

Meeting ADB(M)050

Minutes ADB(M)050- MoM

Date of the Meeting: 8 October 2020
Time: 11:00-13:00
Place: WebEx

Board Members and other participants

SJU Members	Representative		
European Union represented by the European Commission (EC)	Mr Henrik Hololei	Member	
	Mr Marco de Sciscio	Observer	
	Mr Octavian Vasile	Observer	
EUROCONTROL	Mr Eamonn Brennan	Member	
	Mr Philippe Merlo	Alternate	
Airbus	Mr Hugues de Beco	Alternate	
AT-ONE	Mr Helmut Toeppen	Alternate	
B4 Consortium	Mr Maciej Rodak	Member	
	Mr Lubos Hinovsky	Alternate	
COOPANS	Mr Robert Schneeberger	Member	
Dassault	Mr Alain Boucher	Member	
DFS	Mr Oliver Albert	Observer	
DSNA	Mr Philippe Barnola	Alternate	
ENAIRE	Mr Angel Luis Arias	Member	
	Ms Mariluz de Mateo	Alternate	
ENAV	Mr Cristiano Cantoni	Alternate	
Frequentis SESAR Partners	Mr Michael Holzbauer	Member	
Honeywell	Mr George Papageorgiou	Alternate	
INDRA	Mr Rafael Gallego	Member	
Leonardo	Mr Luigi Iacometta	Member	
	Mr Fabio Ruta	Alternate	
NATMIG	Mr Trond Bakken	Alternate	
NATS	Mr Dave Curtis	Member	
SEAC	Mr Frank Poetsch	Member	
Skyguide	Mr Thomas Buchanan	Member	
Thales Air System SAS	Mr Luc Lallouette	Member	
Thales Avionics SAS	Mr Pascal Combe	Alternate	

Stakeholder representatives	Representative		
Military / European Defence Agency (EDA)	Mr Eric Labourdette	Member	

	Mr Emilio Fajardo	Alternate	
Civil users of airspace (AU)	Mr Giancarlo Buono	Member	
Air Navigation Service Providers (ANSP)	Ms Tanja Grobotek	Member	
Equipment manufacturers (EM)	Mr Vincent de Vroey	Member	
	Mr Benjamyn Scott	Alternate	
Airports (APT)	Mr Aidan Flanagan	Alternate	<i>excused</i>
Staff in the ATM sector (STAFF)	Mr Michele Altieri	Member	
Scientific community (SC)	Mr Peter Hecker	Member	
	Mr Jacco Hoekstra	Alternate	

Permanent Observers

European Commission - Directorate General for Research and Innovation	Sebastiano Fumero	Member	<i>excused</i>
	<i>tbd</i>	Alternate	

Permanent representatives

Representative

SJU Executive Director	Mr Florian Guillermet		
SJU Deputy Executive Director	Mr Peter Hotham		
Chief Financial Officer	Mr Richard Frizon		
SJU Chief Administration Affairs	Mr José Calvo Fresno		
SJU Internal Audit Capability	Mrs Véronique Haarsma		
Secretary of the Board	Mrs Ilaria Vazzoler		

Item 1 Introduction

The Chairperson, Mr Hololei, welcomed the Board Members to the 50th Ordinary Meeting of the SJU Administrative Board, the second ordinary meeting of 2020. Given the shorter duration of the WebEx meeting, he informed that only the key items (1, 2, 3, 4c, 5a) would be fully addressed and for the remaining items he would ask the Members to indicate any questions or comments on the information provided before the meeting. He paid a tribute to the Members and Eurocontrol for the work done so far to make SESAR a successful programme.

He welcomed COOPANS new representative, Mr Robert Schneebauer, Chair COOPANS European Affairs /Service Development Manager; he informed that ACI representatives could not attend, and noted that Mr Oliver Albert was participating as observer for DFS.

Verification of the voting quorum

- ▷ The quorum was verified, on the basis of the distribution of voting rights reported in the decision ADB(D)05-2020 adopted by Written Procedure on 6 May 2020.

Adoption of the agenda

No Board Members proposed additional changes to the Agenda.

- ▷ The Board adopted the Agenda.

Disclosure of conflicts of interests

The Chairperson reminded the participants of their obligation to declare any real or potential conflict of interest on any agenda item. Board Members and participants were required to inform the Secretary of the Board in advance of the meeting about any conflict of interests.

- ▷ The Chairperson noted that no conflict of interest was declared on any agenda item.

Mr Hololei provided an update on the most important developments on the Commission's side since the last meeting.

General Covid-19 context

The Chairperson commented that this unprecedented COVID-19 crisis is affecting various economic sectors, and, unfortunately, it is going to affect the aviation sector for the years to come. Volumes of traffic, passengers and revenues are likely to be halved in 2020, compared to 2019. The situation was worsened by national reactions, not coordinated at EU level. The summer period looked more promising than the former months, but in August the most optimistic forecast did not materialize.

The Commission is following very closely the evolution and taking the necessary measures to facilitate the functioning of the internal market and the recovery of the sector, relying on the support of partners such as EASA, National Authorities and Eurocontrol, who provide regular updates and analysis of network traffic evolutions.

Over the summer, the Commission has advocated for a coordinated easing of border restrictions between the Member States. The EC adopted guidelines for gradually lifting restrictions, while respecting the flexibility to introduce specific measures if required by the epidemiological situation (e.g. Commission Proposal for a Council Recommendation on a coordinated approach to the restriction of free movement in response to the COVID-10 pandemic, adopted on 4 September 2020)

DG MOVE together with DG COMP have provided additional guidance regarding state aid rules and public service obligation rules applicable to the transport sector during the COVID-19 outbreak, allowing more flexibility for the Member States to support financially stakeholders on their territory. In aviation, the EC has so far adopted over 30 State Aid decisions, with additional decisions in the pipeline.

Mr Hololei underlined that all stakeholders' resilience will be necessary to face the current crisis and a combination of different solutions will have to be put in place to restore customers' confidence.

Mr Buono (AU) thanked the EC for their initiatives and stressed that it is important to reflect on how the industry will look like after the crisis, as it will not go back to what it was before. He added that several aspects like, the ANSPs organisation, the aviation charging system would have to be reconsidered.

Mr Rodak (PANSA) underlined the importance of maintaining investment in new technologies that will deliver new Solutions into operation.

The Chairperson commented that every crisis brings unexpected outcomes: the current situation brought up the need for a more resilient system, built on health, safety, scalability, interdependency and on the necessity to adopt a holistic approach, that includes other transport and economic sectors.

The future of the Single European Sky policy

The Chairperson underlined that the structural reform of the Single European Sky remains a priority to make the sector more resilient and the service provision scalable, to better respond to demand variations that could occur also in extreme situations like the current pandemic.

On 22 September the Commission adopted the amended recast proposal on the implementation of the Single European Sky and an accompanying proposal for amending

the EASA Basic Regulation, enabling it to host the independent Performance Review Body of the SES. The proposals are accompanied by a Commission Staff Working Document explaining the rationale behind the changes made to the original SES2+ proposal from 2013.

Commissioner Vălean presented the future of European airspace management at the informal Council videoconference on 8 October (morning), highlighting the main elements of the proposals. As the German Presidency started the discussions immediately after, the EC considers that the Council could achieve a General Approach under the Portuguese Presidency in the first half of 2021 to pave the way for negotiations with the EP.

Mr Hololei reported that Commissioner Vălean would also present the proposals to MEPs in the Transport Committee of the European Parliament on 12 October.

The main objectives of the proposal are to increase resilience and improve sustainability of European ATM systems along the ideas of the Airspace Architecture Study, by:

- fostering a more flexible provision of air navigation services, in particular through the provision of air traffic data services and the start of a European market
- strengthening the role of NSAs and the PRB
- improving the performance and charging scheme and
- enhancing the role of Network Management.

The Proposal ensures effective coordination between the three phases of SESAR and reinforces the framework for Common Projects. Finally, it also reinforces the link between the implementation of the ATM Master Plan and the performance and charging schemes.

The Chairperson concluded by saying that the EC will work on the upcoming negotiations in the Council and in the Parliament to ensure that the co-legislators can adopt the new SES framework by the end of 2021 or early 2022 at the latest, and related derived legislation come into effect in time for the start of RP4 in 2025.

Impact on Performance

Mr Hololei informed the audience that, following consultations with the Member States and stakeholders, in July 2020 the Commission presented a draft Implementing Regulation (IR) on exceptional measures for the RP3 as a response to the COVID-19 pandemic.

The measures aim to reset RP3 targets, both at EU and local level, and mitigate the impact of the COVID-19 pandemic on the air navigation charges during RP3, in order to support the recovery of air transport sector (in particular, by spreading the adjustments to unit rates over 5 to 7 years).

The proposal was discussed with the Member States at the Single Sky Committee (SSC) on 8 September and 15 September 2020. The EC referred the file to the Appeal Committee, which is at Ambassador level, and is confident to be in a position to adopt the act afterwards.

The Chairperson stressed that to remedy the current situation and to create legal certainty there is no other alternative than to adopt the above-mentioned measures: they are balancing the interest of all actors, ANSPs and airspace users.

Revision of the Pilot Common Project / CP1

Mr Hololei recalled that common projects are important because they contribute to achieving the essential operational changes needed to achieve the digital European sky; they should be ready for implementation and that they need synchronised implementation to ensure timely and effective benefits for the network.

The EC continued to work on the proposal on the one hand, taking into account the operational aspects and the difficulties that stakeholders are facing due to the COVID-19 and, on the other hand, preserving the momentum generated by the deployment framework.

Some mitigation measures, such as the “industrialisation target date”, have been introduced to keep the focus on the PCP functionalities that have still not reached the appropriate “readiness” for deployment, but that are fundamental components of the SESAR concept. In this context, the EC also proposes a stronger role for EASA to assist the Commission in assessing the readiness of functionalities.

The final implementation deadline of the CP1 is set at 31 December 2027. This coincides with the end of the next financial framework and possibly the end of a shortened RP4 under the future SES rules.

The Chairperson reported that the EC took the opportunity to improve some of the definitions and provisions of Regulation 409/2013, defining the SESAR deployment framework.

The CP1 legal proposal was published on the Better Regulation Portal from 15 August until 14 September. The feedback received is instrumental to further tune the proposal, to improve clarity and consistency on the technical content and the legal provisions and definitions. The opinion of the Single Sky Committee is expected for November and the adoption of the new Regulation by the College by the end of the year.

▷ Conclusions on item 1

- The Board took note of the information provided by the Chairperson.

Item 2 Update on the future partnership

The Chairperson stated that the ATM and aviation sector in general are facing multiple challenges in the rapidly evolving and demanding context of the COVID-19 crisis.

Addressing these difficult challenges requires a collective effort in boosting cooperation and focussing investments in innovation.

The preparations for establishing the new Joint Undertaking, responsible for coordinating ATM research in Europe, in the next financial cycle of the Union started almost two years ago.

Mr Hololei thanked the Members for their continuous involvement and support to the institutional process and the good cooperation in the partnership and with the SJU.

The High-Level Partnership Proposal (HLPP) was published on the Commission’s website in July.

The Strategic Research and Innovation Agenda (SRIA), covering the R&I priorities for the next seven years, was delivered on time to the Commission in September.

The Chairperson announced that the EC supports the content of the SRIA that will serve as the main building block for the future SESAR 3 multi-annual work programme.

He recalled that in June, the Commission’s Regulatory Scrutiny Board approved the impact assessment for the future JU, where the EC made the case for renewing the partnership because it represents the most appropriate instrument to deliver faster and better results, for a reasonable administrative cost.

During the summer the EC worked on drafting the new Single Basic Act, which is a Regulation setting up eight JUs in key priority areas under the Horizon Europe programme.

The Single Basic Act has a common part that applies to all the new JUs, setting out the main rules and principles. This ensures a common baseline for the establishment of the new partnerships, facilitating synergies and closer cooperation.

Each initiative has a specific Annex to the basic act, which outlines the main elements

such as objectives, tasks or any deviation or derogation from the common part.

In line with Commission's new priorities, as well as with more specific research and transport objectives, the three main overall objectives for the new JU are:

- to strengthen and integrate the Union's R&I capacity in the sector, bringing ATM into the digital age, enabling it to become more resilient and scalable to fluctuations in traffic;
- to strengthen the competitiveness of manned and unmanned air transport in the Union, and ATM services' markets to support economic growth in the Union;
- to develop and accelerate the market uptake of innovative solutions to establish the Single European Sky airspace as the most efficient and environmentally friendly sky to fly in the world.

The Chairperson communicated to the Members that DG MOVE had invited interest stakeholders to a workshop on 15 October, where the Legal Unit of DG RTD would explain the main elements of this basic act and answer related questions.

He also added that a 3-week inter-service consultation for the Single Basic Act was launched on 7 October to allow the College to adopt the proposal for the Regulation in early November.

The German Presidency is committed to kick-off the negotiations as soon as possible and the EC expects the Council to adopt the Regulation under the Portuguese Presidency, in the first half of 2021.

He stressed that the most important remaining step was the need to confirm Industry collective commitment to the new JU.

Although the exact figure for the Union's financial contribution to the new JU from the Horizon Europe Programme has not been set, it is necessary to demonstrate to the Member States:

- that the initiative is essential to achieving the Union's objectives (e.g. the European Green Deal or the Digital Agenda), supported by ample evidence about the positive impact;
- that the initiative has a credible and attainable research agenda, allowing it to achieve the objectives defined in the Master Plan and in the SRIA;
- that there is a strong commitment from the stakeholders to invest in the initiative with an amount as big as the Union's.

Although it is clear that, despite the current crisis, Members are all committed to contribute to SESAR 3 and the new partnership, the collective commitment shall be made explicit when proposing the Regulation to the Council.

Mr Hololei explained that the current Members of the SESAR Joint Undertaking would be invited to join the partnership as Founding Members based on the accession to the joint Memorandum of Commitment. For those who would not be able to join from the start as Founding Members, there would be an alternative path: to become an Associated Member at a later stage, through a call for expression of interest for new members, launched by the JU. The latter will be decided by the new Governing Board, once the JU is established towards mid-2021.

Mr Hololei invited the Members to discuss this Memorandum of Commitment within the partnership, with the SJU and with DG MOVE to secure that by the end of the month the commitment is defined.

He acknowledged the complexity of the process but reassured the Members that the Memorandum of Commitment contains the necessary precautions and invited all to participate to the workshop that would be an opportunity to clarify any questions.

Mr Hecker (Scientific Community) expressed the concern of the Scientific Community regarding the importance of the Exploratory Research. It would be a major loss to the scientific community if the SESAR JU would not have the necessary funds and be able to manage this as an integral part of the research pipeline towards validation and demonstration. The cooperation between University, Research institutes and Industry has proven to work well in the current SESAR partnership and programme and it will be imperative to keep the same approach in the future programme.

Mr Vasile (EC) replied that the EC intends to keep the Exploratory Research in the budget that will be managed by the new JU.

Ms de Mateo confirmed ENAIRE's full support for the next programme. However, she pointed out the risk related to the size of the partnership and the related difficulty to manage it, should the access be open to all, without setting a minimum contribution.

Mr Vasile informed that all current Members have expressed interest to participate to the next partnership, but there is still no clear indication about additional interested stakeholders. He also explained that the minimum contribution has in the past been criticized, because it represented a barrier for certain companies. Hence, the EC will analyse the interest demonstrated by all parties and will establish an appropriate approach to keep the partnership manageable.

Mr Gallego confirmed INDRA's support to the new partnership and to the SESAR 3, as this is the right vehicle to carry on the modernisation of the ATM system. He expressed some concerns about the co-funding scheme and asked if this could be revised at least in the first years, to alleviate the current complicated basis.

The EC reiterated that the future programme would have to align to the principles of the proposal establishing a Regulation for Horizon Europe, which foresees a co-financing rate up to 70% of the eligible costs. The Annual Work Programme will define the co-financing rate for each call (up to the maximum of 70%). The EU investment shall be matched by that of the Industry.

Mr de Beco expressed AIRBUS support to continue ATM R&I in SESAR 3, at the condition that some requirements, like the co-financing rate, are sufficiently guaranteed.

Mr Bakken confirmed the support of NATMIG and asked about the open calls principles with the possibility of having restricted calls for Members.

The EC confirmed that the JU will have the possibility to specify in the Annual Work Programme that certain calls will be dedicated to the Members.

Mr Schneebeauer (COOPANS) asked about the advantages of being a founding Member, as this is important to convince all COOPANS partners to participate in the future partnership.

Mr Vasile stated that the advantages are mainly related to the timing as Founding Members will be listed in the new entity basic act and will have the possibility to sit at the governing board table since the beginning. The entity that will not be able to join as Founding Members, could respond to the call for expression of interest to become an associate member that should be organised by the SJU at a later stage, according to the upcoming need.



Conclusions on item 2

- The Board took note of the information provided by the EC representatives.

Item 3 COVID-19 situation

Mr Brennan (Eurocontrol) confirmed that Eurocontrol will continue supporting the JU. He then presented the air traffic situation in week 40 (28 September - 4 October) where traffic was at 44% of same week in 2019 (see slides).

The outlook for November is also very difficult as the forecasts say that bookings are at 21% compared to those of 2019. A significant decrease is seen in the long haul traffic: 70% reduction in the North Atlantic, 60% reduction in Asia/Pacific. 20% of the Network is automatically deflated by the fact that there is a drastic reduction in the international traffic activity.

Talking about airlines, Eurocontrol DG informed that, although during the summer major operators had a good increase of flights, in autumn, they are facing a new reduction and are drastically reducing their operating capacity. This will result in a cascade reduction effect.

Mr Brennan pointed at the inconsistent approach adopted by the EU countries.

Regarding the outlook for the next 6 months, Eurocontrol had to revise their forecasts downward, because they were previously too optimistic. In November, the reduction

from 2019 levels is now estimated at 60%.

He then exhorted the audience to use this time to build a better functioning system for the future. During the current crisis Eurocontrol will be working on financial measures (airline charged deferred, ANSP loan facility), Network coordination and recovery planning, providing data for decision-making.

Eurocontrol remains committed to the SESAR project because it is very important to stay supportive as cash flows are tighter and all the value chain is affected. He also invoked for a strong leadership.

The Chairperson thanked for the support and cooperation provided by Eurocontrol.

Mr Guillermet continued by providing an update about the COVID 19 impact on the SESAR programme.

Wave 1 closure and Wave 2 ramp up have been stabilized thanks to specific coordination with the various projects, with Members and other stakeholders. While the impact on some stakeholders is partly mitigated by national plans, it varies a lot from one Member to the other, with for some a consequent drop in their contribution to the programme; the hardest hit is however clearly on airports and airlines. He added that currently three Members have their contribution at risk (not only COVID-19 related) and bilateral follow-up discussions, based on Membership Agreement provisions, will take place. The contributions above critical threshold but still with some deviations will be reflected in usual ADB decision on contributions and voting rights.

He added that the autumn period will be a delicate phase, with possible new changes of strategic priorities at individual Member's level to cope with COVID-19 evolution and the SJU will continue to monitor closely and adapt.

Mr Guillermet continued by informing the audience about

- Wave 3 call: with an overall allocated budget of €30 million, 7 proposals were received, 5 of which are considered eligible and are of a very good quality. This shows that stakeholders remain active;
- VLD call: for a budget of €20 million, 12 proposals received, 11 eligible; proposals present a good blend of U-space, Environment and AAS topics; 6 projects will be selected, and there might be a possible budget extension to cover reserve list to be addressed in SPD 2020 3rd amendment (expected to start in January 2021).

As a follow up of the budget mitigation measures proposed by the SJU at the Board meeting in May, he informed the Board that most of the actions are completed. He listed the following actions:

- Title III
 - Wave 3 set to max- €30Mio
 - ER 4 increased - €15.40Mio
 - Pre-financing +20% - €10Mio
- Title I & II
 - Debit notes postponed to October
 - Budget saving measures implemented (SPD amended) - €1.2Mio (CAs savings year-on-year spread on various budget lines)
- SESAR 1 reimbursement of excess of contribution €30,8Mio
 - Last industry members prepared to settle their payments, necessary first step
 - ADB decision was approved on 8 October

Concerning the Programme execution overview, the ED informed the audience that the budget execution on Title 3 is at 99,61% and underlined that the SJU has managed to re-inject any unspent budget. While this is the maximum level of commitment possible, he highlighted that, as usual, not everything will be used during the execution of the actions.

He concluded with thanking all the work done over the summer period by Eurocontrol team to prepare the SRIA. He added that the comments received during the public consultation were integrated in the final documents that obtained a positive feedback from the final stakeholders consultation on 8 September and from ACARE, which will be important in the context of the next Multilateral Financial Framework.

financing amount, to assign unused budget from other calls to increase VLD Open 2 by EUR 6,5 million, to award grants in the reserve list to maximise the use of H2020 funds) should be concluded by 13 November;

- SPD 2021-2023: the draft is being finalised and will be submitted to the ADB for review at the end of October, in time for the adoption planned during the next ADB meeting in December. It is recognised the document may need to be further amended in 2021 to re-inscribe unused appropriations, but also to include currently unknown transition measures for the SESAR 3 partnership and programme;
- SPD 2022-2024: the draft content is currently limited to the SESAR 2020 Programme and will need to be updated in due time to integrate the transition to SESAR 3, once the Basic Regulation is adopted.

▷ Conclusions on item 5

- The Board took note of the information provided by the SJU.

Item 6 General Administrative and financial items

Item 6a Budget execution overview

Item 6b Annual Accounts 2019 and ECA Report on SJU Annual Accounts 2019

These items have not been presented, but full information has been made available in the slides. No question has been raised by the Members.

The next meeting will be

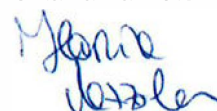
ADB(M) 051 Tuesday 15 December

Done in Brussels, 08/10/2020.

Chairperson
Mr Henrik Hololei



Secretary
Ms Ilaria Vazzoler



The Chairperson thanked Mr Brennan and Mr Guillermet for their valuable contributions and opened the floor to the ADB Members.

Mr Gallego (INDRA) informed that IOP activities have been successfully finalised in June and thanked all those have been involved in this challenging pan European project. A dedicated press release and video will be made available.

Mr Lallouette (Thales) said that, despite the impact of the crisis on Thales SESAR team, Thales was able to meet all their project objectives. Since September, the situation is back on track and Thales is committed to continue working in the W2 and W3.

▷ **Conclusions on item 3**

- The Board took note of the information provided by Eurocontrol and by the SJU and agreed to proceed with the implementation of the proposed budgetary measures.

Item 4 Report on the progress of the Programme and other on-going key activities

Item 4a Programme overview

Item 4b External Relations and communication

These items have not been presented, but full information has been made available in the slides. No question has been raised by the Members.

Item 4c Annual work programme objective's implementation

Mr Guillermet explained that the SJU has overall been able to comply with the targets set in the Annual Work Programme. However, there are currently two main risks to report to the Board:

- 1) Brexit might have an impact on the Programme execution during the last leg of SESAR 2020 (mainly Wave 2 & 3 and some ER projects);
- 2) the COVID-19 crisis brings different types of challenges to the SESAR JU relating to: Members' contribution (including to the running costs); risk to programme delivery due to situation of the Aviation sector; impacts on internal functioning of the SESAR JU. The SJU is working to find appropriate mitigations and solutions by closely monitoring the projects, adapting contribution requests to Members, trying to optimise the use of funds and internally by complying strictly to all necessary health protection measures.

▷ **Conclusions on item 4**

- The Board took note of the information provided by the SJU.

Item 5 Planning and Reporting documents

Item 5a Information on SPD 2020-2021, SPD 2021-2023, 2022-2024

Mr Guillermet briefly presented the status of the programming documents:

- SPD 2020-2022: the proposal for a third amendment to update 2020 budget (to increase payment appropriations by EUR 13 million to cover the increase of pre-

Annex 1
Attendance list

