

Position paper from industry on recommendations towards more efficient public-private interactions regarding public procurement of space programmes

General considerations

While industry would clearly benefit from having a single interface at European level for institutional programmes, it is acknowledged that institutional governance is a matter in institutional hands. The plurality of institutional players on the European stage is however not without consequence on industry's activity (and its competitiveness), not least because it affects the number of interfaces industry must foster and maintain with customers and decision-makers.

The already existing practice of **industry consultation** should further evolve to become a systematic framework for informal exchange, in particular before the launch of institutional procurement actions, and should possibly be extended to the definition of **architectural solutions** for new capacities to be established in the space domain.

Procurement

European procurement processes should be based on a **dedicated European industrial policy for space** aimed at:

- Safeguarding the European capability to conceive, develop, launch, operate and exploit space systems,
- Strengthening the competitiveness, efficiency, reliability of the European space industry,
- Enhancing European technological non-dependence in the space sector,
- Ensuring the sustainability of the sector through long-term commitments and through stability and predictability of rules and budgets, privileging the use of European skills, means and assets,
- Contributing to the development of a balanced industrial landscape across Europe.

Industry much appreciates the dialogue in place with the **European Commission**, and would welcome an opportunity to discuss the margins of manoeuvre in EU rules for definition of industrial policy measures for space, including the perspective of their potential evolution.

Industry welcomes the launch of the pilot project in the frame of the **ESA** procurement reform process, allowing "full consortium" offers from industry.

Where institutional procurement is to be implemented by means of **multi-source funding**, industry recommends to establish from the outset:

- an **overall integrated funding road-map** (to be reflected in a unique global description of programme objectives, content, planning and funding sources),
- commonly accepted **implementation tools and related rules** (applicable for example to risk and change management, innovation, and IPR policy and protection of sensitive technical data).

Where institutional procurement is to be implemented in a **phased approach** - e.g. with a first phase making use of existing assets, followed by a second phase of development, procurement and exploitation of dedicated infrastructure (as is expected for example in the case of GOVSATCOM) – it is recommended that **exploitation modalities** be established from the outset, with the appropriate involvement of the (potential) operator(s).

In order to properly address any evolution in institutional requirements during programme development, and the resulting changes in design and production needed to comply with the evolved specifications, **changes to the baseline** would have to be duly taken into account when assessing industrial implementation in terms of cost and schedule.

Multi-annual space programmes, as is already largely the case, should systematically **rely on long-term commitments**, which might nevertheless be released in slices through phased contracts.

Procurement regulations, while aimed at ensuring competition and value for money, should be aligned with competitiveness and **industrial policy goals** and favour the progressive establishment of a **stable institutional internal market**. Recommendations in this respect include:

- **restricting competition to European-only players** in cases where **interests essential to Europe are at stake**¹,
- pursuing **reciprocity in internationally open procurements**²,
- **assessing** if the **financial benefits** of awarding institutional contracts to non-European competition would expose (other) European institutions to unplanned investment in order to secure industrial capacities and/or to restore hampered industrial competitive standing originally built up over decades of public investment,
- allowing European industry where possible to exercise a form of **first right of refusal** in terms of a best and final offer with respect to non-European competitors,
- setting up the **institutional vigilance of any potential dumping** by non-European competitors and implementation of any remedial actions considered necessary.

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¹ Indeed, public procurement policies in Europe should account for the practices of all other space-faring nations, which actually rely to the largest extent on their sole domestic industrial capabilities to fulfil the needs of their national civil and defence space programmes. Worldwide, the space market cannot be considered as an open business, and the commercial market, where European industry has been very successful so far, represents just a fraction of the total.

² Efforts shall be made to level the playing field with worldwide competitors. In this respect, opening the European market shall be conditional on reciprocity measures to ensure the open and fair access of European industry to non-European institutional markets.