with our allies, and our next missile defence testing and training exercise, code-named Exercise Formidable Shield, is in May 2025. Formidable Shield is a US-led exercise and will be hosted by the UK Government at the Ministry of Defence's Outer Hebrides air weapon range on behalf of NATO and our defence partners. It is one of the most advanced and comprehensive missile defence training exercises in the world. It involves the UK and allied forces conducting live fire drills, missile defence tests and real-world, scenario-based training.

These activities are critical to the defence and security of the UK and the strength of our military alliances. First, they enhance interoperability. Exercise Formidable Shield will bring together 10 nations, each with distinct systems, targets and technologies. It will allow us to align these different systems and work in concert effectively in real-world operations, so the UK and our allies can respond quickly and cohesively to any threats.

Secondly, Formidable Shield improves our collective missile defence capabilities and our ability to adapt to evolving ballistic missile and other threats. With global tensions rising and missile technology advancing, it is essential to refine and improve our strategies continually to protect the nation. This is why the live fire element of Exercise Formidable Shield is particularly valuable.

Thirdly, Exercise Formidable Shield reinforces strategic deterrence, which is vital in maintaining stability and preventing conflicts from escalating. The exercise sends a strong message to our adversaries that the UK and NATO and its allies are prepared to defend ourselves and our territories against any form of aggression.

To replicate operational conditions for these exercises, the UK and allied nations need to operate ever-more sophisticated defensive missile systems capable of climbing above the stratosphere. That would bring them within the scope of the licensing regime in the Space Industry

Act 2018 and its associated secondary legislation. The 2018 Act was never intended to regulate military activity. It was passed into law to ensure the safety and appropriate governance of the commercial spaceflight industry, and is regulated by the Civil Aviation Authority.

The Government seek a licensing exemption under the 2018 Act and its associated secondary legislation for allied armed forces activities. This exemption is very narrow. It only allows allied armed forces, their operatives and international military organisations such as NATO to fire sub-orbital—in other words, non-orbiting—uncrewed rockets from MOD sites or platforms with MOD permission and under the control of the MOD's regulator.

The exemption will bring multinational exercises in line with sovereign ones. Similar stratospheric tests conducted solely by the MOD are not affected by the 2018 Act and its accompanying licensing regime on the basis that, as a matter of statutory interpretation, the Act does not bind the Crown.

Exercises above the stratosphere that are exempt under this instrument will be under the expert supervision of the defence regulator that has monitored military activities for decades, including MOD rocket launches above the stratosphere. Unlike the civilian authorities, the defence regulator has the infrastructure and expertise to oversee the safety of these exercises properly. The regulations will therefore avoid putting increased bureaucracy or a new burden on the civil authorities.

This instrument will apply to England, Wales, Scotland and Northern Ireland. It is subject to the affirmative procedure as set out under section 68(6) of the 2018 Act.

The UK's missile defence capability is a critical component of national and global security, but as with all defence capabilities, to be effective, it must be constantly maintained, updated, exercised and tested. Exercise Formidable Shield, which is planned for May 2025, is the next essential opportunity to conduct live fire drills, missile defence tests and real-world, scenario-based training.

An enormous amount of military planning has gone into the exercise from all nations involved, and the Government seek appropriate regulatory certainty by the end of February to get the maximum value from it. Approving this exemption in a timely manner will send a clear signal that the UK Parliament is united in defence of our national security, united against our adversaries and united in its support for NATO.

6.5 pm

Greg Smith (Mid Buckinghamshire) (Con): It is a pleasure to serve under your chairmanship this afternoon, Ms Furniss. It is rare to volunteer for a Delegated Legislation Committee, but as my constituency is home to the Westcott space cluster and the national space propulsion test facility, actual rocket science is the backbone of our local economy, so my ears always prick up at any mention of space and its regulatory framework.

I thank the Minister for his remarks. Clearly, regulations should be adjusted accordingly where matters pose challenges to the Ministry of Defence, particularly in relation to testing and our allies. If the licensing process were to have an adverse impact on our allies' ability to use the UK's MOD ranges as locations of choice, that would unquestionably disadvantage our national defence

interests. As such, it is essential that we and our allies can use the UK's locations and expertise to launch such projects.

With the CAA's backing on safety, it seems sensible for the Government to introduce these regulations. I therefore confirm that His Majesty's loyal Opposition will not seek to divide the Committee; indeed, we support the regulations. As the Minister said, we must remain as united as possible on national security and national defence issues.

I will, however, pose a couple of specific questions to the Minister regarding the longevity of these regulations. The Government's explanatory memorandum highlights that these exemptions are intended to remove defence-related barriers in the short term. Although it is welcome that short-term barriers are being lifted, is the Minister aware of any work being undertaken to resolve some of the issues more permanently and provide a long-term solution?

The CAA also reported on the broader regulatory regime. It acknowledged that the historical safety record of the MOD at its sites is something to be rightly proud of and that the changes in these regulations are appropriate. It noted that there are no immediate problems, but it identified some areas of potential risk in the future. What work are the Minister, his Department and other Government Departments doing to mitigate that risk and ensure that we have a secure and safe spaceflight regime for the foreseeable future?

6.8 pm

Mr Paul Kohler (Wimbledon) (LD): It is an honour to serve under your chairship, Ms Furniss. I rise to speak in support of these regulations, but I ask the Government to err on the side of caution when implementing them. The Liberal Democrats are, of course, fully supportive of the Ministry of Defence's vital work, and we wholeheartedly support our armed forces. We recognise that they often work hand in glove with our allies and, consequently, these regulations are a welcome step to further that co-operation.

The regulations, however, require some caution. Over the last few years, we have seen other countries influenced by foreign powers via the manipulation of social media and other inappropriate actions. We therefore call on the Secretary of State to be careful in how these regulations are implemented. The strongest safeguards should be put in place to prevent any manipulation of the regulations.

6.9 pm

Al Carns: I thank the Committee for its thoughtful considerations of these regulations. It is worth covering some of the points made by the hon. Member for Mid Buckinghamshire, and keeping track of the Westcott space cluster in his constituency.

Safety, safety, safety—that is the line to take on this issue. The Military Aviation Authority and the Civil Aviation Authority have long been in discussion about it, and have actually conducted a complete review of how their two systems differ. They have come together to say that it will not bring any increase in risk from a safety perspective. We will continue to work with both organisations to ensure that continues in the medium and longer term.

My overarching view is that these regulations bring to a close the unnecessary burden on our allies for testing and trialling the advanced missile systems that need to be integrated into our wider defence ecosystem as a whole. Allowing this exemption will bring allies on board, so we can have a collective defence of our homeland, airspace and waters. I will come back to the hon. Member on how the future risks have been interpreted and make sure that he is made aware of them.

These regulations are a great thing for defence. They will enable our defences to outpace the malign ambition of our adversaries. I hope that the Committee has found the debate informative and will join me in supporting the regulations as we move forward.

Question put and agreed to.

6.11 pm

Committee rose.

