



eoVOX

Declaration on the required public funding for the preservation and development of the EO VA Industry.

The Earth Observation (EO) industry and its resulting Geo-information services make a strategically important contribution to governments, public sector and private sector organisations throughout Europe and Canada.

The European Value Adding (VA) service industry has proven its high potential in numerous application projects and demonstrated high technical skills.

However, the VA service industry needs to reach a level of scale and maturity to meet the evolving requirements of policy over the coming years. This will enable it to provide effective support in public policy and commercial scenarios and deliver tangible benefits to citizens and business users.

The VA industry is held back due to a number of factors that no individual company is able to tackle on its own or without support. On this basis it needs external assistance to reach an appropriate level of maturity and sustainable service delivery.

There are sound arguments for the public sector to invest and «incubate» the sector with a clearly defined set of actions to help the industry as a whole achieve the short and medium term objectives for development. Among those actions, the implementation of the right funding mechanisms for development activities is paramount.

Rationale for public funding of EO VA activities

The VA industry will develop in the coming years through:

- a. Strategic investment in building an underlying capability to meet the needs of users
- b. Project funding to support focused initiatives that drive the services towards particular policy or commercial topics
- c. Available customer budgets to buy the resulting operational services on a continuous basis

These three different funding approaches will develop an industry that has sufficient capability to meet long term user needs, is oriented towards their strategic goals and is sustainable in its own right.

The contribution of the public sector in this endeavour is justified on four essential criteria.

First, the majority of the Earth Observation applications, and the majority of the users identified today, are in the public service realm. It encompasses pollution monitoring, water management, coastal zone surveillance, risk management, vegetation monitoring, natural resources inventory, defence and many other applications. The success of public sector policy actions in these areas is aligned with a capable service sector supporting them.

Second, such services when delivered by small VA companies to the public sector have carried significant commercial risk. Unstable specifications and long payment cycles with little scope for redress make it risky for VA companies to participate in public applications, even if they want to be

proactive about this. Simplicity and clarity will aid the sector in their dealings with public sector bodies

Third, the development of remote sensing applications is in general quite specific to the user requesting it so that it has little recurring use in secondary markets. Co-ordination of requirements would create a critical mass of demand leading to economies of scale which reduce the impact of service development activity on overall service costs.

Fourth, some fear the EO VA industry might be too small today to cover all the public needs, even though it is tailored to meet the first GMES budget allocations. For the future there are thus two main possibilities:

- a. In-sourcing by public institutions of the service capability
- b. Supporting the development of the VA industry sector.

Unlike government agencies the VA sector has great freedom to create additional jobs in markets outside the public sector, and thus has the best potential to satisfy the Lisbon agenda.

Thus, public funding for VA companies, by any one of the three mechanisms identified, is a win-win situation. The public institutions get their applications developed and delivered efficiently in a competitive environment. The VA companies get a stable business base allowing both their survival and development in Europe and on the export front.



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While the private sector has shown a willingness to be proactive during the past thirty years, it can only realise its full potential if its initiatives are accompanied by government commitment to infrastructure financing, long term adoption of services, and the right legal and regulatory tools.

For the short to mid-term (2006-2010), public funding is a sine qua non condition for the development of public services and for the evolution to sustainable maturity of the EO VA industry. It must include in this period full public funding of the infrastructure

as well as full coverage of public applications development and implementation costs.

This requires specific measures, even if temporary for the short to mid-term; for example, moving to 75% or 100% contract funding in the 7th Framework Programme would provide the impetus for alignment of industry capability as part of an end-to-end value chain.

The EO VA Industry invites public sector organisations across Europe and Canada to consider this paper and its recommendatio-

ns carefully, and firmly commit the necessary resources to help incubate the industry to deliver the foreseen benefits, such as those hoped for in GMES.

On behalf of the Earth Observation and Geo-Information VA Industry

The delegates to the EO Stakeholders Consultation Workshop

Frascati, September 14th, 2006

Delegates from VA Industry

Advanced Computer Systems
Alcatel Alenia Space France
Alcatel Alenia Spazio Italia
ARGOSS
Arianspace
BARCO
Belgian Institute for Space Aeronomy
C-CORE
CEDATI SpA- Altran Group
CLS
Consultant
ControlWare CVOH
Critical Software, SA
CS Communications & Systems
Datamat
Definiens AG
Deimos Space S.L.
EDISOFT, S.A.
ESYS
Eurimage S.p.a.
European Space Imaging
Eurosense
Finmeccanica S.p.A.
FLYBY Srl
GAF

GEOSYSTEMS Polska Sp. z o.o.
Geoville
GIM
GMV S.A.
H. G. Geo Data Solutions GmbH
Iguassu, Software System, a.s.
IIASA, International Institute for Applied Systems Analysis
INDRA
Infoterra France
Infoterra GmbH
Infoterra Ltd.
INSA
Intra Vidère
IPT S.r.l.
ITS
ITT, Visual Information Solutions
Kayser-Threde GmbH
Kell S.r.l.
LOGICA CMG
Maretec
MEEO S.n.c., Meteorological and Environmental Earth Observation
Metria Miljõanalysis
Microsoft, MSN Virtual Earth

NEO B.V.
NOVELTIS
NPA Satellite Mapping
Oracle Corporation
Planetek Italia Srl
RapidEye AG
ReSAC, Remote Sensing Application Center
ROVSING A/S
Scisys
SERCO
Shell OIL
Skysoft Portugal, SA
Spacedat s.r.l.
Techno System Dev Srl
TECHNOFI
Tele-Rilevamento Europa T.R.E. s.r.l.
Telespazio
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VEGA Group PLC
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