

XIII European Inter-parliamentary Space Conference

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Speech made by the Hon. Andrea Lulli

In view of the looming European appointments at the end of the year and the Space Council this coming December, it is important to define the basic elements of a European space policy.

1. European Space Governance

The Competitiveness Council's Communication 10901/11 of 31 May 2011 entitled "*Towards a space strategy for the European Union that benefits its citizens*" focuses on the roles assigned to the three players involved in European space activities, namely, the European Space Agency (ESA), the EU and the Member States. Article 189 of the Treaty of Lisbon assigns the EU a *sui generis* shared competence, leaving the member countries the possibility of defining and implementing their own space policies. Furthermore, in order to define its own space policy, the EU must establish appropriate relations with the ESA.

The adoption of the Lisbon Treaty obviously entails an evolution of the European space scenario but, in the context of such a change, the Italian position is that:

- The ESA's status of Intergovernmental Agency should be preserved and ESA/EU relations should be founded on the already existing Framework Agreement;
- Acting in close collaboration with the respective Member countries, the ESA and the EU should now define in precise terms the nature of the governance already outlined during previous Space Councils. This will have to be done before any role for the other international organisations (e.g. Eumetsat) is defined.

- Before defining a future European Space Programme, the EU should adopt rules for the space sector that take account of its specific features (along lines similar to those followed for the defence sector). In particular, it should seek to guarantee an even distribution of space activities between the various European countries and one based on the “fair return” principle traditionally adopted when underwriting ESA programmes. Such principle has permitted a balanced growth of the various European industrial realities, thereby avoiding rigid recourse to the EU’s “open competition” rules that, in a sector involving a high level of technological risk such as the space sector, would be unsuited to fostering homogeneous growth in the various European countries.

2. EU Space Funding

The need to find resources for space at a time when the financial state of the national and EU accounts in Europe is such as to limit resources both for infrastructures and for investments in a crucial sector like the space sector, means that it will be necessary to take political action to increase the resources available for space policy when defining the EU budget for financing the Multi-annual Financial Frameworks (MFF) Programme for 2014-2020. To such end, it should be noted that the GMES programme (Global Monitoring for Environment and Security) currently falls outside the MFFs, whereas the strategic value of this programme for Europe is such that an EU decision to allocate the financial resources for the GMES programme within the 2014-2020 budget falling under the responsibility of the Commission’s Directorate-General for Industry, with competence for space, would be highly desirable.

3. The Galileo System

The European Community’s direct intervention in 2009 as the sole financial backer of the Galileo constellation’s realisation phase and the new role of the ESA (which, under a delegation agreement with the Commission, became the Prime Contractor) have allowed the development phase to be begun. The additional funds made available for implementation of the Galileo programme

and its forerunner, the EGNOS programme, amount to approximately €3.5 billion.

During the course of 2009, the Commission therefore called for tenders in relation to the assignment of six industrial lots that, all together, constitute the Galileo project. During the course of 2010, the Commission awarded three of the six contracts.

The Commission has contracted the construction of the first 14 of the Galileo constellation's satellites, worth €566 million, to a company with limited experience in satellite construction. This by virtue of a choice based solely on economic competitiveness criteria. This fact raises questions regarding the "fair return" principle as applied by the ESA, (suited to safeguarding European industry as a whole), and the criteria, based on open and full competition, that are adopted by the European Union: the recourse to purely economic criteria does not take account of geopolitical, social or industrial factors that have traditionally fostered the overall competitiveness of the European space industry.

The industrial policy approach that has led the Commission to sub-divide the project into six industrial contracts, as well as the above-mentioned recent decision to "break up" the single contract for the satellites' construction into two further *tranches*, raises justifiable doubts about the real possibility of having the whole system in operation as of 2014. Furthermore, it is necessary to avoid too many years passing before the Galileo system is completed without making the best possible use of what is already currently available.

Here, I am referring, in particular, to the EGNOS system, developed by European industry under contract with the ESA and worth approximately €800 million. Currently an infrastructure owned by the Commission, it was designed to receive and process GPS signals and provide a "GPS-augmented" positioning, navigation and synchronization service, already meeting many of the Galileo system's standards. The "Open Service" was declared operational as of 1 October 2009, is freely accessible and is not certified for security uses;

“Safety of Life” and “Commercial Service” are currently being certified and have been in operation since 2010.

The delay in Galileo becoming operational therefore makes it necessary to use the EGNOS system, so as not to frustrate governments’ investments and the efforts made so far by the industry to develop the applications.

4. The GMES Programme

As regards the GMES programme, I would like to focus on management structures, besides the financing already referred to. In this respect, it is necessary to establish a clear form of *governance* before attributing roles to other bodies or institutions, particularly at the level of system operations (e.g. Eumetsat). It is very much in Italy’s interest to upgrade the Italian Space Agency Centre at Matera to a level appropriate for the operational running of the GMES space infrastructures. Indeed, Italy has presented a bid for this, in reply to the “Invitation to Tender” issued by the ESA and the European Commission in relation to the GMES operations.

5. Launchers.

Italy has always defended Europe’s need to maintain an independent European capacity, not only as regards launchers but also as regards every phase of space activities. At the same time, it is important to guarantee a “reliable and cost effective” access to space and to make the use of launchers developed in Europe a high priority. The Vega launcher is now in the phase immediately preceding the first test launch. As for Arianespace, on the other hand, the situation is critical, not only on account of high operating costs and the fact that it is constantly running at a loss, but also because of the features of the Ariane 5 vehicle, which is proving less competitive due to its lack of technical flexibility, when compared with its world competitors. Before asking its Member States for additional financial support in order to make good the running losses and keep the company solvent, the EU will have to make brave choices if it is to defend European access to space whilst nevertheless avoiding wasting precious financial resources.

6. Space Exploration.

An important conference on the future of space exploration will begin on 8 November in Lucca, hosted by the Italian Space Agency. It is important that the EU defines as soon as possible the part it intends to play in this sector in the future, highlighting which areas are to be given priority in possible European and international programmes.

7. Satellite Telecommunications

In the satellite telecommunications sector, Italy is committed to closing the ever-increasing gap that has emerged between it and the other major European countries over the last decade. In the past, Italy developed its own satellite telecommunications infrastructure (Italsat 1 and Italsat 2), developing at the time, amongst other things, a great industrial competence. However, since that positive experience, which ended in 2002, our country has not had any national satellite destined for telecommunications services capable of meeting institutional, governmental and strategic needs. Nor has it participated in any of the big international consortia having satellite capacities.

On the other hand, the need for satellite telecommunications for institutional, security, defence and commercial purposes has not decreased but, on the contrary, is expanding. Italy currently spends approximately €150 million every year on the purchase of space capabilities from the commercial operators owning satellites: practically the equivalent of a whole new system (satellite, plus launch, plus earth segment) every two years.

In order to remedy this situation, described in speeches made by Italian Members of Parliament on various occasions, the Italian Space Agency (ASI) has implemented an integrated strategy that envisages the realisation of new satellite telecommunications infrastructures for dual use. To such end, a joint-stock company – ASITEL S.p.A. – was set up last July, with the Italian Space Agency as its only shareholder. It is, however, open to the Public-Private Partnership arrangement, for the purposes of mobilizing the maximum

resources and guaranteeing the best operational results. The intention is that it will operate in the telecommunications sector.

Speaking of such matters, I would also like to mention the Athena-FIDUS programme, which has an overall value of approximately € 272 million (51% of which is owned by France and 49% by Italy). This envisages the development of a medium-sized, geostationary satellite for dual "broadband" communication services. Such satellite will take aboard three usable payloads: one dedicated to Italian Defence, one to French Defence, and a third for governmental use (namely, broadband telecommunication services for police force and civil protection terminals, interconnections for local telecommunications, telecommunication services for guaranteeing remote surveillance of critical areas such as ports, airports and railways and, lastly, broadband internet access for fixed or portable terminals situated in areas with low or degraded levels of communication infrastructures, for the purpose of managing natural or maliciously caused disasters and emergency situations in general). In this way, broadband telecommunication services will be guaranteed in the whole of the hemisphere visible from the geostationary orbit.

The SIGMA system must also be mentioned. This is in the process of being defined and will equip Italy with a Broadband satellite telecommunications infrastructure to complement the Public Administration's new-generation, terrestrial network infrastructure, thereby permitting the remaining "*digital divide*" problems at a national level to be overcome and a variety of governmental and dual requirements to be met.