

GALILEO, satellite radionavigation programme: management, GNSS Supervisory Authority and Center for security and safety

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This communication concerns a report on the basis of which the Council will consider moving to the deployment and operational phases of the European satellite radionavigation programme.

The report examines the funding of the operational and deployment phases and confirms that there will be substantial funding from the private sector. While the private sector is willing to invest massively in the project, given the commercial prospects, a Community financial contribution is nevertheless necessary in order to ensure the programme's financial stability.

The world market for satellite radionavigation products and services doubled from EUR 10 billion in 2002 to EUR 20 billion in 2003. It will amount to around EUR 300 billion by 2020, with some 3 billion receivers in operation. These receivers will combine all the services offered by the GALILEO, EGNOS and GPS systems.

The cost of the deployment phase is estimated at EUR 2.1 billion. Since each of the shortlisted consortiums has undertaken to bear two-thirds of this cost, i.e. EUR 1.4 billion, EUR 700 million will be needed from the Community budget in order to fund the phase.

The operational phase will be funded by the private sector, but given the constraints arising from the public service obligations imposed on the operation of the major public infrastructure that the GALILEO system represents, and the time needed for the private sector to develop fully the satellite radionavigation market and the marketing of its services, it will be necessary to provide some exceptional public funding during the first years of the operational phase.

In order to ensure funding from the Community budget, the Commission has submitted a proposal for a European Parliament and Council regulation on the implementation of the deployment and commercial operating phases of the European satellite radionavigation programme (Please see COM(2004)0477.)

The report also looks at income from third countries and confirms that several third countries are particularly keen to participate in the GALILEO programme, including financially.

The GALILEO system must offer various services with specific features and guarantee a high degree of security. These are: an open service, a commercial service, a safety-of-life service, a public regulated service (PRS), and assistance for the search and rescue service of the COSPAS-SARSAT system and other relevant systems. The report looks at this requirement in detail.

It concludes as follows:

In accordance with its terms of reference, the Galileo Joint Undertaking has successfully completed the procedure for selecting the future concession holder. The conditions governing the launch of the GALILEO programme have been met. In particular, the following have been confirmed:

- the strategic aspects of an infrastructure aimed at guaranteeing the independence of the EU while ensuring complementarity with the American GPS system;
- the technical definition of a system giving the EU control over satellite radionavigation technology;
- the commercial viability of the system as a result of the availability of substantial income;
- the complementarity of the five services proposed for the programme, which are designed to meet the needs of civilian users as a whole;
- the integration of EGNOS, the precursor of the European global satellite radionavigation system into the approach pursued, including the concession arrangement;
- a significant financial contribution from the private sector;
- lastly, the international dimension of the project and the growing desire of third countries to participate actively and financially in the programme.

The other conditions set by the Council for moving to the next phases of the programme, namely system deployment and operation, have also been met:

- the conclusion with the United States of an agreement on the interoperability of the American and European systems, which was signed on 26 June 2004;
- the establishment of the future structures for the management of the system, the Supervisory Authority and security arrangements, with the adoption by the Council of two texts of 12 July 2004.

All the conditions are therefore met for the Council to confirm:

- the irrevocable transition to the programme deployment and operational phases;
- the essential features of the system, in particular as regards services;
- the commitment of the public authorities with regard to the funding of the deployment and operational phases and the monitoring of the system.

Confirmation is necessary in order:

- to enable the Joint Undertaking to complete the negotiation of the concession contract due to be signed in the course of 2005, and
- to enable private-sector stakeholders to confirm their bids and financial commitments.