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
PA_Legam
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 Industry, Research and Energy, as the committee responsible, to take into account the following amendments:

**Amendment 1**

**Proposal for a regulation**

**Recital 1**

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<th>Text proposed by the Commission</th>
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<td>1. There is a growing demand by the Union governmental actors for secure and</td>
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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 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 resources, 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 resources, 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 non-thematic MFF special instruments.


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*


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

Text proposed by the Commission

(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.

Amendment

(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 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.

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 Council\(^2\). 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.


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

(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 in-kind 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

(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

(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
Amendment 10
Proposal for a regulation
Recital 38

Text proposed by the Commission

(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.

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

Text proposed by the Commission

(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.

Amendment

(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 non-discriminatory access to infrastructure necessary for the provision of commercial services.
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

Amendment

(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 Council.

Amendment 13

Proposal for a regulation
Recital 42

Text proposed by the Commission

(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.

Amendment 14

Proposal for a regulation
Recital 45

(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.
Text proposed by the Commission

(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.

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 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

(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 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 the Interinstitutional Agreement of 13 April 2016 on Better Law-Making, 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.

Amendment

(68) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making, 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

(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
Amendment 18

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

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 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 non-discriminatory access to infrastructure necessary for the provision of commercial services.

Amendment

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

Amendment 23

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

Amendment
deleted

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

See amendment 23.

Amendment 25
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

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

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

Amendment

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.

Amendment 30

Proposal for a regulation
Article 15 – paragraph 6

Text proposed by the Commission

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
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.

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
(h) to satisfy environmental criteria;

Amendment
(h) to satisfy environmental and social sustainability criteria;

Amendment 33

Proposal for a regulation
Article 39 – title
Amendment 34
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 decision-making 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

2. 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

(ba) any cost overruns, the timeliness in meeting the established project deadlines and the effectiveness of the governance and management of the
Amendment 37

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

Amendment

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.

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**

<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Establishing the Union Secure Connectivity Programme for the period 2023-2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>References</strong></td>
<td>COM(2022)0057 – C9-0045/2022 – 2022/0039(COD)</td>
</tr>
<tr>
<td><strong>Committee responsible</strong></td>
<td>ITRE 7.3.2022</td>
</tr>
<tr>
<td><strong>Opinion by</strong></td>
<td>BUDG 7.3.2022</td>
</tr>
<tr>
<td><strong>Rapporteur for the opinion</strong></td>
<td>José Manuel Fernandes 11.3.2022</td>
</tr>
<tr>
<td><strong>Discussed in committee</strong></td>
<td>17.5.2022</td>
</tr>
<tr>
<td><strong>Date adopted</strong></td>
<td>12.7.2022</td>
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</tbody>
</table>
| **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 Mureșan, Victor Negrescu, Dimitrios Papadimoulis, Bogdan Rzońca, Nicolae Ștefănuță, 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

<table>
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<tr>
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<tr>
<td>ECR</td>
<td>Zbigniew Kuźniuk, Bogdan Rzońca, Johan Van Overtveldt</td>
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<tr>
<td>NI</td>
<td>Andor Deli</td>
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<td>PPE</td>
<td>Alexander Bernhuber, Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Jan Olbrycht, Rainer Wieland</td>
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<tr>
<td>Renew</td>
<td>Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Nicolae Ștefănuță, Nils Torvalds</td>
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<td>Eider Gardiazabal Rubial, Eero Heinäluoma, Margarida Marques, Victor Negrescu, Sippel Birgit, Nils Ušakovs</td>
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<tr>
<td>The Left</td>
<td>Dimitrios Papadimoulis, Scholz Helmut</td>
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<tr>
<td>Verts/ALE</td>
<td>Rasmus Andresen, Francisco Guerreiro</td>
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<tbody>
<tr>
<td>ID</td>
<td>Anna Bonfrisco, Joachim Kuhs</td>
</tr>
</tbody>
</table>

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