

Galileo Joint Undertaking: amendment of the Statutes in order to provide that the undertaking will cease to operate on 31 December 2006

2006/0115(CNS) - 12/12/2006 - Final act

PURPOSE: to extend the Galileo Joint Undertaking's mandate from 28 May 2006 to 31 December 2006.

LEGISLATIVE ACT: Council Regulation 1943/2006/EC amending Regulation 876/2002/EC setting up the Galileo Joint Undertaking.

BACKGROUND: four phases define the establishment and the completion of the Galileo programme namely:

- **Phase 1 Definition:** 1999- 2001: Establishment of the system's architecture;
- **Phase 2 Development:** 2002-2005: Development of the system's satellites;
- **Phase 3 Deployment:** 2006-2007: Construction and launching of satellites;
- **Phase 4 Operating:** 2008- : Management of the Galileo project.

In 2002 the "Galileo Joint Undertaking" was set up for a four year period (28 May 2002 – 28 My 2006) in order to implement the "development" phase of the programme. The J.U. was established by Regulation 876/2002/EC *setting up the Galileo Joint Undertaking*.

However, as the Galileo programme currently stands, the development phase is not expected to be completed before the end of 2008. Given that extending the lifetime of the J.U. beyond 2006 is neither cost-effective nor efficient, the Community has decided to wind up the Galileo J.U. on 31 December 2006 and transfer responsibility for completing the development phase to the European Global Navigation Satellite System (GNSS) Authority. This allows for a six month extension of the Galileo J.U. – enough time for a smooth transition.

The GNSS Authority was established in 2004 (Regulation 1321/2004/EC) with a mandate to manage the public interests of the European satellite radio navigation programmes, Egnos as well as Galileo. It also acts as the regulatory authority for the programmes during the "deployment" and "operational" phases and as such is well placed to take over all Galileo J.U. activities relating to the "development" phase. See also CNS/2006/0090.

On a further point, in the Annexes of Regulation 876/2002/EC the term "capital" is used when referring to the J.U.'s assets, which is incorrect given that the J.U.'s assets are, in fact, a financial contribution to a research programme and all sums placed at its disposal are of a non-profit making nature.

CONTENT: the purpose of this Regulation, therefore, is to amend Regulation 876/2992/EC:

- firstly, by specifying that the Galileo J.U. will cease to exist on 31 December 2006 as opposed to 28 May 2006;
- secondly, by deleting the word "capital" and replacing it with the word "fund" in order to allow the J.U.'s assets to be transferred to the GNSS Authority;
- thirdly, by awarding the J.U. additional funding to cover the extra cost of its six month extension.

ENTRY INTO FORCE: 22 December 2006.