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Plenary sitting

A9-0249/2022

13.10.2022

***I REPORT

on the proposal for a regulation of the European Parliament and of the Council establishing the Union Secure Connectivity Programme for the period 2023-2027

(COM(2022)0057 - C9-0045/2022 - 2022/0039(COD))

Committee on Industry, Research and Energy

Rapporteur: Christophe Grudler

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Symbols for procedures

* Consultation procedure

*** Consent procedure

***I Ordinary legislative procedure (first reading)

***II Ordinary legislative procedure (second reading)

***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

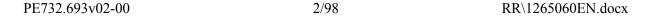
Deletions are indicated in *bold italics* in the left-hand column. Replacements are indicated in *bold italics* in both columns. New text is indicated in *bold italics* in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

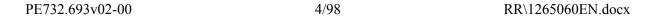
New text is highlighted in **bold italics**. Deletions are indicated using either the symbol or strikeout. Replacements are indicated by highlighting the new text in **bold italics** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.



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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council establishing the Union Secure Connectivity Programme for the period 2023-2027 (COM(2022)0057 - C9-0045/2022 - 2022/0039(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2022)0057),
- having regard to Article 294(2) and Article 189(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0045/2022),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to Rule 59 of its Rules of Procedure,
- having regard to the opinion of the Committee on Budgets,
- having regard to the report of the Committee on Industry, Research and Energy (A9-0249/2022),
- 1. Adopts its position at first reading hereinafter set out;
- 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
- 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

2022/0039 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the Union Secure Connectivity Programme for the period 2023-2027

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 189(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) There is a growing demand by the Union governmental actors for secure and reliable satellite communication services, particularly because they are the only viable option in situations where ground-based communication systems are disrupted or unreliable. Affordable and cost-effective access to satellite-based communication is also indispensable where there are no terrestrial networks, including over oceans and airspace, in remote areas, and where terrestrial networks face serious outage or cannot be trusted in crisis situations. More globally, satellite communication can increase the overall resilience of communication networks, offering for example

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^{*} Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol

alternative in the case of physical attacks or cyber incidents on terrestrial networks, accidents or natural disaster.

- The conclusions of the European Council of 19-20 December 2013 welcomed the preparations for the next generation of Governmental Satellite Communication through a close cooperation between the Member States, the Commission and the European Space Agency (ESA). Governmental satcom has also been identified as one of the elements of the Global Strategy for the European Union's Foreign and Security Policy of June 2016. Governmental satcom is to contribute to the EU response to Hybrid Threats and provide support to the EU Maritime Security Strategy and to the Union Arctic policy.
- (3) On 22 March 2017 the Council Political and Security Committee endorsed High Level Civil Military User Needs for Governmental Satellite Communications ¹ which were prepared by the EEAS on the military user's requirements identified by the European Defence Agency in its Common Staff Target adopted in 2014 and the civilian user needs collected by the Commission have been merged to produce the High Level Civil Military User Needs for Governmental Satellite Communications.
- (4) One of the important components of the Union Space Programme established by Regulation (EU) 2021/696 is GOVSATCOM, which aims to ensure the long-term availability of reliable, secure, scalable and cost-effective satellite communications services for GOVSATCOM users. Regulation (EU) 2021/696 envisages that in a first phase, of the GOVSATCOM component until approximately 2025, existing capacity would be pooled and shared through the GOVSATCOM Hub. In that context, the Commission is to procure GOVSATCOM capacities from Member States with national systems and space capacities and from commercial satellite communication or service providers, taking into account the essential security interests of the Union. In that first phase, GOVSATCOM services are to be introduced by a step-by-step approach, in light of the scaling up of the GOVSATCOM Hub infrastructure capabilities. It is also based on the premise that if in the course of the first phase a detailed analysis of future supply and demand reveals that this approach was insufficient to cover the evolving demand, will be necessary to move to a second phase and develop additional bespoke space

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CSDP/PSDC 152, CFSP/PESC 274, COPS 103.

infrastructure or capacities through cooperation with the private sector, e.g. with Union satellite operators.

- *In a rapidly evolving scenario*, governmental users are moving towards higher (5) security solutions, low latency and global coverage to meet their needs. Recent technical progress has allowed non-geostationary-orbit (NGSO) communications constellations to emerge and gradually offer high-speed and low-latency connectivity services. There is *therefore* a window of opportunity for addressing the evolving needs of the governmental users by developing and deploying additional infrastructure as filings for the frequencies necessary to provide the required services are currently available within the European Union. If not used, these filings will become obsolete and be attributed to other players. As frequencies are an increasingly scarce resource, the Commission should seize this opportunity and should conclude dedicated licensing agreements with those Member States providing the frequencies filings. This open and transparent process should take place for frequencies filings for the provision of governmental services based on the governmental infrastructure.
- (6) The conclusions of the European Council of 21-22 March 2019 stressed that the Union needs to go further in developing a competitive, secure, inclusive and ethical digital economy with world-class connectivity.
- **(7)** The effect of hybrid operations in space can also have a significant impact on civil commercial activities that increasingly rely on space capabilities. In order to tackle this challenge the Commission's 'Action Plan on synergies between civil, defence and space industries' of 22 February 2021, states that it aims to 'enable access to high-speed connectivity for everyone in Europe, and provide a resilient connectivity system allowing Europe to remain connected whatever happens'².
- (8) The Union should ensure the provision of resilient, global, secure, uninterrupted, guaranteed and flexible satellite solutions for evolving governmental needs *and the public interest*, built on an EU technological and industrial base, in order to increase the resilience of Member States' and Union institutions' operations by guaranteed and uninterrupted access to satellite services.

(9)	

COM(2021) 70 final.

- (10) Therefore, it is important to establish a new, Union Secure Connectivity Programme ('the Programme') to provide for the Union satellite-based multi-services infrastructure, based on the demand of governmental entities and which integrates and complements the GOVSATCOM component of the Union Space Programme and related infrastructure, taking advantage of additional national and European capacities, from an infrastructure, communication capacities and service perspective, with gradual integration of the European Quantum Communication Infrastructure (EuroQCI) initiative.
- (11) The Programme should meet the new governmental needs for higher security solutions, low latency and global coverage. It should ensure the provision and long-term availability of worldwide uninterrupted access to secure, autonomous, reliable and cost-effective satellite governmental services, supporting the resilience and protection of critical infrastructure, surveillance, external actions, crisis management, as well as applications that are critical for the Union's economy, security and defence, through a dedicated governmental infrastructure, which integrates and complements the capacities of GOVSATCOM. Moreover, the Programme should prioritise the delivery of governmental services and allow for the provision of commercial services by the private sector through a commercial infrastructure.
- (11a) According to the Digital Economy and Society Index (DESI) for 2021, connectivity across the Union has improved in 'very high-capacity networks' (VHCN) and is available in 59% of the Union households contributing to fast broadband (NGA) coverage of 87% of households. As regards the mobile networks, only 14% of populated areas were covered by 5G networks in 2020, however a considerable increase in assigned radio spectrum is promising an acceleration of 5G roll out across the Union in the next few years. The Programme is intended to help to improve connectivity across the Union and around the globe, for citizens and business, including, but not limited to, providing access to affordable high-speed broadband that can help remove communication dead zones and increase cohesion across the Union, including its outermost regions, rural, peripheral, remote and isolated areas and islands, where deployment of broadband-fibre is too expensive and connectivity is best achieved by means of satellite infrastructure. The satellite services cannot currently replace the performance of ground based networks but can bridge the digital

divides and even contribute to the provision of the less demanding Universal Service in the meaning of the Directive (EU) 2018/1972³.

- (11b) Since the Programme is a new initiative, which was not part of the Multiannual Financial Framework (MFF) for 2021-2027, new financial resources should be deployed. Priority should be given to unallocated margins under the MFF ceilings or mobilised through the non-thematic MFF special instruments, in order to avoid cuts to other Union programmes. The Programme should not undermine the implementation of other Union programmes. The next revision of the MFF should provide sufficient funding for the Programme, to ensure its consistency, ambition and long-term financing.
- (11c) The Programme should therefore consist of the development, validation and related deployment activities for the construction of the initial space and ground infrastructure, required for the provision of governmental services. The exploitation activities should begin as soon as possible with the provision of the initial set of services by 2024, so that the evolving needs of the governmental users are met as soon as possible. The Programme should then entail activities aiming to complete both the space and ground infrastructure required for a full operational capability of the governmental services by 2027. The provision of governmental services, the operation, maintenance and continuous improvement of the infrastructure, once deployed, as well as the development of the future generations of the governmental services, should be part of the exploitation activities.
- Infrastructure (EuroQCI) Declaration, agreeing to work together, with the Commission and with the support of ESA, towards the development of a quantum communication infrastructure covering the whole EU. According to that Declaration, EuroQCI aims at deploying a certified secure end-to-end quantum communication infrastructure, enabling information and data to be transmitted and stored ultra-securely and capable of linking critical public communication assets all over the Union. To that purpose an interconnected space infrastructure and terrestrial infrastructure, should be built to enable the generation and distribution of cryptographic keys based on quantum

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Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (OJ L 321, 17.12.2018, p. 36–214).

information theory. The Programme will contribute to meet the objectives of the EuroQCI Declaration by developing a EuroQCI space infrastructure integrated into the space and ground infrastructure of the Programme. The EuroQCI space infrastructure should be developed in the Programme in two main phases, a preliminary validation phase and a full deployment phase, which should see full integration with the Programme, including appropriate solutions for inter-satellite connectivity and data relay between satellites and the ground. The Programme should integrate the EuroQCI in its governmental infrastructure, as it will provide future-proof cryptographic systems that offer unprecedented levels of secure communications by resisting future quantum computing attacks.

- (13) To optimise available satellite communication resources, in order to guarantee access in unpredictable situations, such as natural disasters, and to ensure operational efficiency and short turn-around times, a ground segment is required. It should be designed on the basis of operational and security requirements.
- (14) In order to expand the Union satellite communication capacities, the Programme infrastructure should *be based upon*, integrate *and complement* the infrastructure developed for the purposes of the of the GOVSATCOM component of the Union Space Programme. In particular, the Programme's ground infrastructure should *be based upon* the GOVSATCOM Hubs, *as progressively scaled up through* other ground segment assets, *on the basis of users and service needs*.
- (14a) In order to ensure the functioning of the Programme and the protection of Union interests, it is essential to secure, as soon as possible, the orbital slots and frequencies necessary for the deployment of the services. The securing of orbital slots and frequencies requires the speedy establishment of the services portfolio, an adequate allocation of rights to use frequencies, and the rapid deployment of the first batch of satellites in 2024.
- (15) The services *provided* by the Programme should *help to* connect *neighbouring regions* of the Union, such as Mediterranean, Baltic and Black Sea regions, and other strategic areas such as the Arctic and Africa, and contribute to geopolitical resilience by

offering additional connectivity in line with policy targets in these regions and the Global Gateway strategy⁴.

- (16) It is appropriate that the satellites built for the purposes of the Programme *could be* equipped with *subsystems, including* payloads that can allow to increase the capacity and services of components of the Union Space Programme, enabling thereby the development of additional missions under the conditions set out in Regulation (EU) 2021/696. Those subsystems could be developed for the purpose of offering alternative positioning, navigation and timing services complementing Galileo, ensure the broadcast of EGNOS/SBAS messages with a lower latency, provide space based sensors for space situational awareness and support enhancement of current Copernicus capabilities in particular for emergency and civil security services. Moreover, those subsystems could allow for the provision of services that are not components of the Union Space Programme.
- (17) It is vital for the security of the Union and its Member States, for its strategic autonomy, for ensuring the security and integrity of the governmental services and the competitiveness of the Union in a rapidly evolving market, that the space assets of the Programme are launched from the Union's territory. Furthermore, microlaunchers could provide additional flexibility to allow for a rapid deployment of the space assets from the Union's territory. In exceptional, duly substantiated circumstances, it should be possible for such launches to take place from the territory of a third country.
- (18) It is important that the Union owns all tangible and intangible assets related to governmental infrastructure while ensuring the respect of the Charter of Fundamental Rights of the European Union, including its Article 17. Despite the ownership by the Union of those assets, it should be possible for the Union, in accordance with this Regulation and, where it is deemed appropriate on a case-by-case assessment, to make those assets available to third parties or to dispose of them.
- (19) The Programme should provide services aimed at meeting the needs of the governmental users, *taking account of* the High Level Civil Military User Needs for Governmental Satellite Communications⁵, which was endorsed by the Council Security Committee in March 2017.

⁴ JOIN(2021) 30 final.

⁵ EEAS(2017) 359.

- Operational requirements for the governmental services should be based on the assessment of governmental users' needs, while also taking into account the capabilities of the current market offerings. When assessing those requirements the current market capacities should be used to the largest extent possible. From those operational requirements, in combination with security requirements and evolving demand of governmental services, the portfolio of governmental services should be developed. The service portfolio should establish the applicable baseline for the governmental services. The service portfolio for the governmental services should take into account the service portfolio of the GOVSATCOM services established within the framework of Regulation (EU) 2021/696. In order to maintain the best possible match between the demand and supplied services, the service portfolio for governmental services should be regularly updated after consulting Member States.
- (21) Satellite communications is a finite resource limited by the satellite capacity, frequency and geographical coverage. In order to be cost-effective and to capitalise on economies of scale, the Programme should optimise the match between the supply and demand of the governmental services. Since the demand and the potential supply both change over time, the Commission should monitor the needs to adjust the portfolio for the governmental services whenever this appears necessary.

(22)

- (23) Member States, the Council, the Commission and the European External Action Service ('EEAS'), as well as Union agencies and bodies should be able to become the Programme participants, insofar as they choose to authorise users of governmental services or provide capacities, sites or facilities. Taking into consideration that it is for the Member States to decide whether to authorise national users of governmental services, Member States should not be obliged to become Programme participants or to host Programme infrastructure.
- (24) Each Programme participant should designate a Secure Connectivity Competent Authority to monitor whether users, and other national entities that play a role in the Programme, comply with the applicable rules and security procedures as laid down in the security requirements.
- (25) This Regulation lays down a financial envelope, which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of

- 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources⁶, for the European Parliament and the Council during the annual budgetary procedure.
- The Programme objectives are coherent and complementary with those of other Union programmes, particularly Horizon Europe established by Regulation (EU) 2021/695 of the European Parliament and of the Council⁷ and Council Decision 2021/764⁸, the Digital Europe Programme established by Regulation (EU) 2021/694 of the European Parliament and of the Council⁹, the Neighbourhood, Development and International Cooperation Instrument Global Europe established by Regulation (EU) 2021/947 of the European Parliament and of the Council¹⁰, the Connecting Europe Facility established by Regulation (EU) 2021/1153 of the European Parliament and of the Council¹¹ and, in particular, the Union Space Programme established by Regulation (EU) 2021/696 of the European Parliament and of the Council¹², duly justifying its inclusion. Funds from those Union programmes should not be redeployed to finance the Programme.
- (27) The Horizon Europe Programme will allocate a dedicated share of its Cluster 4 components to R& I activities related to development and validation of the secure

⁶ OJ L 433 I, 22.12.2020, p. 28.

Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

⁸ Council Decision (EU) 2021/764 of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU (OJ L 1671, 12.5.2021, p. 1–80).

Regulation (EU) **2021/694** of the European Parliament and of the Council of **29 April** 2021 establishing the **Digital** Europe **Programme** and repealing Decision **(EU) 2015/2240 (OJ L 166, 11.5.2021**, p. 1).

Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1).

Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38).

Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69).

connectivity system, including for the potential technologies that would be developed in the European space ecosystem, especially leveraging the impact of new entrants, start-ups and small- and medium-sized enterprises (SMEs). Since the Secure Connectivity Programme is a new initiative and the Horizon Europe Programme is a major Union priority, the allocation of funds for those R&I activities should not detract from the other R&I activities conducted under Cluster 4, which are essential for Union competitiveness and the green and digital transitions. Consequently, without prejudice to the institutional prerogatives of the European Parliament and of the Council, an amount of commitment appropriations equivalent to the amount earmarked under Cluster 4 for R&I activities relating to the secure connectivity system should be made available to Horizon Europe Programme over the period 2023-2027, resulting from total or partial non-implementation of projects belonging to that programme or its predecessor, as provided for in Article 15(3) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (the 'Financial Regulation'). This amount is in addition to the EUR 0.5 billion (in 2018 prices) provided for in the Joint Declaration by the European Parliament, the Council and the Commission on the re-use of decommitted funds in relation to the research programme. The Union Space Programme will allocate a dedicated share of its GOVSATCOM component for the activities related to the development *and completion* of the GOVSATCOM Hub which will *be necessary for* the ground infrastructure of the Secure Connectivity system. The funding stemming from these programmes should be implemented in accordance with the rules of these programmes. Since those rules may differ significantly from the rules under this Regulation, the need to achieve effectively the intended policy objectives should be taken into account when deciding to finance actions from the allocated funds from Horizon Europe and from the Union Secure Connectivity Programme.

(28)

(28a) In order to ensure that the Programme is implemented successfully, it is important to ensure that sufficient resources are available. Member States should therefore make a financial contribution that would be additional to the amount available through the Union budget and private sector contributions. Member States' contributions should be made in accordance with their needs and demand for services made available through the Programme. It should also be possible for Member States to make in-kind

- contributions. Additional financial contributions and in-kind contributions from other parties should also be possible.
- (28b) The funding needs of the Programme should be taken into consideration in the midterm review of the MFF, with a view to ensuring the stability, coherence, ambition and long-term financing of the Programme. Appropriate funding through the Union's budget would ensure democratic scrutiny of the Programme in the annual budgetary procedure and would make it possible to apply all the Union financial control and discharge provisions.
- (28c) Several Member States have programmed funds from the Recovery and Resilience Facility (RRF) for space activities. In order to maximise the efficiency of available financial resources and to ensure synergies between the Programme and the RRF, Member States should be encouraged to align their recovery and resilience plans with the needs of the Programme.
- (29) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹⁴ (the 'Financial Regulation') applies to the Programme. The Financial Regulation lays down rules on the implementation of the Union budget, including the rules on grants, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts.
- (30) In accordance with Article 191(3) of the Financial Regulation, in no circumstances are the same costs to be financed twice by the Union budget. *There should be mechanisms* for ensuring the avoidance of double funding and this aspect should be included in the regular review on the implementation of the Programme.
- (30a) In the context of the mid-term review of the MFF 2021-2027, a solid budgetary assessment of the initiative should be carried out in order to provide adequate resources to the Programme.
- (31) The Commission, in performing certain tasks of a non-regulatory nature, should be able to have recourse, as required and insofar as necessary, to the technical assistance of certain external parties. Other entities involved in the public governance of the

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Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- Programme should also be able to make use of the same technical assistance in performing tasks entrusted to them under this Regulation.
- (32) Horizontal financial rules adopted by the European Parliament and by the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union ('TFEU') apply to this Regulation. Those rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes and indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (33) Procurement contracts concluded under the Programme for activities financed by the Programme should comply with Union rules *and the specific principles outlined in this Regulation*. In that context, the Union should also be responsible for defining the objectives to be pursued as regards public procurement.
- (33a) The Programme relies on complex and constantly changing technologies. The reliance on such technologies results in uncertainty and risk for public contracts concluded under the Programme, insofar as those contracts involve long-term commitments to equipment or services. Specific measures concerning public contracts are therefore required in addition to the rules laid down in the Financial Regulation. It should thus be possible to award a contract in the form of a conditional stage-payment contract, introduce an amendment, under certain conditions, in the context of its performance, or impose a minimum level of subcontracting. As regards the latter, priority should be given, where possible, to start-ups and SMEs, particularly in order to enable their cross-border participation. Finally, given the technological uncertainties that characterise the Programme's components, contract prices cannot always be forecast accurately and it should therefore be possible to conclude contracts without stipulating a firm fixed price and to include clauses to safeguard the financial interests of the Union.
- (34) Article 154 of the Financial Regulation provides that, on the basis of the results of an ex-ante assessment, the Commission is to be able to rely on the systems and the procedures of the persons or entities entrusted with the implementation of Union funds. If necessary, specific adjustments to those systems and procedures ('supervisory

- measures'), as well as the arrangements for the existing contracts, should be defined in the corresponding contribution agreement.
- (35) In order to meet the objectives of the Programme, it is important to be able to call, where appropriate, on capacities offered by Union public and private entities active in the space domain and also to be able to work at international level with third countries or international organisations. For that reason, it is necessary to provide for the possibility to use all the relevant tools and management methods provided for by the TFEU and the Financial Regulation and joint procurement procedures.
- In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 (36)of the European Parliament and of the Council¹⁵ and Council Regulations (EC, Euratom) No 2988/9516, (Euratom, EC) No 2185/9617 and (EU) 2017/193918, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities including fraud, the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013 the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹⁹.In accordance with the Financial Regulation, any person or entity receiving Union funds

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Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L 248, 18.9.2013, p. 1).

Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p. 1).

Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.
- (37) In order to ensure the protection of the financial interests of the Union, it is necessary to require third countries to grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences.
- (38) A public-private partnership is the most appropriate scheme to ensure that the objectives of the Programme could be pursued. It *should* permit to build upon the existing EU satellite communication technological and infrastructural base and to provide robust and innovative governmental services, *and provide incentives* private *partners* to complement the Programme infrastructure with additional capabilities *for* commercial services through additional own investments. Such a scheme *should* furthermore optimise deployment and operation costs by sharing development and deployment costs on components common to both governmental and commercial infrastructures, as well as operational costs by allowing a high level of capacity mutualisation. It *should also* stimulate innovation in particular *in the Union's* space *ecosystem* by enabling the sharing of Research and Development risks between public and private partners.
- (39) The implementation model could take the form of a concession contract or other contractual arrangements. Regardless of the implementation model, several key principles should be put in place. The contract should establish a clear distribution of tasks and responsibilities between the public and private partners, together with a clear allocation of risks between them, with a view to ensuring that the private partner assumes responsibility for the consequences of any failings for which it is liable. The contract should ensure that private partners do not receive overcompensation for the provision of governmental services, allow the provision of commercial services to be established by the private sector and ensure an appropriate prioritisation of governmental user needs. The Commission should be able to assess and approve such services to ensure that the Union's essential interests and Programme's objectives are preserved. It is important that there are measures in place to ensure that those

essential interests and objectives are preserved. In particular, the Commission should be able to take necessary measures to ensure service continuity in the event of that the contractor is unable to fulfil its obligations. The contract should prevent, amongst other things, conflicts of interest and potential distortions of competition stemming from the provision of commercial services. That could be done by including separation of accounts between governmental and commercial services, open, fair and non-discriminatory access to infrastructure necessary for the provision of commercial services. The public-private partnership should foster the participation of start-ups and SMEs along the whole value chain of the concession and across Member States, hereby incentivising the development of innovative and disruptive technologies.

- (39a) In line with the objectives of the European Green Deal, the Programme should minimise, to the extent possible, its environmental impact. While the space-based assets do not themselves emit greenhouse gases while in use, their manufacturing and associated ground facilities do have an environmental impact. Measures should be adopted to mitigate that impact. To that end, the procurement referred under the Programme should include principles and measures on sustainability, such as provisions to minimise and offset the greenhouse gas emissions generated by the development, production and deployment of the infrastructure and measures to prevent light pollution such as the impact on ground-based astronomical observations, including the on wide-field surveys in the optical and infrared, as well as measures to mitigate air pollution from re-entering satellites.
- (39b) Given the growing number of spacecraft and debris in orbit, the new European constellation should also satisfy space sustainability criteria and be an example of good practices in space traffic management and in space surveillance and tracking (SST), in order to reduce the amount of debris produced, prevent on-orbit break-ups and on-orbit collision, and provide appropriate end-of-life spacecraft measures. As legitimate concerns on the protection of space environment that are being discussed (e.g. in the United Nations' Committee on the Peaceful Uses of Outer Space (COPUOS) and Inter-Agency Space Debris Coordination Committee (IADC)), it is of the uttermost importance that the Union shows leadership in space activities sustainability.

- (39c) Union-wide initiatives, such as the secure connectivity initiative, are shaped by the broad participation of innovative small, medium and large enterprises and start-ups from the up-, mid- and down-stream space sector all over the Union. In recent years, some space actors have challenged the space sector, in particular start-ups and SMEs developed innovative, market-driven space technologies and applications, sometimes with different business models. In order to ensure the Union's space ecosystem competitiveness, this Programme should maximise the development and use of innovative and disruptive technologies as well as innovative business models, in particular by start-ups and SMEs developing market-driven space technologies and applications, while covering the whole space value chain, encompassing upstream, midstream and downstream segment.
- (39d) To optimise the efficiency and impact of the Programme, actions should be taken to promote the use and development of open standards, open source technologies and interoperability in the architecture of the secure connectivity system. A more open conception of the system could allow better synergies with other components of the Union Space Programme or national services and applications, optimise costs by avoiding duplication in the development of the same technology, and improve reliability.
- (40) Sound public governance of the Programme requires the clear distribution of responsibilities and tasks among the different actors involved to avoid unnecessary overlap and reduce cost overruns and delays. All the actors of the governance should support, in their field of competence and in accordance with their responsibilities, the achievement of the objectives of the Programme.
- (41) Member States have long been active in the field of space. They have systems, infrastructure, national agencies and bodies linked to space. They are therefore able to make a major contribution to the Programme, especially in its implementation. They *should* cooperate with the Union to promote the Programme's services and applications and ensure coherence between the relevant national initiatives and the Programme. The Commission *should* be able to mobilise the means at Member States' disposal, benefit from their assistance and, subject to mutually agreed conditions, entrust the Member States with non-regulatory tasks in the implementation of the Programme. Moreover, the Member States concerned should take all necessary measures to ensure the

protection of the ground infrastructure established on their territories. In addition, Member States and the Commission should work together and with appropriate international bodies and regulatory authorities to ensure that the frequencies necessary for the Programme are available and protected at the adequate level to allow for the full development and implementation of applications based on the services offered, in compliance with Decision No 243/2012/EU of the European Parliament and of the Council²⁰.

- (42) In accordance with Article 17 of the Treaty on European Union ('TEU') and as a promoter of the Union's general interest, it is the Commission's responsibility to implement the Programme, assume overall responsibility and promote its use. In order to optimise the resources and competences of the various stakeholders, the Commission should be able to entrust certain tasks to other entities under justifiable circumstances. Having the overall responsibility for the Programme, the Commission should determine the main technical and operational requirements necessary to implement systems and services evolution. It should do so after having consulted Member States' experts, users and other relevant stakeholders. Finally, in accordance with Article 4(3) TFEU, the exercise of competence by the Union does not result in Member States being prevented from exercising their competences. However, to make good use of the Union funds, it is appropriate that the Commission ensures, as far as possible, the coherence of activities performed in the context of the Programme, with those of the Member States, *including those funded under their recovery and resilience plans*.
- (43) The mission of the European Union Agency for the Space Programme ('the Agency') is to contribute to the Programme, particularly as regards security accreditation and operational security. Certain tasks linked to those areas should therefore be entrusted to the Agency. In relation to security in particular, and given its experience in this area, the Agency should be responsible for the security accreditation of the governmental services and infrastructure. Where possible, the Agency should achieve synergies and efficiencies, for instance those based on expertise developed throughout the European Global Navigation Satellite System (EGNSS) lifecycles. Furthermore, the Agency should perform the tasks which the Commission confers on it. When entrusting tasks to the Agency, either as own or as delegated tasks, adequate human, administrative and

Decision No 243/2012/EU of the European Parliament and of the Council of 14 March 2012 establishing a multiannual radio spectrum policy programme (OJ L 81, 21.3.2012, p. 7).

financial resources should be made available. The resources of the Agency should be evaluated on an ongoing basis, to enable the Agency to fully carry out its tasks and missions. For this purpose, the Commission should accordingly propose adequate budget for the Agency in the framework of the annual budgetary procedure.

- Building on the expertise developed in the past years in management, operation and service provision related to the Galileo and EGNOS components of the Union Space Programme, the Agency is the most appropriate body, *and should develop the necessary capacities* to implement, under the supervision of the Commission, all the tasks relating to the operation of the governmental infrastructure and provision of governmental services. The Agency should therefore be entrusted with the operation of the governmental infrastructure and the provision of governmental services.
- (45) In order to ensure the operation of the governmental infrastructure and facilitate the provision of the governmental services, the Agency should be allowed to entrust, by means of contribution agreements, specific activities to other entities, in areas of their respective competence, under the conditions of indirect management applying to the Commission *as laid down in the Financial Regulation*.
- (46) ESA is an international organisation with extensive expertise in the space domain including in satellite communication and is therefore an important partner in the implementation of the different aspects of the Union's space policy. In that regard, ESA should be able to provide technical expertise to the Commission, including for the preparation of the technical aspects of the Programme, *as well as the inclusion of new entrants, start-ups and SMEs*. To this purpose, ESA may be entrusted with the development and validation activities of the Programme, and support the evaluation of the contracts concluded in the context of the implementation of the Programme.
- (47) Owing to the importance of space-related activities for the Union economy and the lives of Union citizens, achieving and maintaining a high degree of security should be a key priority for the Programme, particularly in order to safeguard the interests of the Union and of the Member States, including in relation to classified and sensitive non-classified information.
- (48) Under Article 17 TEU, the Commission is responsible of the management of programmes which, in accordance with rules set out in the Financial Regulation, may be sub-delegated to third parties, in indirect management. In that context, the

Commission must ensure that the tasks performed by third parties to implement the Programme in indirect management do not undermine the security of the Programme in particular as regards to the control of classified information. It should therefore be clarified that where the Commission entrusts ESA to carry out tasks under the Programme, the corresponding contribution agreements must ensure that classified information generated by ESA is considered as EU classified information ('EUCI') in accordance with Commission Decision (EU, Euratom) 2015/444²¹ and Council Decision 2013/488/EU²² created under the authority of the Commission.

- (49) Without prejudice to Member States' prerogatives in the area of national security, the Commission and the High Representative, each within their respective area of competence, should ensure the security of the Programme in accordance with this Regulation and, where relevant, Council Decision (CFSP) 2021/698²³.
- (50) Given the specific expertise of the EEAS and its regular contact with authorities of third countries and international organisations, the EEAS should be able to assist the Commission in performing certain tasks relating to the security of the Programme in the field of external relations, in accordance with Council Decision 2010/427/EU²⁴.
- Without prejudice to the sole responsibility of the Member States in the area of national security, as provided for in Article 4(2) TEU, and to the right of the Member States to protect their essential security interests in accordance with Article 346 TFEU, a specific governance of security should be established to ensure a smooth implementation of the Programme. That governance should be based on three key principles. Firstly, it is imperative that Member States' extensive, unique experience in security matters be taken into consideration to the greatest possible extent. Secondly, in order to prevent conflicts of interest and any shortcomings in applying security rules, operational functions should be segregated from security accreditation functions. Thirdly, the entity in charge of managing all or part of the Programme's infrastructure is also the best

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Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

Council Decision of 23 September 2013 on the security rules for protecting EU classified information (OJ L 274, 15.10.2013, p. 1).

Council Decision (CFSP) 2021/698 of 30 April 2021 on the security of systems and services deployed, operated and used under the Union Space Programme which may affect the security of the Union, and repealing Decision 2014/496/CFSP (OJ L 170, 12.5.2021, p. 178).

Council Decision of 26 July 2010 establishing the organisation and functioning of the European External Action Service (2010/427/EU) (OJ L 201, 3.8.2010, p. 30).

placed to manage the security of the tasks entrusted to it. The security of the Programme would build upon the experience gained in the implementation of the Union Space Programme over the past years. Sound security governance also requires that roles be appropriately distributed among the various players. As it is responsible for the Programme, the Commission, without prejudice to Member States prerogatives in the area of national security, should determine the general security requirements applicable to the Programme.

- (52) The cybersecurity, *physical security and redundancy measures* of the Programme infrastructures, both ground and space, *are* key to ensuring the continuity of the service and the operations of the system. *Cybersecurity threats to satellites are of concern for space sustainability and therefore* need to protect the system and its services against cyberattacks, including by making use of new technologies, should therefore be duly taken into account when establishing security requirements.
- (53) Where appropriate, after the risk and threat analysis, the Commission should identify a security monitoring structure. That security monitoring structure should *respond* to instructions developed under the scope of Decision (CFSP) 2021/698. *In order to benefit from synergies and cost savings, that structure should be based on the experience and know-how from operating the Galileo Security Monitoring Centre referred to in Article 34(5), point (b) of Regulation (EU) 2021/696.*
- (54) The governmental services provided by the Programme will be used by the Union's governmental actors in security and safety critical missions. Therefore, such services and infrastructure should be subject to security accreditation.
- (55) It is indispensable that security accreditation activities be carried out on the basis of collective responsibility for the security of the Union and its Member States, by endeavouring to build consensus and involving all those concerned with the issue of security, and that a procedure for permanent risk monitoring be put in place. It is also necessary that technical security accreditation activities are conducted by professionals who are duly qualified in the field of accreditation of complex systems and who have an adequate level of security clearance.
- (56) An important objective of the Programme is to ensure the security of the Union and the Member States and to strengthen the resilience across key technologies and value chains. In specific cases, that objective requires conditions for eligibility and

participation to be set, to ensure the protection of the integrity, security and resilience of the operational systems of the Union. *Those requirements should be established in close cooperation with Member States, taking into account established security accreditations.* That should not undermine the need for competitiveness and cost-effectiveness.

- (57) Considering the importance for the Programme of its ground governmental infrastructure and the impact thereof on its security, the location of such infrastructure should be determined by the Commission. The deployment of the ground governmental infrastructure of the Programme should continue to follow an open and transparent process, which could involve the Agency where appropriate based on its field of competence. When determining the location, the Commission should, as far as possible, seek synergies with existing infrastructure of components of the Union Space Programme and endeavour to achieve geographical balance. For the sake of synergies, cost savings and security, the integration of the ground infrastructure with the Union Space Programme's components should be assessed in the first instance. In the second instance, the Commission should, where possible, take into consideration the geographical balance among the Member States to locate the ground infrastructure in the Union.
- (58) The Programme's governmental services will be used in security and safety critical missions and operations by Union and Member State actors. Therefore, in order to protect the essential security interest of the Union and its Member States, measures to ensure a necessary level of non-dependence on third parties (third countries and entities from third countries) are needed, covering all Programme elements. This includes space and ground technologies at component, subsystem and system level, manufacturing industries, owners and operators of space systems, and physical location of ground system components.
- (59) To ensure the competitiveness of the European space industry in the future, the Programme should contribute to the development of advanced skills in space-related fields and support education and training activities, promoting equal opportunities, gender equality and women's empowerment, in order to realise the full potential of Union citizens in that area.

- (60) Given its worldwide coverage, the Programme has a strong international dimension. International partners, their governments and citizens will be recipients of the Programme's array of services with accrued benefits to the international cooperation of the Union and the Member States with these partners. For matters relating to the Programme, the Commission might coordinate, on behalf of the Union and in its field of competence, the activities on the international scene. In particular, the Commission, as regards the Programme, would defend the interests of the Union and the Member States in international fora, including in the area of frequencies, without prejudice to Member States' competence in that area.
- (61) The Programme should, where appropriate, be open to participation of third countries and international organisations on the basis of an agreement to be concluded in accordance with Article 218 TFEU. Priority should be given to Members of the European Free Trade Association (EFTA) which are members of the European Economic Area (EEA), acceding countries, candidate countries and potential candidates as well as the European Neighbourhood Policy countries.
- (62) Pursuant to Council Decision 2013/755/EU²⁵, persons and entities established in overseas countries or territories are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.
- (63) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission relating to adoption of the location of the centres belonging to the ground governmental infrastructure, the operational requirements for governmental services, the service portfolio for governmental services, as well as the establishment of additional requirements for the participation of third countries and international organisations in the Programme. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁶.

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Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union ('Overseas Association Decision') (OJ L 344, 19.12.2013, p. 1).

Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (64) The governmental services should, as a general rule, be provided free of charge to users of the governmental services. However, capacity for those services is limited. If, after analysis, the Commission concludes that there is a shortage of capacities, it should be permitted to develop a pricing policy as part of those detailed rules on the service provision in order to match supply and demand of services, fund additional necessary capacities for additional use of service provisions. The Commission should be conferred with implementing powers to adopt such pricing policy. Those powers should be exercised in accordance with Regulation (EU) No 182/2011.
- (65) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers relating to the location of the ground segment of the governmental infrastructure should be conferred on the Commission. For the selection of such locations, the Commission should be able to take into account the operational and security requirements, as well as the existing infrastructure. Those powers should be exercised in accordance with Regulation (EU) No 182/2011.
- (66) In the interest of sound public governance and given the synergies between this Programme and the Union Space Programme, and in particular to ensure appropriate synergies with the GOVSATCOM component, the Programme committee established within the framework of Regulation (EU) 2021/696 in the GOVSATCOM configuration should also serve as the committee for the purposes of this Programme. For matters pertaining to the security of the Programme, the Programme committee should meet in a dedicated security configuration.
- (67) As sound public governance requires uniform management of the Programme, faster decision-making and equal access to information, representatives of the entities entrusted with tasks related to the Programme might be able to take part as observers in the work of the Programme committee established in application of Regulation (EU) No 182/2011. For the same reasons, representatives of third countries and international organisations who have concluded an international agreement with the Union, relating to the Programme, might be able to take part in the work of the Programme committee subject to security constraints and as provided for in the terms of such agreement. The representatives of entities entrusted with tasks related to the Programme, third countries and international organisations should not be entitled to take part in the Programme committee voting procedures. The conditions for the participation of observers and ad

hoc participants should be laid down in the rules of procedure of the Programme committee.

- (68) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making²⁷, this Programme should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the Programme. The evaluation of this Programme should take into account the findings of the evaluation of the Union Space Programme pertaining to the GOVSATCOM component conducted within the framework of Regulation (EU) 2021/696 and should be available in good time to feed into the work on any proposal to continue the Programme in the next MFF period.
- In order to ensure the continuing adequacy of the indicators to report on the progress of (69)the Programme, as well as the Programme's monitoring and evaluation framework, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending the Annex to this Regulation with regard to the indicators, to supplement this Regulation by specifying the measures to be undertaken regarding the safety and sustainability of outer space activities, as well as to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework, which may consider inter alia, the end user uptake and impacts on the internal market. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (69a) All essential financial and legal requirements should be established in this Regulation to ensure the predictability of the Programme's implementation. It is also necessary to set out the scope of cooperation between the Commission and the relevant industry

OJ L 123, 12.5.2016, p. 1.

partners, with a view to ensuring that there is a clear framework for the Programme's milestones and targets.

- (70) In order to ensure uniform conditions for the implementation of the Programme's security requirements, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011. Member States should be able to exert a maximum of control over the Programme's security requirements. When adopting implementing acts in the area of security of the Programme, the Commission should be assisted by the Programme committee meeting in a dedicated security configuration. In view of the sensitivity of security matters, the chair of the Programme committee should endeavour to find solutions which command the widest possible support within the committee. The Commission should not adopt implementing acts determining the general security requirements of the Programme in cases where no opinion is delivered by the Programme committee.
- (70a) The Programme complements the existing Union Space Programme, by integrating and extending its objectives and actions to create a secure and space-based connectivity system for the Union. Therefore, if the Commission considers it appropriate, for the purpose of the overall consistency of the Union space policy, the evaluation should be accompanied by an appropriate proposal to integrate this Programme into the Union Space Programme, at the latest in the MFF 2028-2034.
- (71) Since the objective of this Regulation cannot be sufficiently achieved by the Member States, but can rather, by reason of the scale and effects of the action that go beyond the financial and technical capacities of any single Member State, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

HAVE ADOPTED THIS REGULATION:

Chapter I

General provisions

Article 1

Subject matter

1. This Regulation establishes the Union Secure Connectivity Programme ('the Programme'). It lays down the objectives of the Programme, and the rules on the activities of the Programme while taking account of Regulation (EC) 2021/696, the infrastructure and services of the Programme, the participants of the Programme, the budget for the period 2023-2027, the forms of Union funding and the rules for providing such funding, as well as the rules for the implementation of the Programme.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'Critical infrastructure' means an asset, *a facility, an equipment, a network, a* system or part thereof, which is *necessary* for the *provision of an essential service*;
- (2) 'European Quantum Communication Infrastructure (EuroQCI)' means an interconnected space and ground infrastructure belonging to the infrastructure of the Programme using quantum-based technology to ensure the distribution of cryptographic keys;
- (3) 'GOVSATCOM Hub' *means the GOVSATCOM hub as* defined in Article 2, *point* (23) of Regulation (EU) 2021/696;
- (4) 'GOVSATCOM user' *means the GOVSATCOM user as* defined in Article 2, *point* (22), of Regulation (EU) 2021/696;
- (5) 'infrastructure' means an asset, *a* system or part thereof, which is necessary for the delivery of the services provided by the Programme;
- (6) space ecosystem' means a network of interacting players in the space sector operating in value chains, from the smallest start-ups to the largest companies, encompassing the upstream, midstream and downstream segments of the space market;
- (7) 'payload' means equipment carried by a spacecraft for the performance of a particular mission in space;

- (8) 'secure connectivity system' means the system developed in accordance with this Regulation comprising the infrastructure referred to in Article 5 and providing the services referred to in Article 7;
- (8a) EU classified information' means EU classified information as defined in Article 2, point (25), of Regulation (EU) 2021/696;
- (8b) 'sensitive non-classified information' means sensitive non-classified information as defined in Article 2, point (26), of Regulation (EU) 2021/696;
- (9) 'Agency' means the European Union Agency for the Space Programme established by Regulation (EU) 2021/696.

Article 3

Programme objectives

- 1. The general objective of the Programme is to establish a secure, autonomous and multi-services space-based system under civil control, integrating and complementing the capacities of the GOVSATCOM component of the Union Space Programme, in particular to:
 - (a) ensure the *provision and* long-term availability within the Union's territory and worldwide of uninterrupted access to secure, autonomous, reliable, resilient and cost-effective governmental satellite services to governmental users in accordance with paragraphs 1 to 3 of Article 7, which supports the protection of critical infrastructure, situational awareness, external actions, crisis management and applications that are critical for the economy, the environment, the security and defence, thereby increasing the resilience and the technologic sovereignty of the Union and Member States, while avoiding excessive reliance on non-EU based solutions, in particular for critical functions and ensuring access to space, in particular to orbital slots and the right to use relevant frequencies;
 - (b) enable the provision of commercial services or services offered to governmental users based on commercial infrastructure by the private sector in accordance with Article 7(4), including services to further develop Union and worldwide high-speed broadband and seamless connectivity.

- 2. The Programme has the following specific objectives:
 - (a) improve the *quality*, *resilience* and autonomy of the Union and Member States' satellite services ²⁸;
 - (b) *increase the* cyber resilience *of the Union by developing redundancy, passive* and reactive cyber *protection* and operational cybersecurity;
 - (ba) develop and integrate the space and related ground segment of the EuroQCI to enable secure transmission of cryptographic keys;
 - (c) enable, where possible, the development of communication and other services, in particular by improving, creating synergies between and expanding capabilities and services of components of the Union Space Programme, as well as services that are not components of the Union Space Programme, by hosting additional satellite subsystems, including payloads;
 - (d) incentivise innovation, efficiency, as well as the development and use of disruptive technologies and innovative business models in the whole European space ecosystem, in particular by supporting new entrants, start-ups and SMEs of the up-, mid- and down-stream sector across the Union especially through strengthening competition in the market of the Union space sector;
 - (e) In further ensure the development of high-speed broadband and seamless connectivity throughout the Union, and thereby remove communication dead zones in support of the inclusive, cohesive and sustainable development of the Union while bridging the digital divide, and enabling affordable internet access, contributing to the provision of the Universal Service in the meaning of Directive (EU) 2018/1972 and increasing cohesion across the Union and allow connectivity over geographical areas of strategic interest for the Union, for instance neighbouring regions of the Union, such as the Mediterranean, Baltic and Black Sea regions, and other strategic areas such as the Artic and Africa;

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Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69).

- (ea) enhance the safety and sustainability of space activities by implementing appropriate measures to ensure and promote responsible behaviour in space when implementing the Programme; and
- (eb) improve the Union's strategical and technological autonomy in terms of space technologies, assets, operations and services.

Article 4

Implementation activities of the Programme

- 1. The provision of the governmental services referred to in Article 7(1a) shall be based on, integrated into and complemented by the GOVSATCOM component of the Union Space Programme. They shall be ensured through the following activities:
 - (a) by 2024, the design, development, validation and related deployment activities

 of the space and ground infrastructure required to provide first governmental services 6 months after the deployment;
 - (b) development and *gradual* integration of the space and related ground segment of the European Quantum Communication Infrastructure into the space and ground infrastructure of the secure connectivity system;
 - (c) deployment activities to complete the space and ground infrastructure required to provide governmental services, *leading to full operational capability by* 2027;
 - (d) exploitation activities for the provision of governmental services, comprising:
 - (i) the operation, maintenance, continuous improvement and protection of the space and ground infrastructure, including replenishment and obsolescence management.
 - (e) development of future generations of the space and ground infrastructure and the evolution of the governmental services.
- 1a. The provision of commercial services shall be ensured and financed by the contractor referred to in Article 15(2).
- 2.
- 3.

Article 5

Infrastructure of the secure connectivity system

- 1. The infrastructure shall be established by developing, building and operating a multiorbital infrastructure, scalable to adjust to the evolution of governmental demand for satellite services and offering low latency, while integrating and complementing the existing and future capacities used in the frame of the GOVSATCOM component of the Union Space Programme. It shall consist of governmental and commercial infrastructure as laid down in paragraphs 2 and 4 respectively.
- 2. The governmental infrastructure of the secure connectivity system shall be built upon the GOVSATCOM Hub ground segment infrastructure as set out in Regulation (EU) 2021/696 that is to be gradually scaled-up and include all the related ground and space assets which are required for the provision of the governmental services, as set out in Article 7(1), including the following assets:
 - (a) *either* satellites or satellite *subsystems*, *including payloads*;
 - (b) space and ground subcomponents ensuring the distribution of cryptographic keys;
 - (c) infrastructure for monitoring the security of the *governmental* infrastructure and services;
 - (d) infrastructure for the provision of the services to the governmental users.
 - (e)

For the purpose of this Regulation, the right of use of the frequencies necessary for the transmission of the signals generated by the ground and space assets of the governmental infrastructure shall be part of the governmental infrastructure.

The governmental infrastructure shall host, as appropriate, additional subsystems, in particular payloads, that may be used as part of the space-based infrastructure of the components of the Union Space Programme listed in Article 3 of Regulation (EU) 2021/696 under the terms and conditions set out in that Regulation as well as subsystems used for services that are not components of the Union Space Programme.

3. The Commission shall, by means of implementing acts, lay down, where necessary, measures required to determine the location of the centres belonging to the ground governmental infrastructure, except the GOVSATCOM Hubs, in accordance with security requirements, following an open and transparent process. *During that process, the Commission shall take into account all possible synergies with existing centres related to other components of the Union Space Programme and endeavour to achieve geographical balance.* Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 42(2) of this Regulation. The location of the GOVSATCOM Hubs shall be determined in accordance with Article 67(2) of regulation (EU) 2021/696.

For the protection of the security interests of the Union and its Member States the centres referred to in the first subparagraph shall be, where possible, located in the territory of the Member States and governed by a hosting agreement taking the form of an administrative agreement between the Union and the Member State concerned.

Where it is not possible to locate the centre in the territory of the Member States, the Commission may determine the location of such centre in the territory of *members of EFTA which are members of the EEA or in the territory of another* third country, subject to a hosting agreement between the Union and the third country concerned concluded in accordance with Article 218 TFEU.

- 4. The commercial infrastructure referred to in paragraph 1 shall include all space and ground assets other than those being part of the governmental infrastructure. The commercial infrastructure *and any related risks* shall be entirely financed by the contractor referred to in Article 15(2).
- 4a. Where the governmental and commercial services rely on common assets, the contracts referred to in Article 15 shall determine which of those assets are to be part of the governmental infrastructure.
- 5. In order to protect the security interests of the Union, the space assets of the secure connectivity system shall be launched by *providers that comply* with the conditions set out in Article 19 and *from the Union's territory*.

By way of derogation from the first subparagraph, the Commission may allow a

provider to launch a space asset from the territory of a third country in exceptional, duly substantiated circumstances.

Article 6

Actions in support of an innovative and competitive Union space *ecosystem*

- 1. In accordance with the objectives referred to in Article 3(2), point (d), the Programme shall support an innovative and competitive Union space ecosystem, and in particular the initiatives and activities listed in Article 6 of Regulation (EU) 2021/696, including, where appropriate, support of activities linked to commercial services.
- 2. The Commission shall *stimulate innovation in the Union's space ecosystem throughout the duration of the Programme* by taking the following measures:
 - (a) establish criteria for the award of the contracts referred to in Article 15 ensuring the participation of *new entrants*, start-ups and small and medium-sized enterprises (SMEs) from across the Union and along the whole value chain;
 - (b) require that the contractor referred to in Article 15(2) provides a plan to maximise the integration of new entrants, start-ups and SMEs from across the Union in the activities under the contracts referred to in Article 15, including through the establishment of specific quotas;
 - (c) *support new entrants*, start-ups and SMEs *from across the Union* to deliver own services to end-users;
 - (ca) promote the use and development of open standards, open source technologies and interoperability in the architecture of the secure connectivity system, in order to allow synergies, optimise costs and improve reliability;
 - (cb) promote the development and production in the Union of reception antennas and user terminals, which are required to exploit governmental and commercial communication services;
 - (d) promote stronger participation of women innovators and establish equality and inclusion goals in the tender documentation;
 - (da) contribute to the development of skills in space-related fields and to training activities.

Article 6a

Environmental and space sustainability

- 1. The implementation of the Programme shall be carried out with a view to ensuring the environmental and space sustainability.
- 2. In order to ensure environmental and space sustainability, the contracts and procedures referred to in Article 15 shall include provisions on:
 - (a) the minimisation of greenhouse gas emissions generated by the development, production and deployment of the infrastructure;
 - (b) the establishment of a scheme to offset the remaining greenhouse gas emissions;
 - (c) appropriate measures to reduce visible and invisible radiation pollution caused by the spacecraft, and that can hamper astronomical observations or any other type of research and observations;
 - (d) the use of appropriate collision-avoidance technologies for spacecraft;
 - (e) the submission and implementation of a comprehensive debris mitigation plan before the deployment phase.
- 3. The contracts and procedures referred to in Article 15 shall include an obligation to provide data to the entities in charge of producing SST information and SST services as referred to in Article 55 of Regulation (EU) 2021/696.
- 4. The Commission shall ensure that a comprehensive database of the Programme's space assets, in particular with data relating to environmental and space sustainability aspects, is maintained.
- 5. The Commission shall adopt delegated acts in accordance with Article 43, in order to supplement this Regulation by specifying the measures to be undertaken under each of the requirements listed in paragraphs 3 and 4 of this Article.

Chapter II

Services

Definition of services portfolio

- 1. A service portfolio for governmental services shall be established. It shall consist of the following categories of services, which complement the service portfolio for GOVSATCOM services referred to in Article 63(3) of Regulation (EU) 2021/696:
 - (a) services offered to governmental users based on governmental infrastructure, such as robust, worldwide, low-latency services or space data relays;
 - (b) services offered to governmental users based on commercial infrastructure, such as secure, worldwide, low-latency services or worldwide narrowband services;
 - (c) quantum key distribution service.
- 2. The Commission shall adopt, by means of implementing acts, the operational requirements for governmental services, in the form of technical specifications for use-cases related in particular to crisis management, *space situational awareness* and key infrastructure management, including diplomatic communication networks. Those operational requirements shall be based on the detailed analysis of the requirements of the Programme users, shall take into account requirements stemming from existing user equipment and networks and operational requirements for GOVSATCOM services according to Article 63(2) of the Space Programme Regulation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 42(2).
- 3. The Commission shall adopt, by means of implementing acts, the service portfolio for the governmental services in the form of a list of services and their attributes, including geographical coverage, frequency, bandwidth, user equipment, and security features. Those implementing acts shall be based on the operational requirements referred to in paragraph 2 of this Article and applicable security requirements referred to in Article 27(2). These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 42(2).
- 4. The provision of commercial services *and any related risks* shall be financed *entirely*by the contractor referred to in Article 15(2).

Governmental services

- 1. Governmental services shall be provided to the Programme participants referred to Article 9(1), (2) and (3).
- 2. The Commission shall adopt, by means of implementing acts, detailed rules on the provision of governmental services taking into account Article 66 of the Space Programme Regulation and the expected demand for the different use-cases, dynamic allocation of the resources and prioritisation of the governmental services according to relevance and criticality of the users' needs and, where appropriate, the cost-efficiency. To that end, the costs of providing the governmental services shall be calculated in a transparent manner and taken into account when determining the provider of those services.
- 3. Access to the governmental services shall be free of charge for its users.
 - 4. By way of derogation from paragraph 3, the Commission may, in duly justified cases, where strictly necessary to match supply and demand of governmental services, for a limited period and on an exceptional basis, determine, by means of implementing acts, a pricing policy. By determining the pricing policy, the Commission shall ensure that there is no shortage of the governmental services. The pricing policy shall not result in an overcompensation of the beneficiary. Any revenue from the pricing policy shall be treated as external assigned revenue in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046 (the 'Financial Regulation').
- 5. The implementing acts referred to in paragraphs 2 and 4 of this Article shall be adopted in accordance with the examination procedure referred to in Article 42(2).
- 6.
- 6a. The provision of the services shall be equal to the Member States in terms of service portfolio, geographical availability, and service performance and quality levels. The governmental services shall be available in priority over the Union's territory.

Article 9

Programme participants and competent authorities

- 1. Member States, the Council, the Commission and the European External Action Service (EEAS) shall be the Programme participants insofar as they authorise the users of the governmental services.
- 2. Union agencies and bodies may become the Programme participants insofar as necessary to fulfil their tasks and in accordance with detailed rules laid down in an administrative arrangement concluded between the agency concerned and the Union institution that supervises it.
- 3. Third countries and international organisations may become the Programme participants in accordance with Article 36.
- 4. Each Programme participant shall designate one Secure Connectivity Competent authority. Where GOVSATCOM participants referred to in Article 68 of Regulation (EU) 2021/696, participating in the Programme, designated a competent authority in accordance with Article 68(4) of Regulation 2021/696, they shall designate the same authority as Secure Connectivity Competent authority.

That requirement shall be deemed to be complied with by the Programme participants, if they satisfy the following criteria:

- (a) they are also GOVSATCOM participants referred to in Article 68 of Regulation (EU) 2021/696; and
- (b) they have designated a competent authority in accordance with Article 68(4) of Regulation 2021/696.
- 4a. The prioritisation of governmental capacities between the users authorised by each Programme participant shall be determined and implemented by that Programme participant.
- 5. A Secure Connectivity Competent authority referred to in paragraph 4 shall ensure that:
 - (a) the use of services is in compliance with the applicable security requirements;
 - (b) the access rights to the governmental services are determined and managed;
 - (c) user equipment necessary for the use of the governmental services and associated electronic communication connections and information are used and managed in accordance with applicable security *and sustainability* requirements;

(d) a central point of contact is established to assist as necessary in the reporting of security risks and threats, in particular the detection of *potential collisions and* potentially harmful electromagnetic interference affecting the services under the Programme.

Article 10

Users of the governmental services

- 1. The following entities may be authorised as users of the governmental services:
 - (a) a Union or Member State public authority or a body entrusted with the exercise of such public authority;
 - (b) a natural or legal person acting on behalf of and under the control of an entity referred to in point (a) of this paragraph.
- 2. The users of the governmental services referred to in paragraph 1 shall be duly authorised by the Programme participants referred to in Article 9 to use the governmental services and shall comply with the general security requirements referred to in Article 27(2).

Chapter III

Budgetary contribution and mechanisms

Article 11

Budget

1. The financial envelope for the implementation of the Programme for the period from 1 January 2023 to 31 December 2027 and for covering the associated risks *relating to the governmental infrastructure only* shall be EUR 1,750 billion in current prices.

That amount shall be drawn from the unallocated margins under the MFF 2021-2027 ceilings or mobilised through the non-thematic MFF special instruments.



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- 2. The Programme shall be complemented by funding implemented by relevant activities under the Horizon Europe Programme and the GOVSATCOM component of the Union Space Programme for a maximum indicative amount of EUR 0,430 billion and EUR 0,220 billion respectively. This funding shall be implemented in full compliance with the objectives, rules and procedures set out in Regulation (EU) No 2021/695, Council Decision (EU) 2021/764 and Regulation (EU) No 2021/696 respectively, and with full respect for their objectives, criteria and implementation arrangements.
- 3. The amount referred to in paragraph 1 may be used to cover all the activities required to fulfil the objectives referred to in Article 3. Such expenditure may also cover:
 - (a) studies and meetings of experts, in particular compliance with its cost and time constraints;
 - (b) information and communication activities, including corporate communication on the policy priorities of the Union where they are directly linked to the objectives of this Regulation, with a particular view to creating synergies with other Union policies;
 - (c) the information technology networks whose function it is to process or exchange information, and the administrative management measures implemented by the Commission, including in the field of security, implemented by the Commission;
 - (d) technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems.
- 4. Budgetary commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.

Cumulative and alternative funding

An action that has received a contribution from another Union programme, including funds under shared management, may also receive a contribution under the Programme, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall

apply to the corresponding contribution to the action. The cumulative funding shall not exceed the total eligible costs of the action. The support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.

Article 13

Contributions to the Programme

- 1. The Programme may receive additional financial contributions or contributions inkind from:
 - (a) Union agencies and bodies;
 - (b) Member States;
 - (c) Third countries participating in the programme;
 - (d) other international organisations in line with relevant agreements;
 - (da) Private sector contributions.
- 1a. The Programme may receive additional financial contributions from ESA in support of development and validation activities comprised in contracts awarded pursuant to Article 15.
- 2. The additional financial contribution referred to in paragraph 1 *and 1a* of this Article and revenues pursuant to Article 8(4) shall be treated as external assigned revenue in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046 (the 'Financial Regulation').

Article 14

Implementation and forms of Union funding

- 1. The Programme shall be implemented under direct management in accordance with the Financial Regulation or under indirect management with bodies referred to in the first subparagraph of point (c) of Article 62(1) of the Financial Regulation.
- 2. The Programme may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes and procurement. It may also provide financing in the form of financial instruments within blending operations.

Chapter IV

Implementation of the Programme

Article 15

Implementation model

- 1. The activities set out in Article 4 of this Regulation shall be implemented through contracts awarded in compliance with the Financial Regulation and the principles of procurement under Article 17 of this Regulation.
- 2. The roles, responsibilities, financial scheme and allocation of risks between the Union and the contractor for their implementation shall be set out in contracts, which may take the form of a concession contract, a supply, service or works contract or a mixed contract, taking into account the ownership regime under Article 16 and the funding of the Programme under Chapter III.
- 3. The contracts referred to in this Article shall be procured under direct and indirect management and may take the form of an inter-institutional procurement referred to in Article 165(1) of the Financial Regulation, between the Commission and the Agency, whereby the Commission shall assume the role of lead contracting authority.
- 4. If the procurement procedure referred to in paragraph 2 takes the form of a concession contract and such procedure leads to the failure to conclude the concession contract, the Commission shall restructure the procurement and implement a supply, service or works contract, as appropriate for an optimal implementation of the Programme.
- 5. Where appropriate, the procurement procedures for the contracts referred to in this Article may also take the form of joint procurements with Member States, according to Article 165(2) of the Financial Regulation.
- 6. The contracts referred to in this Article shall ensure that the provision of commercial services preserves the Union's essential interests and the Programme's general and specific objectives referred to in Article 3. They shall in particular specify how the Commission is to assess and approve the provision of commercial services, in order to ensure that the Union's essential interests and the Programme's general and specific objectives are preserved and what measures are to be taken in the event that those essential interests are not respected or those objectives are not met. Moreover,

they shall include measures to ensure service continuity in the event of a major failing on the part of the contractor. Those contracts shall also include adequate safeguards to avoid any overcompensation of the contractor, distortions of competition, *conflicts* of interest, undue discrimination *or* any other hidden indirect advantages. Such safeguards shall include the obligation of accounting separation between the provision of governmental services and the provision of commercial services, including the setting up of a structurally and legally separate entity from the vertically integrated operator for the provision of governmental services, and the provision of open, fair, reasonable and non-discriminatory access to infrastructure for the provision of commercial services. necessary

The Commission shall ensure control over the infrastructure shared with the private partner, thereof contractual provisions shall be considered in the concession agreement such as buy-back option in case of default, veto right in case of acquisition by a third country company and vetting of key personnel.

- 7.
- 7a. Without prejudice to the Financial Regulation, the Commission shall, upon the request of the European Parliament, provide detailed information about the procurements procedures and contracts referred to in this Article.
- 7b. The contracts referred to in this Article shall contain provisions on mitigating cybersecurity risks.

Article 16

Ownership and use of assets

1. The Union shall be the owner of all tangible and intangible assets laid down in Article 5, which form part of the governmental infrastructure. To that effect, the Commission shall ensure that contracts, agreements and other arrangements concerning activities that may result in the creation or development of such assets contain provisions ensuring the Union's ownership of those assets.

In particular, the Commission shall ensure that the Union has the following rights:

- (a) the right of use of the frequencies required for the transmission of the signals generated by the Programme, in accordance with the applicable laws, regulations and relevant licensing agreements and the filings provided by the Member States remaining their property;
- (b) the right to prioritise the provision of the governmental services over the commercial services, according to terms and conditions to be established in the contracts referred to in Article 15 and considering the users of the governmental services referred to in Article 10(1).
- 2. By way of derogation from paragraph 1, the Commission shall seek to conclude contracts, agreements or other arrangements with third parties with regard to:
 - (a) pre-existing ownership rights in respect of tangible and intangible assets forming part of the Programme infrastructure;
 - (b) the acquisition of the ownership or license rights in respect of other tangible and intangible assets necessary for the implementation of the Programme, *in relation to the provision of governmental services*.
- 3. Where the assets referred to in paragraphs 1 and 2 consist of intellectual property rights, the Commission shall manage those rights as effectively as possible, taking into account:
 - (a) the need to protect and give value to the assets;
 - (b) the legitimate interests of all stakeholders concerned;
 - (c) the need to ensure competitive and well-functioning markets and to develop new technologies;
 - (d) the need for the continuity of the services provided by the Programme.
- 4. The Commission shall, in particular, ensure that the relevant contracts, agreements and other arrangements include the possibility of transferring those intellectual property rights to third parties or of granting third-party licences for those rights, including to the creator of the intellectual property, and that such third parties can freely enjoy those rights where necessary for carrying out their tasks under this Regulation.

Principles of procurement

- 1. Procurement under the Programme shall be carried out in accordance with the rules on procurement laid down by the Financial Regulation.
- 2. In procurement procedures for the purpose of the Programme, complementing the principles laid down in the Financial Regulation, the contracting authority shall act in accordance with the following principles:
 - (a) to promote in all Member States throughout the Union and throughout the supply chain, the widest and most open participation possible by economic operators, in particular start-ups, new entrants and SMEs, including in the case of subcontracting by the tenderers, by requiring, where appropriate, a minimum number of economic operators established in different Member States;
 - (b) to ensure effective competition in the tendering process, while taking into account the objectives of technological independence and continuity of services;
 - (c) to follow the principles of open access and competition, by tendering on the basis of the provision of transparent and timely information, clear communication of the applicable procurement rules and procedures, selection and award criteria and any other relevant information allowing a level-playing field for all potential tenderers;
 - (d) to protect the security and public interest of the Union and its Member States, including through a reinforcement of the *technological and strategic* autonomy of the Union, in particular in technological terms, by performing risk assessments and implementing disruption risk mitigation measures when only one supplier is available;
 - (da) to ensure the continuity of operations, contracts and procurement procedures must either provide for diversification of products, components and services supplies among providers or implement disruption risk measures;
 - (e) to comply with the security requirements of the Programme's core infrastructure and to contribute to the protection of the essential security interests of the Union and its Member States;

- (f) by way of derogation from Article 167 of the Financial Regulation, to use, wherever appropriate, multiple supply sources in order to ensure better overall control of all the Programme's components, their cost and schedule;
- (g) to promote service *accessibility*, continuity and reliability;
- (h) to enhance the safety and sustainability of outer space activities, by implementing appropriate measures in accordance with the provisions set in paragraphs 1 and 2 of Article 6a;
- (i) to ensure the effective promotion of equal opportunities for all, and the implementation of gender mainstreaming, and of the gender dimension and shall aim to address the causes of gender imbalance. Particular attention shall be paid to ensure gender balance in evaluation panels.

Subcontracting

- 1. To encourage new entrants, SMEs and start-ups *across the Union* and their cross-border participation, and to offer the widest possible geographical coverage while protecting the Union's *strategic* autonomy, the contracting authority shall request that the tenderer subcontracts part of the contract by competitive tendering at the appropriate levels of subcontracting to companies other than those affiliated with the tenderer's group.
- 1a. For contracts above EUR 10 million, the contracting authority shall ensure that large portions and at least 30% of the value of the contract is subcontracted by competitive tendering at various levels of subcontracting to companies outside the group of the prime tenderer, particularly in order to enable the cross-border participation of SMEs in the space ecosystem.

2.

2a. If the tenderer is not able to comply with request made under paragraph 1 or percentage referred to in paragraph 1a, it shall provide the contracting authority with the duly justified reasons why it is not able to do so. The contracting authority may allow the tenderer to derogate from the requirements to comply with the request.

The contracting authority shall submit any requests for a derogation under this paragraph to the Commission and to the Programme committee.

Article 19

Eligibility and participation conditions for the preservation of the security, integrity and resilience of operational systems of the Union

Eligibility and participation conditions shall apply to the award procedures carried out in the implementation of the Programme, where necessary and appropriate to preserve the security, integrity and resilience of the operational Union systems as set out in Article 24 of Regulation (EU) 2021/696, taking into account the objective to promote the Union's strategic autonomy, in particular in terms of technology across key technologies and value chains, while preserving an open economy.

Article 20

Protection of the financial interests of the Union

Where a third country participates in the Programme by means of a decision adopted pursuant to an international agreement or on the basis of any other legal instrument, the third country shall grant the necessary rights and access required for the authorising officer responsible, OLAF, the European Public Prosecutor's Office and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.

Chapter V

Governance of the Programme

Article 21

Principles of governance

The governance of the Programme shall be based on the following principles:

- (a) clear distribution of tasks and responsibilities between the entities involved in the implementation of the Programme
- (b) relevance of the governance structure to the specific needs of the Programme and measures, as appropriate;
- (c) strong control of the Programme, including strict adherence to cost, schedule and performance by all the entities, within their respective roles and tasks in accordance with this Regulation;
- (d) transparent and cost-efficient management;
- (e) service continuity and necessary infrastructure continuity, including *security monitoring and management, and* protection from relevant threats;
- (f) systematic and structured consideration of the needs of users of the data, information and services provided by the Programme, as well as of related scientific and technological evolutions;
- (g) constant efforts to control and mitigate risks.

Role of the Member States

- 1. Member States shall contribute with their technical competence, know-how and assistance, in particular in the field of safety and security, or, where appropriate and possible, by making available to the Union the data, information, services and infrastructure in their possession or located on their territory.
- 2. Where relevant, the Member States shall ensure coherence and complementarity of their recovery and resilience plans under Regulation (EU) 2021/241 of the European Parliament and of the Council²⁹ and the Programme.
- 3. The Member States shall take all the necessary measures to ensure the smooth functioning of the Programme, including by helping to secure and protect, at the appropriate level, the frequencies required for the Programme.

Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

- 4. The Member States and the Commission may cooperate to widen the uptake of services provided by the Programme.
- 5. In the field of security, the Member States shall perform the tasks referred to in Article 42 of Regulation (EU) 2021/696.
- 6. The Member States shall provide their operational needs for the governmental services.

Role of the Commission

- 1. The Commission shall have overall responsibility for the implementation of the Programme, including in the field of security, without prejudice to Member States' prerogatives in the area of national security. The Commission shall, in accordance with this Regulation, determine the priorities and evolution of the Programme, in line with the user requirements, and shall supervise its implementation, without prejudice to other policies of the Union.
- 2. The Commission shall ensure a clear division of tasks and responsibilities between the various entities involved in the Programme and shall coordinate the activities of those entities. The Commission shall also ensure that all the entrusted entities involved in the implementation of the Programme protect the interests of the Union, guarantee the sound management of the Union's funds and comply with the Financial Regulation and this Regulation.
- 3. The Commission shall procure, award and sign the contracts referred to in Article 15 in compliance with the Financial Regulation.
- 4. The Commission may entrust tasks concerning the Programme to the Agency and ESA under indirect management, in compliance with their respective roles and responsibilities as set out under Articles 24 and 25. In order to facilitate the achievement of the objectives under Article 3 and promote the most efficient cooperation between the three entities, the Commission may establish contribution agreements with each entity.
- 5. Without prejudice to the tasks of the contractor referred to in Article 15(2), the Agency or other entrusted entities, the Commission shall ensure that the uptake and use of the

- services provided by the Programme is promoted and maximised. It shall ensure complementarity, consistency, synergies and links between the Programme and other Union actions and programmes.
- 6. Where appropriate, the Commission shall ensure the coherence of activities performed in the context of the Programme with activities carried out in the space domain at Union, national or international level. It shall encourage cooperation between the Member States and, where relevant to the Programme, facilitate convergence *and interoperability* of their technological capacities and developments in the space domain.
- 7. The Commission shall inform the Programme committee referred to in Article 42(1) of the interim and final results of the evaluation of any procurement procedures and of any contracts, including subcontracts, with public and private entities.

Role of the Agency

- 1. The own task of the Agency shall be:
 - (a) to ensure, through its Security Accreditation Board, the security accreditation of the governmental infrastructure and governmental services in accordance with Chapter II of Title V of Regulation (EU) 2021/696;
 - (b) to ensure the operational security of the governmental infrastructure, including cybersecurity, risk and threat analysis; security monitoring, in particular setting technical specifications and operational procedures and monitoring their compliance with the general security requirements referred to in Article 27(2).
- 2. The Commission *shall* entrust, by means of one or more contribution agreements, the following tasks to the Agency:
 - (a) *management of the* operation of the governmental infrastructure of the Programme;
 - (b)
 - (c) provision of the governmental services, in particular through the GOVSATCOM Hub:

- (d) management of contracts referred to in Article 15, after their award and signature;
- (e) overarching coordination of user-related aspects of the governmental services in close collaboration with Member States, relevant Union agencies, EEAS and other entities;
- (f) undertaking activities related to user uptake of services offered by the Programme without affecting the activities performed by the contractor referred to in Article 15(2) under contracts referred to in Article 15.
- 2a. The Commission may entrust, by means of one or more contribution agreements, other tasks to the Agency, provided that they aim to improve the efficiency of the implementation of the Programme's activities.
- 3. By way of derogation from Article 62(1) of the Financial Regulation and subject to the Commission's assessment of the protection of the Union's interests, the Agency may entrust, by means of contribution agreements, specific activities to other entities, in areas of their respective competence, under the conditions of indirect management applying to the Commission.
- 4. Where activities are entrusted to the Agency, either as own tasks as referred to in paragraph 1 or as delegated tasks as referred to in paragraphs 2 and 2a, appropriate financial, human and administrative resources shall be ensured for their implementation. For this purpose, the Commission shall allocate part of the budget for the activities entrusted to the Agency for the funding of human resources necessary for their implementation. In order to enable the Agency to carry out its tasks and missions, its resources shall be re-evaluated on an ongoing basis.

Role of ESA

- 1. Provided that the interest of the Union is protected, ESA may, within the field of its expertise, be entrusted with the following tasks:
 - (a) the supervision of the development, validation and the related deployment activities referred to in Article 4(1), point (a), and of the development and evolution referred to in point Article 4(1), point (e), undertaken within the

framework of contracts referred to in Article 15, ensuring coordination between the tasks and budget entrusted to ESA under the present article and possible ESA's own resources made available to the Programme or the contractor referred to in Article 15(2) according to terms and conditions to be agreed in the contribution agreements referred to in Article 23(4);

- (b) the provision of technical expertise to the Commission; including for the preparation of the technical aspects of the Programme;
- (c) the support to the evaluation of contracts under Article 15.
- 2. On the basis of an assessment by the Commission, ESA may be entrusted with other tasks based on the needs of the Programme, in particular related to space and related ground segment of the European Quantum Communication Infrastructure, provided that those tasks do not duplicate activities performed by another entity in the context of the Programme and that they aim to improve the efficiency of the implementation of the Programme's activities.

Chapter VI

Security of the Programme

Article 26

General principles of security

Article 33 of Regulation (EU) 2021/696 shall apply to this Programme.

Article 27

Governance of security

- 1. The Commission shall, in its field of competence and with the support of the Agency, ensure a high degree of security with regard, in particular, to:
 - (a) the protection of infrastructure, both ground and space, and of the provision of services, particularly against physical or cyber-attacks, including interference with data streams;
 - (b) the control and management of technology transfers;

- (c) the development and preservation within the Union of the competences and know-how acquired;
- (d) the protection of sensitive non-classified information and classified information.
- 2. For the purposes of paragraph 1 of this Article, the Commission shall ensure that a risk and threat analysis is performed for the governmental infrastructure referred to in Article 5(2). Based on that analysis it shall determine, by means of implementing acts the general security requirements. In doing so, the Commission shall take account of the impact of those requirements on the smooth functioning of the governmental infrastructure, in particular in terms of cost, risk management and schedule, and shall ensure that the general level of security is not reduced, the functioning of the equipment is not undermined and the cybersecurity risks are take into account. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 42(2).
- 3. Article 34(3) to (7) of Regulation (EU) 2021/696 shall apply to this Programme. For the purposes of this Regulation, the term 'component' in Article 34 of Regulation (EU) 2021/696 shall be read as 'governmental infrastructure', *including governmental services as referred to in Article 7(1a), (1b) and (1c) of this Regulation*, and all the references to Article 34(2) of Regulation (EU) 2021/696 shall be construed as references to paragraph 2 of this Article.

Security of the system and services deployed

Whenever the security of the Union or its Member States may be affected by the operation of the system or the provision of the governmental services, Decision (CFSP) XXX shall apply.

Article 29

Security Accreditation Authority

The Security Accreditation Board established within the Agency under Article 72(1) of Regulation (EU) 2021/696 shall be the security accreditation authority for the governmental infrastructure of the Programme.

General principles of security accreditation

Security accreditation activities related to the Programme shall be conducted in accordance with the principles laid down in Article 37, points (a) to (j), of Regulation (EU) 2021/696. For the purposes of this Regulation, the term 'component' in Article 37 of Regulation (EU) 2021/696 shall be read as 'governmental infrastructure' and all the references to Article 34(2) of Regulation (EU) 2021/696 shall be construed as references to Article 27(2) of this Regulation.

Article 31

Tasks and composition of the Security Accreditation Board

- 1. Article 38, with the exception of points (c) to (f) of paragraph 2 and point (b) of paragraph 3, and Article 39 of Regulation (EU) 2021/696 shall apply to this Programme.
- 2. In addition to paragraph 1 and on an exceptional basis, representatives of the contractor referred to in Article 15(2) of this Regulation may be invited to attend the meetings of the Security Accreditation Board as observers for matters directly relating to that contractor.

Article 32

Voting rules of the Security Accreditation Board

Article 40 of Regulation (EU) 2021/696 shall apply with regard to the voting rules of the Security Accreditation Board.

Article 33

Communication and impact of decisions of the Security Accreditation Board

1. Article 41(1) to (4) of Regulation (EU) 2021/696 shall apply to the decisions of the Security Accreditation Board. For the purposes of this Regulation, the term 'component' in Article 41 of Regulation (EU) 2021/696 shall be read as 'governmental infrastructure'.

2. The timetable for the work of the Security Accreditation Board shall not hamper the timetable of activities provided in the work programme referred to in Article *38(1)*.

Article 34

Role of the Member States in security accreditation

Article 42 of Regulation (EU) 2021/696 shall apply to this Programme.

Article 35

Protection of classified information

- 1. Article 43 of Regulation (EU) 2021/696 shall apply to classified information related to the Programme.
- 2. Classified information generated by ESA in relation with the tasks entrusted under Article 25(1) and (2) shall be considered as EU Classified Information in accordance with Commission Decision (EU, Euratom) 2015/444³⁰ and Council Decision 2013/488/EU³¹, created under the authority of the Commission.

Chapter VII

International relations

Article 36

Participation of third countries and international organisations in the Programme

1. In accordance with the conditions laid down in a specific agreement concluded in accordance with Article 218 TFEU covering the participation of a third country to any Union programme, the Programme shall be open to the participation of members of the European Free Trade Association (EFTA) which are members of the European Economic Area (EEA), as well as of the following third countries:

Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

Council Decision of 23 September 2013 on the security rules for protecting EU classified information, (OJ L 274, 15.10.2013, p. 1).

- (a) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (b) European Neighbourhood Policy countries, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions or in similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;
- (c) third countries, other than those third countries covered in points (a) and (b).
- 2. The Programme shall be open to the participation of international organisations in accordance with agreements concluded in accordance with Article 218 TFEU.
- 3. The specific agreement referred to in paragraphs 1 and 2 shall:
 - (a) ensure a fair balance as regards the contributions and benefits of the third country or international organisation participating in the Union programmes;
 - (b) lay down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes, and their administrative costs;
 - (c) not confer on the third country or international organisation any decision-making power in respect of the Union programme;
 - (d) guarantee the rights of the Union to ensure sound financial management and to protect its financial interests;
 - (e) be without prejudice to the obligations stemming from existing agreements entered into by the Union *or the Member States*, in particular with reference to the right of use of frequencies.
- 4. Without prejudice to the conditions laid down in paragraphs 1, 2 and 3, and in the interest of security, the Commission may, by means of implementing acts, establish

additional requirements for the participation of third countries and international organisations in the Programme, to the extent compatible with the existing agreements referred to in paragraph 1 and 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 42(2).

Article 37

Access to the governmental services by third countries and international organisations

Third countries and international organisations may have access to the governmental services provided that:

- (a) they conclude an agreement, in accordance with Article 218 TFEU, laying down the terms and conditions for access to governmental services;
- (b) they comply with Article 43(1) of Regulation (EU) 2021/696.

For the purposes of this Regulation, the references to 'the Programme' in Article 43(1) of Regulation (EU) 2021/696 shall be construed as references to 'the Programme' established by this Regulation.

Chapter VIII

Programming, monitoring, evaluation and control

Article 38

Programming, monitoring and reporting

1. The Programme shall be implemented by the work programme referred to in Article 110 of the Financial Regulation. The work programme shall set out the actions and associated budget required to meet the objectives of the Programme and, where applicable, the overall amount reserved for blending operations. The work programme shall complement the work programme for GOVSATCOM component of the Union Space Programme referred to in Article 100 of Regulation (EU) 2021/696.

The Commission shall adopt the work programme by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 42(2).

- 2. Indicators to report on progress of the Programme towards the achievement of the general and specific objectives laid down in Article 3 are set out in the Annex.
- 3. The Commission is empowered to adopt delegated acts, in accordance with Article 43, to amend the Annex with regard to the indicators where considered necessary as well as to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.
- 4. Where imperative grounds of urgency so require, the procedure provided for in Article 44 shall apply to delegated acts adopted pursuant to this Article.
- 5. The performance reporting system shall ensure that data for monitoring the implementation and the results of the Programme are collected efficiently, effectively, and in a timely manner.
 - To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where appropriate, on Member States.
- 6. For the purposes of paragraph 2, the recipients of Union funds shall provide appropriate information. The data necessary for the verification of the performance shall be collected in an efficient, effective and timely manner.

Evaluation and review

- 1. The Commission shall carry out evaluations of the Programme in a timely manner to feed into the decision-making process.
- 2. By [DATE 2 YEARS AFTER THE ENTRY INTO FORCE] and in any event by the 30 June 2026, and every two years thereafter, the Commission shall evaluate the implementation of the Programme. When carrying out the evaluation, the Commission shall take into account the views of relevant stakeholders at both Union and national levels. It shall assess:
 - (a) the performance of the *secure connectivity infrastructure and* services provided under the Programme, *including connection speed*, *low latency, availability, reliability, autonomy, worldwide access*;
 - (aa) the governance and implementation models, and their efficiency;

- (b) the evolution of needs of the users of the Programme;
- (ba) the synergy and complementarity of the Programme with GOVSATCOM and the other components of the Union Space Programme;
- (bb) the evolution of available capacities and the development of new technologies;
- (bc) the participation and leveraging of the innovation in the space ecosystem, in particular start-ups and SMEs across the Union;
- (bd) the environmental impact of the Programme taking account of the criteria set out in Article 7a;
- (be) any cost overruns, the timeliness in meeting the established project deadlines and the effectiveness of the governance and management of the Programme;
- (bf) the effectiveness, efficiency, relevance, coherence, and Union added value of the Programme's activities;
- (bg) the degree of synergy and complementarity of the Programme with relevant Union, national and, where relevant, regional initiatives.

If appropriate, the evaluation shall be accompanied by an appropriate proposal.

- 3. The evaluation of the Programme shall take into consideration the results of the evaluation of the GOVSATCOM component of the Union Space Programme, carried out in accordance with Article 102 of Regulation (EU) 2021/696.
 - If the Commission considers it to be appropriate, in view of the overall coherence of the Union space sector, the evaluation shall be accompanied, at the latest in the MFF 2028-2034, by an appropriate proposal to integrate the Programme into the Union Space Programme.
- 4. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.
- 5. The entities involved in the implementation of this Regulation shall provide the Commission with the data and information necessary for the evaluation referred to in paragraph 1.

6. Two years after the full operational capability, and every two years thereafter, the Agency shall issue a market report, in consultation with relevant stakeholders, on the impact of the Programme on the EU commercial satellite industry with a view to ensuring the minimum possible impact on competition and the maintenance of incentives to innovate.

Article 40

Audits

Audits on the use of the Union contribution carried out by persons or entities, including by others than those mandated by the Union institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.

Article 41

Personal data and privacy protection

All personal data handled in the context of the tasks and activities provided for in this Regulation, including by the Agency, shall be processed in accordance with the applicable law on personal data protection, in particular Regulation (EU) 2016/679 of the European Parliament and of the Council³² and Regulation (EU) 2018/1725 of the European Parliament and of the Council³³.

Chapter IX

Delegation and implementing measures

Article 42

Committee procedure

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Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (OJ L 119, 4.5.2016, p. 1).

Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

- 1. The Commission shall be assisted by the Programme committee established by Article 107 of Regulation (EU) 2021/696, in the GOVSATCOM configuration. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. For the purposes of the adoption of implementing acts referred to in Articles 5(3) and 27(2) of this Regulation, the committee referred to in the first subparagraph of this paragraph shall meet in the security configuration defined in Article 107(1), point (e), of Regulation (EU) 2021/696.
- 2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
- 3. Where the Programme committee delivers no opinion on the draft implementing act referred to in Article 27(2) of this Regulation, the Commission shall not adopt the draft implementing act and Article 5(4), third subparagraph of Regulation (EU) No 182/2011 shall apply.

Exercise of the delegation

- 1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
- 2. The power to adopt delegated acts referred to in *Articles 6a and* 38 shall be conferred on the Commission until 31 December 2028.
- 3. The delegation of power referred to in *Articles 6a and* 38 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated act already in force.
- 4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
- 5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to *Articles 6a and* 38 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 44

Urgency procedure

- 1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.
- 2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 43(6). In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council.

Chapter X

Transitional and final provisions

Article 45

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public with a view to improve the Union-wide communication with regard to the benefits of space services, while including SMEs in awareness-raising in order to demonstrate their involvement in the development and delivery of space services to citizens.

2. The Commission shall implement information and communication actions relating to

the Programme, to actions taken pursuant to the Programme and to the results obtained.

3. Financial resources allocated to the Programme shall also contribute to the corporate

communication of the political priorities of the Union, insofar as those priorities are

related to the objectives referred to in Article 3.

Article 46

Continuity of services after 2027

If necessary, appropriations may be entered in the Union budget beyond 2027 to cover the

expenses necessary to fulfil the objectives provided for in Article 3, to enable the management

of actions not completed by the end of the Programme, as well as expenses covering critical

operational activities and services provision.

Article 47

Entry into force

This Regulation shall enter into force on the twentieth day following that of 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 Strasbourg,

For the European Parliament

For the Council

The President

The President

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Annex

INDICATORS FOR THE EVALUATION OF THE PROGRAMME

The Programme will be monitored closely on the basis of a set of indicators intended to measure the extent to which the specific objectives of the Programme have been achieved and with a view to minimising administrative burdens and costs. To that end, data will be collected as regards the following set of key indicators:

Indicators should be linked to the specific objectives but without repeating them to avoid incoherence.

Specific objective 1: Improve the *quality*, resilience *and autonomy of the Union's and* Member States *satellite services*

Indicator 1: Member States governments and EU institutions, bodies, offices and agencies of the Union can access initial set of governmental services in 2024, with full capacity in 2027

Indicator 2: *The system performance in term of worldwide coverage*, service availability, *bandwidth*

Indicator 3: Full integration of existing capacity from the Union pool via the integration of GOVSATCOM ground infrastructure

Indicator 4: Annual number of major outages of the telecommunication networks in the Member States mitigated by the *governmental services offered by the* secure connectivity system

Indicator 5: User's satisfaction with the performance of the secure connectivity system *Indicator 6: Number of users of governmental services in the EU*

Indicator 7: Rate of coverage of Programme participants and number of third countries and international organisations participating in the Programme in accordance with Article 36

Specific objective 2: *Increase the* cyber resilience *of the Union* by *developing redundancy*, *passive* and reactive cyber *protection* and operational cybersecurity

Indicator 1: System obtains security accreditation allowing the services to transmit EU Classified Information (EUCI) up to a certain classification level and the national classified information of EU Member States of equivalent classification level, following the principles set in Council Decision (2013/488/EU) on the security rules for protecting EUCI

Indicator 2: Annual number and severity of impact of cybersecurity incidents to the secure connectivity system

Specific objective 2a: Develop and integrate the space and related ground segment of the EuroQCI to enable secure transmission of cryptographic keys

Indicator 1: Number of Member States connected to the terrestrial network of the EuroQCI

Indicator 2: Quantum key distribution satellites needed for the functioning of the

EuroQCI are in orbit and functional

Specific objective 3: Enable, where possible, the development of communication and other services, in particular by improving, creating synergies between and expanding the capabilities and services of components of the Union Space Programme, as well as services that are not components of the Union Space Programme, by hosting additional satellite subsystems, including payloads

Indicator 1: Number of payloads *improving* the Union *Situational Awareness* capacities

Indicator 2: Number of payloads improving the EGNSS capabilities

Indicator 3: Number of payloads improving the Copernicus capabilities
Specific objective 4: Incentivise the innovation as well as the, development and use of innovative and disruptive technologies in the whole European space ecosystem, in particular by supporting new entrants, start-ups and SMEs of the up-, mid- and down-stream sector across the Union

Indicator 1: Number of *new entrants*, *start-ups*, *SMEs* and midcap companies *providing services on the basis* of the infrastructure

Indicator 2: Overall percentage of the value of the contracts subcontracted by the prime tenderers to SMEs other than those affiliated with the tenderer's group and share of their cross-border participation

Specific objective 5: Allow further development of high-speed broadband and seamless connectivity throughout the Union, and thereby remove communication dead zones in support of the inclusive, cohesive and sustainable development of the Union while bridging the digital divide, enable affordable access and increase cohesion across the Union and over geographical areas of strategic interest outside of the Union

Indicator 1: Speed, *latency*, *availability and reliability* of the satellite broadband Indicator 2: Number of new satellite communication users in EU rural areas, *outermost regions*, *overseas countries and territories*, *and* geographical areas of strategic interest *outside the Union*

Indicator 3: Number of countries where the satellite broadband is available to consumers

Specific objective 5a: Access to orbital slots and the right of use of relevant frequencies

Indicator 1: Number of satellites per orbital slots in 2025, 2026, 2027

Specific objective 5b: Enhance the safety and sustainability of space activities by implementing appropriate measures to ensure and promote responsible behaviour in space when implementing the Programme

Indicator 1: Greenhouse gas footprint of development, production and deployment of the Programme

Indicator 2: Number of active satellites, decommissioned and recovered satellites

Indicator 3: Amount of debris generated by the constellation

Indicator 4: Ephemeris of the satellites shared with EUSST consortium

Indicator 5: Appropriate measure of the effect of light reflection on astromical observations

Specific objective 5c: Improve the Union's strategical and technological autonomy in terms of space technologies, assets, operations and services

Indicator 1: Evolution of satellites capacities bought by Member States and Union institutions from non-Union actors

Indicator 2: Number of launches not carried from Union territory, or territory from members of the EFTA which are members of the EEA

Indicator 3: Number of components and technologies used in the infrastructure that are not conceived and manufactured in the Union

Indicator 4: Percentage of user terminals used the services of the infrastructure that are conceived and produced in the Union

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council establishing the Union Secure Connectivity Programme for the period 2023-2027 (COM(2022)0057 - C9-0045/2022 - 2022/0039(COD))

Rapporteur for opinion: José Manuel Fernandes

SHORT JUSTIFICATION

There is a growing need for more secure and reliable, and yet affordable and cost-effective, access to satellite-based communications. This is becoming ever more evident in the current challenging geopolitical context. The Commission has proposed to establish the Union Secure Connectivity Programme, which would improve the resilience of the Union communications services and contribute to the Union's cyber-resilience. It would also support the space industrial base, including SMEs and start-ups, and allow the development of high-speed broadband and seamless connectivity. The programme would consist of a public-private partnership, with provision of governmental and commercial services. A preliminary set of governmental services should be accessible in 2025, with full capacity in 2027.

The rapporteur welcomes the Commission's ambition to move fast on this crucial initiative where the EU is competing against other very dynamic players. He considers that the programme would make a major contribution to the Union's strategic autonomy and would reduce the Union's dependence on public and private third-country players.

Concerning budgetary impact and financial provisions, the rapporteur insists that the financial envelope of existing EU programmes should not be reduced to fund new programmes. In addition, the Secure Connectivity programme's funding model, partly based on contributions from Member States and the private sector, should not represent a financial risk for the governmental component of the programme.

Preserving the funding level of existing EU Programmes

Since the Secure Connectivity Programme is a new initiative that was not foreseen when the multiannual financial framework (MFF) for 2021-2027 was established, and to avoid any cuts to other Union programmes, the amount of the financial envelope should be drawn from the unallocated margins under the ceilings of the MFF or mobilised through the non-thematic MFF special instruments.

In its proposal, the Commission envisages to redeploy a total amount of EUR 1.6 billion over the period 2023-2027. Out of this total amount, EUR 150 million come from the margins but the rest comes from existing programmes (the Space Programme - Galileo/EGNOS, CEF-Digital, Digital Europe Programme (DEP), the European Defence Fund (EDF) and the NDICI cushion).

The rapporteur considers that these amounts are necessary for the good execution of the related programmes. It is therefore not acceptable to redeploy them to a fully new activity. In particular:

- ➤ CEF-Digital and the DEP are key components in the Union's strategy to achieve the digital transition. Moreover, the Commission's proposal for a Chips Act would have a negative impact on both CEF-Digital and the DEP;
- Funding for the EDF was much reduced by the European Council compared to the Commission's original proposal and is therefore already much lower than the Commission and Parliament believed necessary. Moreover, it is a crucial element in building a European defence policy. The European Council has described the Russian invasion of Ukraine as a "tectonic shift in European history". A business-as-usual redeployment is not a fit response to the situation;
- ➤ The NDICI Emerging Challenges and Priorities cushion is designed to address unforeseen circumstances. It should only be mobilised for new crises or emerging challenges, and not for planned or programmable initiatives.

In addition, the Commission envisages to earmark a total amount of EUR 800 million over the period 2023-2027. The rapporteur could accept the earmarking of amounts under the Space Programme (GovSatCom) and Horizon Europe, as their programmes objectives are complementary and coherent with those of Secure Connectivity. Nonetheless, he would propose to compensate for the amount earmarked under Horizon Europe using research programme decommitments. The rapporteur does not agree with the earmarking of EUR 150 million under the NDICI - Global Europe programme, which covers EU cooperation with third countries.

This is not justified, particularly in view of the global context. Funding for the NDICI programme is already too tight after only one year in the current MFF.

Securing the viability of the governmental component of the programme

In its proposal, the Commission anticipates that a major share of the funding will not come from the EU Budget. Indeed, it is expected that Member States contribute to the governmental infrastructure and services, whereas private partners would finance entirely the commercial infrastructure and provision of commercial services.

A good safeguard mechanism between the governmental and commercial components will be crucial to ensure the continuity of the governmental services, in any default situation on the part of the commercial partner.

Looking at the governmental component, the Commission foresees funding both from the EU budget and from Member State contributions. The Regulation should therefore ensure that there is no financial risk for the EU budget. Member States should be required to contribute to ensure the viability of the governmental infrastructure and service provision within the defined timeframe.

AMENDMENTS

The Committee on Budgets calls on the Committee on on Industry, Research and Energy, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation Recital 1

Text proposed by the Commission

1. There is a growing demand by the Union governmental actors for secure and reliable satellite communication services, particularly because they are the only viable option in situations where ground-based communication systems are non-existent, disrupted or unreliable. Affordable and cost-effective access to satellite-based communication is also indispensable in remote regions and in the

Amendment

1. There is a growing demand by the Union governmental actors for secure and reliable satellite communication services, particularly because they are the only viable option in situations where ground-based communication systems are non-existent, disrupted or unreliable. Affordable and cost-effective access to satellite-based communication is also indispensable in remote regions, *including*

high seas and airspace. For instance, where lack of high-bandwidth communication currently limits the ability to take full advantage of new sensors and platforms observing the 71% of our planet that is ocean, satellite communication ensures the long-term availability of worldwide uninterrupted access.

the outermost regions, and in the high seas and airspace. For instance, where lack of high-bandwidth communication currently limits the ability to take full advantage of new sensors and platforms observing the 71% of our planet that is ocean, satellite communication ensures the long-term availability of worldwide uninterrupted access.

Amendment 2

Proposal for a regulation Recital 25

Text proposed by the Commission

(25)This Regulation lays down a financial envelope, which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources²², for the European Parliament and the Council during the annual budgetary procedure.

Amendment

(25)This Regulation lays down a financial envelope, which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources²², for the European Parliament and the Council during the annual budgetary procedure. Since the Programme is a new initiative that was not envisaged when the multiannual financial framework (MFF) for 2021-2027 was established, and to avoid any cuts to other Union programmes, the amount of the financial envelope should be drawn from the unallocated margins under the MFF ceilings or mobilised through the nonthematic MFF special instruments.

²² OJ L 433 I, 22.12.2020, p. 28.

²² OJ L 433 I, 22.12.2020, p. 28.

Justification

It is the settled position of the European Parliament that new initiatives should be funded using fresh resources. The same approach should be applied in this instance. In particular, there should be no funds redeployed from other Union programmes.

Amendment 3

Proposal for a regulation Recital 26

Text proposed by the Commission

(26)The Programme objectives are coherent and complementary with those of other Union programmes, particularly Horizon Europe established by Regulation (EU) 2021/695 of the European Parliament and of the Council²³, the Digital Europe Programme established by Regulation (EU) 2021/694 of the European Parliament and of the Council²⁴, the Neighbourhood, Development and International Cooperation Instrument – Global Europe established by Regulation (EU) 2021/947 of the European Parliament and of the Council²⁵, the Connecting Europe Facility established by Regulation (EU) 2021/1153 of the European Parliament and of the Council²⁶ and, in particular, the Union Space Programme established by Regulation (EU) 2021/696 of the European Parliament and of the Council²⁷.

Amendment

(26)The Programme objectives are coherent and complementary with those of other Union programmes, particularly Horizon Europe established by Regulation (EU) 2021/695 of the European Parliament and of the Council, the Digital Europe Programme established by Regulation (EU) 2021/694 of the European Parliament and of the Council, the Neighbourhood, Development and International Cooperation Instrument – Global Europe established by Regulation (EU) 2021/947 of the European Parliament and of the Council, the Connecting Europe Facility established by Regulation (EU) 2021/1153 of the European Parliament and of the Council and, in particular, the Union Space Programme established by Regulation (EU) 2021/696 of the European Parliament and of the Council. Nonetheless, funds from those programmes should not be redeployed to finance the Programme.

²³ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

²⁴ Regulation (EU) 2021/694 of the

²³ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

²⁴ Regulation (EU) 2021/694 of the

European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166, 11.5.2021, p. 1).

- ²⁵ Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1).
- ²⁶ Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38).
- ²⁷ Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69).

European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166, 11.5.2021, p. 1).

- ²⁵ Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1).
- ²⁶ Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38).
- ²⁷ Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69).

Justification

It is true that the objectives of the Secure Connectivity Programme complement those of other Union programmes. However, funds should not be redeployed from those programmes to finance this new initiative.

Amendment 4

Proposal for a regulation Recital 27

The Horizon Europe Programme will allocate a dedicated share of its Cluster 4 components to R&I activities related to development and validation of the secure connectivity system, including for the potential technologies that would be developed under New Space. The Neighbourhood, Development and **International Cooperation Instrument** (NDICI) will allocate a dedicated share of its Global Europe funds for activities related to the operation of the system and the worldwide provision of services that will allow to offer an array of services to international partners. The Union Space Programme will allocate a dedicated share of its GOVSATCOM component for the activities related to the development of the GOVSATCOM Hub which will form part of the ground infrastructure of the Secure Connectivity system. The funding stemming from these programmes should be implemented in accordance with the rules of these programmes. Since those rules may differ significantly from the rules under this Regulation, the need to achieve effectively the intended policy objectives should be taken into account when deciding to finance actions from both the allocated funds from Horizon Europe and NDICI and from the Union Secure Connectivity Programme.

(27)The Horizon Europe Programme will allocate a dedicated share of its Cluster 4 components to R&I activities related to development and validation of the secure connectivity system, including for the potential technologies that would be developed under New Space. Since the Secure Connectivity Programme is a new initiative and the Horizon Europe Programme is a major Union priority, the allocation of funds for those R&I activities should not detract from the other R&I activities conducted under Cluster 4, which are essential for Union competitiveness and the green and digital transitions. Consequently, without prejudice to the institutional prerogatives of the European Parliament and of the Council, an amount of commitment appropriations equivalent to the amount earmarked under Cluster 4 for R&I activities relating to the secure connectivity system should be made available to Horizon Europe Programme over the period 2023-2027, resulting from total or partial non-implementation of projects belonging to that programme or its predecessor, as provided for in Article 15(3) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (the 'Financial Regulation'). This amount is in addition to the EUR 0.5 billion (in 2018 prices) provided for in the Joint Declaration by the European Parliament, the Council and the Commission on the re-use of decommitted funds in relation to the research programme. The Union Space Programme will allocate a dedicated share of its GOVSATCOM component for the activities related to the development of the GOVSATCOM Hub which will form part of the ground infrastructure of the Secure Connectivity system. The funding stemming from these programmes should be implemented in accordance with the

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rules of these programmes. Since those rules may differ significantly from the rules under this Regulation, the need to achieve effectively the intended policy objectives should be taken into account when deciding to finance actions from the allocated funds from Horizon Europe and from the Union Secure Connectivity Programme.

Justification

The Commission proposes to earmark funds under three other Programmes for the purpose of Secure Connectivity. It makes sense to use the Govsatcom Hub; that earmarking can therefore be supported. It also makes sense to support R&I activities relating to the programme under Horizon Europe. However, it is suggested to compensate for that using Art 15(3) decommitments, with a view to ensuring that Cluster 4 is not diminished for this new initiative. Earmarking under NDICI cannot be supported.

deleted

Amendment 5

Proposal for a regulation Recital 28

Text proposed by the Commission

Amendment

(28) Due to its inherent implications on the security of the Union and its Member States, the Programme also shares objectives and principles with the European Defence Fund established by Regulation (EU) 2021/697 of the European Parliament and of the Council²⁸. Therefore, part of the funding from that Programme should be provided to fund the activities under this Programme, particularly the actions related to the deployment of its infrastructure.

²⁸ Regulation (EU) 2021/697 of the

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European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 (OJ L 170, 12.5.2021, p. 149).

Justification

The budget originally proposed by the Commission for the EDF was greatly reduced by the European Council. In the light of current events, that was a mistake. Reducing the amount further cannot be supported.

Amendment 6

Proposal for a regulation Recital 28 a (new)

Text proposed by the Commission

Amendment

(28a) The Programme should enjoy a sufficient level of funding to ensure its success. In addition to the financial envelope from the Union budget, the Programme could receive financial or inkind contributions from other parties, including Member States. Such financial contributions could be set taking into account the Member States' overall needs, bearing in mind the principles of proportionality, solidarity and fairness. Moreover the Programme infrastructure could be complemented with additional capabilities funded by additional private-sector investments.

Amendment 7

Proposal for a regulation Recital 28 b (new)

Text proposed by the Commission

Amendment

(28b) The funding needs of the Programme should be taken into consideration in the mid-term review of the Multiannual Financial Framework, with a view to ensuring the stability, coherence, ambition and long-term financing of the Programme. Appropriate funding through the Union's budget would ensure democratic scrutiny of the Programme in the annual budgetary

procedure and would make it possible to apply all the Union financial control and discharge provisions.

Amendment 8

Proposal for a regulation Recital 28 c (new)

Text proposed by the Commission

Amendment

(28c) Several Member States have programmed funds from the Recovery and Resilience Facility (RRF) for space activities. In order to maximise the efficiency of available financial resources and to ensure synergies between the Programme and the RRF, Member States should be encouraged to align their recovery and resilience plans with the needs of the Programme.

Amendment 9

Proposal for a regulation Recital 33

Text proposed by the Commission

(33) Procurement contracts concluded under the Programme for activities financed by the Programme should comply with Union rules. In that context, the Union should also be responsible for defining the objectives to be pursued as regards public procurement.

Amendment

(33) Procurement contracts concluded under the Programme for activities financed by the Programme should comply with Union rules and the specific principles outlined in this Regulation. In that context, the Union should also be responsible for defining the objectives to be pursued as regards public procurement. The Union should promote wide geographic participation among economic actors in procurement procedures. The contracting agency should favour technical solutions that are feasible in the long term.

Proposal for a regulation Recital 38

Text proposed by the Commission

A public-private partnership is the most appropriate scheme to ensure that the objectives of the Programme could be pursued. It would permit to build upon the existing EU satellite communication technological and infrastructural base and to provide robust and innovative governmental services, while allowing the private partner to complement the Programme infrastructure with additional capabilities to offer commercial services through additional own investments. Such a scheme would furthermore optimise deployment and operation costs by sharing development and deployment costs on components common to both governmental and commercial infrastructures, as well as operational costs by allowing a high level of capacity mutualisation. It would stimulate innovation in particular for New Space by enabling the sharing of Research and Development risks between public and private partners.

Amendment

(38)A public-private partnership is the most appropriate scheme to ensure that the objectives of the Programme could be pursued. It would permit to build upon the existing EU satellite communication technological and infrastructural base and to provide robust and innovative governmental services, while allowing the private partner to complement the Programme infrastructure with additional capabilities to offer commercial services through additional own investments. Such a scheme would furthermore optimise deployment and operation costs by sharing development and deployment costs on components common to both governmental and commercial infrastructures, as well as operational costs by allowing a high level of capacity mutualisation. It would stimulate innovation in particular for New Space by enabling the sharing of Research and Development risks between public and private partners. Those costs and those risks should be shared in such a way as to ensure that private partners receive no overcompensation. The public-private partnerships should also ensure that changing climate conditions, disaster risk and potential climate change mitigation and adaptation measures are identified and considered during the entire project cycle from development, design to implementation of each individual project. The projects should adhere to the 'Do No Significant Harm' principle.

Amendment 11

Proposal for a regulation Recital 39

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(39)The implementation model could take the form of a concession contract or other contractual arrangements. Regardless of the implementation model, several key principles should be put in place. The contract should establish a clear distribution of tasks and responsibilities between the public and private partners. Thus, it should avoid any overcompensation of the private partner for the provision of governmental services, allow the provision of commercial services to be established by the private sector and ensure an appropriate prioritisation of governmental user needs. The Commission should be able to assess and approve such services to ensure that the Union's essential interests and Programme's objectives are preserved and adequate safeguards are put in place to prevent potential distortions of competition stemming from the provision of commercial services; such safeguards could *include* separation of accounts between governmental and commercial services, open, fair and non-discriminatory access to infrastructure necessary for the provision of commercial services. The public-private partnership should foster the participation of start-ups and SMEs along the whole value chain of the concession and across Member States, hereby incentivising the development of innovative and disruptive technologies

(39)The implementation model could take the form of a concession contract or other contractual arrangements. Regardless of the implementation model, several key principles complementing the rules included in the Financial Regulation and specific to the Programme should be put in place. The contract should establish a clear distribution of tasks and responsibilities between the public and private partners, with a clear allocation of risks between them, with a view to ensuring that the private partner assumes responsibility for the consequences of any failings for which it is liable. The contract should also ensure that the private partner receives no overcompensation for the provision of governmental services, allow the provision of commercial services to be established by the private sector and ensure an appropriate prioritisation of governmental user needs. The Commission should be able to assess and approve such services to ensure that the Union's essential interests and Programme's objectives are preserved. It is important to ensure that there are measures in place to ensure that those essential interests and objectives are preserved. In particular, the Commission should be able to take necessary measures to ensure service continuity in the event of that the contractor is unable to fulfil its obligations. The contract should prevent, amongst other things, conflicts of interest and potential distortions of competition stemming from the provision of commercial services. That could be done inter alia by including separation of accounts between governmental and commercial services, open, fair and nondiscriminatory access to infrastructure necessary for the provision of commercial services. The public-private partnership should foster the participation of start-ups and SMEs along the whole value chain of the concession and across Member States,

hereby incentivising the development of innovative and disruptive technologies.

Justification

The contracts should ensure that the Union's financial interest is preserved.

Amendment 12

Proposal for a regulation Recital 41

Text proposed by the Commission

(41)Member States have long been active in the field of space. They have systems, infrastructure, national agencies and bodies linked to space. They are therefore able to make a major contribution to the Programme, especially in its implementation. They *might* cooperate with the Union to promote the Programme's services and applications and ensure coherence between the relevant national initiatives and the Programme. The Commission *might* be able to mobilise the means at Member States' disposal, benefit from their assistance and, subject to mutually agreed conditions, entrust the Member States with non-regulatory tasks in the implementation of the Programme. Moreover, the Member States concerned should take all necessary measures to ensure the protection of the ground infrastructure established on their territories. In addition, Member States and the Commission should work together and with appropriate international bodies and regulatory authorities to ensure that the frequencies necessary for the Programme are available and protected at the adequate level to allow for the full development and implementation of applications based on the services offered, in compliance with Decision No 243/2012/EU of the European Parliament and of the Council.

Amendment

Member States have long been (41) active in the field of space. They have systems, infrastructure, national agencies and bodies linked to space. They are therefore able to make a major contribution to the Programme, especially in its implementation. They should cooperate with the Union to promote the Programme's services and applications and ensure coherence between the relevant national initiatives and the Programme. The Commission *should* be able to mobilise the means at Member States' disposal, benefit from their assistance and, subject to mutually agreed conditions, entrust the Member States with nonregulatory tasks in the implementation of the Programme. Moreover, the Member States concerned should take all necessary measures to ensure the protection of the ground infrastructure established on their territories. In addition, Member States and the Commission should work together and with appropriate international bodies and regulatory authorities to ensure that the frequencies necessary for the Programme are available and protected at the adequate level to allow for the full development and implementation of applications based on the services offered, in compliance with Decision No 243/2012/EU of the European Parliament and of the Council.

Proposal for a regulation Recital 42

Text proposed by the Commission

In accordance with Article 17 of the Treaty on European Union ('TEU') and as a promoter of the Union's general interest, it is the Commission's responsibility to implement the Programme, assume overall responsibility and promote its use. In order to optimise the resources and competences of the various stakeholders, the Commission should be able to entrust certain tasks to other entities under justifiable circumstances. Having the overall responsibility for the Programme, the Commission should determine the main technical and operational requirements necessary to implement systems and services evolution. It should do so after having consulted Member States' experts. users and other relevant stakeholders. Finally, in accordance with Article 4(3) TFEU, the exercise of competence by the Union does not result in Member States being prevented from exercising their competences. However, to make good use of the Union funds, it is appropriate that the Commission ensures, as far as possible, the coherence of activities performed in the context of the Programme, with those of the Member States

Amendment

In accordance with Article 17 of the (42)Treaty on European Union ('TEU') and as a promoter of the Union's general interest, it is the Commission's responsibility to implement the Programme, assume overall responsibility and promote its use. In order to optimise the resources and competences of the various stakeholders, the Commission should be able to entrust certain tasks to other entities under justifiable circumstances. Having the overall responsibility for the Programme, the Commission should determine the main technical and operational requirements necessary to implement systems and services evolution. It should do so after having consulted Member States' experts. users and other relevant stakeholders. Finally, in accordance with Article 4(3) TFEU, the exercise of competence by the Union does not result in Member States being prevented from exercising their competences. However, to make good use of the Union funds, it is appropriate that the Commission ensures, as far as possible, the coherence of activities performed in the context of the Programme, with those of the Member States, including those funded under their recovery and resilience plans.

Amendment 14

Proposal for a regulation Recital 45

Text proposed by the Commission

(45) In order to ensure the operation of the governmental infrastructure and facilitate the provision of the governmental

Amendment

(45) In order to ensure the operation of the governmental infrastructure and facilitate the provision of the governmental services, the Agency should be allowed to entrust, by means of contribution agreements, specific activities to other entities, in areas of their respective competence, under the conditions of indirect management applying to the Commission.

services, the Agency should be allowed to entrust, by means of contribution agreements, specific activities to other entities, in areas of their respective competence, under the conditions of indirect management applying to the Commission *and set out in the Financial Regulation*.

Amendment 15

Proposal for a regulation Recital 64

Text proposed by the Commission

(64) *In principle*, the governmental services should be provided free of charge to users of the governmental services. If, after analysis, the Commission concludes that there is a shortage of capacities, it should be permitted to develop a pricing policy as part of those detailed rules on the service provision in order to avoid a distortion of the market. The Commission should be conferred with implementing powers to adopt such pricing policy. Those powers should be exercised in accordance with Regulation (EU) No 182/2011.

Amendment

The governmental services should, (64)as a general rule, be provided free of charge to users of the governmental services. However, capacity for those services is limited. If, after thorough analysis, the Commission concludes that there is a shortage of capacities, it should be permitted, where duly justified, to develop a pricing policy as part of those detailed rules on the service provision in order to match supply and demand of services and avoid a distortion of the market. The Commission should be conferred with implementing powers to adopt such pricing policy. Those powers should be exercised in accordance with Regulation (EU) No 182/2011.

Justification

Further clarification.

Amendment 16

Proposal for a regulation Recital 68

Text proposed by the Commission

(68) Pursuant to paragraphs 22 and 23 of

Amendment

(68) Pursuant to paragraphs 22 and 23 of

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the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁴², this Programme should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the Programme. The evaluation of this Programme should take into account the findings of the evaluation of the Union Space Programme pertaining to the GOVSATCOM component conducted within the framework of Regulation (EU) 2021/696.

the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁴², this Programme should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators as a basis for evaluating the effects of the Programme. The evaluation of this Programme should take into account the findings of the evaluation of the Union Space Programme pertaining to the GOVSATCOM component conducted within the framework of Regulation (EU) 2021/696 and should be available in good time to feed into the work on any proposal to continue the Programme in the next MFF period.

Amendment 17

Proposal for a regulation Recital 69 a (new)

Text proposed by the Commission

Amendment

(69a) All essential financial and legal requirements should be established in this Regulation to ensure predictability of the Programme's implementation. It is also necessary to set out the scope of cooperation between the Commission and the relevant industry partners, with a view to ensuring that there is a clear framework for the Programme's milestones and targets.

Amendment 18

Proposal for a regulation Article 3 – paragraph 1 – point (a)

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⁴² OJ L 123, 12.5.2016, p. 1.

⁴² OJ L 123, 12.5.2016, p. 1.

Text proposed by the Commission

(a) ensure the long-term availability of worldwide uninterrupted access to secure and cost-effective satellite communication services to governmental users in accordance with paragraphs 1 to 3 of Article 7, which supports protection of critical infrastructures, surveillance, external actions, crisis management and applications that are critical for the economy, environment, security and defence, thereby increasing the resilience of Member States;

Amendment

(a) ensure the long-term availability of worldwide uninterrupted access to secure and cost-effective satellite communication services to governmental users in accordance with paragraphs 1 to 3 of Article 7, which supports protection of critical infrastructures, surveillance, external actions, crisis management and applications that are critical for the economy, *climate and* environment, security and defence, thereby increasing the resilience of Member States;

Amendment 19

Proposal for a regulation Article 5 – paragraph 4

Text proposed by the Commission

4. The commercial infrastructure referred to in paragraph 1 shall include all space and ground assets other than those being part of the governmental infrastructure. The commercial infrastructure shall be entirely financed by the contractor referred to in Article 15(2).

Amendment

4. The commercial infrastructure referred to in paragraph 1 shall include all space and ground assets other than those being part of the governmental infrastructure. The commercial infrastructure, *and any related risks*, shall be entirely financed by the contractor referred to in Article 15(2).

Justification

The contractor should assume full responsibility for the commercial infrastructure and any related risks.

Amendment 20

Proposal for a regulation Article 7 – paragraph 4

Text proposed by the Commission

4. The provision of commercial services shall be financed by the contractor

Amendment

4. The provision of commercial services shall be financed by the contractor

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referred to in Article 15(2). The terms and conditions for the provision of commercial services shall be determined in the contracts referred to in Article 15. They shall in particular specify how the Commission will assess and approve the provision of commercial services to ensure that the Union's essential interests and the Programme's general and specific objectives referred to in Article 3 are preserved. They shall also include adequate safeguards to prevent distortions of competition in the provision of commercial services, to avoid any conflict of interest, undue discrimination and any other hidden indirect advantages to the contractor referred to in Article 15(2). Such safeguards may include the obligation of accounting separation between the provision of governmental services and the provision of commercial services, including the setting up of a structurally and legally separate entity from the vertically integrated operator for the provision of governmental services, and the provision of open, fair and nondiscriminatory access to infrastructure necessary for the provision of commercial services.

referred to in Article 15(2). The terms and conditions for the provision of commercial services shall be determined in the contracts referred to in Article 15. They shall in particular specify how the Commission will assess and approve the provision of commercial services to ensure that the Union's essential interests and the Programme's general and specific objectives referred to in Article 3 are preserved and what measures are to be taken in the event that those essential interests are not respected or those objectives are not met. In particular, the contracts shall include measures to ensure service continuity in the event of a major failing on the part of the contractor.

Those contracts shall also ensure that there are no distortions of competition in the provision of commercial services, conflicts of interest, undue discrimination or any other hidden indirect advantages to the contractor referred to in Article 15(2). They may therefore include the obligation of accounting separation between the provision of governmental services and the provision of commercial services, including the setting up of a structurally and legally separate entity from the vertically integrated operator for the provision of governmental services, and the provision of open, fair and nondiscriminatory access to infrastructure necessary for the provision of commercial services.

Justification

Amendment designed to ensure that the Union's financial interest is preserved.

Amendment 21

Proposal for a regulation Article 8 – paragraph 4 – subparagraph 1

Text proposed by the Commission

By way of derogation from paragraph 3, the Commission may, *in duly justified cases and on an exceptional basis*, determine, by means of implementing acts, a pricing policy.

Amendment

By way of derogation from paragraph 3, the Commission may, after thorough analysis, where strictly necessary to match supply and demand of governmental services determine, by means of implementing acts, a pricing policy.

Justification

Clarification of the pricing policy.

Amendment 22

Proposal for a regulation Article 8 – paragraph 4 – subparagraph 2

Text proposed by the Commission

By determining this pricing policy, the Commission shall ensure that the provision of the governmental services does not distort competition, that there is no shortage of the governmental services *and that the price identified will* not result in an overcompensation of the *beneficiary*.

Amendment

By determining this pricing policy, the Commission shall ensure that the provision of the governmental services does not distort competition and that there is no shortage of the governmental services. The pricing policy may not result in an overcompensation of the contractor. Any revenue from the pricing policy shall be used to increase capacity of the secure connectivity system, or for the upkeep of the system, or to procure additional capacity.

Justification

Clarification of the pricing policy.

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Proposal for a regulation Article 11 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The financial envelope for the implementation of the Programme for the period from 1 January 2023 to 31 December 2027 and for covering the associated risks shall be EUR *1,600* billion in current prices.

Amendment

The financial envelope for the implementation of the Programme for the period from 1 January 2023 to 31 December 2027 and for covering the associated risks relating to the governmental infrastructure only shall be EUR 1,750 billion in current prices. That amount shall be drawn from the unallocated margins under the MFF 2021-2027 ceilings or mobilised through the non-thematic MFF special instruments.

Justification

As a new initiative, Secure Connectivity should be financed using fresh resources. The slight increase in the financial envelope corresponds to the amount that the Commission proposed to earmark under NDICI.

Amendment 24

Proposal for a regulation Article 11 – paragraph 1 – subparagraph 2 – introductory part

Text proposed by the Commission

Amendment

The indicative distribution of the amount from the MFF 2021-27 shall be as follows:

deleted

Justification

See amendment 23.

Proposal for a regulation Article 11 – paragraph 1 – subparagraph 2 – indent 1

Text proposed by the Commission

Amendment

— EUR 950 million from Heading 1;

deleted

Justification

See amendment 23.

Amendment 26

Proposal for a regulation Article 11 – paragraph 1 – subparagraph 2 – indent 2

Text proposed by the Commission

Amendment

— EUR 500 million from Heading 5;

deleted

Justification

See amendment 23.

Amendment 27

Proposal for a regulation Article 11 – paragraph 1 – subparagraph 2 – indent 3

Text proposed by the Commission

Amendment

— EUR 150 million from Heading 6.

deleted

Justification

See amendment 23.

Amendment 28

Proposal for a regulation Article 11 – paragraph 2

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Text proposed by the Commission

2. The Programme shall be complemented by funding implemented under the Horizon Europe Programme, the Union Space Programme and the Neighbourhood, Development and International Cooperation Instrument (NDICI) for a maximum indicative amount of EUR 0,430 billion, EUR 0,220 billion and EUR 0,150 billion respectively. This funding shall be implemented in accordance with Regulation (EU) No 2021/695, Regulation (EU) No 2021/696 and Regulation (EU) No. 2021/947 respectively.

Amendment

2. The Programme shall be complemented by funding implemented under the Horizon Europe Programme *and* the Union Space Programme for a maximum indicative amount of EUR 0,430 billion *and* EUR 0,220 billion respectively. This funding shall be implemented in accordance with Regulation (EU) No 2021/695 *and* Regulation (EU) No 2021/696 respectively.

Amendment 29

Proposal for a regulation Article 11 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The amount referred to in paragraph 1 may not be used to cover any risks relating to the commercial infrastructure.

Amendment 30

Proposal for a regulation Article 15 – paragraph 6

Text proposed by the Commission

6. The contracts referred to in this Article shall *include adequate safeguards* to avoid any overcompensation of the contractor, distortions of competition, any conflict of interest, undue discrimination and any other hidden indirect advantages. In accordance with Article 7(4), they shall contain provisions on the assessment and approval process of commercial services provided by the contractor to ensure that

Amendment

6. The contracts referred to in this Article shall *ensure that the contractor receives no* overcompensation *and that there are no* distortions of competition, *conflicts* of interest, undue discrimination *or* any other hidden indirect advantages. In accordance with Article 7(4), they shall contain provisions on the assessment and approval process of commercial services provided by the contractor to ensure that

the Union's essential interest and the Programme objectives are preserved.

the Union's essential interest and the Programme objectives are preserved and on the measures to be taken in the event that those essential interests are not respected or those objectives are not met. In particular, they shall include measures to ensure service continuity in the event of a major failing on the part of the contractor.

Justification

Amendment designed to ensure that the Union's financial interest is preserved.

Amendment 31

Proposal for a regulation Article 17 – paragraph 2 – point b

Text proposed by the Commission

(b) to ensure effective competition in the tendering process, while taking into account the objectives of technological independence *and* continuity of services;

Amendment

(b) to ensure effective competition in the tendering process, while taking into account the objectives of technological independence, continuity of services *and long-term technological feasibility*;

Amendment 32

Proposal for a regulation Article 17 – paragraph 2 – point h

Text proposed by the Commission

Amendment

- (h) to satisfy environmental criteria;
- (h) to satisfy environmental *and social sustainability* criteria;

Amendment 33

Proposal for a regulation Article 39 – title

Text proposed by the Commission

Amendment

Evaluation

Monitoring and evaluation

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Proposal for a regulation Article 39 – paragraph 1

Text proposed by the Commission

1. The Commission shall carry out evaluations of the Programme in a timely manner to feed into the decision-making process.

Amendment

In order to feed into the decisionmaking process and ensure that resources are used in the most effective and efficient way, the Commission shall monitor the Programme on a continuous basis and shall evaluate the implementation thereof by 30 June 2026 and every three years thereafter.

Amendment 35

Proposal for a regulation Article 39 – paragraph 2 – subparagraph 1 – introductory part

Text proposed by the Commission

By [DATE 3 YEARS AFTER THE ENTRY INTO FORCE, and every four *years thereafter*, the Commission shall evaluate the implementation of the **Programme.** It shall assess:

Amendment

When carrying out the evaluation referred to in paragraph 1, the Commission shall take into account the views of relevant stakeholders at both Union and national levels and shall assess:

Amendment 36

Proposal for a regulation Article 39 – paragraph 2 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) any cost overruns, the timeliness in meeting the established project deadlines and the effectiveness of the governance and management of the Programme;

Proposal for a regulation Article 39 – paragraph 2 – subparagraph 1 – point b b (new)

Text proposed by the Commission

Amendment

(bb) the effectiveness, efficiency, relevance, coherence, and Union added value of the Programme's activities;

Amendment 38

Proposal for a regulation Article 39 – paragraph 2 – subparagraph 1 – point b c (new)

Text proposed by the Commission

Amendment

(bc) the degree of synergy and complementarity of the Programme with relevant Union, national and, where relevant, regional initiatives.

Amendment 39

Proposal for a regulation Article 46 – paragraph 1

Text proposed by the Commission

If necessary, appropriations *may* be entered in the Union budget beyond 2027 to cover the expenses necessary to fulfil the objectives provided for in Article 3, to enable the management of actions not completed by the end of the Programme, as well as expenses covering critical operational activities and services provision.

Amendment

If necessary, appropriations *shall* be entered in the Union budget beyond 2027 to cover the expenses necessary to fulfil the objectives provided for in Article 3, to enable the management of actions not completed by the end of the Programme, as well as expenses covering critical operational activities and services provision.

Justification

It is important to send a signal that the necessary resources will be available after 2027.

PROCEDURE - COMMITTEE ASKED FOR OPINION

Title	Establishing the Union Secure Connectivity Programme for the period 2023-2027
References	COM(2022)0057 - C9-0045/2022 - 2022/0039(COD)
Committee responsible Date announced in plenary	ITRE 7.3.2022
Opinion by Date announced in plenary	BUDG 7.3.2022
Rapporteur for the opinion Date appointed	José Manuel Fernandes 11.3.2022
Discussed in committee	17.5.2022
Date adopted	12.7.2022
Result of final vote	+: 29 -: 0 0: 2
Members present for the final vote	Rasmus Andresen, Anna Bonfrisco, Olivier Chastel, Lefteris Christoforou, Andor Deli, José Manuel Fernandes, Eider Gardiazabal Rubial, Vlad Gheorghe, Francisco Guerreiro, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Dimitrios Papadimoulis, Bogdan Rzońca, Nicolae Ştefănuță, Nils Torvalds, Nils Ušakovs, Johan Van Overtveldt, Rainer Wieland
Substitutes present for the final vote	Jan Olbrycht
Substitutes under Rule 209(7) present for the final vote	Alexander Bernhuber, Helmut Scholz, Birgit Sippel

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

29	+
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca, Johan Van Overtveldt
NI	Andor Deli
PPE	Alexander Bernhuber, Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Jan Olbrycht, Rainer Wieland
Renew	Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Nicolae Ştefănuţă, Nils Torvalds
S&D	Eider Gardiazabal Rubial, Eero Heinäluoma, Margarida Marques, Victor Negrescu, Sippel Birgit, Nils Ušakovs
The Left	Dimitrios Papadimoulis, Scholz Helmut
Verts/ALE	Rasmus Andresen, Francisco Guerreiro

0	-	
		41

2	0
ID	Anna Bonfrisco, Joachim Kuhs

Key to symbols: + : in favour - : against 0 : abstention

PROCEDURE - COMMITTEE RESPONSIBLE

Title	Establishing the Union Secure Connectivity Programme for the period 2023-2027
References	COM(2022)0057 - C9-0045/2022 - 2022/0039(COD)
Date submitted to Parliament	16.2.2022
Committee responsible Date announced in plenary	ITRE 7.3.2022
Committees asked for opinions Date announced in plenary	BUDG 7.3.2022
Rapporteurs Date appointed	Christophe Grudler 8.4.2022
Discussed in committee	13.6.2022
Date adopted	13.10.2022
Result of final vote	+: 58 -: 0 0: 1
Members present for the final vote	François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Michael Bloss, Paolo Borchia, Markus Buchheit, Cristian-Silviu Buşoi, Ignazio Corrao, Nicola Danti, Marie Dauchy, Pilar del Castillo Vera, Martina Dlabajová, Christian Ehler, Valter Flego, Niels Fuglsang, Lina Gálvez Muñoz, Claudia Gamon, Jens Geier, Nicolás González Casares, Christophe Grudler, Henrike Hahn, Ivo Hristov, Ivars Ijabs, Romana Jerković, Łukasz Kohut, Andrius Kubilius, Miapetra Kumpula-Natri, Iskra Mihaylova, Dan Nica, Angelika Niebler, Ville Niinistö, Mauri Pekkarinen, Tsvetelina Penkova, Markus Pieper, Clara Ponsatí Obiols, Manuela Ripa, Sara Skyttedal, Riho Terras, Grzegorz Tobiszowski, Patrizia Toia, Marie Toussaint, Pernille Weiss
Substitutes present for the final vote	Andrus Ansip, Tiziana Beghin, Damian Boeselager, Franc Bogovič, Damien Carême, Jakop G. Dalunde, Elena Lizzi, Alin Mituţa, Dominique Riquet, Angelika Winzig
Substitutes under Rule 209(7) present for the final vote	Alessandra Basso, Biljana Borzan, Rosanna Conte, Andrzej Halicki, Maria-Manuel Leitão-Marques, Colm Markey
Date tabled	13.10.2022

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

58	+
ECR	Grzegorz Tobiszowski
ID	Alessandra Basso, Paolo Borchia, Rosanna Conte, Marie Dauchy, Elena Lizzi
NI	Tiziana Beghin, Clara Ponsatí Obiols
PPE	François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Franc Bogovič, Cristian-Silviu Buşoi, Pilar del Castillo Vera, Christian Ehler, Andrzej Halicki, Andrius Kubilius, Colm Markey, Angelika Niebler, Markus Pieper, Sara Skyttedal, Riho Terras, Pernille Weiss, Angelika Winzig
RENEW	Andrus Ansip, Nicola Danti, Martina Dlabajová, Valter Flego, Claudia Gamon, Christophe Grudler, Ivars Ijabs, Iskra Mihaylova, Alin Mituṭa, Mauri Pekkarinen, Dominique Riquet
S&D	Biljana Borzan, Niels Fuglsang, Lina Gálvez Muñoz, Jens Geier, Nicolás González Casares, Ivo Hristov, Romana Jerković, Łukasz Kohut, Miapetra Kumpula-Natri, Maria-Manuel Leitão-Marques, Dan Nica, Tsvetelina Penkova, Patrizia Toia
VERTS/ALE	Michael Bloss, Damian Boeselager, Damien Carême, Ignazio Corrao, Jakop G. Dalunde, Henrike Hahn, Ville Niinistö, Manuela Ripa, Marie Toussaint

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ID	Markus Buchheit	

Key to symbols:

+ : in favour- : against0 : abstention