



European Economic and Social Committee

TEN/514
European GNSS Agency

Brussels, 17 April 2013

OPINION

of the

European Economic and Social Committee

on the

**Proposal for a regulation of the European Parliament and of the Council amending
Regulation (EU) No 912/2010 setting up the European GNSS Agency
COM(2013) 40 final – 2013/0022 (COD)**

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Rapporteur: **Mr Pezzini**
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On 27 February 2013, the European Council decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 912/2010 setting up the European GNSS Agency
COM(2013) 40 final - 2013/0022 (COD).

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 3 April 2013.

At its 489th plenary session, held on 17 and 18 April 2013 (meeting of 17 April), the European Economic and Social Committee adopted the following opinion by 169 votes to 1, with 5 abstentions.

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1. **Conclusions and recommendations**

- 1.1 The Committee welcomes the initiative to adapt the structures of the EU's global navigation satellite system agency in order to ensure the full independence of its bodies and a clear separation of accreditation and security activities from other activities.
- 1.2 The Committee thinks that the new framework of independence and cooperation within the European GNSS Agency (GSA) is adequate. Therefore, as things stand, the Committee supports the proposal to amend Regulation (EU) No 912/2010 setting up the GSA and recommends accepting this proposal insofar as it proves capable of fully achieving the stated objectives.
- 1.3 The Committee thus deems it important, in order to assess whether the solution adopted is in fact the best one possible, that the actual implementation of the functional structures put in place be monitored on an ongoing basis and that the Commission present regular substantiated reports in this regard.
- 1.4 The Committee highlights again the key role played by the European satellite navigation programmes EGNOS and Galileo, as a driver for innovation and competitiveness, for the benefit of the public, in the context of European space policy and the Europe 2020 strategy and in conjunction with the major global Earth monitoring and security projects, which should ensure that strong leadership and strategic independence in space can be maintained for the future of Europe.

- 1.5 In the Committee's view, the EU should realise that the objectives achieved in terms of the sustainable and peaceful integration and development of the Member States should enable the resources saved to be devoted to the accelerated development of major joint projects such as Galileo, GMES and ITER (Global Monitoring for Environment and Security – GMES – and International Thermonuclear Experimental Reactor – ITER), which are competitive at global level.
- 1.6 The Committee expresses its deep disappointment regarding the European Council's decision on 19 February 2013 to reduce the financial allocation for Galileo in the EU's multiannual financial framework for 2014-2020, and urges the EU institutions, and in particular the European Parliament, to review this decision, and at the same time to step up their commitment to GMES and ITER.
- 1.7 The Committee deems it vital to ensure the compatibility and interoperability of Galileo with other satellite navigation systems and with the European standards, adopted at global level.
- 1.8 The Committee calls for a strong support and awareness-raising campaign on the benefits deriving from the GNSS programmes, to enable the public to take optimum advantage of the new opportunities arising from the Galileo and EGNOS services.
- 1.9 The Committee also believes that construction of the Galileo Security Monitoring Centres should be accelerated.
- 1.10 The Committee expresses strong reservations about offloading existing research and innovation support activities – carried out to date by the Commission – onto agencies, and calls on it to take more account of the positive experiences here to date.
- 1.11 The Committee recommends expediting the delegation agreement between the Commission and the GSA, particularly in respect of promoting the inclusion of GNSS technologies across different areas of research and their integration in sectoral policy initiatives, while avoiding further delays, additional to those accumulated by the Galileo programme.

2. **Introduction**

- 2.1 The global positioning, timing and navigation satellite system – GNSS – is helping to drive European technological innovation, for the benefit of the public, businesses, public administrations and society, providing navigation services, creating jobs and generating further competitive economic advantages.

- 2.2 The Committee has already adopted a number of opinions on the Galileo programme¹. Security requirements play an essential role in the design, implementation and operation of the infrastructures emerging from the Galileo and EGNOS programmes.
- 2.3 It is important that the Galileo system, which has already experienced several delays, finally come into operation as soon as possible – without procedural complications or conflicts of interest – so that Europe has its own satellite navigation system, and does not have to depend on services provided by others, especially where used for military purposes.
- 2.4 The Committee is fully aware that the use of satellite navigation across a great number of fields of activity helps to increase security, and in the commercial sphere, to increase revenue, provided that there is operational continuity and no interruption to the supply of services.
- 2.5 The Commission has placed the issue of risk management – the importance of which was highlighted when the governance reform took place in 2007 – at the heart of its work. All the risks relating to the programmes are recorded centrally in a register, including those associated with the industrial supply chain, external factors such as the influence of political authorities and security requirements and internal factors such as the organisation of the programmes and the GNSS supervisory authority which, from 2007, took over the responsibilities of the former Galileo joint undertaking².
- 2.6 Each risk is allocated a degree of probability and an impact rating. The risk register covers a multitude of eventualities: technological risks; industrial risks, as regards developing integrated systems, particularly with regard to security; market risk; governance risk; and liability-related risk, relating to the infrastructure provided.
- 2.7 Where security is concerned, it needs to be remembered that, while the Commission is responsible for the management and security of the systems under the Regulation, its freedom is constrained in this area by two major factors.
- 2.7.1 Firstly, it is the Member States that define security needs, given that the threats that might affect the security of sensitive infrastructure such as that supporting satellite radio navigation are constantly changing. Covering part of such risks is a matter for the Member States.
- 2.7.2 Secondly, the GNSS Regulation (EC) No 683/2008 gives responsibility for accrediting the security of systems to the GSA. Separating the functions of management and accreditation in this way reflects good governance, and is standard practice and essential for this type of project.

¹ [OJ C 181, 21.6.2012, pp. 179-182](#); [OJ C 256, 27.10.2007, pp. 73-75](#); [OJ C 256, 27.10.2007, p. 47](#); [OJ C 324, 30.12.2006, pp. 41-42](#); [OJ C 221, 8.9.2005, p. 28](#).

² [OJ C 48, 21.2.2002, pp. 42-46](#); [OJ C 324, 30.12.2006, pp. 37-40](#).

- 2.8 As previously pointed out by the Committee, "the successful delivery and management of the European GNSS programmes, both Galileo and EGNOS, is critical to achieving the vision of smart, sustainable and inclusive growth envisioned by the Europe 2020 strategy", considering also that "the GNSS programmes, as proposed, will generate EUR 68.63 bn of net benefits to the Union during the system lifecycle of 2014-2034"³.
- 2.9 The Committee has also welcomed the stipulation that the Commission "must manage the funds allocated to the programmes, and supervise the implementation of all activities of the programmes, including those delegated to both the GSA and the European Space Agency (ESA)" and "develop a risk management mechanism"⁴.
- 2.10 The Committee deems it vital to reinforce the independence of the activities associated with security accreditation, to ensure the full separation of these activities from the other activities of the GSA Agency, so as to prevent conflicts of interest, particularly with other functions⁵, and the risk of being both judge and interested party.
- 2.11 The Committee feels that, in this new context, it is essential to ensure that the Security Accreditation Board (SAB) is able to carry out the task entrusted to it with complete independence vis-à-vis the other bodies and activities of the GSA, through a clear separation, within the Agency, between accreditation activities and other activities.
- 2.12 Furthermore, the EP has highlighted that "the long-term governance and management structure of GNSS should address the division of tasks and responsibilities between the Commission, the GSA and the ESA, as well as other relevant issues, such as appropriate cost-sharing, the revenue-sharing mechanism, the liability regime, pricing policy and the possible involvement and contribution of the private sector in the GNSS programmes"(see EP Resolution of 8 June 2011 – P7_TA(2011)0265).
- 2.13 The Council, for its part, has declared that accreditation activities – currently governed by Chapter II of Regulation (EU) No 912/2010 – should be performed in a strictly independent manner with regard to the other tasks entrusted to the GSA (see EU Council document No 11279/12 ADD 1 – 7.6.2012).
- 2.14 In order to achieve this, the Commission proposes that "Regulation (EU) No 912/2010 must be amended in order to increase the independence and powers of the Security Accreditation Board and its chairperson and to align these largely with the Administrative Board and the Executive Director of the Agency respectively, while providing for a cooperation requirement between the various bodies of the Agency."

³ [OJ C 181, 21.6.2012, pp. 179-182.](#)

⁴ [OJ C 181, 21.6.2012, pp. 179-182..](#)

⁵ [OJ C 388, 15.12.2012, p. 208.](#)

2.15 The Committee supports the Commission's proposal to amend Regulation (EU) No 912/2010 and recommends accepting the proposed rules insofar as it can be demonstrated, with the help of checks and regular reports, that they actually fulfil the stated objectives.

3. **General comments on the EU's GNSS programme**

3.1 The Committee reiterates that European space policy is a key element of the Europe 2020 strategy and a driver for innovation and competitiveness for the benefit of the public: the European satellite navigation programmes EGNOS and Galileo have a central role to play here, which must be harnessed and reinforced, together with the GMES project⁶.

3.2 The Committee emphasises the strategic importance of space policy and the GNSS programme in the drive to establish a genuine European industrial policy based on practical projects with tangible benefits for the public and for business.

3.3 The actual implementation of the European GNSS governance system will thus be crucial to assessing whether the solution adopted is in fact the best one possible. While supporting the proposed changes, the Committee thus calls for the actual implementation of the functional structures put in place to be monitored on an ongoing basis and for the Commission to present regular substantiated reports in this regard.

3.4 The Committee expresses its deep disappointment regarding the European Council's decision on 19 February 2013 to reduce the financial allocation for Galileo, in the EU's multiannual financial framework for 2014-2020, to only EUR 6.3 billion, from the EUR 7.9 billion envisaged by the Commission.

3.5 When adopting the final decision on the multiannual financial framework for 2014-2020, the Committee calls on the EU institutions, and in particular on the European Parliament, to restore the funding levels previously proposed for Galileo, and at the same time to step up their commitment to the GMES and ITER projects⁷.

3.6 Furthermore, the GSA should develop a strong support and awareness-raising campaign on the benefits deriving from the GNSS programmes, to enable the public to take optimum advantage of the new commercialisation opportunities arising from the Galileo and EGNOS services, in order to foster their market uptake and maximise the expected socio-economic benefits.

⁶ [OJ C 299, 4.10.2012, pp. 72-75.](#)

⁷ [OJ C 229, 31.7.2012, pp. 60-63.](#)

4. **Specific comments**

- 4.1 **Adequacy of the governance framework.** In view of the transfer to the GSA of the management of EGNOS exploitation and – as of January 2014 – of the exploitation phase of Galileo, the Committee thinks that the proposed new framework of independence and cooperation within the GSA is adequate and in line with the inter-institutional guidelines. It believes, however, that these positive developments should be kept under review to check whether the proposed solutions prove in practice to fulfil the stated objectives in the best way possible.
- 4.2 **Galileo Security Monitoring Centres.** Construction of the Galileo Security Monitoring Centres, in France and in the UK, should be accelerated and their structure and resources bolstered. Training measures must also be bolstered, to meet requirements in terms of access to PRS (Public Regulated Service) for PRS users.
- 4.3 **Communication activities.** The Agency's full communication campaigns should be progressively stepped up, as the Galileo services are rolled out, with a view to reaching full operational capabilities in 2018-2019. The Agency should manage centres of excellence to promote the development and uptake of GNSS applications, and develop "a brand strategy and a quality mark for EGNOS/GALILEO technology and services (by "quality mark" the Committee means a trademark system of licensing approved EGNOS/GALILEO technology providers to sell technology and solutions that meet rigorous technical standards of excellence. For example, such a trademark system was used very successfully by the global WiFi Alliance to accelerate the market success of wireless LAN technology. See http://en.wikipedia.org/wiki/Wi-Fi_Alliance)⁸.
- 4.4 **Research and innovation.** The Committee has expressed strong reservations about the move towards "offloading existing research and innovation support tasks and activities onto agencies, with the Commission restricting itself to dealing with legal matters and financial administration" and has recommended that "experience with large-scale projects of this nature, that venture into new technological territory, be better taken into account by creating an appropriate 'contingency' of e.g. 10%"⁹.

⁸ [OJ C 107, 6.4.2011, pp. 44-48.](#)

⁹ [OJ C 229, 31.07.2012, pp. 60-63.](#)

- 4.5 **Timeframe and procedures for implementation.** The Committee is concerned about the delays in adopting the regulation on the implementation and exploitation of European satellite navigation systems, to replace Regulation (EC) No 683/2008, which is currently under discussion at the European Parliament and the Council, given that this is closely linked to the Commission proposal under review here.

Brussels, 17 April 2013.

The President
of the
European Economic and Social Committee

Henri Malosse
