Subject: Involvement in the EU's space-related activities (slides)

Origin: European Commission, Task Force for the Preparation and Conduct of the Negotiations with the United Kingdom under Article 50 TEU.


Remarks: These slides are for presentational and information purposes only. The contents are without prejudice to discussions on the framework of the future relationship.

These slides summarise the possibilities for involvement of third countries in EU space-related activities, including Galileo, and provide a comparison with UK positions.

Published on the TF50 website on 13 June 2018
Framework for the future relationship

Involvement in the EU's space-related activities

AD HOC WORKING PARTY ON ARTICLE 50
12 June 2018
European Council (EUCO) Guidelines, 23 March 2018:

EU programmes

"11. In terms of socio-economic cooperation, the following could be envisaged: [...] (b) regarding certain Union programmes [...] any participation of the UK should be subject to the relevant conditions for the participation of third countries to be established in the corresponding programmes."

Foreign policy, security and defence

"13. [...] there should be a strong EU-UK cooperation in the fields of foreign, security and defence policy. A future partnership should respect the autonomy of the Union's decision-making, taking into account that the UK will be a third country [...]"
EU negotiating position

Guiding principles

• Balance of rights and obligations and level playing field
• Not the same rights and benefits as a Member State
• Autonomy of the Union's decision-making
• UK participation in EU programmes subject to third country conditions (future MFF programmes: standard association clause)

Most salient aspects

• Security/PRS aspects in Galileo and future Space programme
• Funding in future Space programme
• Governance: role of the European Space Agency

EUCO Guidelines
29/4 & 15/12/17, 23/3/18 - §7
Galileo (GNSS)

Objectives
• "Autonomous Global Navigation Satellite System infrastructure"
• "Contributing [...] to the strategic autonomy of the Union"
• "Civil system under civil control"

Governing principles relating to access to the signal
• **Open signal & data**
  - Accessible and exploitable by all citizens, public authorities & businesses, worldwide
    (e.g. Open service, Commercial service, Search & rescue)
• **Security-relevant signal (PRS) & 'proprietary' information**
  - Accessible only to EU/EU PRS Member States
  - Protection of EU/Member States' essential security interests

Third country use of PRS possible:
- PRS 'user access' possible but conditioned upon PRS agreement

Regulation 1285/2013/EU
Council Decision 1104/2011/EU
Proposed EU Space Programme 2021-27

COM(2018)447

Single 'umbrella' programme - Proposed budget: €16 billion

Components:
- Galileo & EGNOS
- Space Surveillance and Tracking (SST)
- Copernicus
- Govsatcom

Continuity in guiding principles (same as current framework)
- EU Autonomy
- Protection of EU's & Member States' essential security interests

Art.4(1)(c): "The Programme shall have the following general objectives: [...] (c) enhance the security of the Union and its Member States, its freedom of action and its strategic autonomy, in particular in terms of technologies and evidence-based decision-making"

Recital 37: "One of the main objectives of the Programme consists in ensuring its security and strategic autonomy [...] and taking advantage of the possibilities that space offers for the security of the Union and its Member States. [...]"
Third country participation rules

- Programme open for all components, except SST & Govsatcom
- Standard approach to third countries, as in other MFF programmes

Protection of essential security interests as prerequisite

**Art.7(3):** "The Programme components shall only be open to third countries [...] provided that the essential security interests of the Union and its Member States are preserved"

- Decision 1104/2011 on PRS continues to apply
- Continuity in approach to third country operators: not eligible to security-related procurement/grants
Galileo's key features at a glance:
<table>
<thead>
<tr>
<th>Gov.</th>
<th>EU MS</th>
<th>Third country</th>
<th>EU based (est.)</th>
<th>Business</th>
<th>Third country based</th>
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<td></td>
<td>Open signal</td>
<td>Security/PRS</td>
<td>Open signal</td>
<td>PRS</td>
<td>All EU Member States</td>
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<td></td>
<td>Participation in governance and programme activities</td>
<td>Participation in non-PRS security</td>
<td>Participation in PRS aspects if PRS MS status</td>
<td>Accessible and Exploitable Worldwide by all citizens, public authorities, businesses</td>
<td>Access as &quot;user if agreements on: • Security of info. • PRS (No proprietary control of PRS)</td>
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<td></td>
<td>Non-security related tenders</td>
<td>Security (non PRS) related tenders</td>
<td>PRS-related tenders if PRS MS-based</td>
<td>Open service, Commercial service, Search &amp; rescue...</td>
<td>Manufacturing of PRS receivers and Security Modules: if PRS MS-based businesses</td>
</tr>
<tr>
<td></td>
<td>All GPA/EU-FTAs members based businesses eligible to non-security related tenders</td>
<td>Participation only as Subcontractor for non-PRS security-related tenders; <strong>No eligibility</strong> for PRS-related tenders.</td>
<td>No manufacturing of PRS Security Modules</td>
<td></td>
<td>If PRS agreement, conditional manufacturing of PRS receivers legally possible</td>
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**Legend:**
- **No restrictions**
- **EU rules: possible for a third country if agreement (or, for MS, if PRS status)**
- **EU rules do not allow for a third country**
UK requests (‘Technical note' of 24 May 2018)

UK participation to "[...] fulfill the UK's industrial and minimum security requirements" as "[...] from a security perspective, any gap in the UK involvement in the design and development of Galileo and PRS [...] will constitute an irreparable security risk"

"Package of requirements that the UK considers essential":

• "22. Access to the Galileo PRS and PRS information [...]"
  a. Unrestricted use of PRS and guaranteed unrestricted access to PRS. [...] PRS 'user access' would not fulfill UK requirements".
  b. **Access to all programme information, including agreement that the UK has a 'need to know' all security-related sensitive information** that allows assurance of the system performance [...]"

• "23. **Industrial involvement in secure elements** [...]"

• "24. **Attendance at security meetings**" [...]"
  a. "[...] the **UK will need to attend programme discussions related to the design of PRS and the security of the system** [...] The UK will need sufficient guarantee of the concerns it has voiced in those security fora being addressed"
Comparison:

Galileo rules v

UK requests
<table>
<thead>
<tr>
<th>UK requests</th>
<th>Development/Operation</th>
<th>(Means of) Access</th>
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<tbody>
<tr>
<td>Gov.</td>
<td>Open signal</td>
<td>Open signal</td>
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<td>EU MS</td>
<td>Participation in governance and programme activities</td>
<td>Participation in non-PRS security</td>
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<tr>
<td>Third</td>
<td>Participation, if agreements on: Participation, Security of info (No voting rights)</td>
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<td>country</td>
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<tr>
<td>EU</td>
<td>Non-security related tenders</td>
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<tr>
<td>Third</td>
<td>All GPA/EU-FTAs members based businesses eligible to non-security related tenders</td>
<td>Guarantees unrestricted PRS access + control of PRS signal</td>
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<tr>
<td>country based</td>
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**Legend**
- No restrictions
- EU rules: possible for a third country if agreement (or, for MS, if PRS status)
- EU rules do not allow for a third country
### UK position

#### Agreement on participation in Space programme:
- No voting rights/no decisional power
- No access to all meetings
- Standard budget contribution

#### Specific agreement on PRS:
- 'User' access to PRS signal: 
  [Agr. on info security needed!]

#### No design & development of:
- Security-related
- PRS elements

#### No role in upstream PRS activities:
- Generation of signal
- Control of encryption

#### Third country industry:
- Limited participation:
  - Security-related contracts only as sub-contractor
  - No access to PRS/security modules contracts (but GPA/FTA participation if non-security)

#### Full participation in:
- Design of Security and PRS
- Upstream PRS activities (control and encryption of signal)

#### Full industrial participation
- (including manufacturing of security modules)

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### Issues

- **Beyond standard third country status**
- **Change of nature, from EU programme to international project**
- **Loss of strategic autonomy**
Conclusion
Possibilities for EU-UK future cooperation

• Agreement on participation in EU Space programme as third country
  o Observer status in committees/EU Agency for Space Programme ('no decisional power');
  o Standard financial contribution & rules on sound financial management, right to audit, protection of EU's financial interests etc.;
  o Industrial participation governed by EU rules on eligibility of third country bidders

• Specific agreement on PRS access as third country (in accordance with PRS Decision 1104/2011)
  o Decision 1104/2011 allows for third country manufacturing of PRS receivers, under conditions.