


# Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1996/2276(COS)
Procedure completed	
Union and space: applications, markets and competitiveness of the European spatial industry	
Subject 3.40.05 Aeronautical industry, aerospace industry	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ENER</b> Research, Technological Development and Energy		26/02/1997
		PSE <a href="#">DESAMA Claude J.-M.J.</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy		20/03/1997
		UPE <a href="#">MALERBA Franco E.</a>	
Council of the European Union	Council configuration	Meeting	Date
	Industry	<a href="#">2043</a>	13/11/1997

Key events			
04/12/1996	Non-legislative basic document published	COM(1996)0617	Summary
30/01/1997	Committee referral announced in Parliament		
13/11/1997	Debate in Council	<a href="#">2043</a>	
27/11/1997	Vote in committee		Summary
27/11/1997	Committee report tabled for plenary	<a href="#">A4-0384/1997</a>	
12/01/1998	Debate in Parliament		
13/01/1998	Decision by Parliament	T4-0003/1998	Summary
13/01/1998	End of procedure in Parliament		
02/02/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1996/2276(COS)
Procedure type	COS - Procedure on a strategy paper (historic)

Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142; Rules of Procedure EP 050
Stage reached in procedure	Procedure completed
Committee dossier	ENER/4/08520

### Documentation gateway

Non-legislative basic document	COM(1996)0617	04/12/1996	EC	Summary
Committee report tabled for plenary, single reading	<a href="#">A4-0384/1997</a> <a href="#">OJ C 014 19.01.1998, p. 0004</a>	27/11/1997	EP	
Text adopted by Parliament, single reading	T4-0003/1998 <a href="#">OJ C 034 02.02.1998, p. 0015-0027</a>	13/01/1998	EP	Summary
Economic and Social Committee: opinion, report	<a href="#">CES0101/1998</a> <a href="#">OJ C 095 30.03.1998, p. 0006</a>	29/01/1998	ESC	Summary

## Union and space: applications, markets and competitiveness of the European spatial industry

**OBJECTIVE:** The Commission wishes to launch a call for the creation of a European strategy for space so as to reduce the time-lag as compared to the US. **SUBSTANCE:** The Commission considers that the EU should - without trying to replace the competent bodies, notably the European Space Agency (ESA), contribute to the development of a fully-fledged space policy, and should take account of the 'space dimension' in the formulation and implementation of the policies set out in the Treaty. This communication focuses on the main areas where there is an immediate Community interest with the potential for direct action. The principal fields concerned are: 1) Telecommunications in space: telecommunications are by far the most widespread application of space technology. For the decade ahead (1996-2005), the world market for satellites for fixed communications and broadcasting is estimated at ECU 12-16 bn, the figure for launchings being ECU 9-10 bn. The estimated ground-station and terminal market is ECU 50-70 bn; that for end-user services is ECU 120-160 bn. Two new markets represent challenges for the European industry: satellite personal communications systems (S-PCS) and super-broadband digital communications systems offering Internet-type interactive multimedia services. The Commission proposes enhancing the role of satellite communications. To this end, it will, in 1997, put forward a coherent approach for the regulation and research aspects, in the form of an action plan bringing together private- and public-sector partners. 2) Satellite navigation and positioning: systems in these areas are evolving from a primarily military to a wider civilian use. The market in user equipment already amounted to ECU 477 m in 1994, and is predicted to rise to ECU 4 bn in 2000 and ECU 25 bn in 2005. Two satellite positioning systems exist today: GPS (USA) and GLONASS (Russia). The Union's objective should be to bring its industry up to a level of competitiveness which will enable it to take part in the deployment of a global navigation satellite system (GNSS) and the definition of interoperability requirements and industry standard, thus allowing rapid market entry. The Commission is preparing a specific action plan for submission. 3) Observation of the earth from space: the world market in civil remote sensing for the decade ahead is estimated at a minimum of ECU 30 bn. Since the EU is one of the biggest purchasers of information services, it is well-placed to play a key role in the development of this market. The Commission suggests that in an initial phase pilot schemes should be launched for future observation missions, with the support of the space agencies. The second phase would consist of the full implementation of the missions by private investors, the aim being to supply a working service on a commercial basis. Action would focus on monitoring a limited number of areas of Community interest, including: land use and resources; surface waters; fisheries; coastal areas; major risks and natural hazards; the oceans; and the atmosphere. 4) Space launch services: the EU must maintain its leadership position in the commercial market for such services, in the face of increasing competition (especially from advanced US launchers) and the appearance of vehicles from Russia, Ukraine and China. The Commission proposes creating a multilateral framework for determining and establishing the basic rules for open and fair competition among the main launch service suppliers. In addition, the existing range of launch vehicles should be adapted to new market needs and extended. In the case of dual-use space technologies, the Commission proposes a coordinated approach involving the EU, the Member States, the WEU and the ESA. On the subject of funding, the Commission takes the view that in the initial stage there should be no need for extra financing: the main priority will be to reallocate the existing funds (resources from the Community framework programme for research, the Structural Funds, the trans-European networks and the cooperation programme) among the areas considered to be of European interest. Innovation funding and guarantee mechanisms, including those of the European Investment Bank (EIB) and the European Investment Fund (EIF), should also be used to facilitate the financing of commercial space projects. ?

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The committee adopted the draft resolution on the Commission's communication on the European Union's space policy by 10 votes in favour and 1 abstention. The rapporteur, Mr Claude DESAMA (PSE, B), emphasized the urgent need to reshape this policy but criticized several times the overly optimistic vision of the market for commercial spin-offs which, according to the communication in question, should ultimately replace the demand for public-sector financing to develop the space system, especially in future sectors such as Earth and satellite observation. On this point, the draft resolution emphasized the basic need for infrastructures and services which the private sector could not finance since they came under the duty to protect property and persons from disaster and aggression, the role of the regulator of access to natural resources, and economic, social and town and country planning policy. Mr Desama therefore recommended that the Earth observation market should develop, in commercial terms, in the same way as the satellite communications market and advocated extending the scope of Community action by providing funds well in excess of those provided for in the Commission communication. Furthermore, with regard to the size of the European space industry, the draft resolution posited restructuring and merger as the only way forward if Europe was to compete

with the American giants, not that this precluded international cooperation, mainly in the public sector, given the unifying role of space with regard to vast research and development projects such as the International Space Station and major scientific experiments such as Hubble, ISO, Casini etc.?

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In adopting the report by Mr Claude DESAMA (PSE, B), the European Parliament emphasized the urgent need for a reshaping of the European Union's space policy in order to take account of all the strategic and commercial stakes involved in space activities and for further investment to guarantee the growth and competitiveness of the industries in the sector and make up the backlog that had accumulated in certain fields. It stressed the need for a European policy to promote the use of Earth observation data by means of the creation of infrastructure and services which the private sector cannot finance and emphasized the need to enhance technological skills and financial capacities in the civilian space sector (particularly in the field of satellite observation). It took the view that the space industry must boldly go along the path towards a concentration which will enable it to compete with American manufacturers by means of preference given to European industry to meet the requirements of the Union. It called for the Fifth Framework Programme to devote significant resources to space research by means of targeted actions and recommended the establishment of a specific action guaranteeing coordination and synergy between the ESA's various activities and programmes of science and technology. Parliament proposed, in particular, that the Fifth Framework Programme should include research, in cooperation with the ESA, on the use of solar panels in deep space. It encouraged the Commission to implement, jointly with the ESA, programmes of measures to integrate the successes of the European space industry more fully with the development of the regions where these activities were carried out. Parliament called on the Commission: - to encourage private and public investment in key sectors such as the satellite industry and the launcher industry; - to finalize draft international rules designed to identify, monitor and eliminate pollution caused by space debris; - to bring its efforts to achieve standardization and coordination of European satellite navigation systems to a successful conclusion; - to foster knowledge of, and promote, European programmes among the major partners and potential customers. Those Member States which were not members of the ESA were called upon to join it in order to enhance the Agency's European character. ?

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The Committee welcomes the conclusions of the Council of Ministers of 23 September 1997, in which the Member States express their willingness to cooperate, and entrust the Community with the task of stimulating this cooperation. The ESC wishes to point out that the space industry has a substantial impact on the European economy as a whole: it boosts competitiveness, encourages new ventures and provides greater development potential. Advancement of the space industry is thus of strategic value. All instruments and procedures must focus on this objective. If progress is not forthcoming, there could be a case for implementing the Amsterdam Treaty's "reinforced cooperation" procedures in this sector. The Commission has not sufficiently highlighted one of the fundamental problems for the future of this industry, i.e. the relationship between R&D and industrial and commercial spin-offs. This would require either a downstream expansion of the ESA's remit (currently non-market-oriented), the creation of an EU Authority, or at least a liaison body to harness potential synergies. The creation of an association of space industries should be encouraged, along the lines of that for the defence industry, in order to align the differing stands of national industries and move towards an increasingly united industrial policy. It is essential that R&D streamlining should be backed by timely, efficient mechanisms for funding by European central bodies in the application stages too, (e.g. project funding), in order to stimulate private investment in particular. In view of Europe's considerable commitment to the International Space Station, and the lack of any specific European regulatory practice governing commercial rights for "proprietary" technologies which are applied and/or developed in space, it is essential to make such provision within the framework of Patents and Licences. Eventually, common international standards will have to be determined, to regulate specific aspects of the WTO TRIPS negotiations.?