

Europe's Rail Joint Undertaking (EU-RAIL)

8th MEETING OF THE EU-RAIL GOVERNING BOARD

23 June 2023

10:00 AM – 1:00 PM

Hybrid connection

PRESENT:

European Union, represented by the European Commission	SCHMIDT Kristian, DG MOVE	Chair
	CLEUREN John, DG RTD	Observer
	FITCH Keir, DG MOVE	Observer
	PERSCHKE Wawrzyniec, DG MOVE	Observer
ADIF	VILLALMANZO RESUSTA David-Iban	Alternate
ALSTOM	FRENCH Richard	Alternate
AŽD PRAHA	PAVEL Michal	Alternate
CAF	DE CASTRO Jorge	Representative
CEIT	MELLENDEZ Juan	Representative

ČESKÉ DRÁHY	KUNERTOVA Tereza	Representative
ČESKÉ DRÁHY	MAREK Zajic	Alternate
DEUTSCHE BAHN	MARXEN Ralf	Representative
DLR	MEYER ZU HÖRSTE Michael	Alternate
European Smart Green Rail Joint Venture (eSGR JV)	JIMENEZ REDONDO Noemi	Representative
FAIVELEY TRANSPORT	TIONE Roberto	Representative
FAIVELEY TRANSPORT	PAGLIERO Paolo	Alternate
FSI	SANTORO Riccardo	Alternate
HITACHI RAIL	TROMBETTA Antonella	Representative
INDRA/ TALGO	GONZÁLEZ MORENO Alfredo	Alternate
KNORR-BREMSE	HILSE Hans-Christian	Representative
	ERTL Martin	Alternate
NS/PRORAIL	VOET Tijmen	Representative
ÖBB	TOPAL GOEKCELI Mark	Representative
ÖBB	LUDWIG Bertram	Alternate

PKP	JANCEWICZ Zbigniew	Representative
SIEMENS MOBILITY	DEITERDING Lars	Alternate
	KAMINSKY Ralf	Alternate
SNCF	CHERON Christophe	Representative
STRUKTON	SAMSON Henk	Alternate
THALES	EL SAID Mounir	Representative
THALES	PERREAL Yves	Alternate
TRAFIKVERKET	LÖFVING Christer	Alternate
VOESTALPINE	HOLZFEIND Jochen	Representative
European Railway Agency	TOURNIER Ny Tiana	Observer
Chair of the SRG	HAL TUF Miroslav	Observer
ERRAC	MOSER Roland	Observer
ERRAC	GARCIA Marta	Observer

EU-RAIL	TRAVAINI Giorgio	Executive Director a.i.,
	DECLERFAYT Vincent	Observer
	LORGÉ Valerie	Observer
	CIECZKO Catherine	Observer
	GONZALEZ GARCIA Isaac	Observer
	PAVLOVIC Martin	Observer
	CONLON Ian	Observer

LIST OF DECISIONS:

The following decisions were taken by the Board:

- GB Decision n° 07/2023 on the adoption of the Consolidated Annual Activity Report 2022
- GB Decision n°08/2023 on the amendment of the Work Programme 2023-2024
- GB Decision N°09/2023 on the Final Accounts, including the Budgetary Implementation Report 2022
- GB Decision n°10/2023 approving the outcome of the re-evaluation of the project proposal "Hyperlution" submitted under the Europe's Rail JU call for proposals HORIZON-ER-JU-2022-02

OVERVIEW OF DISCUSSIONS:

INTRODUCTION

The 8th Meeting of Europe's Rail Governing Board was chaired by Mr. Kristian Schmidt (DG MOVE). The Chair welcomed the participants to the Governing Board meeting. The meeting was held in a hybrid form with in-person and digital participation. The Chair thanked all the participants who came to Brussels.

He informed participants that Mr Yves Perreal, Thales alternate representative to the EU-RAIL GB, will be succeeded by Mr Mounir El Said, and thanked Mr. Perreal for his contribution. He indicated, in addition, that there will be further changes of representation in Wabtec, with Mr Pagliero become the main representative and Mr. Tione the alternate, and in ProRail/NS, where Mr Tijmen W. Voet from NS joined as representative.

Moreover, he indicated that Mr Karel van Gils will be detached to the Europe's Rail Joint Undertaking (EU-RAIL) from ProRail as of 1st September 2023 for a period of two years.

1. WELCOME FROM THE CHAIR AND ADOPTION OF THE AGENDA

The Chair indicated that all documents relating to the meeting, including the draft GB decisions with Annexes, were distributed in advance to the participants.

He presented the Agenda to the Governing Board for adoption and asked for the declarations on conflict of interest to be submitted and requested members in conflict of interest to abstain themselves from the point of decision. In particular, he requested the participants to assess their risk of Conflict of Interest regarding the items of the agenda, with particular attention to agenda item 9. He underlined that the ED Report on the call had been provided to the representatives of the EU-RAIL Governing Board under the provisions established in Articles 11 on Confidentiality and 12 on Conflict of interest of the Governing Board Rules of Procedures¹, as well as according to Governing Board Decision n°07/2022 on the Governing Board Code of Conduct². This Code of Conduct shall be read and interpreted together with Governing Board Decision n° 02/2021 approving the list of decisions adopted by the Shift2Rail Joint Undertaking that will continue to apply for the Europe's Rail Joint Undertaking, and includes, *inter alia*, the rules on the prevention and management of conflicts of interests applicable to the EU-RAIL bodies.

All representatives having participated to the call 2022-02 declared their conflict of interest in relation to agenda item 9.

¹ GB Decision 01/2021 adopting the Rules of the Procedure of the Governing Board of the Europe's Rail Joint Undertaking

² GB Decision 07/2022 adopting the Code of Conduct for the Governing Board

The agenda was adopted without any changes.

1. WELCOME FROM THE CHAIR AND ADOPTION OF THE AGENDA <i>Declarations of conflict of interest based on the Agenda items</i>	10:00-10:45
2. INFORMATION FROM THE COMMISSION	
3. REPORT FROM THE EXECUTIVE DIRECTOR <i>ad interim</i>	
4. ADOPTION OF THE MINUTES OF THE GB MEETING OF 15 MARCH 2023	10:45-10:50
ITEMS FOR DECISION OF THE GOVERNING BOARD	
5. DECISION ON THE ADOPTION OF THE JU CONSOLIDATED ANNUAL ACTIVITY REPORT 2022	10:50-11:00
6. OPINION ON THE ADOPTION OF THE FINAL ANNUAL ACCOUNTS 2022	11:00-11:10
7. DECISION ON THE AMENDMENT TO THE AWP 2023-2024	11:10-11:25
8. AMENDMENT TO ČESKE DRÁHY ČD LETTER OF COMMITMENT – ART 28.2 SBA, ART 17(2)(g)	11:25-11:45
9. DECISION ON THE RE-EVALUATED OF PROPOSAL UNDER TOPIC HORIZON-ER-JU-2022-FA7-03 OF CALL HORIZON-ER-JU-2022-02 - TBC	11:45-12:00
ITEMS FOR DISCUSSION OF THE GOVERNING BOARD	
10. DISCUSSION ON CONTENT: DAC	12:00-12:30
11. AMENDMENT OF MOU WITH UIC – MOU WITH RNE	12:30-12:40
12. EU-RAIL DEPLOYMENT GROUP	12:40-12:50
ANY OTHER BUSINESS	
13. AOB - INDICATIVE LIST OF DOCUMENTS TO BE ADOPTED BY WRITTEN PROCEDURE OR AT THE NEXT BOARD MEETING - INDICATIVE DATES OF THE NEXT JU MEETING: 5 DECEMBER 2023 - 2022 APPRAISAL CARLO M. BORGHINI	12:50-13:00

2. INFORMATION FROM THE COMMISSION

The Chair informed participants that the TSIs were adopted and the EC is working on the rail capacity management proposal. The intention is to shift from the way capacity is managed currently to become digital, flexible and European. This will be a binding framework of cooperation, without centralisation from the EC. He underlined that with this proposal, there could be 5% extra capacity.

The Chair indicated that the results of the CEF call were announced on 22 June: 6,2 Billion euros for 107 projects were announced, out of which 80% is for rail.

He stated the train drivers' Directive Impact Assessment is scheduled for adoption this summer to strengthen the single European railway area.

Mr. Keir Fitch highlighted that after months of negotiation, Member States voted the TSI package in March 2023, with an interface for FRMCS. The package is now under translation and will be published and will enter into force during the summer 2023. That package includes amendments to the TSIs ENE, INF, LOC&PAS, NOI, OPE, PRM and WAG and a recast of the TSI CCS. He stated that in addition to the telematics package, there is a need to review the TSI for cybersecurity proofing.

Mr. John Cleuren provided details on the process for the mid-term review of partnerships and in particular of EU-Rail. DG RTD is conducting a full review in different clusters. Five external evaluation studies are being conducted for HE, divided into five thematic areas. The EU-RAIL JU is under the green transition. Data collection took place between April and June. In this respect, he indicated that interviews are on-going. The study consists of reviewing S2R deliverables and on-going work. A second-round of interviews could be scheduled. The contractor is AIT (Austrian Institute of Technology). The follow-up will consist of interim reports and a draft final report scheduled in November. Based on this, the EC will draft the Staff Working Document on the Commission's mid-term evaluation of Horizon Europe.

The ERA representative complemented the information on the TSI package, indicating a webinar will be organized on 6 July on the key changes of the TSI Revision Package 2023.

The Chair provided an update on the recruitment of the Executive Director. He indicated 46 candidates have applied, the HR services of the EC are running the eligibility checks, and pre-selection interviews will be organized before the summer break. He updated participants on the composition of the pre-selection panel and the evaluation panel. The final interview will take place with the Commissioner for Transport and the final shortlist will be communicated to the GB.

The Chair agreed to the Thales representative's request for the GB members and observers to be updated on the process before the GB of December.

The SRG Chair asked whether TAF/TAP were part of the TSI package adopted. Mr Keir Fitch indicated so far they were not, but the aim is to adopt them by next year.

The Governing Board took note of the information from the Commission.

3. REPORT OF THE EXECUTIVE DIRECTOR ON EU-RAIL ACTIVITIES

The Executive Director *ad interim* thanked the Commission for the introduction and presented the status of on-going activities (*for additional details, please refer to the presentation*).

He provided an update on S2R programme status, with 41 projects running. The reporting and payment planning was updated in May taking into consideration the ongoing suspension and amendment. He underlined this will require constant monitoring until year-end.

Furthermore, he provided an update on the EU-RAIL Integrated Programme.

Under the System Pillar, the Standardisation and TSI Input Plan document has been approved at SP-STG Meeting on 09/06/2023, setting out the principles and approach to be taken by EU-RAIL in harmonization processes (TSIs, Standards, System Pillar documents). The Innovation and System Pillars will contribute all relevant potential or known harmonization topics for a first release of the Standardization and TSI input plan by the end of the year. He stated it will be a key input to the EC/ERA/sector consideration on timing and content of TSI revisions, and the EC standardisation request. In addition, SP Trackside Asset specifications were also approved at SP-STG Meeting on 09/06/2023, based on the work initially done by the EULYNX initiative. He indicated early publication (scheduled on 30 June) of the System Pillar results provides a stable basis for current tendering, supporting migration and ensuring compliance to target architecture.

Under the Innovation Pillar, the ED a.i. reminded participants that the Grant Agreements of the six Flagship Project from the first call were signed in December 2022. FP5 already started part of its activities in July 2022. He indicated the high-level status for each Flagship Projects, with the overall innovation pillar under attentive monitoring of the activities. Moreover, the ED a.i. updated participants on the EU-Rail JU FPs new agreed approaches and ongoing processes.

Concerning FRMCS, the ED a.i. stated that the System Pillar V2 specification report should provide a solid basis for EU-Rail members to understand the requirements for testing and validation, as an agreed and aligned process for the route into TSIs and standards, including with DG MOVE and ERA. The main comments on the first output of the commissioned work received are the need for a complete planning and the need to fully consider migration considerations. The next release is foreseen end June for approval by SP-STG.

Moreover, he underlined looking into a possible JU Programme support. He stressed that the link with ongoing JU activities, including possible JU Members interest, re-prioritisation and impact on the MAWP - requiring possible future GB decision. Subject to a positive outcome from the current investigation for a JU Programme support to FRMCS testing and validation, the GB would need to take a decision through amending the WP23-24 in December 2023.

The ED a.i. provided participants with an update on the call for tenders “Passengers and railway workers perspective in rail transformation” part of the approved JU Work Programme 2022-2023, to be launched this month with indicatively a deadline open until 21 September, with signature targeted in November.

Furthermore, he provided feedback on the States Representatives’ Group (SRG) meeting held on 7 June, with Miroslav Haltuf elected as SRG Chair by consensus of the SRG representatives present at the meeting. Elections for the position of Vice-Chair will be held at the SRG meeting scheduled on 16/11 (the process will therefore be initiated on 17/10). In addition, consensus was reached on the list of 8 candidates supported by the SRG as a group for the CEI for the selection of members of the Scientific Steering Group and put forward by the following countries: AT, CZ, ES, FR, IT, NL, PT. He reminded participants that even the candidates supported by the SRG as a group need to reply to the CEI by 30 June 2022.

He underlined that the draft AAR 2022 and the Amendment 1 to the Work Programme 2023-2024, sent to SRG on 1 June 2023, received the positive opinions of the SRG on 7 June. Agreement was also reached on MS reporting on national R&I activities and relevant synergies with EU-RAIL agreed. The SRG also expressed interest to be consulted on the activities that will be performed by the Deployment Group. The ED a.i. also informed the GB that SRG meetings were also held on Hyperloop DAC and SP in June.

The ED a.i. then provided participants with an update on the (last) Scientific Committee meeting held on 8 June. The SC’s positive advice was provided on the scientific achievements in the Annual Activity Report 2022. Moreover, he indicated a discussion took place on the advice on scientific priorities on the draft AWP 2023-2024. In this respect, the SC members commented on the high value for the foreseen budget allocated to the CSA call topic HORIZON-ER-JU-2023-EXPLR-03: BIODIVERSITY. The ED, following bilateral consultation with the SC chair, the private Founding Members and the European Commission, proposed to the GB the following for consideration in the next Decision point a slight budget reshuffling to the attention of the GB.

Regarding the Call for Expression of Interest for establishment of Scientific Steering Group (SSG CEI), he exhorted GB members to spread the news in time for the CEI SSG deadline of 30 June.

The ED a.i. reminded participants that following the 7th Governing Board meeting of 15 March 2022, the GB Decision n° 06/2023 on the launch of the CEI to establish the Scientific Steering Group was published end of March. In accordance with Article 21(4) of the SBA, the GB shall take into consideration the potential candidates proposed by the SRG – i.e. candidates supported by the SRG as a group. He indicated that the CEI states that the Evaluation panel is to be “*composed of at least 8 members, chaired by the Executive Director, including 2 members of the GB, 1 statutory staff of the JU, 2 representatives of the European Commission, 1 representative of ERA and 2 representatives of research associations*”. In this respect, the ED a.i. made the following proposals to the GB:

- Two representatives of the GB: The ED a.i. proposed they stem from the pFPM since the EC already has 2 representatives.
- Two representatives of the EC.
- One representative of ERA.
- One EU-Rail JU statutory staff representative.
- Two representatives of research associations. The ED a.i. proposed one stem from EARTO and the other from ECTRI.

The ED a.i. suggested the panel be nominated by ED Decision. Previously, subject to the agreement of the GB, a formal request will be sent to the GB, the EC, ERA, EARTO and ECTRI to put forward their respective representatives.

In terms of timeline, he stated that the completeness check and check of eligibility criteria will take place during the course of July, 8-12 September will be the timing for the initial briefing meeting and consensus meeting for ranking list to be fixed (Selection Panel members). The written procedure to the GB will take place from September 18 – October 13, and the first SSG meeting is targeted to take place on November 15 (followed by the SRG on November 16). He stated therefore that should the WP need to be amended, the SSG opinion will be materialized.

Following this, the ED a.i. provided an update on the Back Office Arrangements in accordance with SBA Art.13 (1). He stated two concept notes for BOAs implementation have been communicated to the GB: BOA for Human Resources under the lead of CBE JU; and BOA for Procurement under the lead of CA JU. The GB written procedure will be launched on 30 June (deadline 28 July). Pending the confirmation and agreement by the EU-Rail GB on the proposed BOA, the ED a.i. will then be able to sign the linked Service Level Agreements.

Concerning communication and dissemination activities, the ED a.i. provided an update on the organisation of the General Assembly. He proposed to hold the GA on December 5 afternoon (after GB) and on December 6 morning, or as an alternative, to hold the GB on December 4 afternoon (Monday)

and GA on one full day on December 5. In terms of content, the proposal was made for a more strategic report on the direction taken by the JU and on a reporting on operational activities. Furthermore, the ED a.i. shared updates on the application of EU-Rail strategy for dissemination with Flagship Projects and SP, on the Campaign for European Year of Skills videos, and on the contribution to European Startup Prize for Mobility. In terms of events, he indicated that in Innotrans, a common stand will be shared with the European Commission and ERA, and proposed to reflect on the use of a night train for the EU/JU staff, JU Members and rail Brussels stakeholders going from Brussels to Berlin.

He stated that regarding the information on the internal control system and its assessment, no major critical deficiencies in JU's internal controls were identified, all 5 ICF Components are present and functioning. The following shortcomings will need follow-up: one non-compliance event related to a FWC implementation; risk-based monitoring approach needs to be improved in terms of its formalization.

The Governing Board took note of the report of the Executive Director.

The Chair thanked the JU for the work done on the SP and IP. On the procedure for the SSG, the Chair took note of the proposal and did not oppose it. In relation to FRMCS, if there is a GB decision to include a call topic in a revised work programme, the chair would encourage all concerned parties to join the work on a future call topic. Concerning the two new BOAs, he stated there will be a written procedure confirming them so that the ED a.i. could sign the related SLAs. Regarding the communication events, he indicated he looked forward to Innotrans 2024 and the joint stand shared by the EC, JU and ERA. He hoped for a visible presence.

4. ADOPTION OF THE MINUTES OF THE GB OF 15 March 2023

The Chair invited the participants to present their comments to the minutes of the Governing Board meetings. The Europe's Rail Governing Board adopted the minutes without changes.

ITEMS FOR DECISION OF THE GOVERNING BOARD

5. DECISION ON THE ADOPTION OF THE JU CONSOLIDATED ANNUAL ACTIVITY REPORT 2022

The ED a.i. indicated the draft Consolidated AAR 2022 was submitted for comments on 17 May to the GB, SRG and SC for comments: no comments were received from the SRG and SC, whilst the comments received from the Commission Services were incorporated in the final version distributed on 16 June. The updated and final version of the Consolidated AAR for adoption by the GB includes an update of Final Annual Accounts (Annex H), In-kind contributions (Section 2.4) and editorial changes throughout the document based on EC comments.

The ED a.i. underlined that the Consolidated AAR 2022 and Final Annual Accounts 2022 will be scrutinized by the Council and the European Parliament; together with the ECA Report will be the basis for the discharge for the budget implementation, which may have impact on the Budget appropriations for the future years, inter alia.

The ED a.i. shared the highlights of the CAAR 2022, including the following regarding budget execution: At year end 2022, the JU had implemented 100% of its commitment appropriations made available in its active budget (Titles 1 to 4). The payment appropriations were implemented up to 79% of the active funds. The implementation, when compared to the full JU budget (including Title 5), was 99% in commitment and 77% in payment appropriations. Based on the Consolidated AAR 2022, a reconciliation exercise for the former S2R Members has been launched in June 2023.

Mr Vincent Declerfayt then provided participants with an update on the members' contributions.

- The percentage resulting from the cumulative reimbursement requests in all indirect actions for S2R Other Members in 2022 is 43.45%, within the maximum level of 44.44%.
- However, it is to be noted that the intermediary reports of several Members show the most important deviation with respect to an IKOP rate below 55.56%.
- This is brought to the attention of the Governing Board for any remedial action to be taken and followed up by the EU-Rail in 2023 and in any case will result in a grant final payment which will correspond in a cumulative rate not exceeding 44.44% rate.

In this respect, the JU has initiated a reconciliation exercise with all its Members in June 2023 aiming at confirming the co-funding / IKOP rates mentioned above and ensuring that the situation is addressed by each of the Members concerned, and confirming the level of certification and objective at 2024.

The Chair stated that certification should be improved for a few members. Alstom and DB were more advanced.

Decision

The Governing Board adopted Decision n° 07/2023 on the adoption of the Consolidated Annual Activity Report 2022.

6. OPINION ON THE ADOPTION OF THE FINAL ANNUAL ACCOUNTS 2022

The ED a.i. highlighted that the total contributions received and validated at 31/12/2021 were of 648,7m€ - 153.5m€ cash contribution from the Union, 4.7m€ cash contribution from Members other than the Union, 74m€ in-kind contribution from Members other than the Union. In addition, 72m€ in-kind contribution are to be validated and 4.3m of cash received from the Union as pre-financing for the Horizon Europe programme. Observations are expected from the European Court of Auditors, based on

the ECA (Draft) Annual report. The information historically disclosed on members' contributions at programme level is considered insufficient for a complete communication for the JU's achievements at year-end. In response, additional information has been added on the member's contributions in the Final Annual Accounts. Low budget execution for the S2R Programme is due to delay in technical implementation (46.6%). In response, the JU has been implementing an action plan together with its Members on the REPA since Q1 2023. No findings were reported by the External Auditor BakerTilly.

This highlights the good work performed by the accounting office and the JU.

Mr Declerfayt indicated that the push should be performed on REPA planning.

The Chair indicated that from EC point of view, these recommendations, whilst not critical, should be followed-up on.

The GB gave its favourable opinion on annual accounts.

Decision

The Governing Board adopted GB Decision N°9/2023 on the Final Accounts, including the Budgetary Implementation Report 2022

7. DECISION ON THE AMENDMENT TO THE AWP 2023-2024

The ED a.i. indicated the AWP 2023-2024 had originally been adopted by the GB on 30 November 2022. The amendment provided to the GB on 31 May 2023 highlighting in particular the novel detailed topics for the planned call 2023 and the expected collaboration with SESAR JU with a joint topic administratively lead by EU-Rail. Administrative adjustments or minor error corrections following the initial feedbacks from the Members have been made and distributed to the GB on 16 June in view of the GB meeting. Additionally, following the comments received after the EC inter service consultation after June 16, it was requested to provide some further clarification about the joint call with SESAR JU in the final version. The ED a.i. indicated it is proposed for adoption to the GB taking into account the scientific advice of the EU-Rail Scientific Committee

The Chair highlighted that exploratory research calls are important to showcase the openness of the JU. As regards the joint call with SESAR3, the EC is very interested in synergies between JUs, and this is a precursor. Concerning the administrative arrangements for the synergy call, guidance from BUDG is still pending. As regards the DAC retrofitting call, in order to facilitate future deployment, he stated it is important to alleviate the fears of sector, and this activity will help address this concern.

Decision

The Governing Board adopted GB Decision n°08/2023 on the amendment of the Work Programme 2023-2024

8. AMENDMENT TO ČESKE DRÁHY ČD LETTER OF COMMITMENT – ART 28.2 SBA, ART 17(2)(g)

The ED a.i. underlined that following the request from CD to participate solely in FA5, and the consequent reduction of the commitment to the JU accordingly, he put forward his proposal to the GB on the amendment to the current ČD Letter of Commitment (LoC), sent to the GB on 31 May 2023 (Decrease of contribution by remaining only with the one related to Flagship Area 5: Sustainable Competitive Digital Green Rail Freight Services)

The reasons provided by ČD on the decommitment of contributions on FA1, FA3 and FA6 relate to a change of strategy and business goals of the company. ČD does not see an impact on the MAWP or on other JU members technical contribution from this decommitment

The ED a.i. presented the impact to the JU and private Members contributions by ČD's reduced participation to the JU Programme and indicated that the GB is asked for approval to decrease the ČD commitment, taking into account the collective impact (both financially and technically). If ČD AMD agreed, the JU will proceed with the amendment to the Letter of Commitment of ČD

In view of the updates needed for the MAWP and to take into account the current technological and operational evolutions and Union priorities, the ED a.i. suggested to the members other than the Union to hold on before reaching an agreement on how to share the collective contribution, in accordance with art. 28.2 of the SBA.

The Chair gave the floor to CD representative, Tereza Kunertova.

The Chair indicated the GB members agreed to proceed as suggested by the ED a.i. and update the MAWP in due course.

The FSI representative asked whether CD plans to participate in future open calls. The CD representative stated that apart from their participation in FA5, the decision is not to participate in other FAs future open calls.

The SRG Chair asked whether there will be an impact on the call for Associated Members. Mr Keir Fitch stated that the launch of the call for AM is a requirement under the SBA and the ED a.i. confirmed that it is present in the WP for 2024.

Decision

The Governing Board agreed to the amendment to Ceske Drahly Letter of Commitment, in line with Art 28.2 SBA and 17(2)(g).

9. DECISION ON THE RE-EVALUATION OF PROPOSAL UNDER TOPIC HORIZON-ER-JU-2022-FA7-03 OF CALL HORIZON-ER-JU-2022-02

The Chair reminded GB representatives of the rules on confidentiality and conflict of interest. Concerned representatives stated they were in Conflict in Interest.

The ED a.i. indicated that the Governing Board adopted on 15 March GB Decision N°05/2023 approving the ranked lists of innovation actions selected for funding and the list of rejected proposals under the Europe's Rail JU call for proposals HORIZON-ER-JU-2022-02. Annex II "List(s) of below-threshold proposals" included the proposal "HYPERLUTION – Shaping the hyperloop (r)evolution" submitted under HORIZON-ER-JU-2022-FA7-03.

On 10 April 2023, the consortium submitted a redress case to the Europe's Rail Joint Undertaking. The Evaluation Redress Committee, concluded during its meetings on 25 April 2023 and 5 May 2023 that the complaint submitted by the consortium was founded and the proposal should be re-evaluated.

Following this, the ED a.i. underlined the following:

- Only one admissible and eligible proposal was sent under this topic ("HYPERLUTION – Shaping the hyperloop (r)evolution").
- The re-evaluation of proposals was carried out between 6 June and 16 June.
- The re-evaluation committee/panel was composed of 6 external experts (5 scientific and 1 financial) and 1 additional external expert contracted as recorder.
- The Call Evaluation Report (Annex 1) contains the results of the re-evaluation, including results of the technical evaluation and the proposed call ranked list(s) based on independent experts ranking.
- According to Article 19.4(j) of the SBA, the Executive Director shall "*submit for approval to the Governing Board the list of actions to-be selected for funding by the joint undertaking*", and Article 17.2(u) of the SBA establishes the Governing Board shall "*[...] approve the list of actions selected for funding*".
- The proposal failed one criterion and scored below the overall threshold.

Based on the above, the ED a.i. recommended to the GB:

- Not to finance any activity in the call topic HORIZON-ER-JU-2022-FA7-03 due to the lack of above-threshold proposals.
- To consider the unclaimed budget of EUR 2,300,000.00 (compared to the total budget appropriation of EUR 14,700,00.00) for new R&I activities under Flagship Area 7 "Innovation on new approaches for guided transport modes" related to hyperloop in 2024.

The Chair stated that the EC and EU-Rail JU continue to support alternative guided transport modes and hyperloop is a possible future sector of interest. The chair joined the GB in supporting the independent evaluation to not finance any activities in the call.

Decision

The Governing Board adopted GB Decision n°10/2023 GB Decision n°10/2023 approving the outcome of the re-evaluation of the project proposal “Hyperlution” submitted under the Europe’s Rail JU call for proposals HORIZON-ER-JU-2022-02

ITEMS FOR DISCUSSION OF THE GOVERNING BOARD

10. DISCUSSION ON CONTENT: DAC

The Chair stated that the costs for DAC deployment are significant, but the benefits are long-term. DAC represents a game changer to make freight competitive, with emphasis on competitiveness, reliability and punctuality. The Chair underlined that this paradigm shift will not happen bottom-up, but only if a top-down approach is adopted. In this respect, he indicated that the EC is planning on issuing a Communication on DAC in order to present it and to have Council conclusions on DAC. He highlighted that political buy-in is cardinal in order to decarbonize transport and for rail freight to prosper. The Chair stressed that the cost will have to be borne by the private sector, financial institutions and the European institutions. The Chair reflected on the fact that ERTMS roll-out has not been an unmitigated success.

The ED a.i. presented the EDDP state-of-play. He stated DAC is an enabler for full digitalization of freight trains, with spill-over effects that will increase competitiveness. EDDP participation is continuously increased, with 80 companies from 20 European countries and 27 beneficiaries/71 partners. He indicated the EU-Rail Flagship Project 5 (FP5-TRANS4M-R, 2022-2026) was awarded and is running. Operational DAC tests took/are taking place in European countries and solid and feasible migration scenarios are being developed. Moreover, a Cost-Benefit Analysis (first iteration) and European Investment Plan for DAC are underway. Furthermore, he presented an update on activities to be coordinated and taking place under the following scopes: FP5, EDDP, EC/ERA, EU-RAIL SP, ESOs.

The ED a.i. gave the floor to Mark Topal, ÖBB representative, to present the preconditions for investing in DAC deployment, i.e. everything that needs to be proven before investment decisions will be taken. Mr Topal developed on the following pre-conditions: a Single European DAC system; proven technology; proven operational functionality; adequate funding; simple fast-lane authorization procedure and a sound migration plan. He presented the status of EDDP/FP5/System Pillar (Task 4)

along major areas, as well as the ten major steps to deploy, the DAC General Master Plan adopted by the EDDP PB.

Mr Jens Engelmann *[invited for this point of the agenda only]* presented the sector stakeholders' readiness and encouraged the EC to act upon the sector's commitment. The Chair underlined it will be useful the sector rallies behind this issue because this will be taken to the political level and alignment increases the chances of political response.

The ED a.i. presented the Deployment Management Entity, and reflections on next steps for European R&I. He underlined that DAC deployment requires Europe-wide coordination. Feedback from DAC sector statement alignment confirms a strong request for coordination for a pan-European effort. DAC deployment tasks are broader than just financial/budget, and could include coordination of companies, stakeholders, resources, timing, etc.

He underlined that a coordinated decision-making process and synchronized deployment (across stakeholders and MS) are necessary. The ED a.i. stated that the EU-Rail DAC European Investment Plan study recommends a Deployment Management Entity (DME). He then presented a non-exhaustive list of remit choices for DAC DME and the DME type of setup, ranging from private consortium to EU dedicated body.

The SRG Chair highlighted the interest of MS to be actively involved in the process. He indicated a common understanding of all actors is missing on how to communicate the DAC strategy to the general rail public. DAC may prepare the first step for automation in operation. The Chair indicated a Council discussion on DAC would allow to strike the balance, set the conditions, and adopt a package.

The ERA representative underlined that ERA sees two important challenges; the timeline of the ramp-up phase; and the production needed from the sector from 2030 onwards.

The FSI representative indicated a task force could be created to provide observations on this DME. He stressed investment is cardinal.

Mr Topal answered that regarding the question of capacity, this is being clearly considered.

The DB representative highlighted full commitment to project and underlined that a big step forward has been taken since last year in this long-distance race. The next months will focus on the need for a big picture for financing and funding for all actors. Regarding the Deployment Manager, a step-by-step approach is useful. He underlined that exchanges with SESAR3 will be beneficial.

The JU private members underlined their support to the initiative, including from those companies for which DAC is not their core business, but seeing positive indirect effects.

The Chair stressed that capacity to invest is not equal and these distributional aspects must be put on the table. The EC will undoubtedly take this into account.

The Chair thanked participants for the fruitful discussion on this agenda item.

11. AMENDMENT OF MOU WITH UIC + MOU WITH RNE

The ED a.i. presented the background and state of play on the amendment to the MoU with UIC and on the adoption of the MoU with RNE.

He indicated the text of the amended MoU with UIC will be launched in a non-objection written procedure in compliance with Annex I of S2R GB Decision N° 15/2018 which continues to apply to the Europe's Rail Joint Undertaking by virtue of EU-Rail GB Decision N° 02/2021, with deadline set mid-July.

Concerning the MoU with RNE, he stated the text of MoU was signed by the Executive Director, a.i., on 30 May 2023 in the context of the Swedish Presidency of the EU.

The Chair indicated the EC supports the two MoUs and will respond to the amendment to the MoU with UIC in the written procedure.

12. EU-RAIL DEPLOYMENT GROUP

The ED a.i. presented the first concept of the Deployment Group possible areas of action, scope, legal setup, resources, and any other elements, as endorsed by ED-SIPB on 10/03. The first concept paper was sent to JU Members, SC and SRG in May. Feedbacks included providing an observer role to ERA in the deployment group, as well as a consultative role to the Member States for the activities of the deployment group.

The ED a.i. recommended the GB to accept the above mentioned feedbacks and work out with the respective entities the practical way to implement them.

He presented the concept paper for the establishment of the Deployment Group. The DG will have a two-tiered structure; high-level DG and dedicated topical groups to be set up by this high-level group.

The ED a.i. shared the proposed procedure for the establishment of the Deployment Group, with the launch of a written procedure for GB Decision on the high-level group on 30 June, with deadline 28 July.

He stated the GB Decision will define specific criteria for the selection process around a large representation of those impacted by the deployment of R&I outputs, covering all relevant rail sector transport and mobility representatives, the unions, the passengers, and also the private members having invested in the JU R&I activities, with due consideration of ERA and Member States in their role – in line with Art 22(3) SBA.

The ED a.i. indicated that the GB Decision will include a request for the European Commission, following the endorsement of the Decision, to nominate specific entities that correspond to those criteria - in line with Art 97(2) SBA.

He highlighted that since the procedure of the GB Decision is aligned with the objective of gathering a large and specific composition, the Call for Expression of Interest is not mandatory.

He further clarified that Dedicated Group(s) will be created at the proposal of the High-Level group, possibly by Call for Expression of Interest – to be defined according to tasks and scope.

The Chair took note of this information and called for the selection of the right entities and people.

13. ANY OTHER BUSINESS

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

- non-objection procedure MoU with UIC: ERA asked the JU to pay attention to the risk of potential conflict of interest and make reference to coordination framework signed with UIC in Nov 2021.
- Written procedure on BOA HR and Procurement.
- Written procedure on High-Level Deployment Group.
- Written procedure on establishment of SSG.
- GB Decision on adoption WP 2024-2025.

- 2022 CARLO M. BORGHINI'S APPRAISAL

Mr. Fitch highlighted that Mr Carlo M. Borghini's appraisal had been signed by Henrik Hololei, but not by Bo Olsson due to his current justified unavailability. The EC Human Resources indicated that the appraisal report can exceptionally be signed only by Henrik Hololei, in light of these exceptional circumstances.

- **DATE OF THE NEXT GB MEETING:**

- 05/12/2023 ordinary meeting - General Assembly in the PM

The Chair and the Executive Director a.i. thanked the participants for their attendance.

Done in Brussels on 23 June 2023

Signed:

Maja BAKRAN

Approved on 5 December 2023 by:



Magda KOPCZYNSKA

Chairperson of the Governing Board