The Administration recently released the President’s new National Space Policy. CSIS subsequently hosted senior Administration officials, who noted that the new policy builds on and only slightly modifies the space policies of previous Administrations. Administration officials, however, clearly stated that without the commercial space industry, America would have no space capabilities. These officials stressed that the new policy recognized the importance of, and need to cooperate with, private industry.

The study we release today—“National Security and the Commercial Space Sector”—was initiated before the release of the National Space Policy, but we believe it brings considerable depth to the crucial issues facing the space industrial base.

My expert colleagues will discuss this morning the important details of this study, but I would like to outline several broad policy dimensions that I believe inform this effort.

It is no exaggeration to say that America’s security during the Cold War was inextricably connected to our success in pioneering space technology. What our space industry accomplished during the past fifty years has been remarkable. Space-based capabilities made possible revolutionary advances in intelligence, navigation, communications and precision location. These capabilities made it possible for us to survive as a nation and to prosper as a people. These technologies were born during the height of the Cold War and were given the highest national priority. And because this represented investments of unprecedented technical sophistication and sensitivity, we subjected these programs to extraordinary security procedures.

But during the past twenty years, these exotic technologies have become wide spread. Thirty years ago, only the wealthiest and most technically competent countries could enjoy space technology. Today private citizens can buy with a credit card over the internet space images that in the past cost billions of dollars to produce and were available only to sophisticated nation-states. Today individual cell phones have navigation and location features that cost the Defense Department tens of billions of dollars to put in combat systems. At one time only America and the Soviet Union could launch satellites. Now satellites can be built and launched by many nations.

It is still critical that America protect its crucial technology advantages in a dangerous world. But the world has changed dramatically, though our policy framework has not. The cumbersome nature of our policy formulation—and the contentious domestic politics that surrounds it—leads us to a policy framework that is rapidly outdated by technical advances in other countries. We seek to freeze our advantages by prohibiting activities by American companies. Yet the rest of the world does not stand still.
The starting point for any national strategy should be that we seek a policy and economic environment that creates and sustains healthy and vibrant American companies that can win in any global competition. Yet if by national policy we constrain the markets available to these companies, we eventually constrain our own security efforts. For example, in the past we have taken a policy position that we would prohibit American companies from sharing technology with foreigners until they can prove that this technology is already available in the market place. This may have been an effective strategy forty years ago when virtually all space technology was in the United States. But now that we have multiple international suppliers in a global market, such policies effectively give protected markets to foreign companies.

Technology is highly dynamic. Policy formulation is remarkably static. We do not protect our security by freezing ourselves into a world that has passed.

A successful strategy to sustain a viable space industrial base then must be far more dynamic. It must rest on several key pillars. First, we must invest in research and development so that the newest and most advanced space technologies remain in America and help to sustain our competitive advantages. Second, we should encourage international activity so that American companies are not disadvantaged in the global competition. Third, we need to refresh our approach to technology and export controls, so that we limit access to truly unique American technology but not create perverse incentives to block American industry and provide sheltered markets to foreign entities.

We do need to protect America’s security by well designed technology controls that genuinely protect our security and enjoy international consensus. The global system to limit nuclear weapons technology is an example of a good technology security regime that has worked. While it has not prevented proliferation, it certainly has limited the spread of nuclear weapons. Well designed security restrictions are important to our security. Poorly designed security restrictions actually undercut our security over time.

We have a new National Space Policy that represents a prudent evolution. We now need wise industrial policies that help us advance our economic well being and our national security. This new report is an excellent starting point.