

European Internet Foundation
26 April 2006, European Parliament, Brussels
“Galileo: Progress and Potential”

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Dear Members of the European Parliament, dear members of the European Internet Foundation, Ladies and Gentlemen.
Good Morning.

It is a pleasure for me to be with you today to discuss the developments of Galileo from an industry point of view.

Galileo is critical to Europe and to the competitiveness of its industries, as it will create commercial opportunities in markets across the world. Alcatel and its seven partners of the Galileo Concession, Aena, EADS Space Services, Finmeccanica, Hispasat, Inmarsat, TeleOp and Thales are fully committed to making Galileo a success, relying on the solid programme foundations to be put in place by the European Union.

Let me first explain Alcatel’s involvement in Galileo. Alcatel is a leader in providing communication solutions addressing telecom markets in more than 130 countries, and we are number one worldwide in broadband internet solutions. Alcatel is actively involved in the development of Location Based Services, in several markets, such as mobile telecom and transportation.

Alcatel Alenia Space, the number one in Europe for space infrastructure, and Telespazio, the European leader in space services, are Alcatel’s space subsidiaries. They provide satellite

solutions from navigation to telecommunications, from meteorology to environmental monitoring, from defence to science and observation.

With its expertise in Satellite Navigation, Alcatel is a well-established partner for the European Union and the European Space Agency. In July 2005, with our 50 partners in 11 Member States, we successfully started EGNOS, the precursor to Galileo in which Europe has invested 400 million Euros.

As a consequence of this very first European success in satellite navigation EGNOS, Alcatel Alenia Space was also at the origin of the Galileo project..

Galileo is a great opportunity for Europe and has the potential to create unprecedented pan-European success for its industry and citizens.

Galileo will respond to the increasing demand for more safety and security through a vast number of solutions enabled by location based products and services. We at Alcatel, through our global leadership in broadband access technologies, are convinced that the combination of broadband access, with location based content and services, from security to entertainment, will create new markets and revenue streams, and of course with it, new employment opportunities for European citizens.

However, the clock is ticking and the window of opportunity for Europe is narrowing rapidly. As I mentioned earlier, the industrial side is committed to making Galileo a success, we now need the strong support of the European institutions.

What do I mean by that? With the Galileo Public Private Partnership we are entering a no-man's-land at European level – nobody has ever done this before. More clarity is needed on a number of subjects, such as on the legal and regulatory framework, and the way the risks will be shared between the public and private sides. The long term roles and involvement of the European Union, European Space Agency, European Investment Bank also require clarifications. While each institution has its obvious role in financial, legal, or technical aspects, none of them can be fulfilled in isolation, nor can they be totally or immediately transferred to the private sector.

As we are advancing in our discussions for the concession we also need to know the long term, economical and technical contents of the agreements that the European Union and the GSA have and will have with countries such as the USA, Canada, Russia, China, India and Israel. Some of these countries are developing their own navigation systems. More details are therefore needed on the rights, but also on the obligations these countries will have on subjects like: Intellectual Property Rights, revenue generation, support on standards, regulations, etc.

For the industry and its partners, the investors and financial institutions, budgetary planning security is a basic requirement. As we all know, the initial In-Orbit-Validation phase is now fully funded and organised – this is very good news.

This is not yet the case for the following phase, which is expected to start as early as next year. Budgets and organisational structures must match the European ambitions for Galileo.. Let me just remind you that the GPS infrastructure represented an investment of about \$20B plus about \$500M per annum for operations. And additional funds are now planned to implement GPS3.

Still on the budget side: For EGNOS there is only a small investment still to be made now to allow its certification and to put it into operations before the Galileo concession can take it over. EGNOS is ready to go and is an ideal commercial test case for a number of applications that will also be critical to the success of Galileo.

To summarize, I have 2 messages: (1) the industry, the investors and financial institutions need planning and budget clarity and security. (2) They need also a strong support from the European Union and its member states to provide the legal and regulatory framework necessary to a successful development of the Public Private Partnership.

In conclusion, let me renew our commitment, in Alcatel and our industrial partners, to a timely and successful implementation of the Galileo project. Let me recognise that the GJU is conducting the discussions on the Concession Contract in a very professional manner. Let me also show my confidence that the European Commission will provide us with the necessary information and support, and lastly, let me warmly thank-you, Members of the European Parliament, for supporting Galileo at each of its crucial steps. Galileo has the potential to be a tremendous commercial success creating jobs and business opportunities across Europe: Let's now move quickly to deliver on expectations!

Thank You