



**applications industry requires public intervention of the sort envisaged here to enable it to take full advantage of the opportunities offered by GALILEO/EGNOS in a way that ensures the competitiveness of the industry. The report should regroup the actions planned under option 4b in terms of the nature of the intervention, and clarify the potential contribution of these actions in achieving the two general objectives of this initiative. Finally the report should justify better on which basis/criteria the comparison of options was done.**

**During the IAB meeting, DG TREN agreed to make the necessary changes in the impact assessment on this basis. Given the fundamental nature of these changes, the Board would like to examine and issue a new opinion on a revised report.**

**(1) Strengthen the baseline scenario to demonstrate that action is needed to promote the up-take of GALILEO/EGNOS based applications.** Given that the GNSS downstream market is characterised by a high growth rate and increasing competition, the report needs to demonstrate more thoroughly why the suggested interventions to enhance the development and adoption of applications based on GALILEO/EGNOS are necessary. The report should in particular analyse why natural market reactions such as first mover advantages/rents, will not alone be sufficient to overcome innovation obstacles and will not lead to the necessary penetration of these applications. In this context the baseline scenario should also analyse more thoroughly the possible evolution of the global downstream market and its key players. It should explain clearly the consequences of a situation where GNSS systems of potential competitors would be available earlier than GALILEO, to support the claim that the timely availability of GALILEO downstream applications is critical for the future prospects and growth potential of the European downstream industry. The report should also be clearer about the direct and indirect benefits that GALILEO offers to the downstream industry, in addition to the existing GPS system, and future alternatives.

**(2) Regroup the actions planned under option 4b in terms of the nature of the intervention, e.g. (a) certification and standardisation measures; (b) information and awareness raising campaigns; (c) research related actions co-funded by European Community and (d) regulatory measures.** The report should clarify the potential role of these actions in ensuring an early adoption of EGNOS/GALILEO applications, and in ensuring a bigger market share of EU industry in the GNSS downstream market. It should clearly identify for which actions, in particular those of financial and regulatory nature, a separate impact assessment report and/or ex-ante evaluation necessary under the Financial Regulation will be provided at a later stage. Finally, the report should assess the feasibility, proportionality and effectiveness of actions aiming to create the market demand by imposing the compulsory use of GNSS applications in some sectors, or specify that it will be done later.

**(3) Substantiate the arguments used to assess and compare the options.** The report should justify better the basis on which the comparison of options was carried out and how the conclusions concerning the effectiveness, efficiency and coherence of different options were derived. It should in particular explain better the reasoning behind the qualitative assessment of economic, environmental and social impacts, and clarify the reported timing of impacts in sections 5.3 and 5.4.

**(D) Procedure and presentation**

The different views expressed by stakeholders should be presented more clearly in the report. The length of the report should be brought closer to the recommended maximum of 30 pages.

**2) IAB scrutiny process**

Reference number	2009/TREN/020 (catalogue)
Author DG	DG TREN
External expertise used	No
Date of Board Meeting	15 July 2009
Date of adoption of Opinion	<b>17 JUL. 2009</b>