

Satellite navigation programmes EGNOS and Galileo: implementation of the deployment and commercial operating phases 2008-2013. GNSS Regulation

2004/0156(COD) - 19/09/2007 - Amended legislative proposal for reconsultation

PURPOSE: to present an amended proposal by the Commission on the further implementation of the European satellite radionavigation programmes (EGNOS and Galileo).

BACKGROUND:

- **14 July 2004:** the Commission adopted a proposal for a Regulation of the European Parliament and of the Council on the implementation of the deployment and commercial operating phases of the European programme of satellite radionavigation.

- **21 April 2005:** the Council reached an agreement (partial general approach) on the Commission's proposal for a Regulation, with the exception of the budgetary details, with final approval dependant on the outcome of the debate on the 2007-13 financial framework. The main amendment introduced by the Council was to include the EGNOS programme in the proposed Regulation.

- **5 September 2005:** Parliament also examined the text at first reading and gave a generally very positive opinion of it. Like the Council it wished to see the EGNOS programme included in the proposed Regulation.

- **22 March 2007:** in the light of the difficulties that arose in the negotiations on the concession contract, the Transport Council asked the Commission: i) to assess all progress made regarding the Galileo project; ii) to propose, as soon as possible, ways of guaranteeing the public financial commitments in the long term; iii) to provide for a scenario for making EGNOS satellite navigation services available in the short term; iv) to assess the progress of the concession contract negotiations and to suggest detailed alternative scenarios (see [RSP/2006/2629](#)).

- **26 April 2007:** the European Parliament made a similar request in its Resolution on the Galileo concession contract negotiations, in particular to improve the public management of the programme by ensuring clear political responsibility and the Commission's leadership role (see [RSP/2007/2548](#)).

- **16 May 2007:** the Commission responded to the requests made by Parliament and the Council in a Communication (see also [RSP/2007/2548](#)). Firstly, it invited them to take note of the failure of the negotiations on the concession contract, to reaffirm the necessity to put in place an autonomous satellite navigation system and to recognise that, in this respect, the characteristics of the Galileo system remain fully compatible with the ambitions of the European Union.

- **8 June 2007:** the Council adopted a Resolution in which it largely agreed to the Commission's proposals. In particular, the Council: i) concluded that the concession contract negotiations had failed and should be ended; ii) invited the Commission to continue with the implementation of a certifiable EGNOS, with the initial service available by 2008; iii) reaffirmed the value of Galileo as a key project of the European Union and supported the deployment of the Galileo system by the end of 2012; iv) recognised that the implementation of a deployment of Galileo and EGNOS by the public sector would need additional public

funding; v) requested the Commission to submit to it by September 2007 detailed proposals for financing, proposals for an implementation and procurement strategy which will have to reflect progress made so far as well as the need for competition, concepts for the role of the private sector in the commercial operating phase, and proposals for a sound public-sector management structure of the programme on the basis of a clear division of responsibilities between the Commission, the European Space Agency, the European GNSS Supervisory Authority, Member States and the Council.

- **20 June 2007:** in its Resolution on the financing of Galileo, Parliament supported the proposals put forward by the Commission in its Communication of 16 May 2007, in particular regarding Community financing for the programmes and the need to improve public governance of them.

CONTENT: in the light of the changes in the course of the Galileo programme since the start of 2007, in particular the fact that the European Community will now assume direct responsibility for the deployment of the system and the resulting additional cost of **EUR 2 100 million** for the Community budget during the 2007-2013 financial framework, it is necessary to amend the initial proposal for a Regulation.

The proposals put forward by the Commission to amend its initial proposal for a Regulation reflect the abandonment of the concession plan for the deployment phase, as well as the various comments made by Parliament and the Council:

1) the amended text now fully incorporates the EGNOS programme. It identifies it, alongside Galileo, as one of the two pillars of European satellite radionavigation policy. Both systems and programmes are also clearly defined: a) the EGNOS system is an infrastructure using signals emitted, initially, by the American GPS and the Russian GLONASS systems. It increases their reliability over a geographical area mainly covering Europe; b) the system established under the Galileo programme is an autonomous GNSS infrastructure consisting of a constellation of satellites and earth stations.

2) the proposed text reflects the abandonment of the concession plan for the deployment phase of the Galileo programme and the fact that all aspects of this phase will be undertaken by the European Community. The budgetary resources needed to finance the two programmes between 1 January 2007 and 31 December 2013 are now **EUR 3 405 million**. EUR 1 005 million is already foreseen in the existing financial programming (2007-13) under the Commission's proposed legislation for the implementation of the deployment and commercial operating phases of the Galileo programme. It is proposed to increase the above figure **by an additional EUR 2 100 million** the allocation of which will be subject to a review of the current financial framework (2007-13). The funds are provided from unused margins in headings 2 and 5 for 2007 and 2008. As a result, the text of the amended proposal shall stipulate that the Community budget for 2007-13 foresees **EUR 3 105 million** for the European GNSS programmes. A sum of **EUR 300 million**, which is available for the European GNSS programmes under the Seventh Research and Development Framework Programme, will help cover these costs. This amount also covers costs linked to the delays in the development phase of the Galileo programme, which will only be completed in 2010. Lastly, recent studies carried out by the Commission conclude that the Galileo system is likely to be deployed in mid-2013.

3) the text allows the commercial operation of the EGNOS system from 2009, with a one-year delay due to ongoing pre-qualification work.

4) the proposed text aims to improve the public governance of the programmes: halting the concession contract negotiations left a legal vacuum regarding the role of the Supervisory Authority during the deployment and commercial operating phases of the Galileo programme, as the tasks assigned to the Authority under Regulation (EC) No 1321/2004 mainly entailed selecting a concession holder. The Commission must therefore put forward a proposal amending Regulation (EC) No 1321/2004 once the

European Union has adopted the necessary political decisions, in order to ensure a solid and coherent framework for the public governance of the programmes. Nevertheless, several measures can already be taken. The proposed text strengthens public governance in two ways:

- a) by providing for a strict division of responsibilities between the European Community, represented by the Commission, the European GNSS Supervisory Authority and the European Space Agency, and by conferring the implementation of the programmes upon the Commission. The European GNSS Supervisory Authority will, in addition to its core role of facilitating the introduction of the services offered by the systems on commercial markets, assist the Commission in all matters linked to the implementation of the programmes. Technical aspects are the responsibility of the European Space Agency. Contracts concluded by the Agency must comply with relevant Community rules on public contracts;
- b) by providing for the setting up of the Committee on European GNSS Programmes, which will help the Commission implement this Regulation and ensure the uniform management of the programmes, faster decision-making and equal access to information.

The implementation of these programmes must be accompanied by the establishment of the appropriate components and resources. Amongst other things, the tasks which were to be undertaken by the concession holder must now be carried out by the Commission, with the help of independent experts, experts from the Member States and a specialised team.