

MONDAY 29 JUNE 2009

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Present

Bradshaw, L (Chairman)  
Dykes, L  
Plumb, L  
Walpole, L

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Witnesses: **Mr Paul Verhoef**, Head of Unit, EU Satellite Navigation Programmes; Infrastructure Deployment and Exploitation, and **Ms Catherine Kavvada**, Acting Head of Unit for the Galileo Unit dealing with financial and legal matters, DG TREN, examined.

**Q67 Chairman:** Good afternoon. Thank you very much for coming. We have shared the questions out and we are sorry there are so few people here, there are a large number of apologies today. The people who are here are Lord Plumb and Lord Walpole, and I am acting as Chairman in the absence of Lord Freeman who has a conflict of interests. Would you care to introduce yourself, please?

**Mr Verhoef:** First of all, good afternoon. Thank you very much for the invitation, it is both a pleasure and an honour for us to be here. It is a rare occasion for us. My name is Paul Verhoef. I am Programme Manager on the Galileo Programme at the European Commission. I am a European of Dutch descent.

**Q68 Chairman:** Nicely put.

**Ms Kavvada:** My name is Catherine Kavvada. I am responsible for legal and institutional affairs and I have been working on Galileo for the last ten years, so a long time.

**Mr Verhoef:** And she is Greek.

**Ms Kavvada:** And I am Greek.

**Q69 Chairman:** That makes us a good cosmopolitan selection. I am going to ask Lord Plumb if he will commence the questioning. Have you got a copy of the questions?

**Mr Verhoef:** Yes, we have.

**Q70 Lord Plumb:** Thank you, my Lord Chairman. I am a European of British descent. I had 20 years in the European Parliament, but at that time we were not talking about Galileo so this is very much a learning curve for all of us and we are very anxious to try and catch up with progress so far. In that context, we note that the system is expected to be operational by 2013 and we would like to know how the deployment is proceeding. A question that is of particular interest to all of us, I think, is to what extent universities might be involved in the development of Galileo. As past Chancellor of a university I know it was a question that often came up at the university and there is growing interest in this sort of development. What is the Commission's plan for Galileo after 2013, the build-up to that, and then where is it going after that period? Can you give us the principles underlying the proposal and the contradictions between the two Regulations, 1321/2004 and 683/2008? The third question - if it is acceptable to you, I might put these three together because they are related - is how can all the proposed Regulation better ensure the good governance of Galileo because as we see the proceedings, the layout and the development of the programme the governance is extremely important?

**Mr Verhoef:** Thank you. Let me start with your first question. It is a bit difficult at the moment to predict where we are going in terms of time. We are currently negotiating with the industry for the delivery of the system. As you will have seen, this is done on the basis of six succinct work packages. One is satellites, one is launchers, two are for various pieces of ground control and one for operations, for example. We have clearly transmitted to industry our desire that we would want to deploy the system fully by 2013 and we would want to do this within a budget envelope. We need to have this with a certain technical performance in

order to meet the expectations out there in the global market and for the system to be a really serious endeavour for it to be accepted by the users as they have expressed themselves. These negotiations are ongoing at the moment. It is probably premature for me to tell you exactly where that stands, no doubt between now and later in the year when we hope to be able to conclude the first big contracts but it is a bit difficult to say exactly where we will end up. I think I can say that this procurement is progressing pretty well. We have a number of smaller contracts given already. We foresee in the course of this year and early next year that the whole range of contracts will be concluded. At that point in time we will be able to say both what we expect to be the cost of the system, when exactly the delivery date will be, what the technical performance will be, and also important what the remaining risks in the procurement will be. It will be a judgment on the balance of those four elements. We will see where the balance comes out.

**Q71 Lord Plumb:** Can I ask on contracts; is there a lot of enthusiasm coming in from people who wish to contract?

**Mr Verhoef:** Absolutely. Of course, we are looking here at specialised industry. The bigger European players, just to give you an impression: we are looking at a launch contract that we have at the moment - and this is no secret - that only Arianespace is bidding for launchers. This is going to be the biggest contract they will ever get. For satellites it is going to be probably one of the biggest contracts ever given in Europe for satellites. The ground segment contracts are slightly smaller, but still sizeable. There is a lot of interest by the top players in this, and the big space companies in Europe. Below that there is a lot of interest in the subcontracting trees, which means that one has companies from basically most of the European countries able to deliver equipment to the services into the system. It is probably also interesting to say that from what we see, the size of the system is such that it will really be quite something for the industry in total. It will probably take up a lot of resources in terms of

specialised engineering and other requirements. It will be quite sizeable and we see a tremendous interest in it. That brings me to the universities as your second question. One of the very interesting side effects of us putting so much money in this system is that a lot of R&D has been done and will continue to be done in this area, which automatically means that industrial players engage universities and our Member States engage universities. We have engaged universities both to determine directly what we will do with the system in detail, but also to prepare markets where they use satellite navigation, where they have to build the receivers and have to put services on top of that. You have probably seen the small navigation devices that are currently used with GPS, but in the future this will also be used with Galileo. There will be new features in it. The particular interest is that with all this activity in Europe there is a lot of knowledge becoming available on how to do this. In the past, this knowledge was predominantly present in the US, on the basis of the US funding for the GPS satellites; but over the ten years since we started it has come in Europe as well. We see in addition to that, that quite a number of technical universities are putting in place special professors in satellite navigation, and attracting students, which is very interesting also for the flow-in of new engineering staff into the companies. For the rest, the universities are involved a lot with the European Space Agency on research for future evolution. The third part of your question related to this was the plans for after 2013. You have followed, as I am aware, fairly precisely what happened with the project in the past. You will recall that there was a certain moment where a public/private partnership was considered to be too complex to put in place; in simple terms, it was too costly to put in place. On the basis of the proposal from the Commission to the Parliament and the Council, we said we felt it made more sense for the system to be procured directly by the public sector on the basis of a tendering arrangement between us and the European Space Agency, and that that would fund the deployment of the system, and that we would have to study in detail what would happen

afterwards. This study work is currently ongoing in my team, with assistance from consultants, with specialists from the European Space Agency and others' expertise, in order to determine exactly how we are going to operate the system in the future, the future role of the Commission and of the European Space Agency, and what sort of operating model we will put in place. There are various examples for this. Are we going to do this through private sector players or are we going to do this institutionally? All this is under study. The goal is that these proposals will come to the table formally from the college at the beginning of 2010. There will then obviously be a discussion in the Council and the Parliament, and the necessary political decisions will need to be taken, but also funding. It is important to maintain that at the moment we are in the phase of the first deployment of the first constellation of the system, but that does not end in 2013; this is the first step of a long process, whereby for the foreseeable future, perhaps 50-100 years, Europe will operate and maintain a satellite navigation system. At the moment we have a cycle time for satellites – they have a lifetime of 12 years on average, which means that on average every twelfth year you need to replace all your satellites. It is therefore a continuous business of defining what you want, procuring it, building it, launching it and operating it. One would need stable funding and stable organisational arrangements for that. There need to be necessary interactions with the Member States to determine how this will be managed. We are seeing in front of us proposals for how we are going to do this over the longer future, not how we are going to do it just for a while after 2013. This longer-term perspective is of importance. Coming back to your second question about the proposal in front of you, I recalled a few minutes ago that in the past we had the idea that we could put a system in place on the basis of a public/private partnership, that this idea was abandoned, and that we would move forward with the procurement by the public sector. At that time we determined that we had gone through a number of loops already on how to organise the public sector organisation on

the programme, and we decided that it needed to be settled for a reasonable time period so that it would be stable and that there would be expertise available in order to do this. These proposals were put together in a legal instrument, which is Regulation 683. Then we had, I guess, the traditional problem of finding out that one of the older directives, which was set up in order to govern in a phase where we had foreseen a PPP, had become outdated, and that the legal arrangements in that regulation no longer fitted. The only thing we could do was make a change to the older regulation in order to align it with the new one and make sure that there were legally no holes, no overlaps, and that was a clear sense of interpretation. What you have in front of you is a proposal from our side on how to align 100 per cent this older piece of legislation with the most recent one, in order to make sure that particularly the role of the GSA, our agency, is clearly understood and is no longer in contradiction with the new legislation. Those are the principles on which we move. Your third question relates to how this can ensure good governance of Galileo. As I say, first of all it is important that there are clear roles for those who are involved, primarily the European Commission, the European Space Agency, and the GSA as the executive agencies (with a small “e” and “a”) involved in this, but obviously also what is the role of the Council, the Member States, and the European Parliament? This needed to be clearly organised so that everybody knows exactly what to expect from each of these institutions. This we have done through this regulation. We have brought together the combination of technical expertise of the European Space Agency with the more policy/regulatory/financial expertise of the European Commission, in order to jointly handle the programme from there. We have set up oversight committees from the Member States, and the GSA is doing a very specific task in that primarily, which has to do with security. I can go into these if you wish.

**Q72 Chairman:** Can you tell us very clearly what ways regulations 1321/2004 and 683/2008 are incompatible? Can you give us one or two examples of the incompatibility?

**Ms Kavvada:** Before I provide you with the examples, I would like to tell you that according to 1321 the Agency was responsible for the whole participation of Galileo in every system: for the PPP, for security, for the whole monitoring of the programme. Based on the new Regulation 683 it is possible the whole responsibility went to the European Commission and they have just a limited role and limited mission, if you want. According to Article 16, they are responsible only for security accreditation and for the operation of the security centre on the one hand; and on the other hand they are just responsible for market analysis and promotion of the applications. Consequently, if we kept alive both these regulations, we were not able to understand from the purely legal point of view who is the manager: 1321 says that the manager is the GSA, and 683 says that the manager is the Commission. As the second one says clearly that the management is within the Commission, legally speaking we were forced to align formally two regulations in order to say the same thing.

**Q73 Chairman:** It does seem to me – and this brings us on to the next question – that the GSA has, as it were, managed it, but under 682/2008 that would pass to the Commission. I think we have a little problem here about the way in which the Commission exercises its role and also knowing– well, really it is that: how does it exercise its role? My reading of the situation is that it exercises it through a rather cumbersome process where the 27 Members have a vote each. The Commission has an equal number of votes and there is going to be a pretty big amount of people managing that project, which is very expensive and very big, but very critical to the people who are paying for it. Am I wrong? Am I saying something that is wrong?

**Mr Verhoef:** No, you are not saying anything that is wrong, but what you are commenting on, I guess, is our proposal. Let me state something in general on the agencies. As you are aware we have at the moment 28 agencies. We have the Commission. The college over the last years has discovered that the role of the agencies has come with a particular issue for the

Commission, namely that – I will simplify this a bit, but if things go well, the Member States are very happy to oversee the agencies and take the role in the respective boards of the agencies. If things go badly, they very quickly come to the Commission, and they say, “You need to settle this because you in the end have the power and the money and a few other things”. This often puts our commissioners in a very complex situation because effectively they do not have power in the boards. There is also an issue here that if these issues get very high and get to the level of the ministers of our Member States and to the Council, the ministers do not address the executive directors of the agencies; they exclusively address our commissioners, which are their counterparts. It is rather difficult to say to the commissioners, “Thank you for your request, comment or wish; but I do not have the power and I cannot do anything about it. This is not the way that it works.” Within the Commission there is a bit of a review on what needs to be done about this and how it needs to go forward. There is a certain view that if these agencies also need to be handled in difficult times, and if in the end it is the commissioner responsible who has the final political responsibility for it, then the Commission will need to be endowed with the necessary mechanisms so that it can effectively take this responsibility. This has been one of the driving arguments for us to propose that we have this amount of votes in the agencies so that we can exactly do that. In particular on this programme, we have a larger programme to run than only the part that the GSA executes. The GSA part is very important in it and it needs to be done well, but it also needs to be done in time with the rest of the programme, in analogy with the priorities of the programme, et cetera. So from the Commission’s point of view, as a programme manager on this particular programme, it is very important that the work done in the GSA can be fully aligned with the overall progress, because at the end of the day the Commission and only the Commission will be held responsibility for the success of the programme. I have given you here the background to the proposal; whether this will happen in the end, we will see.

**Q74 Lord Plumb:** This might be a naïve question, but is it a matter for co-decision procedure ultimately, with the three parties; in other words bringing the Parliament in? There is a question on this later.

**Mr Verhoef:** No, it is not a co-decision in this sense, because the Parliament is only suggested to be there as an observer.

**Q75 Lord Plumb:** I am thinking of 2013; is it not a matter then that all parties have to be involved?

**Mr Verhoef:** The decisions for what happens after 2013 will not be taken in the GSA board; they will be taken in the Council and in the Parliament itself. There, obviously, there is co-decision.

**Q76 Chairman:** Can you enlighten me a little bit? You spoke of some of the agencies being in trouble. Can you give me an example of the sort of thing you mean?

**Mr Verhoef:** No, I am talking on the basis of this agency, which is under our direct responsibility here, where I know the situation extremely well; but I know from discussions with others and from the work underway in the Commission that there are a number of agencies where there are similar issues, but I would not be able to give you the detail of that.

**Q77 Chairman:** We will move on a little bit more. We have the new GNSS agency set up under the proposal, and you have explained how its future will be different from the present, that it will have more executive responsibility. What you are proposing – and we will come on to this very quickly – is that the GSA will have limited responsibility. Is that right?

**Mr Verhoef:** That is right, at the wish of the Council and the Parliament.

**Chairman:** Yes. You are proposing the abolition of the GSA's Technical and Scientific Committee. Lord Dykes might like to follow me on that area.

**Q78 Lord Dykes:** I am sorry I was delayed. I was at another urgent EU meeting but on a different subject, My Lord Chairman. Can you explain to the Committee a little more about this proposal suggesting the abolition of the GSA Scientific and Technical Committee and what the implications will be, so that we are clear about that?

**Mr Verhoef:** In the past, when the GSA was set up as manager of the programmes, it was foreseen that the programme manager would have an advisory body to it that would help determine where, in scientific and engineering terms, the system would need to go in the future. Now that the GSA no longer has this programme management responsibility it was felt appropriate that this committee would be abolished.

**Q79 Lord Dykes:** Going on from there, what would be the mission and the functioning precisely of the Security Accreditation Committee, which is also a new change?

**Mr Verhoef:** The main role of the GSA as we foresee it would be on security and accreditation. As you know, the system needs to be protected. It can be subject to abuse, so to speak, in a technical sense; so it needs to be protected. There is technology on it that is classified, or some of it at least, which needs to be protected. In protecting this, we will have to work very closely with the Member States. To give you an example, in regard to the site of EADS Astrium in Portsmouth, it is only the UK Government that will verify that Astrium is following all the necessary security rules and regulations put in place, and protects the technology in this case for Galileo. We are working with the authorities of these Member States to do that. There is a certain coordination in this that is undertaken by the GSA, and there is a joint oversight of that, a joint operational involvement through this committee with the Member States. That is the operational level of that. There is then this new committee, which ultimately takes the responsibility in our view for declaring that the system is actually fit to operate, meaning that there is a confirmation from all the representatives of all the Member States – “Yes, in the UK we have checked that this, that and the other have been

followed by our industry. We are comfortable that this is in place. We are comfortable that the remaining residual risks to national security are acceptable to us.” This is then put together with the views of the other Member States, so that this committee says, “If this is the case, then we jointly foresee that the overall security of the system and the risks associated to it is acceptable; and we authorise” for example “the launch of a satellite” or “We authorise that the system be put into operation.” The committee is specifically foreseen for that.

**Q80 Lord Dykes:** What, then, would be the advice you will give to COREPER and the relevant Council of Ministers about the composition of this Accreditation Committee? What will you be suggesting?

**Mr Verhoef:** We have suggested that there would be one representative of each Member State. We feel it needs to be somebody at a fairly high level with a joint responsibility to ultimately express themselves, “yes” or “no” *vis-à-vis* national security. We have proposed that the Commission would be a non-voting chairman of this committee. We have done this because accreditation is an enormous undertaking. It involves a lot of people in each of our Member States. The work needs to keep pace with the technical programme of the production and deployment of the system. As programme manager, we would like to have a grip on that, because if this runs out of synchronisation, the inevitable result is delays. With a programme that has a cost of about – once the contracts are put in place - €3.5 million a day, every day of delay costs a fortune, so we have a rather high sense of need in order to do that. We do recognise that it is not up to us to express ourselves on national security – this is exclusively for the Member States. We have said we do not want to vote. That is not the point, but we want to be able to – if you will allow me in this House – use the whip as a chair.

**Q81 Lord Dykes:** Therefore you would not in any way wish for a uniformity of the composition, the type of members of each Member State – that is a matter for them, obviously.

**Mr Verhoef:** It is obviously a matter for them. I am sure, from discussions and what I hear, that the Member States will fill this differently.

**Q82 Lord Dykes:** It would not be right for you yourselves to suggest – you would not want the Commission in any way to be suggesting they should be cleared for category 1 secrets – you mentioned about security and so on. It would be up to each Member State to decide which representative they were going to send.

**Mr Verhoef:** It would be, but obviously if there were such a discussion on such topics and a participant from a certain Member State was not cleared for that, he would not be able to participate in the discussion.

**Q83 Lord Dykes:** So you would anticipate a formalised single uniform way of doing the clearance for each Member!

**Mr Verhoef:** Member States do their clearances themselves, and it is agreed how this is worked. There is an equivalence of levels agreed. We expect that the issues on this programme will not go beyond “secret” so we expect people to be cleared for “secret”. What level they are in the organisations, and even which organisations they are in, we would leave to Member States. What we have done, certainly in discussion in the Council group, is point out that in our view it is an important committee. There are serious responsibilities to be taken *vis-à-vis* national security, so it would seem reasonable for us to expect that there are some rather high-level people present. Again, this is a national matter; it is not for us to judge on.

**Q84 Lord Dykes:** Obviously, in the overall context you still maintain and feel that the Commission should chair this committee.

**Mr Verhoef:** That is what we feel, but, as I said, not to take votes or take positions, but make sure that the work advances in pace with the rest of the programme.

**Q85 Lord Dykes:** They keep it moving along, even if there is no voting -----

**Mr Verhoef:** Yes.

**Q86 Lord Walpole:** I am sorry the last two questioners have not explained what nationality they are. I think I would describe myself as Saxon-Huguenot-Welsh, and therefore English and European. I have watched this Galileo thing for the last ten years from these committees. Can I ask both of you – I know I have asked the person behind you – are you excited about the project, both of you?

**Mr Verhoef:** Very.

**Q87 Lord Walpole:** I think it is terribly important to be excited about it because when it first appeared I thought this was absolutely wonderful. It is something that the British jolly well ought to have done in the first place anyway, but we are not that sort of British any more, we are European now. Why can the Europeans not do it? I was very excited about it. I think it is still surviving, is it not?

**Mr Verhoef:** I think it is going to go!

**Q88 Lord Walpole:** Can I ask my proper questions! What role will the European Parliament really have in this GNSS agency? Should the European Parliament sit on the GSA Administration Board as an observer, and what is the role of Galileo Inter-Institutional Monitoring Panel?

**Mr Verhoef:** With regard to your first question, we have come to appreciate that both the Council and Parliament have a very important role on the programme. Sometimes the Council is a bit more important and sometimes the Parliament is, but if I look back over the last two years, in all honesty if it were not for the European Parliament there may not have been money for the programme. Parliament takes a very high interest in this. They are of course half of the budgetary authority, so we would want to keep them as happy as we would want to keep the Council happy; so we felt it was reasonable to offer the Parliament an observer status on the Board so that they can follow what is going on. The Parliament has suggested to us that with the difficulties we have gone through in the period 2004, 2005, 2006, that they were not as well informed as they felt they ought to be in order to see coming what was at one moment invisible. We felt that this was merely a reasonable request and this was the way in which the college felt they could assist.

**Q89 Lord Walpole:** And the Inter-Institutional Monitoring Panel?

**Mr Verhoef:** Even more so. You will understand that these programmes are complex. They have their good times and they have their more difficult times, and it is useful that there is a core group - at least that was our sense, and I think also the Council and Parliament - which can follow this, which has a better insight into the more precise problems and which can, if necessary, provide advice on how to move about it without immediately everything getting discussed in all sorts of detail in public, and in order to grandfather the programme forward with all due regard to the rest of the Council and Parliament procedures that are in place. At the request of the Parliament the Council has accepted this request. They put in place this Inter-Institutional Panel, which has only met twice. We are waiting for the new Parliament to get itself organised, and later in the year we will continue the meetings.

**Q90 Lord Walpole:** What will be the considerations behind the decision as to where GSA should be situated, and when will the decision be made?

**Mr Verhoef:** Until now decisions on the seats of agencies have been inter-governmental decisions, not Community decisions, so I do not think the Commission has ever proposed a seat as a result. There is a question as to whether this should continue or whether the Commission should not propose a seat because we have seen in the past that sometimes decisions on seats get dragged out for a long time and nothing much happens. During a number of presidencies in the past there was an attempt, particularly of the number of the smaller Member States having presidency, to advance that and see if there was a way to push decisions for a seat. Work was undertaken and questions asked. There was a more or less formal round of asking invitations for bidders for the seat, and we had 11 countries offering 11 cities for that, but we have never really moved beyond that. At the moment, obviously, there is the change of role of the GSA, and, secondly, I think this is an unfortunate experience we have had with other agencies: once they have been in Brussels for a while and you move them out somewhere else, they lose half of their staff. It is an enormous disruption.

**Q91 Lord Walpole:** How many people do you expect to be in this seat?

**Mr Verhoef:** In the GSA for a number of core tasks on security, for tasks they do with us on marketing for example, we expect there to be around 20 people. We need then the staff for the security centre, which, once it is fully operational, is a 24/7 operation; so you very quickly, with only three operator posts, need 25 people, plus some offside engineering staff, so you quickly go to 35 or so people. The expectation is currently being studied as to the exact number and how to ramp it up, but our expectation is that we will end up with 50-60 people from the GSA. Unless we add more tasks, which we have the freedom of doing, the Commission could ask us to undertake an amount of work, but it is dependent on their ability to get funding for staff. This is not the easiest of things.

**Q92 Lord Walpole:** No, I think the problem of staff probably not wanting to move out of Brussels for some particular reason – they may be married to other people who are in Brussels and have families there. It is fairly important. I do not think physically it matters where it is, does it, from a technical point of view? There is no point being in the centre of Europe or the centre of the population of Europe or – you know what I mean!

**Mr Verhoef:** I know what you mean.

**Q93 Lord Walpole:** There is no reason for being anywhere.

**Mr Verhoef:** Let me say this: there is politically no reason to be anywhere. One can be anywhere in the 27 without any exceptions. There are a number of technical considerations, but they are politically a bit complicated. There are issues of security. Sometimes there are questions whether all Member States have equally safe and secure systems and organisations in place, which would make sure that the GSA in its work had no problems. But this is politically very complex; one can hardly say that one particular Member State would not be as well organised in this respect as another. There are obviously a number of Member States that have more experience in this than others, but this does not mean that this will be a problem. In essence, there is no difference, so in that sense it could go anywhere.

**Q94 Lord Dykes:** Were you expressing an anxiety about more recent Member States that have come in?

**Mr Verhoef:** No, not particularly, not necessarily. One of the issues on the programme is that we deal with a whole range of levels of technology, including encryption technology, which at the moment is only dealt with between a few of the old Member States. This can be arranged. In the end, one thing may be more convenient than something else, but the reality is that these Member States at some stage or another will want to take a decision on this and from outside we will respect that and work with that.

**Q95 Lord Plumb:** Can I ask a general question? I was interested to hear you say that the European Parliament was able to influence the budget. Often, from my experience, it goes the other way, but nevertheless on this particular project there was enthusiasm for it. This whole operation is going to be very expensive. Do you think the recession is going to hinder and delay, or undermine the plans that are already afoot?

**Mr Verhoef:** Let me comment on your first remark, whether this is expensive. “Expensive” is a relative term, I would submit. It is obviously a lot of money. However, from the figures we have on the multipliers resulting from this public sector investment, it is rather high, and much higher than a lot of other public sector investments, so in that sense I can give you a figure, for example, that the expectation is that in the next 20 years Galileo only will create an additional 60 billion market over and above GPS; so you get for an investment of a number of billion – whatever they will be at the end of the day – a multiplier to six. This in that sense is relative, but I would agree with you that it is still a lot of money and so it has to be handled with quite some care. We do not see for the moment that the economic recession has an impact on that. The budgets are secure for it. We have authority to spend it. We see quite a bit of interest in the market place to use the system, so our sense is that it is a very worthwhile investment, but it is not necessarily subject to these sort of economic conditions. We will have to see. It may still be a bit early. The economic recession has arrived in the real economy only in the last couple of months so we need to be careful with it, but for the moment we do not see it. It is probably also a bit early because we have the budget and it will take a while for the system to be there and present in the market place.

**Q96 Chairman:** Can we go back to an earlier question, because I am still not satisfied that we have explored sufficiently the problems that the British Government has with the proposal. I believe that it is thought in Britain that it would lead to insufficient oversight of the Commission as the programme manager because the powers of the GSA would be reduced. It

would mean the governments would not have very much influence on the management of the programme.

**Mr Verhoef:** Our view is that the Member States have full influence over the Commission as programme manager, and that it would be useful from that perspective to have everything under the responsibility and control of the Commission. What we see is that here one part of the work would be very closely associated with the programme and would possibly not be under the full control of the Commission, but we are pretty sure that at the end of the day all Member States will see the Commission having ultimate responsibility for the programme. Our point of view has been one of logic: “If you want full responsibility with the Commission; you need to give us the full tools which go with it. You, Member States, have the opportunity in the Council, in the Oversight Committee, to tell the Commission if you are not satisfied, to have certain measures taken.” It would be rather difficult for us to assume responsibility for something we do not have. If, in the future, as I said, there were problems with security accreditation in terms of delays, then we are going to get into a bit of a fight about the Member States saying there are delays and it is unacceptable, and us having to say, “It is due to security and accreditation which you took under your wings, and we cannot bear responsibility.” We would get into a bit of a cat and dog fight which, from our perspective, would not be useful. If there were delays and it were fully our responsibility, we would accept that, and I am sure that my commissioners and the college will take all the necessary measures to make sure that – first it would not have happened, but if it did that it would not happen again. It is a question for us, more a question of logic. If the Member States feel very strongly about it, and in the end in the negotiations we cannot come to this result, then I guess my commissioner will see to what extent he can accept that or whether a compromise is possible. What I have set out for you is original views coming from us when we made the proposal.

**Q97 Chairman:** I do understand that. However, I think it is possible to put the reverse position and say Member States are somewhat puzzled as to how full an influence they have over the Commission. How do they exercise control over the Commission?

**Mr Verhoef:** At various levels. In the Commission they have direct access to those who manage the programme. In the Council any minister can raise with the Commissioner anything they want. I am sure that they will find that there is an immediate reaction to that. I am sure that my Commissioner would not be very happy if this would happen. He would get me and my Director General and ask what the situation is. It is a measure of the sort of control. My sense is that we are trying to set a system up together, and certainly in accreditation security there is a lot of joint responsibility between us and the Member States, and we need to find a way together through this. In the end, in programmatic decision-making terms it is clearly the experience that there is always a single programme manager who takes both the decisions and responsibility for the decisions.

**Q98 Chairman:** Lastly, is it fair to say the GSA is more similar to an executive agency rather than a community agency?

**Mr Verhoef:** It is true that the GSA undertakes a number of tasks, which could be qualified under “executive agency”. The issue here is a particular one. There is full agreement between us and the Member States that accreditation is something that is independent from the programme, meaning there are those who determine what security rules need to be set, and there is somebody independent verifying that this indeed is the case. Obviously, this independence cannot take place if this is done by an executive agency that is directly responsible to the Commission rather than to the Member States; so we felt that it was reasonable that the GSA was kept as a regulatory agency under the control to a large extent of the Member States and the Commission jointly so that this measure of independence is best guaranteed. We could not find another solution whereby accreditation could be annexed to

the programme on the one hand, while being independent on the other, and we felt this was the most appropriate solution. I would think in future, when we need to determine what we are going to do after 2013 in terms of governance, one would expect we would keep the GSA for this task in this particular fashion.

**Q99 Chairman:** Thank you very much for coming. It has been very interesting. You have been very frank in your answers.

**Mr Verhoef:** Thank you for having us.