

Basic information	
2007/2548(RSP) RSP - Resolutions on topical subjects	Procedure completed
Resolution on the Galileo concession contract negotiations	
Subject 3.30.03.06 Communications by satellite	

Key players		
European Commission	Commission DG	Commissioner
	Energy and Transport	BARROT Jacques

Key events			
Date	Event	Reference	Summary
24/04/2007	Debate in Parliament		
26/04/2007	Decision by Parliament	T6-0164/2007	Summary
26/04/2007	Results of vote in Parliament		
26/04/2007	End of procedure in Parliament		

Technical information	
Procedure reference	2007/2548(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Resolution on statement
Legal basis	Rules of Procedure EP 136-p2
Stage reached in procedure	Procedure completed

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Motion for a resolution		B6-0155/2007	24/04/2007	
Text adopted by Parliament, topical subjects		T6-0164/2007	26/04/2007	Summary
European Commission				

Document type	Reference	Date	Summary
Follow-up document	COM(2007)0261 	16/05/2007	Summary
Follow-up document	SEC(2007)0624 	16/05/2007	

Resolution on the Galileo concession contract negotiations

2007/2548(RSP) - 26/04/2007 - Text adopted by Parliament, topical subjects

The European Parliament adopted a resolution expressing its deep concern that the concession negotiations on the GALILEO programme have remained at a standstill for several months and that such delays will have a significant impact on overall cost. It called on the Council to ensure that any further delays to this project are kept to a minimum.

It pointed out that the Parliament, the Council, the Commission and the consultative bodies of the EU overwhelmingly support the clear mandate given to Jacques Barrot, the Vice-President of the Commission responsible for the Galileo Programme to submit to the June 2007 Council, in particular:

- a credible roadmap for concluding contracts as soon as possible;
- possible solutions for meeting the long-term financial obligations;
- a scenario for the earliest possible provision of EGNOS satellite navigation services and
- alternative scenarios for the realisation of the programme, especially for costs, risk and affordability.

Parliament went on to call on the commission to speed up the legislative process related to the regulated market, based on the Commission's Green Paper on Satellite Navigation Applications, in order to ensure a credible business plan. The Commission was also asked to make a proposal – together with the European Space Agency – capable of solving the problem of better public governance by ensuring clear political responsibility and leadership on the part of the Commission.

Given the Community character of the project, the Commission was requested to respect the Framework Agreement on relations between the European Parliament and the Commission, and thus to ensure that Parliament is fully informed of the implementation of the Council's decision authorising the Commission to negotiate with third countries with a view to concluding agreements on their associate membership for participation in the Galileo Supervisory Authority.

Lastly, Parliament asked the Commission to submit two progress reports, one by mid-July 2007 and another well before the negotiations reach the point of a revised proposal for a modified legal base for financing the Galileo Programme being made available.

Resolution on the Galileo concession contract negotiations

2007/2548(RSP) - 16/05/2007

The European Commission has adopted a communication on the implementation of the European GNSS programmes.

The European satellite navigation programmes Galileo and EGNOS have come to a crossroad. A political choice is required on how to proceed. The concession negotiation which should have led to the deployment and exploitation of Galileo has stalled. The delays accumulated so far and the absence of any sign of progress on the concession negotiation is a risk for the delivery of the project within the timeline and foreseen budget.

In view of the situation, and following the letter of Vice President Barrot to the Council Presidency of 14 March 2007, the Council of Transport Ministers of 22 March 2007 requested the Commission to: i) assess and report by the June Council on overall progress of the Galileo project; ii) submit as soon as possible for discussion possible solutions for securing the long-term public financial obligations; iii) assess the progress in the concession negotiations and to submit alternative scenarios, also assessed for costs, risk and affordability.

The European Parliament, in its Resolution of 24 April 2007, reiterated its support for the Galileo programme, expressed its concerns about the progress, and called on the Commission to come forward with appropriate proposals, based in part on the same points as mentioned by the Council and, in particular, for a strengthening of public governance by ensuring political responsibility and leadership of the Commission (see [CNS/2001/0136](#)).

This Communication responds to the requests of the Council and the European Parliament and is complemented by a Commission staff working document.

The Commission considers that the **current situation** is a result of the combined effects of continuous, unresolved disputes over share of industrial work, a misjudgement that market risk could be transferred to the private sector, an unresolved negotiation with respect to the transfer of design risk, the technical complexity of the programme, and insufficiently strong and clear public governance.

The Commission invites the Council and the European Parliament to take note of the failure of the current concession negotiation and to conclude that, on this basis, the current PPP negotiations should be ended.

Consequently, the Commission invites the Council and the European Parliament to:

- to reaffirm the necessity to put in place an autonomous satellite navigation system, to endorse the continuation of the Galileo programme as a strategic asset for the European Union, and to recognise its economic value;
- to recognise that the Galileo system characteristics remain fully compatible with the ambitions of the European Union for this strategic asset, namely a 30 satellites constellation offering five different services with an excellent quality of the signal in space.

Alternative scenarios: the Commission has pursued the public-private partnership (PPP) approach for the implementation of Galileo but has re-profiled it through scenarios with a more appropriate moment at which a private partner assumes programme responsibility.

The following two scenarios are retained:

- **initial operational capacity (IOC) procurement followed by a PPP:** under this scenario, the public sector finances and procures an operational system with limited performances. This core infrastructure is composed of 18 satellites with the associated ground segment. The remaining 12 satellites are procured by the private sector under the PPP concession scheme which also contains the operations and exploitation activities. The IOC will be ready by end 2011, with users having access only to early services at that time. Full deployment and service availability can be achieved by end-2013, provided that the PPP contract is signed in time. The PPP contract would cover the period 2010-2030;
- **full operational capability (FOC) procurement followed by PPP:** in this scenario the public sector finances and procures the complete operational system with full performances. This infrastructure is composed of 30 satellites with the associated ground segment. It allows the provision of all Galileo services for all targeted users and provides full confidence of design robustness to the future concession holder. The PPP contains operations and exploitation activities. The public sector is gradually able to increase the capability to provide services. In an intermediate step the infrastructure reaches a constellation of initial operational capability by end-2011 and the full deployment is achieved by the end of 2012. The PPP concession contract covers the period 2010-2030.

In this context, the Commission invites the Council and the European Parliament to confirm that it is necessary, appropriate, and in the interest of the European GNSS programmes to proceed with their implementation through an alternative scenario.

On the basis of its assessment, the Commission invites Council and European Parliament to conclude that the preferred option and **only scenario** providing a satisfactory way forward is a re-profiled, two-step PPP approach:

Step 1: start with the immediate implementation of EGNOS, through a specific concession, as a precursor to Galileo with initial service availability by early 2008, and complement the current public procurement of the initial satellites and infrastructure by deploying the first full Galileo constellation under a public procurement with a target of Full Operational Capability by end 2012.

Step 2: in parallel, negotiate and put in place a PPP for the subsequent EGNOS and Galileo exploitation phase from 2010-2030.

The Commission also invites the Council and the European Parliament to recognise that EGNOS will achieve operational capability by early 2008 and that immediate action is required to implement its services as a pre-cursor to Galileo.

As regards the **financing of the recommended scenario**, the Commission invites the European Parliament to:

- secure, as a first step, the progress of the EGNOS and Galileo projects, to advance rapidly with the adoption of the currently proposed EU Programme Regulation;
- examine the possibilities for additional financing;
- discuss and agree, on the basis of a proposal that the Commission will present by September 2007, the modalities on how to proceed in view of the financing gap, including, if necessary, a financing mechanism which will cover the entire period until 2030.