

Dear Madame Minister, Dear Kadri,

Dear Honourable Member and Vice-President of the European Parliament, Dear Pavel,

Ladies and Gentlemen,

- First of all, I would like to **thank the SESAR Joint Undertaking and**, in particular, Executive Director Florian and his team, for organising this conference to discuss the preparation of the next edition of the ATM Master Plan.
- It is very important to give maximum visibility to this work that would be determining the direction of ATM modernisation, and the SESAR work, for the next decade to come.
- Within the context of the **European Digital Transport Days**, this is an ideal event to showcase how European Air Traffic Management, through the SESAR work, can reap the benefits of the new digital era.
- Digitalisation is a great opportunity but it also poses a challenge. Our societies will be disrupted and we will redefine many things that would be done very differently than today.
- ATM is one of those areas. Basically, we are still living in the era of post-Second World War ATM solutions – VHF radio and radar based systems. It is clear that it is time for change, in fact it is long due. Our scarce airspace has to be utilised more efficiently and we need to fully reap the benefits of the digital era and new innovative solutions.
- In two decades, the number of daily flights within the EU will reach over 40,000 flights; this puts a lot of pressure on the ability to deliver ATM services.
- Eurocontrol estimates that, in 2035, due to the congestion in the sky and on the ground, 12% of demand will be unaccommodated, as 19 key European airports could be saturated; meaning 237 million passengers would be unable to fly in Europe.

[Link EU Aviation Strategy - ATM Master Plan]

- The Commission adopted the ambitious and holistic Aviation Strategy almost 2 years ago to ensure that aviation can continue to drive mobility, growth and high-value job creation in the EU. It is our "licence to work", a clear roadmap for the years to come. One of the key focuses of the Strategy was to **fully implement the Single European Sky in order to tackle limits to growth both in the air and on the ground.**
- Europe is a geographically rather limited area but it is home to over 730 million people (today ca 550 mio in EU). The number of flights in this limited airspace has grown exponentially in the last decades. New technologies, digitalisation and the optimisation of network are very important tools and help us to deal with that challenge, but this is not enough.
- We need to deliver on SES and break down the existing barriers. The fragmentation of European airspace is not a long term option and Member States have to overcome their reluctance to get rid of the airspace barriers. More than 5 BEUR is wasted every year, every flight is close to 50 km longer than it should be, CO2 is being emitted far beyond the necessary and incredible amounts of fuel are burnt.
- This is not a Europe of a Single Market but something that gives us an unfortunate glimpse into what Europe looks like when the principles of single market are not adhered to. There needs to be a change of the current status quo and we also need to become European in the air and maintain the highest level the safety with increased sustainability and efficiency.
- Let me come back to the ATM Master plan – 2 years ago the **SESAR Joint Undertaking delivered the 2015 edition of the ATM Master Plan, contributing to the SESAR Vision for 2035.** This detailed higher levels of automation, digitalisation and virtualisation, to help **reach the SES goals.**
- For the first time, the emerging needs - and future very high profile areas - such as the safe integration of drones and cybersecurity have also become objectives for SESAR. Yet another innovative part of what is a truly innovative organisation.

[Short History of ATM Master Plan]

- When we look back at the origin of the SESAR project in the years 2004-2007 - the **ATM Master Plan was then conceived as an evolutionary roadmap.**
- The SESAR project has evolved a great deal since, but it remains a **unique legal instrument** and it has **become the global reference** – not least because of its new vision for Air Traffic Management. I am proud to be a part of that, and I think it is a great display of what Europe can do together and in close cooperation with business when there is leadership, determination and a well-calibrated framework in place.
- Today, the ATM Master Plan, which covers all phases of the SESAR innovation cycle, also has all the necessary implementing instruments. It sets the framework for the research, development and validation activities by the SESAR Joint Undertaking, to ensure overall consistency and alignment.
- With the solutions developed under the first SESAR R&D programme now under deployment, SESAR has de facto already set in motion the digital transformation of aviation and its infrastructure - you are already proving your ability to generate benefits by delivering deployable and globally interoperable solutions.
- An important role here has been played by the SESAR Deployment Manager. It was a good choice as the deployment vehicle and Massimo Garbini and his team have done a marvellous job. No doubt this will continue under Nicola's leadership.
- **Today, through the SESAR programme and the deployment of its solutions, we have a strong voice at global level and the instruments and mechanisms to deliver. The past decade has seen SESAR define, develop and deliver on ATM modernisation; we just celebrated the 10 years anniversary together a couple of weeks ago.**
- But now let's turn our focus to the future.

[Future investment]

- The **2018 edition of the ATM Master Plan will be particularly important to drive and secure investment beyond 2020**. There is increased pressure on the EU budget yet we face increased global competition. So, **please, don't be shy about sharing, promoting and repeating the excellent results achieved in the modernisation of European ATM. We need your support and your strong voice.**
- ATM modernisation is a global issue offering **a great potential to export Single Sky and SESAR concepts** in third countries to the advantage of our aviation industry, bringing global harmonisation and interoperability.
- The external dimension of SESAR work is of paramount importance. In all of my visits to 3rd countries, I always promote our ATM modernisation solutions, SESAR solutions, and promote setting up Memorandums of Cooperation. These are good vehicles for engagement and promotion of European solutions, European know-how and European framework.
- It is also a way to show the value added of our Comprehensive Air Service Agreements as this close cooperation is part of the value added that these Agreements will bring to our partners.
- The key in this is to ensure global interoperability and we must work hard, bearing that in mind, both bilaterally and at ICAO level. I am also very pleased that we are now deepening our cooperation with a key partner – the US, through enhanced MoC, covering a wider range of areas of cooperation.
- It is equally important to keep people in your home Member States well informed about the benefits of implementing the ATM Master Plan. We are entering a crucial phase, and continuous support is essential.
- The EU is investing significantly in modernising its ATM infrastructure. **By 2020, we will have committed over EUR 3 billion to co-fund ATM research, development and deployment** projects. It is money well spent.
- We are also developing and exploiting new mechanisms to finance transport infrastructure; for example in the implementation of the ATM Master Plan, we are combining traditional grants from the **Connecting**

Europe Facility with financing from public financial institutions, the private sector or the **European Fund for Strategic Investments**.

[Regulatory Change Ahead]

- The coming year will be a very **challenging year, not just on the budget side of things, but also from a regulatory perspective** as we are reviewing some of the main Single Sky mechanisms that are interlinked with SESAR.
- Our team is currently working on the revision of the Network management Functions as well as the two European regulations that set up the Single European Sky Performance and Charging schemes for Air Navigation Services.
- We intend to build on lessons learned from the implementation of the **Pilot Common Project**, with the importance of synchronising the industrialisation and deployment processes, to prepare the revision of this Regulation in parallel with the definition of a second set of ATM functionalities to be deployed over Europe – the Common Project No2 or CP2.
- Recently, **the European Parliament has also tasked the Commission** to launch a study on a **new architecture for European airspace**. We **welcome this very much and will be fully committed to this process**.
- Finally, on the regulatory side, a few months ago, the Commission published a Communication on "**Aviation: Open and Connected Europe**", and expressed its willingness, together with stakeholders, to further explore the concept of a more integrated operating of European airspace with a view to ensuring optimal continuity of service.
- All those activities **will concur during 2018 and should converge towards the end of the year to support the revision of the ATM Master Plan**.

[Drones]

- It has become impossible to talk about the digitalisation of aviation without mentioning the secured integration of drones into the airspace. In a way it could be considered as a **testing laboratory for the future of the air traffic management**.
- Today we are working hard to establish a flexible operation-centric framework to deal with this fast evolving technology.

- In this domain, we have mandated the SESAR Joint Undertaking to put forward proposals for setting up the **“U-Space”- the airspace for commercial drone operations – with a** view to fully consolidate a revised roadmap for the integration of large and small drones in the next edition of the Master Plan.

[Cyber-Security]

- Ladies and Gentlemen, digitalisation relies on efficient, safe and (cyber) secure electronic exchange of information while digitalisation comes with much promise, it will also create new vulnerabilities, cyber-vulnerabilities.
- Aviation depends more and more on digital technologies, so the cyber security threat is immediate, increasing and evolving. Our objective is a coordinated defence against cyber threats, building up cyber resilience and international cooperation. Cybersecurity is a global issue and we must work together. We therefore need to develop a strong, consistent, and coherent global strategy to address cybersecurity and exchange information.
- New technology and procedures must embed the principle of "cybersecurity by design" to minimise the risks.

[Expectations from the Commission]

- The ATM world is changing and we face new challenges. It is important that **we get the best return on very limited public money**, and that we find new ways to partner-up in order to progress as quickly as possible.
- The revision of the **ATM Master Plan will prepare us for a new era of innovation and digital technologies, while improving capacity**. It will also ensure that regional connectivity can be maintained, without compromising on safety.

[Conclusion]

- This week in Tallinn is crucial to further explore the potential and the challenges in the digitalisation of all modes of transport in Europe, including aviation.
- **My message today is clear**. Digitalisation is here to stay. It will require us to **work even more closely together, across borders and across sectors. Let us be proud of our success to date**, and be sure to sell it to

those you meet – and **don't forget the budget decisions being taken soon.**

- I know that the European aviation sector can embrace digital technologies, and identify and seize new growth markets and investment opportunities. **This will ensure the EU maintains its global leadership and competitive edge.**
- The update of the Master Plan in 2018 will be a substantial step forward towards a new era for ATM. The success of the ATM Master Plan may also see a natural evolution to an overall **SES Master Plan**, addressing all SES dimensions beyond technology, so watch this space.
- Ladies and Gentlemen, thank you very much for your attention!
