Proposal for a

COUNCIL DECISION

on the signing of the Co-operation Agreement on a Civil Global Navigation Satellite System (GNSS) between the European Community and its Member States, and the State of Israel

(presented by the Commission)
EXPLANATORY MEMORANDUM

On 10 February 1999, the Commission adopted a Communication entitled ‘GALILEO – involving Europe in a new generation of Satellite Navigation Services’1.’ This sets out a strategy for developing GALILEO, a global European component of GNSS-2. GALILEO will be independent but fully interoperable with the US GPS system and open to cooperation with other third countries.

On 17 July 1999 and 5 April 2001, the Council adopted Resolutions2 in which it encourages the continuation, under its political control, of the contacts with non-member States that are interested in contributing to the development of GALILEO.

In line with the resolutions of the Council the Commission has maintained contacts with third countries and detected the interest of Israel to participate in GALILEO.

Israel is one of the eight countries within the world space community demonstrating significant technological background on space programmes and important achievements on GNSS applications, equipment, user segment and regional technology.

Software industry has become, together with other high-tech industries, the locomotive leading Israel's economical development. They are very active on applications and service development sector. GNSS technology is used in a variety of civilian applications such as: transportation, environment, geodesy, seismology, agriculture, engineering, personal outdoor recreation and safety of life systems.

The first EU – Israel exploratory meeting on GNSS was held in Brussels on 11 September 2003, at the request of the State of Israel, following a letter of their Vice Prime minister, Mr Ehud Olmert, dated 26 July 2003, confirming their interest for GALILEO and asking for the conclusion of an European-Israeli cooperation agreement on this programme.

This meeting followed several informal exchanges with Commission services, which allowed the relevant Israeli agencies to accumulate information required to assess their interest to participate to the GALILEO project.

The exploratory talks were on the status and objectives of the respective policies on satellite navigation and on possible forms of cooperation. They confirmed the value of Israel for the GALILEO programme. The broad scope of an Community-Israel cooperation agreement was discussed with a view to recommend it to the respective political authorities.

In this context, and following the conclusion of the co-operation agreement with China, Vice President De Palacio raised the issue, in the Council of Transport Ministers of 9 October, to extend the negotiations with the State of Israel. The Member States took note of the information given by Mrs De Palacio and encourage the Commission to elaborate the corresponding negotiation directives.

On 16 January 2004 the Council Decision authorised the Commission to enter into negotiations with the State of Israel with a view to establishing a cooperation agreement on a Civil Global Navigation Satellite System (GNSS).

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1 COM (1999) 54 final of 10 February 1999
2 Council Resolution 221, 19 July 1999 and 7918, 11 April 2001 on GALILEO
In formal negotiation on 17 March 2004 the representatives of the Commission and Israel have agreed on the content and initialled the Agreement. The Galileo Special Negotiation Committee of the Council has been consulted in accordance with the negotiation directives.

**Proposed Decision**

The Commission proposes to the Council, on the basis of Articles 133 and 170, in conjunction with the first sentence of the first subparagraph of Article 300(2) of the Treaty establishing the European Community, to authorise the signature of the Cooperation Agreement on a Civil Global Navigation Satellite System (GNSS) between the European Community and its Member States and the State of Israel.
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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 133 and 170, in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Whereas:

(1) The Commission has negotiated on behalf of the Community an Agreement with the State of Israel

(2) Subject to its possible conclusion at a later date, the Agreement initialled on 17 March 2004 should be signed,

HAS DECIDED AS FOLLOWS:

Sole Article

Subject to a possible conclusion at a later date, the President of the Council is hereby authorised to designate the person empowered to sign, on behalf of the Community and its member States, the Cooperation Agreement between the European Community and its Member States, and the State of Israel on a Civil Global Navigation Satellite System (GNSS).

The text of the Agreement is attached to this Decision.

Done at Brussels,

For the Council
The President
ANNEX

Co-operation Agreement on a Civil Global Navigation Satellite System (GNSS) between the European Community and its Member States, and the State of Israel

The State of Israel hereinafter also referred to as “Israel”, of the one part,

and

the European Community hereinafter referred to as the “Community”,

and

The Kingdom of Belgium,

The Czech Republic,

The Kingdom of Denmark,

The Federal Republic of Germany,

The Republic of Estonia,

The Hellenic Republic,

The Kingdom of Spain,

The French Republic,

Ireland,

The Italian Republic,

The Republic of Cyprus,

The Republic of Latvia,

The Republic of Lithuania,

The Grand Duchy of Luxembourg,

The Republic of Hungary,

The Republic of Malta,

The Kingdom of the Netherlands,

The Republic of Austria,

The Republic of Poland,

The Portuguese Republic,

The Republic of Slovenia,
The Slovak Republic,
The Republic of Finland,
The Kingdom of Sweden,
The United Kingdom of Great Britain and Northern Ireland,

Contracting parties to the Treaty establishing the European Community, hereinafter referred to as “Member States”, of the other part,

hereinafter referred to as “the Parties”

Considering the common interests in the development of a global navigation satellite system for civil use,

Recognising the importance of GALILEO as a contribution to navigation and information infrastructure in Europe and Israel,

Recognising the advanced state of Israel’s satellite navigation activities,

Considering the increasing development of GNSS applications in Israel, Europe and other areas in the world,

Desiring to strengthen the co-operation between Israel and the Community and taking into consideration the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, on the one part and the State of Israel on the other part, which entered into force on the 1 of June 2000.3

Have agreed as follows:

Article 1

Objective of the agreement

The objective of the agreement is to encourage, facilitate and enhance co-operation between the parties within European and Israeli contributions to a civil global navigation satellite system (GNSS).

Article 2

Definitions

For the purposes of this Agreement:

"Augmentation” means regional or local mechanisms such as the European Geostationary Navigation Overlay System (EGNOS). They provide the users of satellite-based navigation and timing signals with input information, extra to that derived from the main constellation(s) in use, and additional range/pseudo-range inputs or corrections to, or enhancements of, existing pseudo-range inputs. These mechanisms enable users to obtain enhanced performance, such as increased accuracy, availability, integrity, and reliability.

3 Published 21 June 2000 in the Official Journal of the EC, L 147/3
"GALILEO" means an autonomous civil European global satellite navigation and timing system under civil control, for the provision of GNSS services designed and developed by the Community and its Member States. The operation of GALILEO may be transferred to a private party. GALILEO envisages one or more services for open, commercial and safety of life purposes.

“GALILEO local elements” are local mechanisms that provide the users of GALILEO satellite-based navigation and timing signals with input information, extra to that derived from the main constellation in use. Local elements may be deployed for additional performance around airports, seaports and in urban or other geographically challenging environments. GALILEO will provide generic models for local elements.

"Global navigation, positioning and timing equipment" means any civil end user equipment designed to transmit, receive, or process satellite-based navigation or timing signals to provide a service, or to operate with a regional augmentation.

"Regulatory measure" means any law, regulation, rule, procedure, decision, administrative action or similar action by a Party.

“Interoperability” means at user level a situation where a dual-system receiver can use signals from two systems together for equal or better performance than by using only one system.

"Intellectual property" shall have the meaning found in Article 2 of the Convention Establishing the World Intellectual Property Organisation, done at Stockholm, July 14, 1967.

“Liability” means the legal accountability of a person or legal entity to compensate for damage caused to another person or legal entity in accordance with specific legal principles and rules. This obligation may be prescribed in an agreement (contractual liability) or in a legal norm (non-contractual liability).

“Classified information” means official information that requires protection in the interests of national defence or foreign relations of the Parties, and is classified in accordance with their applicable laws and regulations. For the European Union the rules are contained in Council Decision 2001/264/EC of 19 March 2001 adopting the Council's security regulations.

**Article 3**

**Principles of the co-operation**

The parties agreed to apply the following principles to co-operation activities covered by this agreement:

1. Mutual benefit based on an overall balance of rights and obligations including contributions.

2. Partnership in the GALILEO Programme in accordance with the procedures and rules governing the management of GALILEO.

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4 OJ L101, 11.4.2001, p.1
3. Reciprocal opportunities to engage in co-operative activities in European and Israeli GNSS projects for civil use.

4. Timely exchange of information that may affect co-operative activities.

5. Appropriate protection of intellectual property rights as referred to in Article 8.3 of this Agreement.

Article 4

Scope of co-operation activities

1. The sectors for co-operative activities in satellite navigation and timing are: scientific research, industrial manufacturing, training, application, service and market development, trade, radio-spectrum issues, integrity issues, standardisation and certification and security. The Parties may adapt this list of issues by decision by the Joint Steering Committee established under Article 14 of this Agreement.

2. Extending cooperation, if requested by the Parties to:

2.1. GALILEO sensitive technologies and items under EU, EU and ESA Member States, MTCR and WASSENAAR agreement export control regulation as well as cryptography and major information security technologies and items,

2.2. GALILEO System Security Architecture (space, ground & user segments),

2.3. Security control features of the GALILEO global segments,

2.4. Public Regulated Services in their definition, development, implementation, test and evaluation and operational (management and use) phases, as well as

2.5. Exchange of classified -information concerning satellite navigation and Galileo

would be subject to an appropriate separate agreement to be concluded between the Parties.

3. This Agreement shall not affect the application of European Community legislation establishing the GALILEO Joint Undertaking and its institutional structure or establishing a successor entity to the GALILEO Joint Undertaking. Nor does this Agreement affect the applicable laws, regulations and policies implementing non-proliferation commitments and export control for dual-use items and national domestic measures regarding security and controls of intangible transfers of technology.

Article 5

Forms of co-operation activities

1. Subject to their applicable regulatory measures, the Parties shall foster, to the fullest extent practicable, the co-operative activities under this Agreement with a view to providing comparable opportunities for participation in their activities in the sectors listed under Article 4.
2. The Parties agree to conduct co-operative activities as mentioned in Articles 6 to 13 of this Agreement.

**Article 6**

**Radio spectrum**

1. Building on past successes in the framework of the International Telecommunication Union, the Parties agree to continue co-operation and mutual support in radio-spectrum issues.

2. In this context the Parties shall promote adequate frequency allocations for GALILEO in order to ensure the availability of GALILEO services for the benefit of users worldwide and notably in Israel and in the Community.

3. Moreover, the Parties recognise the importance to protect radio navigation spectrum from disruption and interference. To this end they shall identify sources of interference and seek mutually acceptable solutions to combat such interference.

4. The Parties agree to task the Committee under Article 14 to define the appropriate mechanism in order to ensure effective contacts and collaboration in this sector.

5. Nothing in this agreement shall be construed so as to derogate from the applicable provisions of the International Telecommunications Union, including the ITU Radio Regulations.

**Article 7**

**Scientific research**

The parties shall promote joint research activities in the field of GNSS through European and Israeli research programs including the European Community Framework Program for Research and Development, and the research programs of the European Space Agency, the Ministry of Science and Technology of Israel and the Ministry of Industry, Trade and Labour of Israel.

The joint research activities should contribute to planning the future developments of a GNSS for civil use.

The Parties agree to task the Committee under Article 14 to define the appropriate mechanism aimed at ensuring effective contacts and participation in the research programmes.

**Article 8**

**Industrial co-operation**

1. The parties encourage and support the co-operation between the industries of the two sides, including by the means of joint ventures and Israeli participation in relevant European industrial associations, as well as, European participation in relevant Israeli industrial associations, with the objective of setting up of the GALILEO system as well as promoting the use and development of GALILEO applications and services.
2. A joint advisory group on industrial co-operation shall be established, under the Steering Committee set up under Article 14, in order to investigate and guide the co-operation on satellite manufacturing, launch services, ground station building, and application products.

3. To facilitate industrial co-operation the Parties shall grant and ensure adequate and effective protection of intellectual, industrial and commercial property rights at the fields and sectors relevant to the development and operation of Galileo/EGNOS, in accordance with the highest international standards, including effective means of enforcing such standards.

4. Exports by Israel to third countries of sensitive items developed specifically and funded by the GALILEO programme will have to be submitted for prior authorisation by the competent GALILEO security authority, if that authority has recommended that these items be subject to export authorisation in accordance with applicable regulatory measures. Any separate agreement referred to in Article 4.2 of the Agreement shall also elaborate an appropriate mechanism for Israel to recommend potential items to be subject to export authorisation.

5. The Parties encourage strengthened ties between Ministry of Industry, Trade and Labour of Israel, Ministry of Science and Technology of Israel, the Israel Space Agency, and the European Space Agency to contribute to the objectives of the Agreement.

**Article 9**

**Trade and market development**

1. The parties encourage trade and investment in European and Israeli satellite navigation infrastructure, equipment, GALILEO local elements and applications.

2. To this end the Parties shall raise the level of public awareness concerning the GALILEO satellite navigation activities, identify potential barriers to growth in GNSS applications and take appropriate measures to facilitate this growth.

3. To identify and respond effectively to user needs the Community and Israel shall consider establishing a joint GNSS user forum.

4. This agreement will not affect the rights and obligations of the Parties under the World Trade Organisation, relevant export control rules, relevant European Community legislation on the control of exports of dual-use items and technology, provisions adopted under the Treaty of the European Union concerning the control of technical assistance related to certain military end-uses, relevant international instruments such as the Hague Code Of Conduct on Ballistic Missiles and related EU Member States and Israeli legislation.

**Article 10**

**Standards, Certification and Regulatory Measures**

1. The Parties recognise the value of co-ordinating approaches in international standardisation and certification fora concerning global satellite navigation services. In particular the Parties will jointly support the development of GALILEO standards
and promote their application worldwide, emphasising interoperability with other GNSS systems.

One objective of the co-ordination is to promote broad and innovative use of the GALILEO services for open, commercial and safety of life purposes as a worldwide navigation and timing standard. The Parties agree to create favourable conditions for developing GALILEO applications.

2. Consequently, to promote and implement the objectives of this Agreement, the Parties shall, as appropriate, cooperate on all GNSS matters that arise notably in the International Civil Aviation Organisation, the International Maritime Organisation and the International Telecommunications Union.

3. At bilateral level the Parties shall ensure that measures relating to technical standards, certification and licensing requirements and procedures concerning GNSS do not constitute unnecessary barriers to trade. Domestic requirements shall be based on objective, non-discriminatory, pre-established transparent criteria.

4. At expert level the parties intend to organise co-operation and exchanges through the Committee under Article 14 on standards covering signal codes, navigation, ground receiver equipment and navigation application security. Moreover, the Parties shall promote the participation of Israeli representatives in European standardisation organisations.

Article 11

Development of global and regional GNSS ground augmentation systems

1. Interoperability of global and regional ground satellite navigation systems enhances the quality of services available to users. The Parties shall collaborate to define and implement ground system architectures allowing an optimal guarantee of GALILEO integrity and continuity of GALILEO services.

2. To this end at the regional level the Parties shall cooperate in implementing and building a ground regional augmentations system based on GALILEO system in Israel. Such a regional system is foreseen to provide regional integrity services additional to those provided by the GALILEO system globally. As a precursor, the parties confirm the decision to establish a Regional Integrity Monitoring Station in Israel in order to improve a future EGNOS extension in the region.

3. At local level the Parties shall facilitate the development of GALILEO local elements.

Article 12

Security

1. The Parties are convinced of the need to protect Global Navigation Satellite Systems against misuse, interference, disruption and hostile acts.

2. The Parties shall take all practicable steps to ensure the continuity and safety of the satellite navigation services and the related infrastructure in their territories.
3. The parties recognise that cooperation to ensure security of the GALILEO system and services are important common objectives.

4. Hence the parties shall establish an appropriate consultation channel to address GNSS security issues. This channel shall be used to ensure the continuity of the GNSS services.

The practical arrangements and procedures are to be defined between the competent security authorities of both parties.

**Article 13**

**Liability and cost recovery**

The Parties will cooperate, as appropriate, to define and implement a liability regime and cost recovery arrangements in order to facilitate the provision of civil GNSS services.

**Article 14**

**Co-operative mechanism**

1. The co-ordination and facilitation of co-operative activities under this Agreement shall be accomplished on behalf of Israel, by the Government of the State of Israel and, on behalf of the Community and its Member States, by the European Commission.

2. In accordance with the objective in Article 1 these two entities shall establish a GNSS Steering Committee hereinafter referred to as the “Committee” for the management of this Agreement. This Committee shall consist of official representatives of each Party and it shall establish its own rules of procedure.

The functions of the Steering Committee shall include:

2.1. Promoting, making recommendations to and overseeing the different co-operative activities as mentioned in Articles 4 to 13 of the Agreement;

2.2. Advising the Parties on ways to enhance and improve co-operation consistent with the principles set out in this Agreement;

2.3. Reviewing the efficient functioning and implementation of this Agreement;

3. The Committee shall, as a general rule, meet annually. The meetings should be held alternatively in the Community and in Israel. Additional meetings may be organised at the request of either Party. The costs incurred by the Committee or in its name shall be borne by the Party to whom members relate. The costs other than those for travel and accommodation which are directly associated with meetings of the Committee shall be borne by the host Party. The Committee may set up Joint Technical Working Groups on specific subjects where the Parties consider it appropriate.

4. In accordance with the applicable European Community legislation the Parties welcome the participation of a relevant Israeli entity in the Galileo Joint Undertaking
(JU) as well as in any successor entity established by the Community in accordance
with its relevant procedures.

**Article 15**

**Funding**

1. The amount and arrangements of Israeli contribution to the GALILEO programme
through the Galileo Joint Undertaking will be subject to a separate agreement subject
to compliance with the institutional arrangements of the applicable European
Community legislation.

2. Free movement of goods, persons, services and capital shall apply to co-operative
schemes of the Parties under this agreement in accordance with the Euro-
Mediterranean Agreement establishing and association between the European
Communities and their Member States and the State of Israel.

3. Without prejudice to paragraph 2 when specific co-operative schemes of one Party
provide for funds to participants from the other Party, and the funds allow for the
purchase of equipment, the Parties shall ensure that no custom duties will be imposed
on the transfer of this equipment from one Party to the participants of the other Party
in accordance with the laws and regulations applicable in the territories of each
Party. In addition the Parties shall ensure that no fiscal charge or levy shall be
imposed upon the transaction of the transfer of the funds between the Parties.

**Article 16**

**Exchange of information**

1. The Parties shall establish administrative arrangements and enquiry points in order to
provide for consultations and effective implementation of the provisions of this
Agreement.

2. The parties encourage further information exchanges concerning satellite navigation
among the institutions and enterprises of the two sides.

**Article 17**

**Consultation and dispute resolution**

1. The Parties shall promptly consult, at the request of any of them, on any question
arising out of the interpretation or application of this Agreement. Any disputes
concerning the interpretation or application of this agreement shall be settled by
friendly consultations between the Parties.

2. Paragraph 1 shall not prevent the Parties from having recourse to dispute settlement
under the WTO Agreement.
Article 18

Entry into force and termination

1. This Agreement shall, after its signature by the Parties, enter into force upon the date on which the Parties have notified each other that their respective internal procedures necessary for its entry into force have been completed.

2. Unless otherwise stipulated the termination of this agreement shall not affect the validity or duration of any arrangements or any specific rights and obligations made under it.

3. This Agreement may be amended by mutual agreement of the parties in writing. Any amendment shall enter into force on the date on which the Parties exchange diplomatic notes informing each other that their respective internal procedures necessary for its entry into force have been completed.

4. This Agreement shall remain in force for a period of five years from the date of its entry into force. Thereafter, it shall be extended automatically for further periods of five years each unless either Party notifies the other in writing at least three months prior to the end of the relevant five-year period of an intention not to extend the Agreement.

5. This Agreement may be terminated at any time upon one year’s written notice.

This Agreement is drawn up in duplicate in the Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Slovakian, Slovenian, Spanish, Swedish and Hebrew languages.

English and Hebrew shall be the authentic languages.