Mid-term review of the European satellite navigation programmes: implementation assessment, future challenges and financing perspectives

2009/2226(INI) - 08/06/2011 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on the mid-term review of the European satellite navigation programmes: implementation assessment, future challenges and financing perspectives.

Parliament recalls that it has consistently given its full support to the European Global Navigation Satellite System (GNSS), implemented through the Galileo and EGNOS programmes. Galileo is aiming to become the technologically most advanced, state-of-the-art GNSS in the world, able to set the global standard for the future. EGNOS and Galileo will generate EUR 60 billion of indirect benefits to the EU economy and society, in the form of enhanced road and aviation security, reduced air pollution and pesticide consumption, new jobs and public safety.

Whilst welcoming the Commission report on the mid-term review of the European satellite navigation programmes, Parliament regrets the delay in publishing the mid-term review, for too long creating uncertainty concerning the overall progress of the project and its financial situation. Parliament call on the Commission to update the GNSS Strategic Framework in the light of the current situation, including the main actions, estimated budget and timetable necessary to meet the objectives. With a view to preventing future cost overruns, the Commission is also asked to put in place stringent cost containment policies, and to implement recommended risk mitigation measures, such as dual sourcing.

Financial situation: Members note that the current budget can only fund the deployment of Initial Operating Capacity (IOC), comprising 18 satellites. They believe that IOC should be completed by 2014 at the latest to ensure that Galileo does indeed become the second GNSS constellation of reference for receiver manufacturers. They urge the Commission to launch the four In-Orbit Validation (IOV) satellites, to establish a clear road-map for the launch of the remaining 14 satellites, and to conclude the final work packages. Parliament believes that that clear and unambiguous support from all European Institutions to the fulfilment of FOC is needed to convince users and investors of the long-term commitment of the EU, and it calls on the Commission to send a positive signal to the market to this effect. Members deplore the fact that no proposal has been made to provide additional financing for this programme by readjusting the current multiannual financial framework.

Full operation capacity (FOC) should be reached by 2018 at the latest, which is estimated to require additional financing of EUR 1.9 billion and annual funding to cover operating costs of approximately EUR 800 million from 2014 onwards. Members want the Commission to pursue all possible financial efficiency savings and to put in place an appropriate financing structure to limit the necessary additional financing. Highlighting the fact that current EU funding of R&D for GNSS stands at no more than EUR 15 million per year, they warn of damage to other R&D programmes if additional funding for these activities is taken out of the current framework programme (FP7), and state that more funding should be provided under FP8 and through other measures to facilitate the development of GNSS-based products and services. They also stress the need to increase funding with a view to enhancing the development of GNSS applications and services.

Public awareness: Members are strongly convinced that additional funding for GNSS can only be secured if awareness of the benefits for the EU economy and society brought by GNSS is raised considerably and they urge the Commission and the EU GNSS Agency (GSA) to put much more effort into raising awareness of GNSS among potential users and investors.

International dimension: Members call on the Commission to involve regions of the world where the adoption of European GNSS technology and applications may help market development, such as Latin America, South-East Asia or Africa, and they urge the Commission and Member States to deploy all available means to quickly resolve the current compatibility issues with China.

Future challenges: financing and governance: Members emphasise the strategic importance of space policy and the GNSS programme in the drive to establish a genuine European industrial policy and call on the Commission to integrate satellite navigation in the development of all other relevant Community policies. They also call on the Commission:

- in the interests of long-term stability, to submit quickly legislative proposals on the future level of services, financing and governance of the GNSS programmes;
- to include in the impact assessment to be performed in the framework of the upcoming legislative proposal clear and comprehensive information on: (i)the technical specifications (accuracy, geographical coverage, integrity, etc.) for the services (Open Services, Safety of Life, Commercial Services, Public Regulated Services) that the various Galileo satellite configurations could provide (including IOC and FOC, used in combination with other GNSS systems or on a stand-alone basis); (ii) the role of EGNOS services with regard to the various possible Galileo configurations and whether or not EGNOS should be kept in a FOC constellation; (iii) the costs of the possible Galileo and EGNOS configurations in terms of not just infrastructure investment but also management and contingency costs.

Financing: Parliament states that Galileo and EGNOS, as **European programmes owned by the EU which address a public interest at EU level**, should mainly be financed through the EU budget. Alongside the contribution from the EU budget, all possible sources of financing should be investigated, including innovative forms of financing. Members emphasise that ad hoc, emergency budgetary solutions such as those seen in the past are likely to jeopardise the success and added value of such strategic, large-scale EU projects and undermine the political momentum around them. They suggests that a predetermined annual amount should be provided from the EU budget (for the financing of the remaining Galileo infrastructure as well as the operating costs), and want the Commission to present a detailed breakdown of the estimated financial needs by summer 2011. Parliament believes that unexpected additional costs should be financed from the Community budget without endangering other existing programmes, and it calls on the Commission to assess the possibility of establishing a 'Galileo reserve fund' to cover such unexpected costs.

Governance: Parliament feels that the **long-term governance and management structure of GNSS** should address the division of tasks and responsibilities between the Commission, the GSA and the European Space Agency (ESA), as well as other relevant issues. It calls on the Commission to make swift progress with the ongoing reflection on future governance schemes for the operation of the system, to take responsibility for long-term operations and adaptation of the infrastructure, to ensure the delivery of continuous data and services to users, and to maximise opportunities for the development of commercial services. Members also stress the need for the long-term governance and management structure of GNSS to be fully transparent, noting that coordination with the Council and the European Parliament should take place on a regular basis. Lastly, they call on the Commission to establish mechanisms to ensure that GNSS based services comply with fundamental rights such as privacy and data protection.