

Brexit and the EU Space Industry: The Galileo Conundrum

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If there is any area where Brexit is provoking many discussions and disagreements among EU countries, only a few are as potentially harmful as the ongoing quarrel about Galileo.

For people not familiar with the topic, Galileo is the soon-to-be-operational, all-European satellite navigation system that is going to rival the US GPS system everybody uses nowadays. The UK has been involved in the design and the construction of Galileo since day one, and it is one of the major contributors. For instance, an important part of Galileo's technology has been provided by the UK company Surrey Satellite Technology, a subsidiary of both the German company OHB and the French Airbus, and which manufactures a critical piece for Galileo's satellites, its 'brain' (technically, the payload). Now, Brexit might change it all, and Britain will find itself outside of Galileo, at least in the immediate aftermath.

The heart of the matter is Galileo's PRS (i.e. Public Regulated Service), which is designed to serve as a secure, encrypted navigation system able to function when all the other navigation services, including GPS, are jammed or spoofed.

This feature is considered by the EU as a vital back-up system for both civil and military purposes, and it is going to be an essential component of the EU Defense and Security platform. The problem is, PRS will be available only to EU member states.

The disputes around Galileo's membership flared in January of this year, when the supplier contracts for Galileo had to be renewed and the renewal bidding procedure started. Since the new contract is going to run past March 2019 –the date of Brexit coming into force if no transition period is agreed -the European Commission declared that contracts won't be signed with suppliers that are no longer part of an EU member state or they are likely to be cancelled after that moment [1].

Five months after the EU communique and many strong-worded declarations from all parts involved, positions are still divergent. The UK could choose to remain outside Galileo and build a system on its own for which it has the technical capabilities [2], to be operational by the mid-2020s [3]. The UK could go to the extent of stopping British companies working on Galileo by requiring them to obtain express security clearance from ministers to engage in new contracts [4]; if this is the case, the country could also seek to claim back the £1.2 billion spent so far in developing the new navigation system. [5].

It's still too early to say how this issue will be resolved: Galileo is only one among many problematic areas of the Brexit divorce settlement. Moreover, a precedent for a non-EU participation in Galileo does exist (it is Norway; [6] and the European Space Agency in charge of Galileo is not an EU body *per se* (even though the EU's financial contribution to ESA activities is substantial).

The UK Prime Minister Theresa May has said on more than one occasion that the UK is keen to sign a defense and security treaty with the EU, which, according to last-hour declarations, will have to include unrestricted access to Galileo. How this new regional framework is going to work in practice however, is still unclear, without mentioning that even in the event it is signed before the cut-off date (be it in March 2019 or December 2020) it might be too late anyway to reverse the course for what Galileo is concerned.

End Notes

[1] MacAskill, A., & Rose, M., (2018) Britain EU Clash in Growing Row Over Galileo Satellite Project, *Reuters*. Available from: <https://www.reuters.com/article/us-britain-eu-galileo/britain-eu-clash-in-growing-row-over-galileo-satellite-project-idUSKCN1IF264> Accessed: 24th May 2018

2] UK Space Agency, (2018) *Prosperity from Space: A Partnership Strategy for UK, Space Growth Partnership*. Available from: http://www.ukspace.org/wp-content/uploads/2018/05/Prosperity-from-Space-strategy_2May2018.pdf Accessed: 24th May 2018

[3] Financial Times, (2018) *UK makes Galileo satellite a condition for EU defence collaboration*. Available

from: <https://www.ft.com/content/e8d45d26-5f34-11e8-9334-2218e7146b04> Accessed: 24th May 2018

[4] Amos, J. (2018) *UK ups the ante on Galileo sat-nav project*. Available from: <http://www.bbc.com/news/science-environment-44116085> Accessed: 24th May 2018

[5] Busby, M. (2018) *UK plans own space programme after dispute with EU over Galileo project, defence secretary announces*. Available from: <https://www.independent.co.uk/news/uk/home-news/brexit-galileo-satellite-programme-space-dispute-williamson-barnier-clarke-a8360276.html> Accessed: 24th May 2018

[6] ESA (2010) Norway signs Galileo agreement with commission. Available from: https://www.esa.int/Our_Activities/Navigation/Norway_signs_Galileo_agreement_with_Commission Accessed: 24th May 2018