

European satellite navigation systems: implementation and exploitation 2014-2020

2011/0392(COD) - 30/11/2011 - Legislative proposal

PURPOSE: to propose a new financial and governance framework concerning the two European satellite radio navigation programmes, Galileo and EGNOS (GPS signal augmentation) for the period 2014-2020.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: Regulation (EC) No 683/2008 defines the framework for the public governance and financing of the Galileo and EGNOS programmes. In particular, it allocates **EUR 3405 million for the period from 1 January 2007 to 31 December 2013**.

As provided for in the Regulation, the Commission adopted a report to the European Parliament and to the Council on the [mid-term review](#) of the European satellite navigation programmes on 18 January 2011. As a result of this report, the Council, among other things, expressed its support once again for the European satellite navigation programmes as defined in Regulation (EC) No 683/2008. It also noted the overall cost estimates and the fact that the Commission would submit a proposal including changes to the governance model with a view to the next multiannual financial framework.

For its part, in its [resolution](#) adopted on 8 June 2011, the Parliament also restated its support for the European satellite navigation programmes and considered that it should be principally funded by the Union budget. It asked the Commission to submit legislative proposals quickly with particular emphasis on the need to provide a long-term, stable framework, in particular for operation of the systems.

In its [Communication](#) dated 29 June 2011, accompanied by a [proposal for a Council Regulation](#) of the same date, the Commission proposed to assign EUR 7 000 million to the financing of the European satellite navigation programmes during the next multiannual financial framework for the 2014-2020 period. Nevertheless, it indicated here that it is necessary to maintain efforts to control costs and that new management procedures should be planned for the long-term. It should be noted that this sum of EUR 7 000 million, at 2011 constant prices, is an absolute ceiling and corresponds to a sum of EUR 7 897 million at current prices.

The Commission recalls that it should be borne in mind that the Galileo and EGNOS programmes are flagship projects of the Union and fit in perfectly with the Europe 2020 strategy and policies for sustainable development. It should also be emphasised that the European satellite navigation programmes does not only concern the Member States with the greatest involvement in the space field: they concern all the Member States of the Union directly. As part of Europe 2020's [flagship initiative 'An Industrial Policy for the Globalisation Era'](#) the Commission is responsible for developing an effective space policy to provide the tools to address some of the key global challenges and in particular to deliver Galileo.

IMPACT ASSESSMENT: the impact assessment focused on the continued implementation of the programmes and on two particular key problems: i) firstly, the configuration of future services, given that the budget allocated for the period 2008-2013 is insufficient to complete the infrastructure of the system established under the Galileo programme and to ensure the operation of EGNOS; and ii) the definition of the operational governance model and the financing required.

On the first point:

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concerning the system established under the Galileo programme, evaluation of the various options has shown that the best option is to retain the services initially specified, with the exception of the (Safety of Life) SoL service. This solution, which requires less infrastructure on the ground, reduces the costs;

- with regard to EGNOS, the system is already operational and many users are enjoying its benefits. In addition, when the SoL service was declared operational, the Commission gave assurances regarding the continuity of this service to users who went on to make significant investments. Ending the EGNOS programme is not an option in this context.

On the second point, the impact assessment concluded that the Commission, representing the Union, should remain responsible for the programmes while the Union continues to ensure their funding alone, as proposed by the Commission.

LEGAL BASIS: Article 172 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT:

The proposed Regulation meets the requests of the Parliament and the Council while taking into account the contents of the Commission Communication of 29 June 2011. It is the basic act for European satellite navigation programmes for the period covered by the next multiannual financial framework, providing in particular for **funding and the governance model for the programmes**. Given the magnitude of the changes to be made to Regulation (EC) No 683/2008, it was deemed necessary to propose that it be replaced with a new Regulation rather than amended.

The Commission proposes to earmark **EUR 7 000 million** (EUR 7 897 million in current prices) to guarantee the completion of the EU satellite navigation infrastructure and to ensure the exploitation of the systems **until 2020**, such as the operations of the space and terrestrial infrastructures, the necessary replenishment/replacement activities, certification procedures, and notably the provision of services.

The proposal also recalls that the Union remains the owner of the systems. Therefore the management of the programmes' **exploitation should be delegated to the European GNSS Agency while management of the programmes' deployment should be delegated to the European Space Agency**.

In order to enable the European Parliament and the Council to gain a full picture of the conditions under which the European GNSS Agency would be obliged to carry out the tasks entrusted to it under the new governance model, particularly concerning resources, the Commission will submit a proposal in 2012 for the amendment of Regulation (EU) No 912/2010 and of the associated financial statement.

BUDGETARY IMPACT: the Union will continue to finance the Galileo and EGNOS programmes alone. **Its contribution to the programmes for the period 2014-2020 shall not exceed EUR 7 897 million at current prices**. It covers three main activities, namely, completion of the deployment phase of the Galileo programme, the exploitation phase of the same programme and operation of the EGNOS system. The latter includes ongoing improvement of the services provided by the system in order to meet the changing needs of users.

Retaining the expertise acquired within the Commission is an essential factor in ensuring the continuity of the programmes. Consequently, the Commission will retain temporary agents currently in employment for periods to be determined in accordance with the various phases of the programmes and will transfer personnel to the European GNSS Agency.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.