

GALILEO, satellite radionavigation programme: development phase, joint undertaking

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At the request of the United Kingdom, the Council held an exchange of views on the financial aspects of the Galileo project. The debate was introduced by Commissioner DE PALACIO, who described progress within the Transport Council, and the main lessons she had drawn from the study by consultants Price Waterhouse Coopers, which included an analysis of the financial aspects of the project, particularly the anticipated costs and benefits. Some delegations shared the Commission's position. However, the United Kingdom and four other delegations (Denmark, Austria, the Netherlands and Sweden) did not agree with the Commission's approach and issued the following statement (which will be entered in the Council minutes). These Member States reaffirm their commitment to securing finance for the Galileo satellite navigation programme largely from private sources. In particular, they recall that the private sector is required to take up the challenge with regard to participation in and financing of the project through a binding commitment for the deployment and operational phases. Sound financial management should be guaranteed. They have taken note of the PWC inception study, these member States note that the rate of return, given the level of uncertainty of revenues, will not be sufficient to attract private capital to fund the development phase of the project or to fund deployment in full. The study further concludes that a private public partnership for Galileo would therefore have to be based on a structure which involved continued public funding of deployment of the system, including some payments during operation, and that the private sector will not invest under the previously envisaged Joint-Venture type structure. The above-mentioned Member States consider that the results of the recently-issued study raise a number of important and complex questions on the level and nature of public and private investment. These questions require detailed consideration by the Council, before it should take a decision". The Irish delegation shared the concerns of the United Kingdom and the four other delegations regarding the need for additional time to reflect, to clarify Galileo's financing problems before taking a decision.