

COUNCIL REGULATION (EC) No 1943/2006**of 12 December 2006****amending Regulation (EC) No 876/2002 setting up the Galileo Joint Undertaking**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 171 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament ⁽¹⁾,

Having regard to the Opinion of the European Economic and Social Committee ⁽²⁾,

Whereas:

(1) The Galileo Joint Undertaking was set up by Regulation (EC) No 876/2002 ⁽³⁾ of 21 May 2002, for the implementation of the development phase and for the preparation of the successive phases of the Galileo programme.

(2) Regulation (EC) No 876/2002 provides that the Galileo Joint Undertaking is established for a period of four years, corresponding to the development phase; this period was initially intended to cover the years 2002 to 2005 inclusive.

(3) However, as the Galileo programme currently stands, the development phase will not be completed before the end of 2008. And it seems as well pointless and costly to extend the Galileo Joint Undertaking beyond 2006, since the European GNSS ^(*) Supervisory Authority, set up by Regulation (EC) No 1321/2004 ⁽⁴⁾ of 12 July 2004, will be able to gradually take over during the course of 2006 and then complete all the activities currently being carried out by the Galileo Joint Undertaking.

(4) In order to enable the European GNSS Supervisory Authority to take over the activities of the Galileo Joint Undertaking in an optimum manner, it would, however, be desirable for the two structures to co-exist for a few months and for the European GNSS Supervisory Authority to be closely associated with the activities of the Galileo Joint Undertaking during this period.

(5) Therefore, it should be provided for the Galileo Joint Undertaking to cease operating on 31 December 2006.

(6) In addition, in order to correct the Statutes of the Galileo Joint Undertaking adopted by Regulation (EC) No 876/2002, which contain several erroneous or ambiguous provisions, those Statutes should be amended.

(7) The relevant amendment procedures have been followed in accordance with Regulation (EC) No 876/2002.

(8) Regulation (EC) No 876/2002 should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

In the first paragraph of Article 1 of Regulation (EC) No 876/2002 the words 'for a period of four years' are replaced by the words 'until 31 December 2006'.

Article 2

The Statutes of the Galileo Joint Undertaking annexed to Regulation (EC) No 876/2002 are amended as follows:

1. Article 1(4) is replaced by the following text:

'4. The funds of the Joint Undertaking shall be made up of contributions of its members. Assets in kind may be brought in. They shall be subject to an evaluation of their value and their utility to the carrying-out of the activities of the Joint Undertaking.

(*) GNSS: Global Navigation Satellite Systems.

⁽¹⁾ Opinion delivered on 24 October 2006 (not yet published in the Official Journal).

⁽²⁾ Opinion delivered on 12 October 2006 (not yet published in the Official Journal).

⁽³⁾ OJ L 138, 28.5.2002, p. 1.

⁽⁴⁾ OJ L 246, 20.7.2004, p. 1.

The founding members shall subscribe their shares of the financial contributions to the extent of the amounts indicated in their respective commitments of EUR 520 million for the European Community and EUR 50 million for the European Space Agency. They may, as necessary, make additional contributions to finance the development phase.

Once the Commission has informed the Council of the outcome of the tendering procedure, the Administrative Board shall immediately invite the undertakings mentioned in the second indent of paragraph 3(b) to subscribe. Undertakings need to subscribe EUR 5 million within a period of one year. That amount shall be reduced to EUR 250 000 for undertakings, subscribing individually or collectively, which may be regarded as small or medium-sized enterprises within the meaning of the Commission Recommendation of 3 April 1996 concerning the definition of small and medium-sized enterprises (*).

The Administrative Board shall decide on the amounts of these contributions which should be released in proportion to the share of the financial contributions subscribed by each member. Any member of the Joint Undertaking which fails to meet its commitments concerning the bringing-in of assets in kind or which does not release the amount due within the prescribed time-limits shall be, as a first step, disqualified from voting in the Administrative Board and,

after six months, membership shall be repealed until such time as its obligations have been met.

The financial commitments of the Joint Undertaking shall not exceed the amount of the contributions at its disposal.

(*) OJ L 107, 30.4.1996, p. 4'.

2. In Article 8(1)(b), the second sentence is replaced by the following sentence:

'Each member of the Joint Undertaking shall have a number of votes in proportion to the share of the contributions subscribed by them.';

3. Article 20 is replaced by the following text:

'Article 20

The Joint Undertaking shall be established for a period starting on 28 May 2002 and ending on 31 December 2006.'

Article 3

This Regulation shall enter into force on the day 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 Brussels, 12 December 2006.

For the Council
The President
S. HUOVINEN