

Good morning, ladies and gentlemen

I should like to say a few words about my opinion with regard to the Commission legislative proposal on the Implementation and Exploitation of European Satellite Navigation systems.

The Galileo and EGNOS programmes have been designed to establish a European Global Navigation system. The two programmes represent a single navigation system. The fully deployed system will be composed of 30 satellites and associated ground infrastructure. It will be responsible for such things as power grid synchronization, electronic trading, effective

road, sea and air traffic management and so on. It is estimated that already 6-7% of Europe's GDP, or €800 billion, relies on satellite navigation applications. Most of the funds spent on the Galileo and EGNOS programmes flow directly into the European economy.

Turning now to the Commission proposal, the Commission has put forward a new framework for the financing and governance of these two programmes. I should like to compliment the Commission on their work so far. In particular, I endorse the proposal to continue funding these programmes within the upcoming MFF.

The COMM includes a maximum amount of €7 billion in commitment appropriations at 2011 prices

(about EUR 7.9 billion in current prices) for these programmes. It also includes a financial envelope that will cover potential financial and exploitation risks. This envelope amounts to € 1005 million or a little over a further €1 billion.

As such

*either* any overruns in spending over the 1 billion safety cushion would have to be cut back to respect the original budget,

*or* Article 14 of the MFF Regulation would need to be amended by a unanimous Council decision with the consent of the European Parliament.

This amount is, therefore, "ring-fenced" in the EU budget. The merit of the solution proposed by the COMM for ring-fencing the budget of this large-scale infrastructure could be assessed by the MFF negotiators for the other relevant infrastructures, notably ITER and GMES.

However, it should be remembered that during the MFF 2007-2013, there were significant costs overruns and the MFF was subsequently revised to include the amount of 1.3 billion euros after long and strenuous negotiations between the European Parliament and the Council. For the Commission, due to the experience gained in the management of the programme, the new deployment and exploitation phase bears less risk of cost

overruns than had previously been the case during the development phase.

Let me give you my judgment about this matter. There are three main aspects that I have introduced in the opinion:

a) Firstly, in the event of additional unforeseen financial obligations, these obligations should be covered by the margin available between the MFF ceilings and the own resources ceiling thereby not penalising other successful programmes of Heading 1.

b) Secondly, we need to ensure that the budgetary authority is kept promptly and sufficiently informed

concerning the principal stages of the implementation of this Regulation (instead of only a Committee of Member State representatives as has been the case up until now).

Particular emphasis should be placed on the need for the Commission to inform the European Parliament and the Council in the event of uncontrollable risks that could cause significant programme deviations in terms of cost or schedule.

c) Finally, I have defined a list of minimum elements that should be included in any annual report from the Commission to the European Parliament and the Council

Finally, let me conclude by saying that I feel that it is essential that sufficient additional resources are needed in the next MFF to enable the Union to fulfil the existing policy priorities and the new tasks provided for by the Treaty of Lisbon.

Thank you very much