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COMMISSION OF THE EUROPEAN COMMUNITIES

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2009/0047 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Council Regulation (EC) No 1321/2004 on the establishment of structures for
the management of the European satellite radio-navigation programmes.**

(presented by the Commission)

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

Grounds for and objectives of the proposal

To bring the provisions of Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes into line with those of Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo). In recital 17 of Regulation (EC) No 683/2008, the European Parliament and the Council also invited the Commission to ‘put forward a proposal in order to align formally the management structures of the programmes as set out in Regulation (EC) No 1321/2004 with the new roles of the Commission and the Authority’.

General background

In order to reflect the fact that the Galileo Joint Undertaking would cease activities on 31 December 2006, Regulation (EC) No 1321/2004, amended by Council Regulation (EC) No 1942/2006 of 12 December 2006, established a Community agency, called the European GNSS (Global Navigation Satellite System) Supervisory Authority. The Authority’s original role and tasks were defined in order to meet the requirements of the system provided for at that time for the concession for the management and financing of the Galileo programme’s deployment and operational phases. This system was discontinued in 2007, and responsibility for the management and financing of the deployment phase of the programme will no longer lie with the private sector.

Regulation (EC) No 683/2008, which entered into force on 25 July 2008, defines the new framework for the public governance and financing of the Galileo and EGNOS programmes. It sets out the principle of the strict division of responsibilities between the European Community, represented by the Commission, the Authority and the European Space Agency, granting the Commission responsibility for the management of the programmes and setting out precisely the tasks given at that time to the Authority. It also provides that the Authority will accomplish such tasks entrusted to it whilst respecting the Commission’s role as manager of the programmes and in accordance with guidelines issued by the Commission. Regulation (EC) No 683/2008 therefore implicitly and substantially amended Regulation (EC) No 1321/2004.

For the three reasons given above, it is now important to bring certain provisions of Regulation (EC) No 1321/2004 into line with those of Regulation (EC) No 683/2008.

Firstly, the current situation, characterised by the coexistence of two texts which contradict each other in places, is unsatisfactory from a legal point of view. The uncertainty and ambiguity created by this situation must be removed as soon as possible, so as to ensure the credibility of the programmes’ legal framework, particularly vis-à-vis third parties.

Secondly, a solid framework for security is urgently required. Regulation (EC) No 683/2008 stipulates that the Commission is to manage all questions relating to the security of the systems, but also makes the Supervisory Authority responsible for

ensuring security accreditation. The precise role of the Authority in this regard therefore needs to be quickly clarified.

Thirdly, there is a need to ensure good governance for these programmes. Although Regulation (EC) No 683/2008 implicitly and comprehensively amended the Supervisory Authority's responsibilities, it had no impact on its internal organisation, and the Commission's influence in this area continues to be very limited. In order to ensure that the Authority acts while respecting the 'Commission's role as manager of the programmes' and 'in accordance with guidelines issued by the Commission', as is now provided for by Regulation (EC) No 683/2008, it is necessary to make changes to increase the Commission's influence within the Authority's internal organisation. This approach also reflects the new policy defined by the Commission with regard to Community agencies.

Existing provisions in the area of the proposal

Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes, amended by Council Regulation (EC) No 1942/2006 of 12 December 2006.

Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo).

The aim of the proposal is to amend the first of these two regulations.

Consistency with the other policies and objectives of the Union

The Galileo and EGNOS programmes fall entirely within the framework of the 'Lisbon Strategy'.

CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

Consultation of stakeholders

The consultation of stakeholders does not apply in this case, since the proposal involves bringing an existing text into line with another one, adopted more recently.

Collection and use of expertise

It has not been necessary to call in outside expertise.

Impact assessment

The only logical option is to bring the text of Regulation (EC) No 1321/2004 into line with the provisions of Regulation (EC) No 638/2008, which came into force on 25 July 2008.

The other option would be to leave the text of Regulation (EC) No 1321/2004 unchanged, which would not be satisfactory from a legal point of view, would cause major security problems and would not ensure the good governance of these

programmes.

LEGAL ELEMENTS OF THE PROPOSAL

Summary of the proposed action

Amendment to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes.

Legal basis

Article 156 of the Treaty.

Subsidiarity principle

The proposal concerns an area that falls under exclusive Community competence. The subsidiary principle therefore does not apply.

Proportionality principle

The proposal complies with the proportionality principle for the following reasons.

The action proposed is proportional to its desired objective in so far as, firstly, only a regulation may amend a previous regulation, and secondly, the measures proposed solely involve amending the text in the light of the legal situation resulting from the entry into force of Regulation (EC) No 683/2008.

The financial and administrative work resulting from the proposal are insignificant, given that the financial and administrative questions relating to the Galileo and EGNOS programmes have already been discussed in Regulation (EC) No 683/2008.

Choice of instruments

Proposed instrument(s): Regulation.

Other instruments would not have been appropriate for the following reasons.

Under the principle of congruent forms, only a regulation may amend a previous regulation.

BUDGETARY IMPLICATION

The proposal has no implication for the Community budget.

ADDITIONAL INFORMATION

Simplification

The proposal simplifies the legislative framework.

The measures proposed help avoid any risk of confusion or ambiguity in legal terms

between two successive texts which contradict each other in part. They are therefore designed to rationalise the Community *acquis*.

Repeal of existing legislation

The adoption of this proposal will mean that some legislative provisions must be repealed.

European Economic Area

This draft instrument concerns a matter covered by the EEA Agreement and should therefore be extended to the European Economic Area.

Detailed explanation of the proposal by chapter or by article

To amend the aim and objective, tasks and name of the Community agency established under Regulation (EC) No 1321/2004, so as to amend them to reflect the provisions of Regulation (EC) No 683/2008.

To increase the role and the powers of the Commission within this agency in order to ensure that, in accordance with the provisions of Regulation (EC) No 683/2008, the agency performs its task whilst respecting the Commission's role as manager and in accordance with the guidelines provided by the Commission.

To set up a framework within which the agency assumes the responsibility for providing security accreditations, which it has been entrusted with, and to this end, to set up, within the agency, a committee for European GNSS systems' security accreditations.

To remove the provisions of Regulation (EC) No 1321/2004 on the ownership of systems, once the European Community becomes owner of these systems in accordance with the provisions of Regulation (EC) No 683/2008.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio-navigation programmes.

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 156 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Economic and Social Committee²,

Having regard to the opinion of the Committee of the Regions³,

Acting in accordance with the procedure laid down in Article 251 of the Treaty,

Whereas:

- (1) Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes⁴, as amended by Council Regulation (EC) No 1942/2006 of 12 December 2006⁵ in order to reflect the fact that the Galileo Joint Undertaking would cease activities on 31 December 2006, established a Community agency, called the European GNSS Supervisory Authority, hereinafter referred to as the 'Authority'.
- (2) The role and the tasks of the Authority, set out in Articles 1 and 2 respectively of Regulation (EC) No 1321/2004, were defined in order to meet the requirements of the system for the concession of the management and financing of the deployment and operational phases of the Galileo programme. This system was discontinued in 2007, and responsibility for management and financing of the deployment phase of the programme will no longer be awarded to the private sector.
- (3) Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes

¹ OJ C , , p. .

² OJ C , , p. .

³ OJ C , , p. .

⁴ OJ L 246, 20.7.2004, p. 1.

⁵ OJ L 367, 22.12.2006, p. 18.

(EGNOS and Galileo)⁶ defines the new framework for the public governance and financing of the Galileo and EGNOS programmes. It sets out the principle of the strict division of responsibilities between the European Community, represented by the Commission, the Authority and the European Space Agency (hereafter referred to as 'ESA'), granting the Commission responsibility for the management of the programmes and setting out the tasks given at that time to the Authority. It also provides that the Authority, when accomplishing such tasks entrusted to it, will ensure that the Commission's role as manager of the programmes is respected and that the Authority will act in accordance with guidelines issued by the Commission.

- (4) As a result, the provisions of Council Regulation (EC) No 1321/2004 must be brought into line with those of Regulation (EC) No 683/2008 of the European Parliament and of the Council.
- (5) Firstly, the title of the regulation should therefore be changed, as it should no longer generally refer to the structures for the management of European satellite radio-navigation programmes, but should only make reference to the creation of a Community agency. Furthermore, the name of this agency, in view of its reduced sphere of activity, should no longer be called the 'European GNSS Supervisory Authority', but rather the 'GNSS Agency' (hereinafter 'Agency').
- (6) It is also necessary to amend the first article of Regulation (EC) No 1321/2004 on its aim and objectives, which must be exclusively the institution of the Agency, with no provision made for the Agency being responsible for the management of public interests relating to GNSS European programmes and for regulating such programmes.
- (7) It is also important to amend Article 2 of Regulation (EC) No 1321/2004 on the tasks of the Agency, and, in this regard, to ensure that its missions, as referred to in Article 16 of Regulation (EC) No 683/2008, are defined.
- (8) The new title of Regulation (EC) No 1321/2004 and the new name of the Agency mean that all parts of the text of this regulation mentioning the previous title and name should be amended.
- (9) Furthermore, since Regulation (EC) No 683/2008 makes the European Community the owner of all tangible and intangible assets created or developed under the programmes, the provisions of Regulation (EC) No 1321/2004 concerning the ownership of the systems are no longer applicable and should be deleted.
- (10) In order to ensure that the Agency accomplishes its tasks whilst respecting the Commission's role as manager of the programmes and in accordance with guidelines issued by the Commission, it is also important, firstly, to state explicitly that the Agency be managed by its Executive Director under the supervision of the Administrative Board, in accordance with the guidelines provided to the Agency by the Commission, and secondly, to provide that the Commission representative on the Agency's Administrative Board has half the board's votes.
- (11) It is also necessary to allow the European Parliament to be represented on the Agency's Administrative Board as an observer, in view of the fact that Regulation

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OJ L 196, 24.7.2008, p. 1.

(EC) No 683/2008 highlighted the usefulness of close cooperation between the European Parliament, the Council and the Commission. In order to ensure good governance of the programmes, the Executive Director's term of office should therefore be reduced from five to four years.

- (12) Furthermore, in view of the scope of the tasks entrusted to the Agency, which include security accreditation, the Agency's Scientific and Technical Committee should be disbanded and its System Security and Safety Committee replaced by a security accreditation committee for European GNSS systems, to be responsible for security accreditation, and formed of representatives from the Member States and the Commission, with the SG/HR and ESA having an observer role.
- (13) Accreditation activities should be carried out independently of the authorities responsible for managing the programmes, notably the Commission, the other bodies of the Agency and ESA, and other entities responsible for implementing provisions with regard to security. As a result, the security accreditation committee for European GNSS systems should also be the authority for accrediting security systems and also, within the Agency, an autonomous body that takes its decisions independently.
- (14) Given that the Commission, in accordance with Regulation (EC) No 683/2006, manages all aspects relating to system security, in order to ensure efficient governance of security issues and so that the principle of strict division of responsibilities provided for under that Regulation is complied with, it is essential for the Committee's activities to be strictly limited to the security accreditation of systems and that under no circumstances should they replace the Commission's activities.
- (15) It is also important for accreditation activities to be coordinated with the work of authorities responsible for managing the programmes and other entities responsible for implementing security provisions. With this in mind, it is essential for the security accreditation committee for European GNSS systems to be chaired by the Commission's representative.
- (16) Given the specific nature and complexity of the systems, it is essential for the security accreditation committee for European GNSS systems to work on a collective basis, by making efforts to reach a consensus and by involving all parties with an interest in security, and for a permanent monitoring procedure to be put in place so that the high number of individual decisions can be managed as effectively as possible. It is also imperative that accreditation activities be entrusted to distinguished persons, duly qualified in the field of accrediting complex systems and with an adequate level of security clearance.
- (17) In order to ensure that this committee can accomplish its tasks, it should also be provided that Member States supply the committee with any useful documentation, that they should grant appointed staff access to any areas relevant to systems security situated on their territory, and that they should be responsible at local level for the accreditation of the security of areas located within their territory.
- (18) In order to ensure sound administrative management, the Agency's Administrative Board must be able to take any decision which may ensure that the Agency can accomplish its task. Similarly, the date on which the Administrative Board of the Agency should send the various Community institutions the annual report on the

activities and perspectives of the Agency (after adoption thereof) in accordance with Article 6(g) of Regulation (EC) No 1321/2004, must be the same as that on which the Executive Director of the Agency sends the final Agency accounts to these institutions in accordance with Article 12(6) of that Regulation.

- (19) The systems established within the framework of the European satellite radio-navigation programmes are infrastructures whose use extends well beyond the national boundaries of the Member States, and are infrastructures set up as trans-European networks in accordance with the provisions of Article 156 of the Treaty. Furthermore, the services provided via such systems contribute to the development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.
- (20) Regulation (EC) No 1321/2004 should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Regulation (EC) No 1321/2004

Regulation (EC) No 1321/2004 is amended as follows:

- (1) The title of the regulation shall be ‘Council Regulation (EC) No 1321/2004 setting up the GNSS Agency.’
- (2) Articles 1, 2 and 3 are replaced by the following three articles:

‘Article 1

Aim and objective

This Regulation sets up a Community agency called the GNSS Agency (hereinafter ‘the Agency’).

Article 2

Tasks

Subject to the provisions of Article 12 of Regulation (EC) No 683/2008 of the European Parliament and of the Council and, respecting the Commission’s role as manager of the European GNSS programmes, the Agency shall accomplish the following tasks, within the framework of these programmes, in accordance with guidelines issued by the Commission:

- a) with regard to the security of the European GNSS programmes, and without prejudice to the provisions of Articles 13 and 14 of Regulation (EC) No 683/2008 of the European Parliament and the Council, it shall perform:

- i) security accreditation; to this end it shall initiate and monitor the implementation of security procedures and perform security audits on European GNSS systems;
 - ii) the operation of the Galileo security centre, implemented in accordance with decisions taken pursuant to Article 13 of Regulation (EC) No 683/2008 of the European Parliament and the Council and the instructions provided under Joint Action 2004/552/CFSP;
- b) it shall contribute to the preparation of the commercialisation of European GNSS systems, including the necessary market analysis;
- c) it shall also accomplish other tasks that may be entrusted to it by the Commission, in accordance with Article 54(2)(b) of the Financial Regulation, addressing specific issues linked to the European GNSS programmes.

Article 3

Bodies

The bodies of the Agency shall be the Administrative Board, the Security Accreditation Committee for European GNSS Systems and the Executive Director.'

(3) Article 5(2) is replaced by the following:

'2. The Administrative Board shall be composed of one representative appointed by each Member State and one representative appointed by the Commission. The duration of the term of office of the Board members shall be five years. The term of office may be renewed once. A representative from the European Parliament shall attend the Administrative Board's meetings as an observer.'

(4) The first subparagraph of Article 5(7) is replaced by the following:

'7. Each member representing a Member State shall have one vote. The member representing the Commission shall have a vote equal to that of the total votes of representatives of the Member States. The Executive Director of the Agency shall not vote.'

(5) Article 6(d) is replaced by the following:

'd) be responsible for all decisions related to the tasks set out in Article 2 and concerning the operation of the Galileo security centre; in all cases, these decisions shall be taken after the Commission has been consulted;'

(6) In Article 6(g), the words 'by 15 June' shall be replaced by the words 'by 1 July';

(7) Point i) as follows, shall be added to Article 6:

'i) ensure that the Agency carries out the work entrusted to it, under the conditions set out in this Regulation, and shall take any decision used for this task.'

- (8) Article 7(1) shall be replaced by the following:
- ‘ 1. The Agency shall be managed by its Executive Director, who shall carry out his duties under the supervision of the Administrative Board in accordance with the guidelines provided to the Agency by the Commission.’
- (9) The last subparagraph of Article 7(2) shall be replaced by the following:
- The Executive Director's term shall be four years. This term of office shall be renewable once for another four-year period.’
- (10) Article 8(g) shall be replaced by the following:
- ‘g) shall define the organisational structure of the Agency and submit it for approval to the Administrative Board;’
- (11) Article 9 is deleted;
- (12) Article 10 is replaced by the following article:

‘Article 10

Security Accreditation Committee for European GNSS Systems

1. A Security Accreditation Committee for European GNSS Systems shall be established within the Agency in accordance with this article in order to perform the mission entrusted to the Agency with regard to accreditation under Article 2(a)(i). The committee shall be the accreditation authority for security systems.

2. The security accreditation of systems involve establishing systems’ compliance with the security requirements referred to Article 13 of Regulation (EC) No 683/2008, thus ensuring that these requirements are met in the course of their use. They shall involve formal validation decisions (‘accreditation decisions’) being made.

The work of the committee shall be strictly limited to the accreditation activities defined above and under no circumstances may it replace the work entrusted to the Commission under Article 13 of Regulation (EC) No 683/2008.

3. The committee shall be composed of one representative per Member State and one from the Commission, chosen from among acknowledged accreditation experts. A representative of the SG/HR and an ESA representative shall attend committee meetings as observers.

4. In carrying out its tasks, the committee shall observe the following principles:

- tasks shall be carried out on a collective basis, with efforts being made to reach a consensus and involving all parties with an interest in security issues;
- a permanent monitoring procedure shall be set up to ensure that the high number of individual decisions can be managed as effectively as possible.

- the accreditation activities shall be entrusted to distinguished persons, duly qualified in the field of accrediting complex systems and with an adequate level of security clearance;

- accreditation activities shall be carried out while reconciling the requirement for independence and the need for adequate coordination, both as regards the authorities responsible for managing the programmes and the authorities responsible for implementing security provisions.

5. The committee shall be chaired by a representative of the Commission. The committee shall establish its rules of procedure.

6. The committee shall have all access to all resources necessary for the performance of its tasks, notably in order to open files, initiate and monitor the implementation of security procedures and perform system security audits, prepare decisions and assume responsibility for its secretariat, in conjunction with the Commission, the SG/HR, ESA and the Member States.

7. The committee shall reach decisions on the basis of majority voting, as provided for in Article 205(2) of the Treaty. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The chairman of the committee shall not vote.

Where appropriate, the Commission shall inform the European GNSS programmes committee set up under Article 19 of Regulation (EC) No 683/2008 of the impact of the committee's decisions on the smooth running of the programmes.

8. Whenever the security of the European Union or its Member States may be affected by the deliberations of the committee, the procedures set out in Council Joint Action 2004/552/CFSP of 12 July 2004 on aspects of the operation of the European satellite radio-navigation system affecting the security of the European Union⁷ shall apply.

9. The Member States shall:

- transmit all useful documentation to the committee;
- authorise staff appointed by the committee to have access to any areas affecting the security of systems located upon their territory;
- be responsible, at local level, for the accreditation of security of areas located upon their territory and forming part of the security accreditation area for European GNSS systems; cooperate, to this end, with the committee.'

(13) Article 11(2) shall be replaced by the following:

'2) The expenditure of the Agency shall cover staff, administrative and infrastructure expenditure, operating costs and expenditure associated with the functioning of the European GNSS systems security accreditation committee and the contracts and

⁷ OJ L 246, 20.7.2004, p. 30.

agreements concluded by the Agency in order to accomplish the tasks entrusted to it.’;

(14) Article 22 is deleted;

(15) In all articles where it appears, the word ‘Agency’ shall be replaced by the word ‘Agency’.

Article 2

Entry into force

This Regulation shall enter into force on the [twentieth] day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. TITLE OF THE PROPOSAL:

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio-navigation programmes.

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities: Energy & Transport

Heading 06 02: Inland, air and maritime transport

European satellite radio-navigation programmes (EGNOS and Galileo)

3. BUDGET LINES

3.1. Budget lines [operational lines and related technical and administrative assistance lines (ex- BA lines)] including headings:

06 02 09 01 Galileo Supervisory Authority — Subsidy under Titles 1&2

06 02 09 02 Galileo Supervisory Authority — Subsidy under Title 3

3.2. Duration of the action and of the financial impact:

The European GNSS Supervisory Authority is a regulatory Community agency with an unlimited duration.

3.3. Budgetary characteristics:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
06020901	NCE	DA	NO	YES ⁸	NO	No 1.A
06020902	NCE	DA	NO	YES	NO	No 1.A

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

⁸ Specific agreement currently being negotiated.

Type of expenditure	Section No.		2009	2010	2011	2012	2013	n +5 and later	Total
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Operational expenditure⁹

Commitment Appropriations (CA)	8.1.	a	7.800 ¹⁰	7.890	8.200	9.600	11.500		
Payment Appropriations (PA)		b	7.800	7.890	8.200	9.600	11.500		

Administrative expenditure within reference amount¹¹

Technical & administrative assistance (NDA)	8.2.4.	c							
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a + c	7.800¹²	7.890	8.200	9.600	11.500		
Payment Appropriations		b + c	7.800	7.890	8.200	9.600	11.500		

Administrative expenditure not included within reference amount¹³

Human resources and associated expenditure (NDA)	8.2.5.	d	0.122	0.122	0.122	0.122	0.122		
Administrative costs, other than human resources and associated expenses, not included in reference amount (NDA)	8.2.6.	e							

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a + c + d + e	7.922	8.012	8.322	9.722	11.622		
TOTAL PA including cost of Human Resources		b + c + d + e	7.922	8.012	8.322	9.722	11.622		

⁹

Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

¹⁰

Including 2 million of assigned revenue appropriations from the surplus from the 2007 year, including the EUR 390 000 reserve for Title 3.

¹¹

Expenditure falling under article xx 01 04 of Title xx.

¹²

Including 2 million of assigned revenue appropriations from the surplus from the 2007 year, including the EUR 390 000 reserve for Title 3.

¹³

Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
.....	f							
TOTAL CA including co-financing	a + c + d + e + f							

4.1.2. Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement¹⁴ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact - the effect on revenue is as follows:

EUR million (to one decimal place)

		Prior to action [Year n- 1]	Situation following action					
Budget line	Revenue		[Year n]	[n + 1]	[n + 2]	[n + 3]	[n + 4]	[Year n+5] ¹⁵
	a) Revenue in absolute terms							
	b) Change in revenue	Δ						

¹⁴ See points 19 and 24 of the Interinstitutional agreement.

¹⁵ Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

4.2. Human Resources FTE (including officials, temporary and external staff) - see detail under point 8.2.1.

Annual requirements	2009	2010	2011	2012	2013	n +5 and later
Total staff numbers	1	1	1	1	1	

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

Regulation (EC) No 1321/2004 needs to be amended explicitly and quickly for the following reasons:

- (1) The current situation, which can be characterised by the coexistence of two texts which in places contradict each other – Regulation (EC) No 1321/2004 and Regulation (EC) No 683/2008 – is unsatisfactory from a legal point of view. The uncertainty and ambiguity created by this situation must be removed as soon as possible and the provisions of Regulation (EC) No 1321/2004 amended to bring them into line with those of Regulation (EC) No 683/2008. It is a question of ensuring the credibility of the legal framework of the programmes, particularly vis-à-vis third parties.
- (2) Regulation (EC) No 683/2008 provides that the Commission is to manage all aspects relating to system security, but at the same time entrusts the Supervisory Authority to ensure accreditation with regards to security. The precise role of the Authority as regards security and accreditation needs to be quickly clarified.
- (3) There is a need for public governance of the programmes. Regulation (EC) No 683/2008 does not change the Authority’s internal organisation, over which the Commission’s influence continues to be very limited. In order to ensure that the Authority now acts while respecting ‘the Commission’s role as manager of the programmes’ and ‘in accordance with guidelines issued by the Commission’, this situation needs to be rectified.

It should also be noted that in recital 17 of Regulation (EC) No 683/2008, the European Parliament and the Council asked the Commission to ‘put forward a proposal in order to align formally the management structures of the programmes as set out in Regulation (EC) No 1321/2004 with the new roles of the Commission and the Authority’.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

As indicated in recital 33 of Regulation (EC) No 683/2008, the establishment of satellite radio-navigation systems cannot be sufficiently achieved by the Member

States since this objective exceeds the financial and technical capabilities of any single Member State. Action at Community level is therefore the most appropriate basis for completing the European GNSS programmes (Galileo and EGNOS).

Furthermore, for the reasons set out in point 5.1 above, the proposal is of course compatible with Regulation (EC) No 683/2008, which constitutes the basic act for European GNSS programmes and provides, *inter alia*, for the financing thereof during the 2008-13 period.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

Under this amendment to a regulation, the agency has the following objectives:

- security accreditation; the agency is to initiate and monitor the implementation of security procedures and perform security audits on European GNSS systems;
- contribute to the preparation of the commercialisation of European GNSS systems, including the necessary market analysis;
- operate the Galileo security centre, implemented in accordance with decisions taken pursuant to Article 13 of Regulation (EC) No 683/2008 of the European Parliament and the Council and the instructions provided under Joint Action 2004/552/CFSP;

It should be noted that the financial programming made explicit reference to objectives 1 and 2, since they already featured in the tasks entrusted to the agency under Regulation (EC) No 1321/2004, as amended by Regulation 1942/2006. However, the amendment which is the subject of this document mentions a third responsibility (the operation of the security centre), which has a major impact on the agency's staffing levels and therefore on budgetary programming, particularly in the last two years (when the security centre began its activities).

5.4. Method of Implementation (indicative)

- Centralised Management***
 - Directly by the Commission
 - Indirectly by delegation to:
 - Executive Agencies
 - Bodies set up by the Communities as referred to in art. 185 of the Financial Regulation
 - National public-sector bodies/bodies with public-service mission
- Shared or decentralised management***
 - With Member states

- With Third countries
- Joint management with international organisations (please specify)*

Relevant comments:

6. MONITORING AND EVALUATION

6.1. Monitoring system

The Agency's accounts will be submitted for the approval of the Court of Auditors, and subject to the discharge procedure. The Commission's Internal Audit Service will be the agency's internal auditor.

6.2. Evaluation

6.2.1. Ex-ante evaluation

An ex-ante evaluation was carried out when the agency was set up in 2004.

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

This amendment to the agency's rules of procedure is designed to take into account the lessons learned from the experience of managing the agency and its contribution and its role in European satellite radio-navigation programmes.

It forms part of a wider assessment of the management of European satellite radio-navigation programmes and which has resulted in the adoption of Regulation No 683/2008.

6.2.3. Terms and frequency of future evaluation

7. ANTI-FRAUD MEASURES

The agency is subject to monitoring by the Anti-Fraud Office.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of outputs	Av. cost	2009		2010		2011		2012		2013		Year 5 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost								
OPERATIONAL OBJECTIVE No.1 ¹⁶ ...	Security accreditation															
Title 1&2				2.300		3.100		3.200		3.300		3.500				15.400
Title 3				1.700		1.500		1.500		1.500		1.500				7.700
Subtotal Objective 1				4.000		4.600		4.700		4.800		5.000				23.100
OPERATIONAL OBJECTIVE No.2...	Assisting preparation for commercialisation															
Title 1&2				2.200		2.290		2.300		2.400		2.500				11.690
Title 3				1.600		1.000		1.000		1.000		1.000				5.600
Subtotal Objective 2				3.800		3.490		3.300		3.400		3.500				17.290
OPERATIONAL	Operation of the Galileo security centre															

¹⁶ As described under Section 5.3

OBJECTIVE No.n															
Title 1&2				0		0		0.200		1.400		3.000			4.600
Title 3				0		0		0		0		0			0
Subtotal Objective 3				0		0		0.200		1.400		3.000			4.600
TOTAL COST				7.800		7.800		8.200		9.600		11.500			44.990
Title 1&2				4.500		5.390		5.700		7.100		9.000			31.690
Title 3				3.300		2.500		2.500		2.500		2.500			13.300

Titles 1 & 2 correspond to staffing levels of 23 temporary agents (TAs) and 12 contract agents (CAs) or seconded national experts (SNEs). Title 2 corresponds in particular to expenditure not directly proportional to staff due to the temporary reduction of Agency staff levels (particularly the hire of premises adapted for 60 people).

Title 3 is EUR 3 300 million, after taking into account the use of EUR 2 million from assigned revenue due to the carry-over from the 2007 year, and taking into account the amounts put in reserve by the Parliament (0.390 million). It is important to note that activities related to the administration of the Agency, and particularly to the requirements of Community fund management quality, represent an operating budget component which cannot be reduced and which is a major burden on Title 1&2 (autonomy of computer systems, financial autonomy, interface with the services of the other institutions, etc.).

In 2010, the increase in Titles 1&2 corresponds to the addition of five TAs, one of which to support the Agency's administrative structure, and four of which relate to activities related to system security. Expenditure not directly proportional to staff is primarily linked to the cost of recruiting these new staff members and the necessary IT updates (the agency having inherited some equipment from the Galileo Joint Undertaking, acquired in 2005 and which will need to be replaced). Title 3 is reduced to 2 500. Title 3 is reduced to 2 500, a sum which should mean the Authority will continue to be able to carry out individual market surveys and studies on security issues using its own budget. This sum is maintained for subsequent years (2011-13).

In 2011, the increase is limited to one temporary agent (security), specifically responsible for the security centre project and one contract agent (operations).

In 2012, the start of the operation of the Galileo security centre will mean a significant increase in staff numbers, with 8 additional temporary agents being assigned to the centre. This corresponds to the start-up phase (establishing procedures, systems testing environments, training, etc.) for this centre. A contract agent post will also be created to support this centre (accounting, administration, etc.).

In 2013, the centre will be fully operational (24 hours a day, 7 days a week), which will mean five additional temporary agents assigned to the centre.

It is assumed that the centre will be based in Brussels within pre-existing infrastructure and premises will therefore not have to be adapted significantly. If the centre is based elsewhere, the budgetary impact of this will have to be examined at the time this decision is made. The size of the teams is the result of initial studies requested by the Authority and has been compared to the provision made for this type of 24/7 centre in other areas (particularly EMSA).

Staffing forecasts are as follows:

	2009	2010	2011	2012	2013
Security Accreditation	9	13	14	15	15
<i>Temporary Agents</i>	5	9	10	10	10
<i>Contract Agents/SNEs</i>	4	4	4	5	5
Assisting preparation for commercialisation	9	9	9	9	9
<i>Temporary Agents</i>	5	5	5	5	5
<i>Contract Agents/SNEs</i>	4	4	4	4	4
Operation of the Galileo security centre	0	0	0	8	13
<i>Temporary Agents</i>	0	0	0	8	13
<i>Contract Agents/SNEs</i>	0	0	0	0	0

Support & Management	17	18	19	19	19
<i>Temporary Agents</i>	13	14	14	14	14
<i>Contract Agents/SNEs</i>	4	4	5	5	5
Total	<u>35</u>	<u>40</u>	<u>42</u>	<u>51</u>	<u>56</u>
<i>Temporary Agents</i>	23	28	29	37	42
<i>Contract Agents/SNEs</i>	12	12	13	14	14

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
		Year n	Year n + 1	Year n + 2	Year n + 3	Year n + 4	Year n + 5
Officials or temporary staff ¹⁷ (XX 01 01)	A*/AD						
	B*, C*/AST						
Staff financed ¹⁸ under Art. XX 01 02							
Other staff financed ¹⁹ under Art. XX 01 04/05							
TOTAL							

8.2.2. Description of tasks deriving from the action

The activities entrusted to the European GNSS Supervisory Authority are as follows:

- (a) As regards the security of European GNSS programmes, it is responsible for:
- i) security accreditation; to this end it initiates and monitors the implementation of security procedures and performs security audits on European GNSS systems;
 - ii) the operation of the Galileo security centre, implemented in accordance with decisions taken pursuant to Article 13 of Regulation (EC) No 683/2008 of the European Parliament and the Council and the instructions provided under Joint Action 2004/552/CFSP;
- (b) it is to contribute to the preparation of the commercialisation of the European GNSS systems, including the necessary market analysis;
- (c) it is also to accomplish other tasks that may be entrusted to it by the Commission, in accordance with Article 54(2)(b) of the Financial Regulation, addressing specific issues linked to the European GNSS programmes.

8.2.3. Sources of human resources (statutory)

- Posts currently allocated to the management of the programme to be replaced or extended

¹⁷ Cost of which is NOT covered by the reference amount

¹⁸ Cost of which is NOT covered by the reference amount

¹⁹ Cost of which is included within the reference amount

- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

8.2.4. *Other Administrative expenditure included in reference amount (XX 01 04/05 - Expenditure on administrative management)*

EUR million (to 3 decimal places)

Budget line (number and heading)	Year n	Year n + 1	Year n + 2	Year n + 3	Year n + 4	Year n + 5 and later	TOTAL
1. Technical and administrative assistance (including related staff costs)							
Executive agencies ²⁰							
Other technical and administrative assistance							
- <i>intra muros</i>							
- <i>extra muros</i>							
Total technical and administrative assistance							

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n + 1	Year n + 2	Year n + 3	Year n + 4	Year n + 5 and later
Officials and temporary staff (XX 01 01)	0.122	0.122	0.122	0.122	0.122	
Staff financed by Art XX 01 02 (auxiliary, SNEs, contract staff, etc.) (specify budget line)						
Total cost of Human Resources and associated costs (NOT in reference amount)						

Calculation – *Officials and Temporary agents*

²⁰ Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

A full time equivalent official or temporary agent, to ensure supervision of the agency

Calculation – *Staff financed under art. XX 01 02*

8.2.6. *Other administrative expenditure not included in reference amount*

EUR million (to 3 decimal places)

	Year n	Year n + 1	Year n + 2	Year n + 3	Year n + 4	Year n + 5 and later	TOTAL
XX 01 02 11 01 - Missions							
XX 01 02 11 02 - Meetings & Conferences							
XX 01 02 11 03 - Committees ²¹							
XX 01 02 11 04 - Studies & consultations							
XX 01 02 11 05 - Information systems							
2. Total Other Management Expenditure (XX 01 02 11)							
3. Other expenditure of an administrative nature (specify including reference to budget line)							
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)							

Calculation - *Other administrative expenditure not included in reference amount*

²¹ Specify the type of committee and the group to which it belongs.