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To: Permanent Representatives Committee/Council

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Subject: *Preparation of the Council of the European Union (Competitiveness (Internal Market, Industry, Research and Space)) 29 and 30 November 2018*

Regulation establishing the space programme of the Union (First reading)

- *Exchange of views*

I. INTRODUCTION

Space technology, data and services have become indispensable in the daily lives of Europeans. Space supports many policies and strategic priorities in the Union. It can play a crucial role in tackling challenges such as climate change, sustainable development, border control, maritime surveillance and security of Union citizens.

The emergence of new players and the development of new technologies are revolutionising traditional space industrial models. It is crucial that the Union remains a leading international player with autonomous access to space and technological independence, that encourages scientific and technical development, and supports competitiveness and innovation capacities of the EU space industry (in particular SMEs, start-ups and innovative businesses).

II. DRAFT PROPOSAL FOR A REGULATION ESTABLISHING THE SPACE PROGRAMME OF THE UNION

The Commission proposal establishing the space programme of the Union currently under negotiations is part of the follow-up to the Commission's Communication on a space strategy for Europe (SSE). The latest Presidency compromise proposal appears in doc. 13987/18 ADD 1 which reflects the current state of play. In the course of the negotiations, it emerged that a high level political input was needed as regards three key issues, which are essential for implementing a concrete and effective European space policy, that is governance, autonomous access to space and fostering entrepreneurship and new business opportunities.

a) Governance

A good governance is one of the tenets to ensure effective delivery of the Space programme and of the SSE. The roles of and relationship between the Commission, Member States, the Union Agency in Prague and the European Space Agency (ESA), together with all other relevant stakeholders should be clearly identified and defined. The relations between the EU and ESA remain one of the cornerstone of success and the intention to revive the so-called “Space Council” is a strong signal for the strengthened cooperation between the two actors. The Commission proposes to conclude with the Union Agency and ESA a financial framework partnership agreement that should govern all financial relations between those three actors and ensure consistency, hence streamlining the relationship between them and making it more efficient.

b) Access to space

The SSE indicates "maintaining autonomous access to space" as one of the goal to be pursued. The Union is the first European institutional customer of European launchers, thus being an instrumental industrial policy player in relation to the envisaged business models. In the next 10-15 years, the EU plans to launch more than 30 satellites for its Galileo and Copernicus programmes, notably in the class of the future European-built launchers such as Ariane 6 and Vega C. Launch services already now constitute a critical element for the implementation of Copernicus and Galileo. Appropriate measures to consolidate autonomous access to space shall be carefully considered and their perimeter clearly defined.

In the SSE, the Commission indicates measures such as aggregating demand for launch services, supporting research and innovation efforts, and will consider ways to support European launch infrastructure facilities when this is needed to meet EU policy objective or needs.

c) Fostering entrepreneurship and new business opportunities

Space activities are increasingly open to private investment in the areas of satellite communications, Earth observation and even launchers. Space is now part of a global value chain that increasingly attracts new companies and entrepreneurs (so-called 'New Space'), which are pushing the traditional boundaries in the space sector. The use of space data, information and services, combined with other sources of information, offers many opportunities for the development of new downstream applications and services. This opens up new opportunities to develop innovative products, services and processes which can benefit industry in all Member States, creating new capacities and adding value in and outside the space sector. Enabling measures and capacity building in all Member States and at European level are needed to create the right ecosystem and a favourable regulatory and business environment.

III. QUESTIONS FOR THE POLICY DEBATE

Member States are invited to exchange views on the following three questions with a view to providing political input for the continuation of the negotiations on the Commission proposal for a Regulation establishing the space programme of the Union:

Question 1: *What are the key principles of governance to deliver on the objectives of the Union space programme?*

Question 2: *What political impulse and guidance would be needed to ensure EU autonomous access to space and technological independence and seize the opportunities offered by "New Space" with a view to maintaining and enhancing a competitive European space industry?*

Question 3: *How to foster a space ecosystem and a new business model that brings space to earth and at the service of the EU citizens? How could market-uptake be further improved at national and EU level to support the development of SMEs and start-ups and increase competitiveness of EU industry globally?*