

German, Italian Feud Stalls Progress on Galileo Project

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Progress on Europe's Galileo satellite-navigation project has been stalled by a dispute between Germany and Italy over program leadership, according to European Space Agency (ESA) officials.

As a result, in the rare program that has more funding than they know what to do with, European officials find themselves delayed by infighting among governments that want the maximum amount of contracts to flow to their individual national industries.

To resolve the deadlock, ESA is convening a special session of its ruling council May 21. But Sergio Vetrella, president of the Italian Space Agency, said he would not show up for the meeting unless a solution to the German-Italian disagreement is reached beforehand.

Vetrella said he already had declined to participate in a late-April council meeting for the same reason.

Claudio Mastracci, ESA's Galileo program director, said the tug of war between Germany and Italy is already putting the program under time-pressure.

International radio-frequency regulators granted European governments the necessary spectrum for Galileo on condition that Europe conduct an in-orbit validation of the frequencies by early 2005.

Mastracci said he hopes to issue a request for bids for orbital hardware by this summer, with a contract signed by October.

But this and other Galileo contracts cannot move forward until the government share-ownership issue is resolved.

Italy, Germany, France and Britain each signed up for a 25 percent stake in that portion of the Galileo program run by ESA.

When ESA's other 12 members' contributions are added in, the agency received 730 million euros (\$670 million), or 33 percent more than it had requested.

Under ESA's geographic-return rule, each government is assured that its contributions will be matched by contracts flowing to its national industry.

Britain and France have agreed to slightly reduce their participation, but Italy and Germany are holding fast to their announced investments in an attempt to be recognized as the leader of the program.

Galileo is a 30-satellite constellation set to offer, by 2008, navigation and timing services similar to those provided by the U.S. Global Positioning System (GPS).

Its early development is being financed equally by ESA and by the European Union's transportation budget. The European Union's national contributions are made on the basis of each nation's gross domestic product.

Sigmar Wittig, chairman of the management board of the German Aerospace Center, DLR, said ESA's Galileo program contributions should also be based on gross domestic product.

Such a formula would favor Germany, which has Europe's biggest economy.

"To me this is the most logical," Wittig said here May 6 during the ILA 2002 International Aerospace Exhibition. "Our partners think there is another logic that should be applied. For us, obviously, the symbol we



SPACE NEWS FILE PHOTO

Claudio Mastracci

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In a May 10 interview, Vetrella said he rejects the logic of ESA's geographic-return rule for Galileo because it would have the effect of guaranteeing certain companies a work-share even before the companies have submitted their bids.

"I am against giving industry the impression that they can do what they want," Vetrella said. He proposed that Germany and Italy remain at identical levels, just as they

have been in the Galileo preparatory phase.

Galileo Industries is widely expected to win the contract to build the Galileo satellites.

Whether work related to Galileo's complicated ground segment will be bundled into the satellite con-

tract remains unclear.

But Galileo industries, made up of Italy's Alenia Spazio, Astrium Ltd. of Britain, Astrium GmbH of Germany and Alcatel Space of France, has already started to divide much of the work among the member companies.

Mastracci said no matter how the Germany-Italy disagreement is resolved, it makes sense for Alcatel and Astrium's British plant to divide work on the satellite electronics, for Astrium Germany to build the satellite platforms and for Alenia to integrate the spacecraft. This would reproduce a work package similar to the one used for the Globalstar mobile-telephone satellite constellation.

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