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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. prev. doc.:	14049/22
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Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing the Union Secure Connectivity programme for the period 2023-2027 - Preparation for the trilogue

I. INTRODUCTION

1. On 15 February 2022 the Commission presented the above-mentioned proposal for a Regulation to the European Parliament and the Council. This proposal is stand-alone and does not amend the EU Space Programme adopted in 2021.

2. The programme aims to establish a secure and autonomous space connectivity system to ensure the provision of secure satellite communication ('satcom') services. The programme intends to provide governmental services for the protection of critical infrastructure, surveillance, support to external actions or crisis management and to contribute to improving the resilience of the Union. In addition, it enables the provision of commercial services by the private sector and thereby contributes to the competitiveness of European industry and further innovation based on space technologies.

II. STATE OF PLAY

3. The European Parliament approved the ITRE Committee report during the Plenary on 19 October 2012. A mandate was granted to enter into inter-institutional negotiations with the Council (Rapporteur - Christophe GRUDLER (Renew, FR)).
4. The Working Party on Space has examined this proposal at ten occasions under the French Presidency. The Presidency was granted a negotiating mandate by this Committee on 29 June 2022 on the basis of the Annex to doc. 10568/22.
5. The first trilogue took place on 27 October 2022. This Committee was debriefed on 28 October 2022.
6. Based on the discussions at the Working Party meeting on 25 October and of the upcoming meeting on 8 November 2022, the Presidency is exploring possible compromise avenues that could provide the basis for a rapid agreement with the European Parliament. Work at technical level continues based on the 4-column document (doc. 14049/22). It should be added, in this context, that the European Parliament has already shown a high level of acceptance of the changes made by the Council throughout this negotiation. The latest elements of the compromise suggestions are explained under Section III.

III. MAIN ISSUES/ LATEST ELEMENTS OF THE COMPROMISE PROPOSAL

7. Under the above, the Presidency asks this Committee for possible flexibilities on the building blocks which should be part of an overall balanced compromise package that the Presidency would defend at the upcoming trilogue.

a. *Concepts relating to the secure connectivity system: affordable internet access/universal service (rows 19b, 98, 104) and multi-services constellation (rows 18, 96) / non-communication services (rows 24, 102, 124):*

The European Parliament introduced these two new concepts. The initial suggestion on universal service was prone to confusion, as it puts into question the primary objectives of the secure connectivity programme to provide mainly governmental services, while commercial services provided by the private sector are an additional feature which is “enabled” by the programme. Only the commercial services could contribute to the objectives of Directive 2018/1972 establishing the European Electronic Communications Code. Drafting suggestions will be proposed at technical level to capture this additional objective without putting into question the primary objectives of this programme.

The European Parliament also introduced the concept of “multi-service” constellation, while the constellation is primarily a satellite communication system (not navigation, not Earth observation) although it could probably support non-communication services by hosting additional payloads. The compromise drafting (rows 18, 97 and 116) aims at clarifying this point.

b. *New Article on sustainability (Article 6a EP – rows 136g to 136q):*

The European Parliament introduced a new Article on space sustainability. At technical level delegations generally supported the political objective of this amendment, although some concerns were expressed on the impact on industry. Concerning the introduction of delegated acts (row 136q), the Presidency is of the opinion that, subject to a more specific scope for the delegation, one delegated act could be an acceptable concession in view of an overall balanced compromise package.

- c. *New space / space ecosystem (rows 26a, 35, 46, 47g, 91, 103, 130-132, 342d) and new entrants (rows 35, 54, 103, 133-135, 221, 231)*

While the European Parliament introduced a broad definition of “space ecosystem” which could be, according to the Presidency, acceptable for the Council, delegations consider that the use of the “New Space” concept should be kept. Drafting would be suggested on a case-by-case basis in order to keep a balanced approach that can be supported by delegations and could be acceptable to the European Parliament.

- d. *Strategic autonomy / technological sovereignty (rows 25, 97, 100, 104b, 224, 231) and launching requirements (rows 25, 129 (2 options):*

Concerning strategic autonomy, the European Parliament amendments have been adapted so as to be supported by a majority of delegations. Although some delegations would have preferred to keep the Council text, it is the opinion of the Presidency that the proposed drafting paves the way for an overall balanced compromise package with the European Parliament. Concerning the launchers, the Presidency will insist on keeping the reference to Council mandate although some language changes in the relevant recital (row 25) might need to be considered.

- e. *Role of EUSPA, role of ESA (rows 264, 274):*

On EUSPA, a compromise wording could be found in line with the current mandate. On ESA, it is the intention of the Presidency to stick to the Council text as this came out as an important issue for delegations.

f. *Budget (Article 11(1) to (3), Rows 170-177):*

The Presidency is aware of the importance of this item for all delegations and intends to stick to the mandate granted by this Committee in June. Nevertheless, since the positions of the co-legislators are very far apart, the following proposals could be envisaged in view of an overall and balanced compromise package. Should the European Parliament renounce to the use of unallocated margins and non-thematic special instruments under the Multiannual Financial Framework and accept the reallocated budget as proposed by the Commission, the Council could consider accepting the limited use of unallocated margins as proposed by the Commission, to be agreed in a joint statement of the Council and the European Parliament, as the detail of the sources of earmarked budgets as proposed by the Commission.

8. The Presidency is aware that some delegations would prefer to stick to the original Council mandate. However, the Presidency is of the opinion that a compromise as outlined above could cater for the most important concerns of the European Parliament, while preserving the most important aspects of the Council mandate and would thus pave the way for an overall balanced compromise package on this important proposal. The Presidency is therefore hopeful that such a compromise could be supported by a majority of delegations.

IV. CONCLUSION

9. The Permanent Representatives Committee is invited to
- examine the elements as set out in Part III above; and
 - mandate the Presidency to continue the negotiations with the European Parliament at the second trilogue on 17 November 2022 on the basis of the approach outlined above.
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