Galileo:

Galileo loses way in diplomatic row.
By David Gow.

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A serious row between Germany and Italy over the leadership of Galileo, the pan-European satellite navigation system designed to challenge the US monopoly, is jeopardising the entire euros 3.2bn project.
UK firms bidding for work on the programme are understood to be warning that the delay is putting at risk the 16,000 new jobs that Galileo would bring to Britain.
A senior European commission official warned at the weekend that the recent failure of the European Space Agency council to give the go-ahead for Galileo's development phase was a serious setback.
Francois Danis, deputy director-general for energy and transport, said: "A series of industrial teams are waiting for the decision. If it is not taken by the end of July the situation will be very precarious."
Galileo, the rival to the US global positioning satellite, promises to transform society by enabling everybody to know his or her precise location in time and space.
Galileo, Mr Danis said, had to be operational by 2008 or its profitability would suffer as it would fail to win market share by losing the three years' advance it has on a modified American GPS system. Delays would make it more expensive.
Mike Healy, director of navigation at Astrium, the satellite firm in the Galileo Industries consortium bidding to run the programme, said the delay was frustrating. "It is getting very close to the point where it is really wasting time."
Galileo, the first pan-European public private partnership, requires the governments on ESA to agree their share of funding for the development phase to go ahead this year.
But Germany and Italy have bid so much money in an effort to gain the biggest workshare for their industries that the funding on offer is 135% of the euros 550m (£353m) budget - or euros 730m. Under ESA rules the funding has to match the budget precisely.
German and Italian officials insist their countries lead the programme and host the industrial consortium.