Council and European Parliament reach agreement on financing and governance of the European satellite navigation systems

The member states' Permanent Representatives today endorsed the compromise reached between the Council and the European Parliament in their negotiations on a new financial and governance framework for the European satellite navigation systems (EGNOS and Galileo) for the period covered by the multi-annual financial framework for 2014-2020. In order to enter into force, the draft regulation stills needs to be formally approved by the Parliament and the Council. However, as the amount to be allocated to the EU's satellite navigation programmes depends on the outcome of the ongoing negotiations with the European Parliament on the next multi-annual financial framework (MFF), the final adoption of the draft regulation can only take place once there is a decision on the MFF.

As regards the main issues of discussion between the Council and Parliament on this draft regulation, the negotiations have delivered the following compromise solutions:

– The development of applications based on the satellite navigation systems, such as chipsets and receivers, has been added as one of the objectives, with a view to maximising the socio-economic benefits from the programmes. A maximum amount of EUR 100 million at constant 2011 prices will be made available under the budget of the programmes to this end. It has, however, been underscored that such financing must not jeopardise the deployment and operation of the satellite navigation infrastructure.
– The Commission, which will be responsible for the security of the programmes, will be given the power to lay down high-level objectives in this respect. It will also be the Commission's task to establish the technical specifications and other measures to implement the security objectives, but these more specific requirements need to be endorsed by the member states' experts in order to be adopted. In establishing those objectives and requirements, the Commission has to make sure that the general level of security will not be lowered compared to the existing standards.

– Adjustments were also made to some other governance provisions, concerning, for instance, the use of best-practice project management techniques, decision-making procedures and the role of the Commission.

– Moreover, stronger emphasis has been put on the possibility to extend EGNOS coverage to other regions of the world, in particular candidate countries, non-EU countries belonging to the Single European Sky and countries of the European Neighbourhood Policy.

The Commission presented its proposal in December 2011 (17844/11). The negotiations between the Council and the European Parliament were based on the partial general approach - not including the financial envelope - that the Council had reached on the text in June 2012 (11105/12), on the one hand, and the amendments put forward by the competent committee of the Parliament in September 2012, on the other.

The draft regulation contains the following key elements:

– a budget of EUR 6.3 billion (at constant 2011 prices), to be fully financed from the EU budget. This amount has been agreed by the European Council in February this year, but might be reviewed in the ongoing negotiations with the European Parliament on the multi-annual financial framework for 2014-2020. The activities to be financed under the regulation concern the completion of the deployment phase of Galileo (that is, the establishment of space and ground-based infrastructures) and the exploitation of Galileo and EGNOS;

– a definition of the EU satellite navigation systems and programmes and of the services they will provide;

– a new governance framework that establishes a strict division of tasks between the Commission, the European GNSS Agency and the European Space Agency;

– rules on public procurement, promoting the widest participation possible throughout the Union and ensuring fair competition conditions.
EGNOS, the European Geostationary Navigation Overlay Service, enhances the accuracy of the existing civilian GPS services, with a geographical area centred on Europe and a possible future extension to other regions of the world. It is already operational and available for use with both an open service and a safety-of-life service for aviation.

**Galileo** will be an independent European global satellite-based navigation system, providing five services:

- an open service (OS) free for the user and providing signals for timing and positioning;
- a commercial service (CS) for applications for professional or commercial use requiring higher performance than offered by the open service;
- a public regulated service (PRS) using strong, encrypted signals and restricted to government-authorised users;
- a contribution to the international search and rescue service (S&R) system by detecting emergency signals; and
- a contribution to integrity monitoring services aimed at users of safety-of-life (SoL) applications; the SoL function, which will be provided in cooperation with other satellite navigation systems such as the American GPS, allows users for whom safety is essential, for instance airlines or maritime companies, to be alerted when certain margins of accuracy are not met.

The first initial services (OS, PRS and S&R) are due to be available by 2014-2015. The system will be fully operational when all satellites are in place. This should be achieved in 2019/2020.