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Opinion

Title **Impact Assessment on: Enhancing development and adoption of the applications of EGNOS and GALILEO (RESUBMISSION)**

(draft version of 7 August 2009)

Lead DG **DG TREN**

1) Impact Assessment Board Opinion

(A) Context

Member States and the European Space Agency decided in 2001 to launch the European Global Navigation Satellite Systems (GNSS) project. It includes EGNOS (regional satellite based augmentation system) and GALILEO (the European satellite navigation system which should be operational in 2013). The Commission owns both systems on behalf of the EU. The delays in the roll-out of GALILEO and increasing competition from other GNSS systems have been weakening the confidence of potential businesses in its availability for downstream applications. This impact assessment accompanies the proposal to enhance development and adoption of downstream applications based on EGNOS and GALILEO.

(B) Positive aspects

The structure of the revised report and the presentation of the baseline scenario are more transparent. The revised report demonstrates better the need for action to enable the European based GNSS downstream applications industry to take full advantage of the opportunities offered by GALILEO/EGNOS. The competitive advantage that GALILEO could offer to the downstream industry compared to the GPS and potential competitors is explained better. The actions planned under option 4b are regrouped according to the nature of the intervention, as suggested by the Board. The report now provides better references to the analysis which underpins the qualitative assessment of economic, environmental and social impacts. The input from stakeholders is presented more clearly.

The Board welcomes the commitment made in section 3.5 of the report to carry out a separate Impact Assessment on regulatory measures and an ex-ante evaluation for the

actions of a financial nature that will be prepared as follow-up to this initiative.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

General recommendation: While the report has been considerably improved on the basis of the Board's recommendations in its first opinion, there remain several issues where further work is necessary. The role of market dynamics in delivering the growth potential of the downstream industry without public intervention should be further analysed, and the report should make much clearer how each of the actions proposed under the preferred option will contribute to attaining the objectives. The summary presentation of the options should be more transparent and should indicate clearly which objectives would be achieved by each policy options.

(1) Assess further the potential of market dynamics in delivering the growth potential of the downstream industry. While the presentation of the baseline scenario has been strengthened by including a more thorough analysis of the possible evolution of the global downstream market and its key players, it should analyse in greater detail why the market on its own will not lead to the uptake of the GNSS applications based on GALILEO/EGNOS. The report should explain more carefully in the baseline scenario which part of the expected benefits can be attributed to the successful uptake of GALILEO/EGNOS applications, and which part would materialise even in the absence of GALILEO/EGNOS. Where possible, the claims of stakeholders/beneficiaries should be backed up by independent assessments.

(2) Explain better how the actions that are proposed under option 4b will contribute to attaining the objectives of this initiative. While the revised report regroups the actions planned under option 4b in terms of the nature of the intervention (i.e. certification and standardisation measures, information and awareness raising campaigns, research related actions co-funded by European Community and regulatory measures), there is still a need to explain more fully how each (group of) action(s) will contribute to ensuring early adoption of EGNOS/GALILEO applications and a bigger market share of EU industry in the GNSS downstream market. The newly introduced (implicit) objective to secure a 'fair' market share of 33% of the global GNSS market (p. 40) should be discussed and justified already in the objectives section.

(3) Improve further the summary comparison of options by providing greater transparency on the extent to which each of the policy options would meet the objectives defined in section 2 of the report, and assessing the impacts against a clear baseline.

(D) Procedure and presentation

While addressing the recommendations above, the length of the report should stay close to the recommended maximum of 30 pages (excluding tables and diagrams). Figures 10 and 11 in section 4.6 should be presented in a more readable fashion and be placed in section 3.5 as they concern the definition of option 4b and not its assessment. The mention and use of study results and assessments should be consistently accompanied by precise references on their provenance, and where possible with hyperlinks. Given the

extensive nature of the Board's recommendations, the report should explain in greater detail how the revised report has taken them into account.

2) IAB scrutiny process

Reference number	2007/TREN/020 (catalogue)
Author DG	DG TREN
External expertise used	No
Date of Board Meeting	Written procedure
Date of adoption of Opinion	15 SEP. 2009 The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 17 July 2009.