

**COOPERATION AGREEMENT
ON A CIVIL GLOBAL NAVIGATION SATELLITE SYSTEM (GNSS)
BETWEEN THE EUROPEAN COMMUNITY AND ITS MEMBER STATES
AND THE STATE OF ISRAEL**

THE EUROPEAN COMMUNITY hereinafter referred to as the "Community",

and

THE KINGDOM OF BELGIUM,

THE CZECH REPUBLIC,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE REPUBLIC OF ESTONIA,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE REPUBLIC OF CYPRUS,

THE REPUBLIC OF LATVIA,

THE REPUBLIC OF LITHUANIA,

THE GRAND DUCHY OF LUXEMBOURG,

THE REPUBLIC OF HUNGARY,

THE REPUBLIC OF MALTA,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE REPUBLIC OF POLAND,

THE PORTUGUESE REPUBLIC,

THE REPUBLIC OF SLOVENIA,

THE SLOVAK REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting parties to the Treaty establishing the European Community, hereinafter referred to as "Member States",

of the one part, and

THE STATE OF ISRAEL hereinafter also referred to as "Israel",

of the other part,

hereinafter referred to as "the Parties"

CONSIDERING the common interests in the development of a global navigation satellite system for civil use,

RECOGNISING the importance of GALILEO as a contribution to navigation and information infrastructure in Europe and Israel,

RECOGNISING the advanced state of Israel's satellite navigation activities,

CONSIDERING the increasing development of GNSS applications in Israel, Europe and other areas in the world,

DESIRING to strengthen the cooperation between Israel and the Community and taking into consideration the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part ¹, which entered into force on the 1 of June 2000.

HAVE AGREED AS FOLLOWS:

¹ OJ L 147, 21.6.2000, p. 3.

ARTICLE 1

Objective of the agreement

The objective of the agreement is to encourage, facilitate and enhance cooperation between the Parties within European and Israeli contributions to a civil global navigation satellite system (GNSS).

ARTICLE 2

Definitions

For the purposes of this Agreement:

"Augmentation" means regional or local mechanisms such as the European Geostationary Navigation Overlay System (EGNOS). They provide the users of satellite-based navigation and timing signals with input information, extra to that derived from the main constellation(s) in use, and additional range/pseudo-range inputs or corrections to, or enhancements of, existing pseudo-range inputs. These mechanisms enable users to obtain enhanced performance, such as increased accuracy, availability, integrity, and reliability.

"GALILEO" means an autonomous civil European global satellite navigation and timing system under civil control, for the provision of GNSS services designed and developed by the Community and its Member States. The operation of GALILEO may be transferred to a private party. GALILEO envisages one or more services for open, commercial and safety of life purposes.

"GALILEO local elements" are local mechanisms that provide the users of GALILEO satellite-based navigation and timing signals with input information, extra to that derived from the main constellation in use. Local elements may be deployed for additional performance around airports, seaports and in urban or other geographically challenging environments. GALILEO will provide generic models for local elements.

"Global navigation, positioning and timing equipment" means any civil end user equipment designed to transmit, receive, or process satellite-based navigation or timing signals to provide a service, or to operate with a regional augmentation.

"Regulatory measure" means any law, regulation, rule, procedure, decision, administrative action or similar action by a Party.

"Interoperability" means at user level a situation where a dual-system receiver can use signals from two systems together for equal or better performance than by using only one system.

"Intellectual property" shall have the meaning found in Article 2 of the Convention Establishing the World Intellectual Property Organisation, done at Stockholm, July 14, 1967.

"Liability" means the legal accountability of a person or legal entity to compensate for damage caused to another person or legal entity in accordance with specific legal principles and rules. This obligation may be prescribed in an agreement (contractual liability) or in a legal norm (non-contractual liability).

"Classified information" means official information that requires protection in the interests of national defence or foreign relations of the Parties, and is classified in accordance with their applicable laws and regulations. For the European Union the rules are contained in Council Decision 2001/264/EC of 19 March 2001 adopting the Council's security regulations ¹.

ARTICLE 3

Principles of the cooperation

The Parties agreed to apply the following principles to cooperation activities covered by this agreement:

1. Mutual benefit based on an overall balance of rights and obligations including contributions.
2. Partnership in the GALILEO Programme in accordance with the procedures and rules governing the management of GALILEO.
3. Reciprocal opportunities to engage in cooperative activities in European and Israeli GNSS projects for civil use.
4. Timely exchange of information that may affect cooperative activities.
5. Appropriate protection of intellectual property rights as referred to in Article 8(3) of this Agreement.

¹ OJ L 101, 11.4.2001, p. 1.

ARTICLE 4

Scope of cooperation activities

1. The sectors for cooperative activities in satellite navigation and timing are: scientific research, industrial manufacturing, training, application, service and market development, trade, radio-spectrum issues, integrity issues, standardisation and certification and security. The Parties may adapt this list of issues by decision by the Joint Steering Committee established under Article 14 of this Agreement.
2. Extending cooperation, if requested by the Parties to:
 - 2.1. GALILEO sensitive technologies and items under EU, EU and ESA Member States, MTCR and WASSENAAR agreement export control regulation as well as cryptography and major information security technologies and items,
 - 2.2. GALILEO System Security Architecture (space, ground and user segments),
 - 2.3. Security control features of the GALILEO global segments,
 - 2.4. Public Regulated Services in their definition, development, implementation, test and evaluation and operational (management and use) phases, as well as
 - 2.5. Exchange of classified information concerning satellite navigation and GALILEOwould be subject to an appropriate separate agreement to be concluded between the Parties.

3. This Agreement shall not affect the application of European Community legislation establishing the GALILEO Joint Undertaking and its institutional structure or establishing a successor entity to the GALILEO Joint Undertaking. Nor does this Agreement affect the applicable laws, regulations and policies implementing non-proliferation commitments and export control for dual-use items and national domestic measures regarding security and controls of intangible transfers of technology.

ARTICLE 5

Forms of cooperation activities

1. Subject to their applicable regulatory measures, the Parties shall foster, to the fullest extent practicable, the cooperative activities under this Agreement with a view to providing comparable opportunities for participation in their activities in the sectors listed under Article 4.
2. The Parties agree to conduct cooperative activities as mentioned in Articles 6 to 13 of this Agreement.

ARTICLE 6

Radio spectrum

1. Building on past successes in the framework of the International Telecommunication Union, the Parties agree to continue cooperation and mutual support in radio-spectrum issues.

2. In this context the Parties shall promote adequate frequency allocations for GALILEO in order to ensure the availability of GALILEO services for the benefit of users worldwide and notably in Israel and in the Community.
3. Moreover, the Parties recognise the importance to protect radio navigation spectrum from disruption and interference. To this end they shall identify sources of interference and seek mutually acceptable solutions to combat such interference.
4. The Parties agree to task the Committee under Article 14 to define the appropriate mechanism in order to ensure effective contacts and collaboration in this sector.
5. Nothing in this Agreement shall be construed so as to derogate from the applicable provisions of the International Telecommunications Union, including the ITU Radio Regulations.

ARTICLE 7

Scientific research

The Parties shall promote joint research activities in the field of GNSS through European and Israeli research programmes including the European Community Framework Programme for Research and Development, and the research programmes of the European Space Agency, the Ministry of Science and Technology of Israel and the Ministry of Industry, Trade and Labour of Israel.

The joint research activities should contribute to planning the future developments of a GNSS for civil use.

The Parties agree to task the Committee under Article 14 to define the appropriate mechanism aimed at ensuring effective contacts and participation in the research programmes.

ARTICLE 8

Industrial cooperation

1. The Parties shall encourage and support the cooperation between the industries of the two sides, including by the means of joint ventures and Israeli participation in relevant European industrial associations, as well as, European participation in relevant Israeli industrial associations, with the objective of setting up the GALILEO system as well as promoting the use and development of GALILEO applications and services.
2. A joint advisory group on industrial cooperation shall be established, under the Steering Committee set up under Article 14, in order to investigate and guide the cooperation on satellite manufacturing, launch services, ground station building, and application products.
3. To facilitate industrial cooperation the Parties shall grant and ensure adequate and effective protection of intellectual, industrial and commercial property rights at the fields and sectors relevant to the development and operation of GALILEO/EGNOS, in accordance with the highest international standards, including effective means of enforcing such standards.

4. Exports by Israel to third countries of sensitive items developed specifically and funded by the GALILEO programme will have to be submitted for prior authorisation by the competent GALILEO security authority, if that authority has recommended that these items be subject to export authorisation in accordance with applicable regulatory measures. Any separate agreement referred to in Article 4(2) of the Agreement shall also elaborate an appropriate mechanism for Israel to recommend potential items to be subject to export authorisation.

5. The Parties shall encourage strengthened ties between Ministry of Industry, Trade and Labour of Israel, Ministry of Science and Technology of Israel, the Israel Space Agency, and the European Space Agency to contribute to the objectives of the Agreement.

ARTICLE 9

Trade and market development

1. The Parties shall encourage trade and investment in European and Israeli satellite navigation infrastructure, equipment, GALILEO local elements and applications.

2. To this end the Parties shall raise the level of public awareness concerning the GALILEO satellite navigation activities, identify potential barriers to growth in GNSS applications and take appropriate measures to facilitate this growth.

3. To identify and respond effectively to user needs the Community and Israel shall consider establishing a joint GNSS user forum.

4. This agreement will not affect the rights and obligations of the Parties under the World Trade Organisation, relevant export control rules, relevant European Community legislation on the control of exports of dual-use items and technology, provisions adopted under the Treaty of the European Union concerning the control of technical assistance related to certain military end-uses, relevant international instruments such as the Hague Code Of Conduct on Ballistic Missiles and related EU Member States and Israeli legislation.

ARTICLE 10

Standards, Certification and Regulatory Measures

1. The Parties recognise the value of coordinating approaches in international standardisation and certification fora concerning global satellite navigation services. In particular the Parties will jointly support the development of GALILEO standards and promote their application worldwide, emphasising interoperability with other GNSS systems.

One objective of the coordination is to promote broad and innovative use of the GALILEO services for open, commercial and safety of life purposes as a worldwide navigation and timing standard. The Parties agree to create favourable conditions for developing GALILEO applications.

2. Consequently, to promote and implement the objectives of this Agreement, the Parties shall, as appropriate, cooperate on all GNSS matters that arise notably in the International Civil Aviation Organisation, the International Maritime Organisation and the International Telecommunications Union.

3. At bilateral level the Parties shall ensure that measures relating to technical standards, certification and licensing requirements and procedures concerning GNSS do not constitute unnecessary barriers to trade. Domestic requirements shall be based on objective, non-discriminatory, pre-established transparent criteria.

4. At expert level the Parties intend to organise cooperation and exchanges through the Committee under Article 14 on standards covering signal codes, navigation, ground receiver equipment and navigation application security. Moreover, the Parties shall promote the participation of Israeli representatives in European standardisation organisations.

ARTICLE 11

Development of global and regional GNSS ground augmentation systems

1. Interoperability of global and regional ground satellite navigation systems enhances the quality of services available to users. The Parties shall collaborate to define and implement ground system architectures allowing an optimal guarantee of GALILEO integrity and continuity of GALILEO services.

2. To this end at the regional level the Parties shall cooperate in implementing and building a ground regional augmentations system based on GALILEO system in Israel. Such a regional system is foreseen to provide regional integrity services additional to those provided by the GALILEO system globally. As a precursor, the Parties confirm the decision to establish a Regional Integrity Monitoring Station in Israel in order to improve a future EGNOS extension in the region.

3. At local level the Parties shall facilitate the development of GALILEO local elements.

ARTICLE 12

Security

1. The Parties are convinced of the need to protect Global Navigation Satellite Systems against misuse, interference, disruption and hostile acts.
2. The Parties shall take all practicable steps to ensure the continuity and safety of the satellite navigation services and the related infrastructure in their territories.
3. The Parties recognise that cooperation to ensure security of the GALILEO system and services are important common objectives.
4. Hence the Parties shall establish an appropriate consultation channel to address GNSS security issues. This channel shall be used to ensure the continuity of the GNSS services.

The practical arrangements and procedures are to be defined between the competent security authorities of both Parties.

ARTICLE 13

Liability and cost recovery

The Parties will cooperate, as appropriate, to define and implement a liability regime and cost recovery arrangements in order to facilitate the provision of civil GNSS services.

ARTICLE 14

Cooperative mechanism

1. The coordination and facilitation of cooperative activities under this Agreement shall be accomplished on behalf of Israel, by the Government of the State of Israel and, on behalf of the Community and its Member States, by the European Commission.
2. In accordance with the objective in Article 1 these two entities shall establish a GNSS Steering Committee hereinafter referred to as the "Committee" for the management of this Agreement. This Committee shall consist of official representatives of each Party and it shall establish its own rules of procedure.

The functions of the Steering Committee shall include:

- 2.1. Promoting, making recommendations to and overseeing the different cooperative activities as mentioned in Articles 4 to 13 of the Agreement;
 - 2.2. Advising the Parties on ways to enhance and improve cooperation consistent with the principles set out in this Agreement;
 - 2.3. Reviewing the efficient functioning and implementation of this Agreement.
3. The Committee shall, as a general rule, meet annually. The meetings should be held alternatively in the Community and in Israel. Additional meetings may be organised at the request of either Party.

The costs incurred by the Committee or in its name shall be borne by the Party to whom members relate. The costs other than those for travel and accommodation which are directly associated with meetings of the Committee shall be borne by the host Party. The Committee may set up Joint Technical Working Groups on specific subjects where the Parties consider it appropriate.

4. In accordance with the applicable European Community legislation the Parties welcome the participation of a relevant Israeli entity in the GALILEO Joint Undertaking (JU) as well as in any successor entity established by the Community in accordance with its relevant procedures.

ARTICLE 15

Funding

1. The amount and arrangements of Israeli contribution to the GALILEO programme through the GALILEO Joint Undertaking will be subject to a separate agreement subject to compliance with the institutional arrangements of the applicable European Community legislation.
2. Free movement of goods, persons, services and capital shall apply to cooperative schemes of the Parties under this Agreement in accordance with the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States of the one part, and the State of Israel, of the other part.
3. Without prejudice to paragraph 2 when specific cooperative schemes of one Party provide for funds to participants from the other Party, and the funds allow for the purchase of equipment, the Parties shall ensure that no custom duties will be imposed on the transfer of this equipment from one Party to the participants of the other Party in accordance with the laws and regulations applicable in the territories of each Party.

ARTICLE 16

Exchange of information

1. The Parties shall establish administrative arrangements and enquiry points in order to provide for consultations and effective implementation of the provisions of this Agreement.

2. The Parties shall encourage further information exchanges concerning satellite navigation among the institutions and enterprises of the two sides.

ARTICLE 17

Consultation and dispute resolution

1. The Parties shall promptly consult, at the request of any of them, on any question arising out of the interpretation or application of this Agreement. Any disputes concerning the interpretation or application of this agreement shall be settled by friendly consultations between the Parties.
2. Paragraph 1 shall not prevent the Parties from having recourse to dispute settlement under the WTO Agreement.

ARTICLE 18

Entry into force and termination

1. This Agreement shall, after its signature by the Parties, enter into force upon the date on which the Parties have notified each other that their respective internal procedures necessary for its entry into force have been completed.

2. Unless otherwise stipulated the termination of this agreement shall not affect the validity or duration of any arrangements or any specific rights and obligations made under it.
3. This Agreement may be amended by mutual agreement of the Parties in writing. Any amendment shall enter into force on the date on which the Parties exchange diplomatic notes informing each other that their respective internal procedures necessary for its entry into force have been completed.
4. This Agreement shall remain in force for a period of five years from the date of its entry into force. Thereafter, it shall be extended automatically for further periods of five years each unless either Party notifies the other in writing at least three months prior to the end of the relevant five-year period of an intention not to extend the Agreement.
5. This Agreement may be terminated at any time upon one year's written notice.

This Agreement is drawn up in duplicate in the Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Slovakian, Slovenian, Spanish, Swedish and Hebrew languages.

English and Hebrew shall be the authentic languages.

Done at Brussels on the thirteenth day of July in the year two thousand and four.