

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

2004/0156(COD) - 26/06/2009 - Follow-up document

The Commission presents the First Annual Report on the implementation of GNSS Regulation (Galileo and EGNOS) in accordance with Article 22 of Regulation (EC) No 683/2008 on the further implementation of the European satellite radio navigation programmes and with reference to the GNSS work programme adopted in 2008.

The GNSS Regulation re-profiles the European GNSS programmes by establishing a legal and financial framework for the 2008-2013 period. It was adopted by the European Parliament and Council on a proposal that the European Commission presented in September 2007, following the decision to end the negotiations for the conclusion of a concession contract with the private sector in accordance with Council Regulation (EC) No 876/2002, and in line with the Council's Conclusions of November 2007 on the need to restructure the European Global Navigation Satellite System Programmes.

The report highlights the status of implementation of some important decisions that were taken in 2008 in close cooperation between the Commission, the European Parliament and the Council. The Commission will seek to ensure close involvement of the other institutions, as appropriate. Their continued support for the further implementation of the programmes, in line with a shared commitment, is key to the success of the programmes.

Legal framework: the GNSS Regulation provides the legal and financial framework for the deployment of the Programmes and defines a governance structure with new roles for the various organisations involved, based on two main principles: (i) a strict division of responsibilities between the European Commission, the European Space Agency and the GNSS Supervisory Authority, set up by Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio-navigation programmes (GSA Regulation) with the Commission having the overall responsibility for the management of the programme, including the security related aspects; (ii) the complete financing of the Galileo deployment phase (Full Operational Capability - FOC) from 2008 to 2013 by the Community budget.

Main milestones: in its new role as programme manager, the Commission has launched important initiatives to reach the milestones needed for the further achievement of the objectives of the programmes and it has successfully achieved these milestones. By doing so the Commission has ensured that the necessary framework is in place in order to move on with the next steps in the implementation of the programmes.

For **EGNOS** this means that the Commission has ensured a smooth continuation of operations after the hand-over of the system by the European Space Agency (ESA) to the Commission on 1 April 2009 by taking over the ownership, on behalf of the Community, of the EGNOS system, from ESA (by arrangements with ESA and the EOIG, the EGNOS Operators and Infrastructure Group):

- an operations contract with ESSP SaS (EGNOS Satellite Services Provider) that will guarantee operations until October 2009, after which a long-term contract covering the period until 2013 will be put in place;
- agreeing with ESA that it will take on tasks for the design and procurement of EGNOS equipment and software renewals;
- establishing the main management interfaces in the management and execution of the EGNOS programme activities subject to the Delegation Agreement, in a Programme Management Plan developed with ESA;
- contracting out the supply of a special satellite navigation transponder on a new geostationary satellite.

Furthermore, while a short-term contract with an operator for the EGNOS service has been in place from that date, further work needs to be done to come to a more permanent solution by autumn 2009 and also to achieve certification of EGNOS for aviation. This should be concluded by the first quarter of 2010, taking into account the requirements of the Single European Sky regulation. Equally, compliance with the performance requirements of the International Civil Aviation Organisation (ICAO) will need to be ensured. As referred to in the Work Programme 2009, significant marketing activities will have to be deployed for EGNOS to facilitate its acceptance and use by the aviation sector and other areas such as road, rail, maritime and agriculture.

For **GALILEO** it means that the Commission has taken all steps necessary for the procurement of the Galileo system, and has:

- delegated to ESA the task of procuring the Galileo infrastructure, in accordance with the GNSS regulation and the EU procurement rules (Delegation Agreement signed on 19 December 2008);
- established the main management interfaces in the management and execution of the Galileo programme activities subject to the Delegation Agreement, in a Programme Management Plan developed with ESA;
- launched the **competitive tendering procedure for the procurement of the Galileo infrastructure**, divided into six work packages, in July 2008;
- provided to ESA, by means of a grant agreement, the funds necessary to cover the cost overruns incurred by ESA during the In-Orbit Validation phase (IOV).

Main challenges in 2009: the focus of activities in 2009 will be on concluding the FOC procurement, signing the service contract for EGNOS, launching preparatory studies for the post-2013 phase of Galileo and publishing the Galileo applications action plan. Further key activities in 2009 will be the revision of the GSA Regulation, the revision of the international cooperation strategy and a range of general measures, including risk management, technical consultancy and communications. Many of these activities are crucial for both Galileo and EGNOS, and challenges in certain areas such as IOV cost overruns and FOC procurement, therefore need to be prepared for.

Work on full EGNOS coverage in Europe, and on an extension beyond European territory, notably into Africa, also remains an important activity in 2009.

The main challenge for the international activities of the GNSS Programmes in 2009 will be to ensure the compatibility and interoperability with Galileo, to access global GNSS-related resources and set worldwide standards, to ensure security of the space segment and network of ground stations, while ensuring a stricter control of sensitive GNSS technologies developed with European funding, to join in an international effort to develop innovative applications and specialised applications of supra-regional interest. An important objective will be to create market opportunities for the European GNSS technology and applications industries.

Cooperation with China will undergo a major test at the next steering committee, jointly set as a key milestone to assess the progress made in the 2008/2009 timeframe on the critical issue of COMPASS/Galileo compatibility. The European side expects positive reactions on the proposals made by the experts. If the problem is not solved promptly, it cannot be excluded that the cooperation with China will get a major reshaping.

Funding: Community funding will furthermore cover activities relating to the completion of the Galileo IOV phase as well as the cost for operating EGNOS and preparatory activities in relation to the exploitation of the programmes. The total amount earmarked for these activities is EUR 3405 million, including EUR 400 million made available from the Seventh Framework Programme for Research and Technological Development, the EU's main instrument for funding research in Europe for the period 2007-2013.

If appropriate, the Commission will, in accordance with the Regulation, **prepare and present, in 2010, a proposal covering the public funds and commitments needed for the financing programming period starting in 2014**, and will present scenarios for the exploitation of the Galileo system.