

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

2004/0156(COD) - 08/04/2008

The Committee on Industry, Research and Energy adopted a report drafted by Etelka **BARSI-PATAKY** (EPP-ED, HU), and made some amendments to the amended proposal for a regulation of the European Parliament and of the Council on the further implementation of the European satellite radio-navigation programmes (EGNOS and Galileo). The text adopted in Committee was the result of a compromise negotiated with the Council in informal meetings. The amended regulation contains several modifications requested by Parliament and asks the European Commission to lay down the main technical requirements for controlling access to the technologies that provide security to Galileo and EGNOS. The main amendments are as follows:

**Phases of Galileo:** the text stipulates that the development and validation phase should end in 2010. The deployment phase should run from 2008 to 2013. It shall include preparations for the exploitation phase. The exploitation phase is set to begin at the latest upon conclusion of the deployment phase.

**Budget and financing:** the European Parliament and the Council decided that the total estimated amount for costs for operating the Galileo and EGNOS systems for the period 2007-13 is EUR 3 405 million at current prices. EUR 1 005 million was already foreseen in the existing financial programming (2007-13). This amount has been increased by an additional EUR 2 000 million through a review of the current financial framework (2007-13). Furthermore, a sum of EUR 400 million is made available from the 7th RDPF.

The Commission is invited, in 2010, together with its mid-term review, to submit a proposal for the financing programming period starting in 2014 on the public funds and commitments, including any obligation needed for the exploitation phase, deriving from its responsibility relating to the public ownership of the system, and objectives for a pricing policy ensuring that customer receive high quality services at fair prices and the revenue-sharing mechanism needed for the exploitation phase. It shall, in particular, include a reasoned feasibility study of the advantages and disadvantages of the use of service concession contracts or public service contracts with the private sector. Member States may provide additional funding to the programme to cover the investment of the evolution to the agreed system architecture in particular cases. Third countries or international organisations may also provide additional funding to the programme.

**Compatibility and interoperability of the systems:** the Commission shall make every effort to ensure the compatibility and interoperability of the systems, networks and services of EGNOS and Galileo and shall pursue the benefits of compatibility and interoperability of EGNOS and Galileo with other navigation systems and where possible with conventional navigation means.

**General framework for governance of the programmes:** the Commission, assisted by the Committee, shall be responsible for the management of the programmes, which it shall conduct in a transparent manner. It shall avoid duplication of structures and functions, through a clear division of tasks with the GSA and ESA. The Commission must establish the appropriate instruments, including the implementation of an integrated Galileo programme risk management at all levels of the programme as well as structural

measures to identify, control, mitigate and monitor risks, and ensure it possesses the resources needed to accomplish this task.

**Governance of security matters:** Member States should adopt national security regulations that guarantee at least the same level of protection for EU classified information on the two programmes as is required for the industrial security of EURATOM. If the operation of the systems should pose a risk to the security of the EU or Member States, joint action should be taken under the Common Foreign and Security Policy. The text states that whenever the security of the EU or its Member States may be affected by the operation of the systems as foreseen by the Joint Action 2004/552/CFSP, the procedures of the Joint Action shall apply. Matters falling exclusively within Title V and/or Title VI of the TEU will not be within the remit of the European GNSS Programmes Committee.

**Application of security regulations:** Member States must apply to any person or legal entity established on their territory, which are dealing with EU classified information regarding the programmes, security regulations ensuring a degree of protection at least equivalent to that guaranteed by the rules on security of the Commission stipulated in the Annex to Commission Decision 2001/844/EC, and by the security regulations of the Council in the Annex to the Council Decision 2001/264/EC.

**The role of the European GNSS Supervisory Authority (GSA):** following criticism that the role of the GSA was not clearly set out in the Commission proposal for the deployment phase, the GSA's tasks are revised. The GSA will now monitor the implementation of security procedures and perform system security audits. The Commission is asked formally to align the structures for the programmes' management with the GSA's new role. The GSA shall accomplish certain prescribed tasks within the programmes in accordance with guidelines issued by the Commission: (a) on programmes' security it must ensure security accreditation, and operation of the Galileo security centre; (b) it shall contribute to the preparation of the commercialisation of the systems, including the necessary market analysis; (c) other tasks entrusted to it by the Commission.

**Procurement principles related to the deployment phase of Galileo:** the Community's public procurement rules will apply to the deployment phase of Galileo without prejudice to measures required to protect the essential interests of the security of the EC or public security or to comply with EU export control requirements. During the procurement, the following objectives shall be pursued: (a) promoting a balanced participation of industry at all levels, including in particular SME, across the Member States; (b) avoiding possible abuse of dominance or long-term dependence on single suppliers; (c) taking advantage of prior public sector investments and lessons learned as well as industrial experience and competences, including that acquired in the definition and development phases of the European GNSS programmes, while ensuring that competitive tendering shall not be prejudiced. To that end, certain principles for the procurement of the activities of the deployment phase of Galileo will apply:

(a) split of the procurement of the infrastructure into a set of six main work packages (system engineering support, ground mission infrastructure completion, ground control infrastructure completion, satellites, launchers and operations) as well as a number of additional work packages, through a comprehensive overall procurement break-down; this does not rule out the prospect of multiple simultaneous procurement strands for individual work packages, including of satellites;

(b) competitive tendering of all packages and, for the six main work packages, the use of a single procedure whereby any one independent legal entity may bid for the role of prime contractor for a maximum of two of the six main work packages;

(c) at least 40 % of the aggregated value of the activities to be subcontracted by competitive tendering at various levels to companies other than those belonging to the groups of which entities will be prime contractors of any of the main work packages. In case projections show the possibility that 40 % cannot be attained, the Commission shall take appropriate measures;

(d)dual sourcing wherever appropriate in order to ensure better overall control of programme, cost and schedule.

**Protection of personal data and privacy:** the Commission shall ensure that protection of personal data and privacy is guaranteed and integrated into the technical structures of the systems.

**Galileo Inter-institutional Panel:** given the uniqueness of the programmes and the Community's ownership of the satellite radio navigation systems, Parliament, Council and Commission agreed to set up a new inter-institutional framework, the Galileo Inter-institutional Panel (GIP) which will be composed of three representatives each of the Council and the Parliament, and one representative of the Commission. The GIP will follow the implementation of the GNSS programmes, the international agreements with third countries, the preparation of the satellite navigation markets, the effectiveness of the governance arrangements, and the annual review of the work programme.