

## ROADMAP

Title of the initiative: **2010 Communication on the European satellite navigation programmes**  
Type of initiative (CWP/Catalogue/Comitology): Commission Communication to the European Parliament and to the Council  
Lead DG/contact person/details: DG ENTR F2/F6  
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### Initial IA screening & planning of further work

#### A. Context and problem definition

(i) What is the political context of the initiative? (ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?

*Europe is building up satellite navigation system which will provide a set of positioning, navigation and time services. The first system, EGNOS, improves the performances of GPS over a European coverage. The second system, Galileo, is a standalone system similar to the American GPS; it is constituted by a constellation of 30 satellites and the related ground segment to operate it. The coverage of Galileo services will be worldwide. Galileo will ensure EU independence regarding signal continuity and the development of new applications.*

*The European Global Navigation Satellite Systems (hereafter GNSS) programmes have become important projects for the European Union not only due to their strategic value but also for their contribution to the Lisbon Strategy, encompassing the political, economic, and technological dimensions of the European Union.*

*The actual governance, financing, activities and contracts till the end of 2013 are governed by Regulation 683/2008. This Regulation requires the Commission to submit a mid-term review in 2010, together with a study on the strategic options for the future of the programmes as from 2014 when the exploitation of Galileo will start.*

*This 2010 Communication aims to satisfy the request expressed in the Regulation 683/2008. it is supported by studies and reports, which results from more than twelve months of activity.*

*The conclusions from this 2010 Communication should be used as a base for the preparation of the new Regulation on the European satellite navigation programmes, which will outline the set up of the institutional framework for the exploitation of the systems and identify the necessary funding needs.*

What are the main problems identified?

*Article 22 of the Regulation 683/2008 states that "A mid-term review shall be carried out in 2010, which shall include a review of costs, risks and likely revenues from the services offered by Galileo, inter alia, in the light of technological and market developments, to inform the European Parliament and the Council of the progress made on the programmes".*

*In addition Article 4 of the Regulation specifies that "In 2010, the Commission shall, if appropriate, submit to the European Parliament and the Council, together with its mid-term review a proposal concerning the public funds and commitments required for the financing programming period starting in 2014, (...), the revenue-sharing mechanism for the exploitation phase, and objectives for a pricing policy (...). It shall, in particular, include a reasoned feasibility study of the advantages and disadvantages of the use of service concession contracts or public service contracts with private sector entities".*

*To best answer to the request of the Regulation 683/2008, this 2010 Communication will summarize the conclusions of the analysis performed on:*

- the results achieved in the implementation of the programmes in the 2008-2010 period;*
- the main challenges ahead;*
- the governance structure for the exploitation phase;*
- the costs to exploit the Galileo and EGNOS infrastructures beyond 2013;*
- the potential revenues generated by the Galileo and EGNOS systems.*

Who is affected?

*The European Union, its institutions and its Member States*

(i) Is EU action justified on grounds of subsidiarity? (ii) Why can the objectives of the proposed action not be achieved sufficiently by Member States (necessity test)? (iii) As a result of this, can objectives be better achieved by action by the Community (test of EU Value Added)?

*According to the Regulation 683/2008, the European satellite navigation infrastructures belong to the European Union. As owner of all related tangible and intangible assets, the European Commission, on behalf of the EU, has to ensure that all conditions to operate and exploit the systems are in place as of the date of introduction of the first positioning services in 2014.*

*The challenges addressed by this 2010 communication (governance, financing, liability...) cannot be faced by Member States, neither individually nor jointly. They can only be addressed at the EU level.*

## **B. Objectives of EU initiative**

What are the main policy objectives?

*The main policy objectives of issuing this Communication are:*

- transparency: to inform the European Parliament and the Council of the current state-of-play (mid term review) and of the main challenges ahead with regard to the exploitation of the European satellite navigation systems;*
- accountability: to examine the questions raised in Regulation 683/2008 with respect to the financing and the governance of the programmes.*

*This 2010 Communication intends to analyse the organizational set-up required for the exploitation of the European satellite navigation programmes and to identify the major milestones required to achieve the most appropriate organizational set-up on time for the start of the exploitation of Galileo i.e., in 2014. This point requires the development of a new Regulation to define the adequate institutional set-up; it would also require the creation of a new entity for the exploitation of the systems by 2013.*

*In addition, the Communication reviews the outcome of the dialogue phase of the procurement of Galileo and, based on the latest development of the programmes, it provides an evaluation on the possibility for the systems to be finalized within the current budget. It also provides estimates of the future costs and revenues to be expected from the exploitation of the systems.*

Do the objectives imply developing EU policy in new areas or in areas of strategic importance?

*The objective of this Communication itself is not to propose EU policies in new areas of strategic importance. It aims to present the main achievements of the programmes and the challenges ahead in a factual manner.*

However, further implementation of the programme will require the development of long-term policy in terms of governance and financing. The 2011 proposal for a new Regulation on the European satellite navigation programmes shall be the first step towards such long-term policies.

Besides, it is underlined that, as a result of the implementation of the European navigation satellite systems and to secure the uptake of Galileo and EGNOS by the market, EU policies can be developed for a range of areas. To secure the provision of Galileo and EGNOS services and the uptake by the market, several actions shall be required e.g., set-up of new liability regime, enabling actions to facilitate Galileo and EGNOS uptake and enhance European industries competitiveness, definition of PRS access policy etc.

A first milestone for the setting-up of such policies is the adoption of the satellite navigation applications Action Plan. The latter aims to foster the development of new GNSS applications and services, especially those based on EGNOS and Galileo. The strategic objective of this plan is to enhance the competitive positioning and the capability to innovate of the European industry, through incentives for research and innovation (in particular towards small and medium enterprises), information dissemination and some regulatory instruments (including standardisation and certification). A proposal for an Action Plan is currently being validated internally at Cabinet level.

### **C. Options**

(i) What are the policy options? (ii) What legislative or 'soft law' instruments could be considered? (iii) Would any legislative initiatives go beyond routine up-date of existing legislation?

The present Communication focuses mainly on the needs of the programmes and on defining the principles for the organizational set-up to allow for an efficient exploitation of the programmes.

In terms of organization, four main activities have been identified (1-Design, 2-Build, 3-Operate, 4-Provide the service). Taking into account those activities, integrated and non-integrated organizational schemes are analyzed. Preliminary reflections on the legal status of the entity in charge of the exploitation of the systems are presented.

In terms of financing, costs and revenues of the systems have been estimated for the exploitation phase – taking into account the latest development of the programmes, the outcome of the competitive dialogue of the procurement phase, as well as the challenges ahead in terms of cost and programme implementation.

A new Regulation will have to be considered for the setting-up of the entity in charge of the exploitation.

Several actions will require legislative initiatives beyond routine update of existing legislation like the setting up of the adequate management entity or the development of the appropriate legal frame in terms of liability.

Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

In terms of institutional set-up necessary for the exploitation of these EU systems (infrastructures), the options do not cut across several policy areas.

However, the decisions to be taken in the areas surrounding the exploitation of the systems e.g., with regards to the liability legal frame, to the financing of the systems, to the development of the market, to the PRS access policy etc. will have an impact on the other Commission departments like transport (aviation, maritime, road), telecommunication, energy, etc.

Explain how the options respect the proportionality principle

*The options identified and the actions to be taken shall be strictly limited to the need of the programmes and shall focus on the most efficient and effective way to:*

- set-up the appropriate organizational structure;*
- ensure the financial viability of the systems in the long-term (i.e., for its operations, maintenance, replacement and replenishment, future evolution);*
- provide the legal liability framework that ensures clarity in terms of responsibility in all satellite navigation applications;*
- facilitate Galileo and EGNOS uptake in the market and stimulate innovation.*

## **D. Initial assessment of impacts**

What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?

*The present communication does not propose "policy options" but rather presents the different elements required to secure the provision of Galileo services by 2014 and in the long-term, for example the crucial actions ahead would be to:*

- Refine the current governance set-up by developing and consolidating competences in the public sector;*
- Put in place that effect a specific entity for the exploitation of the systems based on several key principles:
  - This entity shall be the Implementing arm of the EC with one single line of command;*
  - This entity shall supervise operations and service provision;*
  - Simplicity;*
  - Long-term stability;*
  - Flexibility (in terms of financial and staff regulations);**
- Develop the legal/contractual framework needed to deliver these services (including for third party liability, IPRs, etc.);*
- Develop and deploy all required service facilities.*

Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?

*Some preliminary analyses have been performed in order to evaluate the funding needs to secure the exploitation of the European satellite navigation systems. The latter also review the impact of the phasing of the funding availability.*

*Final impact evaluation shall be estimated when the 2011 proposal for a new Regulation on the European satellite navigation systems will be developed, as it shall take into consideration the possible options for the future.*

Could the options have significant impacts on (i) simplification, (ii) administrative burden or on (iii) relations with third countries?

*There is no real difference between the various options in terms of simplification, administrative burden or relations with third countries.*

## **E. Planning of further impact assessment work**

When will the impact assessment work start?

*The possibility of an impact assessment will be discussed on the occasion of the drafting of a legislative proposal that will follow the conclusions of the Council and the resolutions of the European Parliament on this 2010 communication.*

(i) What information and data are already available? (ii) Will this impact assessment build on already existing impact assessment work or evaluations carried out? (iii) What further information needs to be gathered? (iv) How will this be done (e.g. internally or by an external contractor) and by when?

(v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

*These questions will be answered later when the legislative proposal will be drafted following the conclusions of the Council and the resolutions of the European Parliament on this 2010 communication.*

*However, it is important to specify that numerous studies have already been performed and report published in the area of satellite navigation systems. In addition, the Commission undertook the development of a new study with the support external independent contractors, which encompasses consultations with stakeholders, including Member States.*

Which stakeholders & experts have been/will be consulted, how and at what stage?

*Stakeholders and experts are consulted on a continuous basis, through committees and working groups. The GNSS Programme Committee is regularly involved in the related work.*