

Procedure file

Basic information		
CNS - Consultation procedure Regulation	2006/0115(CNS)	Procedure completed
Galileo Joint Undertaking: amendment of the Statutes in order to provide that the undertaking will cease to operate on 31 December 2006		
Amending Regulation (EC) No 876/2002 2001/0136(CNS)		
Subject 3.30.03.06 Communications by satellite		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, Research and Energy		12/09/2006
		PPE-DE CHICHESTER Giles	
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs	The committee decided not to give an opinion.	
	TRAN Transport and Tourism	The committee decided not to give an opinion.	
European Commission	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	2772	11/12/2006
	Transport, Telecommunications and Energy	2754	12/10/2006
	Commission DG	Commissioner	
	Energy and Transport	BARROT Jacques	

Key events			
29/06/2006	Legislative proposal published	COM(2006)0351	Summary
05/09/2006	Committee referral announced in Parliament		
09/10/2006	Vote in committee		Summary
12/10/2006	Debate in Council	2754	Summary
12/10/2006	Committee report tabled for plenary, 1st reading/single reading	A6-0348/2006	
24/10/2006	Results of vote in Parliament		
24/10/2006	Decision by Parliament	T6-0423/2006	Summary

11/12/2006	Act adopted by Council after consultation of Parliament		
11/12/2006	End of procedure in Parliament		
22/12/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2006/0115(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 876/2002 2001/0136(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 171
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/38536

Documentation gateway					
Legislative proposal		COM(2006)0351	29/06/2006	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A6-0348/2006	12/10/2006	EP	
Text adopted by Parliament, 1st reading/single reading		T6-0423/2006	24/10/2006	EP	Summary
Economic and Social Committee: opinion, report		CES1365/2006	26/10/2006	ESC	

Additional information	
National parliaments	IPEX
European Commission	EUR-Lex

Final act
Regulation 2006/1943 OJ L 367 22.12.2006, p. 0021-0022 Summary

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

PURPOSE: to amend the Statutes of the Galileo Joint Undertaking.

PROPOSED ACT: Council Regulation

CONTENT: the purpose of this proposal is to make three changes to the Statutes setting up the Galileo Joint Undertaking. Firstly to change the expiry date of the Joint Undertaking; secondly, to change the use of the word 'capital' with 'fund' or 'contribution?'; and thirdly to allow for the possibility of additional funding.

There are two related legislative acts, which need to be taken into account when considering the present proposal:

- Council Regulation 876/2002/EC to carry out the development phase and to prepare for the successive phases of the Galileo programme. (Refer to CNS/2001/0136); and
- Council Regulation 1321/2004/EC on the setting up of the 'European Global Navigation Satellite System' (GNSS) Supervisory Authority. (Refer to CNS/2003/0177).

Four phases define the establishment and completion of the Galileo programme. They are:

- Phase 1, the 'definition' phase: 1999 to 2001 - establishment of the system's architecture and determination of services to be offered.
- Phase 2, the 'development' phase: 2002 to 2005 - development of the system's satellites and components and validation into orbit.
- Phase 3, the 'deployment' phase: 2006 to 2007 - construction and launching of satellites; the full establishment of the earth segment infrastructure.
- Phase 4, the 'operating' phase: start date 2008 - management of the Galileo project; regular maintenance and updating exercises.

The Galileo Joint Undertaking was set up in 2002 (Regulation 876/2002/EC) in order to implement the development phase (development of satellites; components and validation into orbit). The founding members of the Galileo Joint Undertaking are: the European Community and the European Space Agency. Members of the Joint Undertaking now also include a Chinese State-run company and an Israeli State-run company. The Joint Undertaking has been tasked firstly, to direct and co-ordinate research and development activities and secondly, to manage the procedure for selecting the system's future concession holder. The concession holder will be responsible for managing the deployment and operating phases, providing the necessary private capital and ensuring the commercial success of the operation.

The European Global Navigation Satellite System (GNSS) Supervisory Authority was set up in 2004 (Regulation 1321/2004/EC). Throughout 2005 the Supervisory Authority has been gradually set up and should be fully operational by 2006. The purpose of the Supervisory Authority is to manage the public interest of the European satellite radio navigation programmes (Egnos and Galileo) and to act as an awarding authority for the future concession holder. Egnos and Galileo will be owned by the Supervisory Authority. Their ownership will remain public: only the management of the deployment and operational phases will be awarded to the concession holder for a period of about 20 years.

The Statutes establishing the Galileo Joint Undertaking specify that it should be set up to implement the development phase (phase 2) and that it should cease to exist on 28 May 2006 upon completion of the development phase. Given that there is some delay in finalising this phase (the space segment and earth segment of the system are yet to be completed) the Commission is proposing to extend this deadline until the 31 December 2006. Note: that this date will not coincide with the completion of the revised development date which, rather than 2005 as originally foreseen, will now be finalised at the end of 2008. It is only on this date that the four satellites will be launched by the European Space Agency and the 'validation into orbit' phase will become operational.

Although the completion of the development phase (2008) and the cessation of the Joint Undertaking (end 2006) no longer coincide, the Commission argues that this need not create too many problems given that the Supervisory Authority can take over many of the tasks assigned to the Joint Undertaking, as from 2007.

Proposed amendments:

Firstly, to modify Article 20 by stating that the Joint Undertaking will be established for a period starting on 28 May 2002 and ending on 31 December 2006.

Secondly, the Commission is seeking to change the use of the word 'capital' in the Regulation and to replace it with the use of either 'contribution' or 'fund'. The term 'capital' is incorrect in that assets brought in by members to the Joint Undertaking can not be removed or returned. Any assets remaining will be transferred free of charge to the Supervisory Authority given that these assets are in fact a financial contribution for to a research programme and all sums placed at its disposal are of a non-profit making nature.

Thirdly, the Commission is seeking to amend the Statutes of the Joint Undertaking allowing it to finance additional costs during the development phase. The actual cost of the development phase is expected to be EUR 400 million more than the initial estimated cost of EUR 1.1 billion. In order to enable the Joint Undertaking to finance some of these additional costs before it is wound up on 31 December 2006, the Commission is proposing that the Statutes now read: 'the founding members may, as necessary, make additional contributions to finance the development phase?.'

The Commission has presented this proposal following the approval (with a two-third majority) of the Joint Undertaking's Administrative Board.

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

The committee adopted the report by Giles CHICHESTER (EPP-ED, UK) approving unamended - under the consultation procedure - the proposed regulation amending the Statutes of the Galileo Joint Undertaking annexed to Council Regulation (EC) No 876/2002.

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

The Council adopted conclusions on the progress of the Galileo programme, drawn up on the basis of the Commission communication "Taking stock of the Galileo programme": the Council encourages the full establishment of the European GNSS Supervisory Authority, the Community Agency that manages the public interests relating to EGNOS and GALILEO; it welcomes the Commission's legislative proposals aiming to transfer during 2006 to that Authority the remaining activities of the Galileo Joint Undertaking, which will be wound-up; and aims to reach an agreement on the proposals before the end of 2006.

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

The European Parliament adopted the resolution drafted by Giles CHICHESTER (EPP-ED, UK) approving the proposal regulation amending the Statutes of the Galileo Joint Undertaking annexed to Council Regulation 876/2002/EC.

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

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 May 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.