

Shift2Rail Joint Undertaking (S2R JU)

20th FORMAL MEETING OF THE S2R JU GOVERNING BOARD

BRUSSELS, 24 June 2019, 01:00-04:30

White Atrium building,

Avenue de la Toison d'Or 56-60, B-1060 Brussels

PRESENT:

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| European Union, represented by the European Commission | Elisabeth WERNER, Director C, DG MOVE | Chair (Alternate) |
| | Clara DE LA TORRE, Director, DG RTD | Co-Chair |
| | Keir FITCH, DG MOVE | Observer |
| | Mihaela WILLIAMS, DG MOVE | Observer |
| | Leonardo DONGIOVANNI, DG MOVE | Observer |
| | William BIRD, DG RTD | Observer |
| | John CLEUREN, DG RTD | Observer |
| | Philippe FROISSARD, DG RTD | Observer |
| ALSTOM | Nicolas CASTRES SAINT MARTIN | Member |

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| AZD Praha | Michal PAVEL | Alternate Member |
| BOMBARDIER | Massimo SIRACUSA | Member |
| BOMBARDIER | Richard French | Alternate Member |
| CAF | Jorge DE CASTO | Alternate Member |
| DEUTSCHE BAHN | Ralf MARXEN | Alternate Member |
| EUROC | Thomas PETRASCHEK | Alternate Member |
| HACON | Lars DEITERDING | Alternate Member |
| HITACHI RAIL STS | Antonella TROMBETTA | Member |
| INDRA | Jesus LACOSTA GIMENO | Alternate Member |
| INDRA | Salvador ARRIAGA | Observer |
| KNORR - BREMSE | Martin DEUTER | Member |
| NETWORK RAIL (Industrial Spokesperson) | Andy DOHERTY | Member |
| SIEMENS | Jürgen SCHLAHT | Alternate Member |
| SMART DEMAIN CONSORTIUM | Henk SAMSON | Member |
| SMARTRACON CONSORTIUM | Jaizki MENDIZABAL | Alternate Member |
| SNCF | Christophe CHERON | Alternate Member |

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| THALES | Yves PERREAL | Alternate Member |
| TRAFIKVERKET | Christer LOFVING | Alternate Member |
| VVAC+ | Filip KITANOSKI | Alternate Member |
| European Railway Agency | Anna GIGANTINO | Observer |
| Vice-Chairperson of the States Representative Group | Miroslav HALTUF | Observer |
| INEA | Morten JENSEN | Observer |
| S2R | Carlo M BORGHINI | Executive Director |
| | Giorgio TRAVAINI | Observer |
| | Vincent DECLERFAYT | Observer |
| | Isaac GONZALEZ GARCIA | Observer |
| | Robert LISKOUNIG | Observer |
| | Valerie LORGÉ | GB Secretariat |

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| CAF | Javier Goikoetxea | Observer |
| DB Cargo | Norbert Kalh | Observer |
| FAIVELEY Transport | Claude BAUDRY | Observer |
| KAPSCH | Jochen NOWOTNY | Observer |
| NETWORK RAIL | Eleanor SIMMONS | Observer |

LIST OF DECISIONS:

The following decisions were taken by the Board:

- GB Decision 02/2019 on the Amended Annual Work Plan and Budget for 2019
- GB Decision 03/2019 approving the Annual Activity Report 2018
- GB Decision 04/2019 regarding the Governing Board's opinion on the final Annual Accounts of the Shift2Rail Joint Undertaking, Financial year 2018
- GB Decision 05/2019 on types of posts and post titles in the S2R JU
- GB Decision 06/2019 appointing two new members of the Scientific Committee of the Shift2Rail Joint Undertaking from the reserve list established following the call for expression of interest S2R.SC.01.2017
- Decision on the nomination of the members of the GB to assess the declarations of interest of the S2R JU Executive Director (decision recorded in the minutes)

The following written procedures will be launched:

- Written procedure on the Decision on recruitment of Contractual Agents
- Written procedure on the new financial rules of the S2R JU
- Written procedure on the MAAP Part B (by written procedure or at the GB meeting of 14 November 2019)
- Written procedure on the MCCOLA (pending approval of the European Commission)

OVERVIEW OF DISCUSSIONS:

INTRODUCTION

Mrs Clara de la Torre informed the Governing Board that the Chair, Ms Elisabeth Werner, would be slightly delayed. She therefore welcomed the participants to the 20th Governing Board meeting and indicated that all documents relating to the meeting had been circulated in advance according to the Rules of Procedure.

The Co-Chair briefly presented the items on the Agenda.

1. WELCOME FROM THE CHAIR AND ADOPTION OF THE AGENDA

The final agenda, as indicated below, was approved by the Board.

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| 1. WELCOME FROM THE CHAIR AND ADOPTION OF THE AGENDA - Declarations of conflict of interest based on the Agenda items (the forms will be available in the meeting room) | 13:00 |
| 2. INFORMATION FROM THE COMMISSION | |
| 3. REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES | |
| 4. ADOPTION OF THE MINUTES OF THE GB OF 25 MARCH 2019 | 13:30 |
| ITEMS FOR DECISION OF THE GOVERNING BOARD | |
| 5. ADOPTION OF THE AMENDED ANNUAL WORK PLAN AND BUDGET FOR 2019 | 13:35 |
| 6. ADOPTION OF THE ANNUAL ACTIVITY REPORT 2018 INTRODUCED BY A PRESENTATION BY IP/CCA COORDINATORS ON THE PROGRESS OF THE RESPECTIVE IPs/CCA | 13:50 |
| 7. ADOPTION OF THE FINAL ANNUAL ACCOUNTS 2018 | 14:30 |
| 8. ADOPTION OF GB DECISION ON TYPES OF POSTS AND POST TITLES IN THE S2R JU | 14:45 |
| 9. DECISION ON SCIENTIFIC COMMITTEE WRITTEN PROCEDURE ON NOMINATION OF TWO MEMBERS OF THE SCIENTIFIC COMMITTEE FROM THE RESERVE LIST | 14:50 |
| 10. NOMINATION OF THE MEMBERS OF THE GB TO ASSESS THE DECLARATIONS OF INTEREST OF THE S2R JU EXECUTIVE DIRECTOR | 15:00 |
| ITEMS FOR DISCUSSION OF THE GOVERNING BOARD | |
| 11. UPDATE ON THE MAAP PART B FOR FINAL ADOPTION BY WRITTEN PROCEDURE | 15:05 |
| 12. PRESENTATION ON INFRASTRUCTURES TESTING FACILITIES PAPER | 15:20 |
| 13. PRESENTATION ON CATALOGUE OF SOLUTIONS | 15:30 |
| 14. COMMON COLLABORATION AGREEMENT (MCCOLA) | 15:45 |
| 15. PRESENTATION ON HYPERLOOP EVOLUTIONS, INCLUDING NEXT STEPS | 16:05 |

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| 16. UPDATE ON COOPERATION WITH REGIONS AND INTERNATIONAL ORGANISATIONS | 16:10 |
| 17. UPDATE ON THE NEW INTERNAL CONTROL FRAMEWORK IN VIEW OF ITS ADOPTION AT NOVEMBER GB | 16:20 |
| ANY OTHER BUSINESS | |
| 18. AOB <ul style="list-style-type: none"> ▪ PRESENTATION BY KAPSCH CARRIER COM AG ▪ PRESENTATION BY INEA ▪ INDICATIVE LIST OF DOCUMENTS TO BE ADOPTED BY WRITTEN PROCEDURE OR AT THE NEXT BOARD MEETING ▪ DATE OF THE NEXT MEETING(S) | 16:30 |

** This Agenda item is for decision with particular attention to the specific provisions of Article 13 and 14 of the Rules of Procedures of the Governing Board.*

The Co-Chair asked all members of the Governing Board to declare and sign a declaration of confidentiality and absence of conflict of interest and to abstain from deliberations should a conflict of interest on the matter exist. The declarations for Conflict of Interest (CoI) were available in the meeting room.

2. INFORMATION FROM THE COMMISSION

The Co-Chair indicated a general agreement had been reached between the Council and the European Parliament on the next EU Framework Programme for research and innovation, Horizon Europe, but that the European Parliament and Council negotiations on the Union budget for 2021-2027 (Multi-Annual Financial Framework), including the budget for Horizon Europe, were postponed to the end of 2019. She indicated the impact assessment procedure will soon be launched, including for the Joint Undertakings. Formal discussions on areas for institutionalised partnerships based on Article 185 and Article 187 (including Joint Undertakings) will take place between Member States on 26 June. For Article 185/187 initiatives; impact assessments will be supported by a central study and co-ordinated across all services. Inputs will be requested in order to support the Impact Assessment work. The Impact Assessment will then be submitted to the Commission Regulatory Scrutiny Board (RSB) for examination and opinion.

The Co-Chair shared with the GB members the institutional changes foreseen in 2019, as well as their implications (Agreement on the Commission President designate end of June, hearings on the Commission President designate in September, new College beginning of 2020).

The Chair, upon arrival, thanked the GB members for their support for the future rail partnership, and further appealed to the GB members to pursue discussions and contacts with their finance, economic, research and transport ministries. In addition, in light of the high number of transport partnerships, she reiterated the specificities of the railway system and underlined that cooperation between partnerships benefitted from reinforcement. The Chair indicated that in DG MOVE's opinion, there is a compelling

case for a specific partnership in rail. She also highlighted that the impact assessment would build on the results of the previously conducted mid-term evaluation, *inter alia* the governance structure; reduction of administrative burden; increased participation of SMEs and start-ups as well as Central and Eastern European participants; increase of digitalization to reach automation; and heightened focus on freight from a climate policy perspective. The impact assessment's public consultation will take place over the summer.

The Co-Chair appealed to the SRG Chairperson to increase Member States' awareness and understanding of the Joint Undertakings' constellation and functioning, as this should influence the governance set-up for the next partnerships.

The Industrial Chairperson conveyed the members' continuous commitment to supporting a continuation of a partnership in the area of rail R&I.

3. *REPORT OF THE EXECUTIVE DIRECTOR ON S2R JU ACTIVITIES*

For additional details, please refer to the presentation.

The Executive Director indicated that the S2R JU call 2019 submission closed on 18 June. 50 proposals were received (8 CFM, 42 OC), and one topic has not been covered (equating to 2 Million Euros unspent from the call). The evaluation started on 20 June 2019, with the process expected to be finalized by end of August for decision at GB level on 4 September. He stated that the Grant Agreement Preparation phase will then start mid-September, with the objective of signing the Grant Agreements at the latest by the end of November 2019.

As regards the 2018 grant signature status, the Executive Director stated that all Grant Agreements had been signed, except for one (Maasive).

He indicated that the Human Capital Skills study final reports were approved and published, and that the FCH study event had been organised jointly by the S2R JU and the FCH JU on 17 May 2019 in Brussels. The SIWG Integrated Demos plan first draft was released and a V1 release is planned for October in advance of the GB meeting of 14 November. Following Releases will take place on a yearly basis.

As regards the on-going Membership Agreement commitment and alignment with the AWP2020, he indicated that all Membership Agreements were signed, with the exception of the Membership Agreements with Hitachi and SmartRaCon. A signed, certified and stamped copy of the respective Membership Agreements were provided at the 20th GB meeting to all other members.

Concerning Programme implementation, he presented a few slides showing the performance of the Programme compared with its planned linear distribution; he highlighted the risks inherent with a Programme of such a dimension and complexity as S2R, in particular with regard to under-spending. Bilateral meetings will be proposed to the Other Members in July in preparation of the AWP 2020.

The draft Annual Work Plan 2020 with first full topics descriptions has been prepared, with a higher budget requested than available funding, which would need to be adjusted at the workshop of the GB on 4-5 September. The content review by the JU will take place following the provision of the States Representatives Group opinion and the Scientific Committee advice by end of July 2019. The deadline for the finalisation of the Annual Work Plan 2020 is early-October, in time for submission for the GB meeting of 14 November. The Executive Director highlighted that an additional call could still be launched by the end of 2020 should resources be available.

In terms of definition of a Functional System Architecture (new railway capabilities for the next generation of railway systems), the Executive Director emphasized the need for a renewed programme governance and structure coordination - namely between IPX and IP2, in order to: i.) ensure that barriers experienced in the integration of new concepts in the S2R R&I activities, in particular in relation to, but not only, IP2, are duly addressed; ii.) to ensure that the technological and operational impacts of RCA, OCORA and a more encompassing future system architecture would not find obstacles in their integration in the specific R&I projects; iii.) to ensure independent business analysis before moving towards R&I strategic changes; and to iv.) to address the Programme setup by projects/topics' grants that do not facilitate an integrated R&I Programme governance. In this respect, the Executive Director put forward the proposal of an ED Steering Board (ED & FM+), to be further elaborated at the next GB meeting. S2R offers the platform where the different initiatives can converge, also in line with the overall objective of the Commission of the new CCS TSI 2022, together with ERA. In this respect, the recently launched tender complements the openness of the Programme in terms of functional system architecture. The FM+ meeting of 18 July will be the starting point, where the aforementioned proposal's added-value for the future governance of the next generation of S2R will be assessed, and then combined with the Grant Agreement Preparation phase.

The Executive Director then informed the members of the GB of the Scientific Committee and States Representatives Group meetings, namely the 10th States Representatives Group meeting that took place in April in Pardubice, back-to-back with the EU-13 Dialogue on the future of Rail R&I.

Moreover, the Executive Director highlighted the upcoming key events accompanying the decision-making process on the way to S2R2 (see slides). In light of the importance of this sequence of events and echoing the key milestones of the decision-making process on the way to a new partnership on rail R&I, the Executive Director underlined that all savings from the 2019 budget would be allocated to the communication budget in 2020; the GB will be informed accordingly in the AAR 2019.

In addition, the Vice-Chairperson of the States Representatives Group mentioned the ITS World Congress in Singapore as an opportunity for the rail sector and S2R in particular to present their activities.

The Industrial Spokesperson thanked the Executive Director for sharing the dates of the upcoming events in advance and encouraged this good practice to be continued. Furthermore, with regard to the renewed governance of IPX/IP2, the Industrial Spokesperson indicated the Members agreement of principle for the new governance coordination.

4. ADOPTION OF THE MINUTES OF THE GB OF 25 MARCH 2019

The Chair invited the participants to comment on the minutes of the nineteenth Governing Board meeting which included the comments received. were duly adopted with no additional changes.

ITEMS FOR DECISION OF THE GOVERNING BOARD

5. ADOPTION OF THE AMENDED ANNUAL WORK PLAN AND BUDGET FOR 2019

The Executive Director presented the changes made to the amended AWP 2019, namely the 2019 budget update, including the re-allocation of administrative budget in accordance with mid-year revised needs and the increase of payment administrative budget to honor previous year contract execution (re-inscription of unused appropriations). He indicated that the addition of the tender on Railway Operators, Staff and Passengers' Expertise (S2R.19.OP.01) does not have a budget impact. The possibility of additional operational activities in 2019 was introduced and clerical mistakes were corrected.

On behalf of the Other Members, the Industrial Spokesperson provided his agreement to the budget.

The Chair indicated she was satisfied with the Annual Work Plan and budget for 2019, commending the good practice of reviewing this living document as additional activities emerge.

Decision

The Governing Board adopted the Decision of the GB N° 02/2019 on the Amended Annual Work Plan and Budget for 2019.

6. ADOPTION OF THE ANNUAL ACTIVITY REPORT 2018 INTRODUCED BY PRESENTATIONS BY THE IP/CCA COORDINATORS ON THE PROGRESS OF THE RESPECTIVE IPs/CCA

The Chair stated that she was pleased by the organisation of presentations by the IPs/CCA coordinators in relation to the AAR 2018, since the AAR is a key reporting tool on the management of resources and progress of the various work strains.

The IP1 coordinator, Javier Goikoetxea (CAF) provided an overview of the IP1 activities (*Please refer to the presentation*). The Chair thanked the IP coordinator for highlighting the alternatives on the KPIs. The Executive Director reminded the participants of the organisation of a workshop on KPIs on 4 – 5 September, where the merits of both the case-specific and the top-down approach will be discussed.

The Executive Director informed participants that the discussion on the IP2 activities would take place at the GB meeting of 4-5 September.

The IP3 coordinator, Ellie Simmons (NR), presented the highlights of the IP3 activities (*Please refer to the presentation*). The Chair thanked the coordinator, stressing that IP3 is a diverse IP, where implementation of mitigating measures may prove challenging in light of the diversity of topics. In some cases it would be better to stop that work stream and re-allocate the money. The Executive Director indicated that a workshop on the lump sum method will be organized on 30 September for the 2019 Grant Agreements; technical exchanges on the Grant Agreement preparation will take place beforehand. The Chair underlined that a possible pilot project on stations will be determined in the autumn, which could represent a hook to complement IP3 activities. Moreover, the Chair enquired about the impact of smart metering on railway undertakings.

The IP4 coordinator, Yves Perreal (Thales), provided participants with an overview of the IP4 activities (*Please refer to the presentation*). The Chair indicated that the IP4 topics are high on the European Commission agenda, *inter alia* in relation to the ITS discussions. She stressed that cities and urban areas represent the starting point of ticketing schemes, but that one should not forget the rural areas and the importance of cross-border aspects, which ultimately embody the true EU added-value. She stated that the race against time has now started to ensure an EU model for ticketing, and not a fragmented array of various national models. She further highlighted the challenge of including companies with a different profile from the classic railway undertaking, and of staying mindful of

developments taking place outside S2R, so as not to elaborate a competitive silos system. The Executive Director stated contacts with ITS and the aviation platform were on-going and represented a good basis to further enhance work. The SRG Vice-Chairperson conveyed his appreciation of the IP4 work and commented on FSM and TAP-TSI.

The IP5 Coordinator, Norbert Kalh (DB Cargo) provided an overview of IP5 activities (*Please refer to the presentation*). The European Commission observer (DG MOVE) indicated that in relation to ATO, the revision of CCS-TSI is expected in 2022, showing the need to integrate with IP2, IP1 and IPX to avoid a scattered approach.

The CCA Coordinator, Richard French (Bombardier) highlighted the main activities of CCA (*Please refer to the presentation*). The Executive Director reminded participants of the KPI workshop on 4 – 5 September. The European Commission observer (DG MOVE) asked for further feedback on safety KPIs.

The Executive Director stressed that in accordance with the S2R JU Regulation, in particular Article 10 of the Statutes of the Joint Undertaking, the draft AAR 2018 of the S2R JU had been sent to the Governing Board members on 2nd March 2019. It has been updated to include the Commission and IP comments, a chapter on the UN Sustainable Development Goals (SDG) and the S2R JU contribution to them, as well as budget updates and the inclusion of the final annual accounts. A final draft version including all comments received was sent on 22 May and the final version, including only the changes related to the final annual accounts was sent on 17 June. Considering the prescribed timeline has been complied with in every aspect by the S2R JU, he reminded participants that it was now of utmost importance that the AAR 2018 be sent to the budgetary authorities by 1 July.

The Industrial Spokesperson stated that some further minor improvements were desired in the high-level description of the Executive Summary, in relation to IP3 and, possibly IP1.

The Chair suggested that drafting suggestions should be shared by 26 June cob. She suggested that the Governing Board provisionally adopted the Annual Activity Report 2018, subject to further minor drafting suggestions that would be without impact on the substance of the document.

Decision

The Governing Board adopted the Decision of the GB N° 03/2019 approving the Annual Activity Report 2018. The Executive Director is required to inform the Governing Board should the proposed editorial changes require a revised assessment of the AAR by the Board.

7. ADOPTION OF THE FINAL ANNUAL ACCOUNTS 2018

The Executive Director indicated that the European Court of Auditors, as well as the independent external auditors, did not bring any material findings that would question the 2018 accounts themselves. The European Court of Auditors report will be available later in 2019 while the independent external auditors report was attached to the final annual accounts 2018.

The highlights of the S2R JU annual accounts 2018 were presented:

- Budget execution: 100% in Commitment (contracts) and 82% in payment
- Total contributions received at 31/12/2018: 187,1m€
 - 158.9m€ cash contribution from the Union
 - 6.5m€ cash contribution from Members other than the Union
 - 2.,7m€ in-kind contribution from Members other than the Union
- In addition 63,7m€ in-kind contribution are to be validated (52,6m€ covered with audit certificate)
- At Programme level (GA Sept2016-Dec2018) – R&I activities: TPC of 365,4m€ from which the co-funding foreseen to be requested is 162,1m€

- **Decision**

The Governing Board adopted the Decision of the GB N° 04/2019 regarding the Governing Board's opinion on the final Annual Accounts of the Shift2Rail Joint Undertaking, financial year 2018.

8. ADOPTION OF THE GB DECISION ON TYPES OF POSTS AND POST TITLES IN THE S2R JU

The Executive Director indicated that the Commission Decision C(2013)8979 of 16 December 2013 on the equivalence between the types of posts and the post titles used for S2R JU temporary staff adopted by the GB on 16 July 2015 has been updated and therefore no longer applies by analogy to S2R JU. It will be replaced by the new decision in order to be compliant with Article 5(4) of the Staff Regulations. De facto, the decision applies only to the Executive Director, the two Heads of Unit, and two administrator positions.

Decision

The Governing Board adopted the Decision of the GB N°05/2019 on types of posts and post titles in the S2R JU.

9. DECISION ON SCIENTIFIC COMMITTEE WRITTEN PROCEDURE ON NOMINATION OF TWO MEMBERS OF THE SCIENTIFIC COMMITTEE FROM THE RESERVE LIST

The Executive Director indicated a written procedure had been launched on 12 April 2019 to fill the two vacant Scientific Committee positions. The profiles of the candidates on the reserve list of the call for expression of interest (S2R.SC.01.2017) were shared with the SC members under confidentiality restrictions. The members of the SC voted taking into consideration the profiles, the complementarity of expertise, as well as potential conflict of interests. The two profiles proposed by the Executive Director of the S2R JU to the GB are those which received the support of at least two thirds of the SC members. The Executive Director announced that the two selected members had confirmed their availability to participate as members of the Scientific Committee. The following candidates are therefore selected as new members of the SC: Professor Oliver Michler and Professor Peter Vervest.

The Executive Director stated that a new call for expression of interest would be launched most probably in the second half of 2020 and that the rotational mechanism of one third will apply as of 2020-2021.

The Executive Director anticipated the question of the Chair by providing an update on the composition of the SC by nationality and gender balance. He underlined that the SC is, largely, a geographically and gender-balanced group.

The Industrial Spokesperson conveyed his approval of the two selected candidates; as well as his desire for further updates by the SC Chairperson on the SC work at the next GB meeting.

The Chair congratulated the two new members of the SC, Professor Oliver Michler and Professor Peter Vervest, on their appointment.

Decision

The Governing Board adopted the Decision of the GB N° 06/2019 appointing two new members of the Scientific Committee of the Shift2Rail Joint Undertaking from the reserve list established following the call for expression of interest S2R.SC.01.2017. The Executive Director shall inform the Scientific Committee and the two new members about the adoption of the Decision. The Chair of the Scientific Committee shall be invited by the Executive Director to make a presentation on the activities of the Committee at the next Governing Board meeting.

10. NOMINATION OF THE MEMBERS OF THE GB TO ASSESS THE DECLARATIONS OF INTEREST OF THE S2R JU EXECUTIVE DIRECTOR

The Chair indicated that two members of the GB should be appointed in order to assess the declarations of interest of the Executive Director, including the annual declarations and the ad hoc declarations. The Chair proposed that the Industrial Spokesperson and the alternate Chair be appointed to assess these declarations if and when the need arises.

- **Decision**

This procedure is recorded in the minutes as agreed to by the Governing Board.

ITEMS FOR DISCUSSION OF THE GOVERNING BOARD

11. UPDATE ON THE MAAP PART B

The Executive Director presented an update on the MAAP Part B, indicating that it was not designed to shape S2R2, but was intended as a transition document towards the future partnership on rail R&I. It had been updated with recent evolutions, including the link with the Innovation Capabilities of the MAAP Part A, clarifying possible coverage of these committed activities for the future vision. Discussions on railway system architecture (+ RCA/OCORA/other) are only partially reflected in the text and will be fully integrated taking into account the outcome of the Call 2019. The indicative budgets for TDs/IPs would be updated based on 2018 accounting, and call 2019 results reflecting updated Membership Agreements. Focus has been put on the final deliveries, i.e. the Demonstration activities in each TD with TRL and potential market (subset of SIWG integrated demos plan, subject to updates).

He indicated the final document would be ready by mid-October - for final adoption at the GB meeting of November, or by written procedure.

The Chair concluded that the document goes in the right direction as a transition document. She invited the Members to contribute to the document in view of its adoption at the GB meeting in November.

12. PRESENTATION ON INFRASTRUCTURES TESTING FACILITIES PAPER

Please refer to the presentation.

The Executive Director presented the reasons for a S2R JU Position Paper on Testing Facilities, i.e. the challenges to R&I testing in Europe and the needs for testing, as well as the on-going progress on the Position Paper.

The Industrial Spokesperson questioned the space for high level investment and the importance of certification of products.

In answer to the Alstom representative's question, the Chair indicated that the Position Paper will present a mapping of the existing testing facilities compared to S2R R&I needs, coupled with the identification of gaps and future needs. The Chair sought clarity on the business case to continue, stating the European Commission wishes to support the Paper, but that the process of finalization of the report has been lengthy.

The Executive Director underlined that access to data and data management represent delicate topics.

The SRG Vice-Chairperson stressed the importance of identifying which type of future testing is demanded, and indicated the SRG stands ready to contribute. The Chair stated the Position paper should encompass the mapping of the current situation as well as how Member States envisage the situation within five years.

13. PRESENTATION ON CATALOGUE OF SOLUTIONS

The Executive Director presented the progress of the catalogue of solutions.

The Executive Director agreed to the Knorr-Bremse representative's desire for a shorter user-friendly version of the catalogue for top decision-makers. The Alstom representative expressed his appreciation, on behalf of the Other Members, of the quality of the document and its objectives.

14. MEMBERS' COMMON COLLABORATION AGREEMENT (MCCOLA)

Please refer to the presentation

The Executive Director presented the MCCOLA objectives, as an ambitious attempt to unify the multitude of currently existing cooperation relationship under a single common framework, i.e. i.) to simplify and facilitate cooperation within the Programme; ii.) to establish a single set of rules and a common contractual frame; and iii.) to ensure coherent and strict IPR protection throughout the Programme. The Executive Director clarified the role of the S2R JU: the JU will become a party to the CCOLA and it will act as a depository, administrator and referee.

The drafting process included four feedback rounds with the members since 2018 and current consultations with the European Commission. Feedback from the European Commission is expected before or after the summer break. The Executive Director indicated a written procedure will then be launched, so that MCCOLA can be used of the 2019 call.

The Chair indicated that the European Commission is currently in the midst of assessing the revised draft and hoped for a conclusion to be reached on the matter soon.

15. PRESENTATION ON HYPERLOOP EVOLUTIONS AND NEXT STEPS

The European Commission observer (DG MOVE) stated that three meetings had taken place between the European Commission, Member States and Hyperloop promoters. Discussions indicate an interest in developing standardisation and the regulatory framework. In this respect, a small open call in the form of a CSA is envisaged in the autumn, to be run by the JU, focusing on standardisation and regulatory structure and taking advantage also of the rail experience together with aviation and others. Cooperation with CEN-CENELEC-ETSI will be essential. He highlighted that elements of cross-fertilisation can be beneficial for the rail sector.

The Industrial Spokesperson asked if the open call could include elements of business cases for energy efficiency. He indicated further suggestions will be brought to this proposal at a later stage.

The Trafikverket representative questioned whether it is considered to include Maglev, and the Hacon representative whether it would include an analysis of the interoperability with the railway sector.

The Co-Chair stated that an R&I programme needs to address a potentially disruptive technology such as Hyperloop, and that a CSA has a very focused scope. The Chair concluded by stating a step-by-step approach would be adopted.

16. UPDATE ON COOPERATION WITH REGIONS AND INTERNATIONAL ORGANISATIONS

The Executive Director presented the developments on S2R JU cooperation agreements. He underlined that the MoU with ETSI was signed in May 2019, and that the MoU with CUTRIC-CRITUC and the MoU with the World Alliance for Efficient Solutions were in final drafting stage. Furthermore, he stated that the MoUs with FERRMED, with the Basque regions on ESIF synergies and with the Andalusian region were at drafting stage. The Executive Director highlighted that the S2R JU regional cooperation event on 9 October will represent a clear opportunity to further strengthen collaboration and synergies with regions for the next programming period.

17. UPDATE ON THE INTERNAL CONTROL FRAMEWORK IN VIEW OF ITS ADOPTION AT THE GB IN NOVEMBER

Please refer to the presentation.

The Executive Director explained the underlying principles of the Internal Control Framework adopted by the European Commission, embodying a shift from a compliance-based approach to a risk-based approach, favouring accountability and scalability based on risk assessment. He presented the new ICF preparation phase spanning from May to November 2019. The new ICF would be adopted by ED Decision in early 2020. A risk assessment then will be carried out with the integration of the new ICF principles from March to July 2020, and assessment of internal control 2020 based on the new ICF will be reported in the AAR 2020.

ANY OTHER BUSINESS

PRESENTATION BY INEA

Please refer to the presentation.

Mr Morten Jensen, Head of Unit C1 Innovation and Networks Executive Agency (INEA), introduced INEA, its key evolution milestones, its partnership with the Commission, the budget managed by INEA, the on-going project portfolio, in particular the Connecting Europe Facility (CEF) Transport portfolio. He then provided an overview of the ERTMS funding opportunities. From 2014 to 2018, there were five dedicated ERTMS Calls for proposals, with more than €1.3 billion CEF support to ERTMS actions. The ERTMS CEF portfolio evolution currently includes 58 CEF ERTMS actions (8% of CEF transport) and 1.3 billion Euros of CEF support. Future CEF support in ERTMS may take the following forms: i.) Blending Facility (as of 2019 - On-Board and Track-Side Baseline 3 compliant; involving unit contributions; and involving the financial institution/implementing partner); ii.) Reflow call; iii.) CEF 2 (as of 2021). The Chair thanked Mr Jensen for his presentation and indicated that accelerating ERTMS deployment is of interest for the S2R JU, which hopefully could also leverage CEF funding in this respect. In response to the Trafikverket representative's question on inclusion of small operators, Mr Jensen clarified the ceilings for EU contributions and mentioned the introduction of unit contributions. Answering the Deutsche Bahn representative's question, Mr Jensen further clarified that CEF financing covers both infrastructure and on-board equipment, while DG REGIO covers only trackside. In response to the SRG Vice-Chairperson's question, the INEA representative indicated that budget is foreseen for cohesion Member States.

PRESENTATION BY KAPSCH CARRIERCOM

The Kapsch CarrierCom representative informed the participants on the change in ownership of Kapsch CarrierCom. S&T AG will purchase 100% of the shares of Kapsch CarrierCom AG, which includes all rights, duties and obligations. The closing of the transaction is expected beginning of July. He further stressed that Kapsch CarrierCom AG - including its linked third parties Kapsch CarrierCom Deutschland GmbH and Kapsch CarrierCom France SAS, remain fully committed to the S2R JU programme and on-going projects and involvement in forthcoming IP2 projects. Kapsch CarrierCom AG and its LTPs continue to be beneficiaries of the Grant agreements maintaining all of its rights and obligations (in terms of grant agreements and consortium agreements). The Executive Director thanked the Kapsch CarrierCom representative for his presentation and indicated there should be no impact for the S2R JU if the change only involves a purchase of the shares.

INDICATIVE LISTS OF DOCUMENTS TO BE ADOPTED AT THE NEXT BOARD MEETING OR BY WRITTEN PROCEDURE

- Written procedure on the Decision on recruitment of Contractual Agents

- Written procedure on the new financial rules of the S2R JU
- Written procedure on the MAAP Part B (by written procedure or at the GB meeting of 14 November 2019)
- Written procedure on the MCCOLA (pending approval of the European Commission)

NEXT MEETINGS

The next GB meeting will take place on 4/5 September 2019 with the adoption of the 2019 call award results and organization of three workshops on the AWP2020, the KPI model and the S2R2 vision.

The Industrial Spokesperson reported conduct issues in the framework of the ex-post audit of the Common Audit Service run by a contractor. The Chair and the Executive Director requested for the elements to be communicated to them and indicated they would provide adequate follow-up.

The Chair, on behalf of the members of the S2R JU Governing Board, extended her warmest congratulations to the Co-Chair for her appointment as Deputy Director-General of DG CLIMA and wished her every success in her new duties, further emphasizing that the structure of co-chairing the S2R JU GB with two European Commission Directorates has represented a real model of success.

Done in Brussels on 24 June.



Signed:

Henrik HOLELEI

Chairman of the Governing Board

