

Meeting ADB(M)035

Minutes ADB(M)035- MoM

Date of the Meeting: 15 December 2015
 Time: 10:00-14:00
 Place: SJU, av. de Cortenbergh, 100 - 1000 Brussels

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	
	Mrs Christel O	Observer	
	Mr Frédéric Claus	Observer	
EUROCONTROL (ECTL)	Mr Philippe Merlo	Member	
Airbus	Mr Bruno Ley	Alternate	
ALENIA Aermacchi	Mr Fabio Ruta	Alternate	
DFS	Mr Ralf Bertsch	Alternate	
DSNA	Mr Philippe Barnola	Alternate	
ENAIRE	Ms Mariluz de Mateo	Alternate	
ENAV	Mr Cristiano Baldoni	Alternate	
Frequentis	Mr Cristian Pegritz	Member	
Honeywell	Mr Sander Roosendaal	Alternate	
INDRA	Mr Rafael Gallego	member	
NATMIG	Mr Aage Thunem	Member	
NATS	Mr Peter Whysall	Alternate	
NORACON	Mr Niclas Guvstasson	Alternate	
SEAC	Mr Gérard Battistella	Member	
SELEX ES	Mr Stefano Porfiri	Member	
Thales	Mr Luc Lallouette	Alternate	

Stakeholder representatives

Representative

Military (MIL)	Air Com (ret.) Chris Lorraine	Member	<i>excused</i>
European Defence Agency (EDA)	Mr Roland Van Reybroeck	Alternate	
Civil users of airspace (CUA)	Mr Simon McNamara	Member	
Air Navigation Service Providers (ANSP)	Mr Guenter Martis	Member	<i>excused</i>
Equipment manufacturers (EM)	Mr Vincent de Vroey	Member	
Airports (APT)	Mr Panos Spiliotis	Alternate	
Staff in the ATM sector (STAFF)	Mr Theodore Kiritsis	Alternate	
Scientific community (SC)	Prof. Peter Hecker	Member	<i>excused</i>

SJU Executive Director	Mr Florian Guillermet		
SJU Deputy Executive Director	Mr Peter Hotham		
SJU US Liaison Officer	David Batchelor		
SJU Chief Administration Affairs	Mr José Calvo Fresno		
SJU Accounting Officer	Mr Marcel Dedic		
SJU Internal Audit Capability	Mrs Véronique Haarsma		
Secretary of the Board	Mrs Ilaria Vazzoler		

Distributed meeting documents

Annual Work Programme 2016	Item 4a
Budget 2016	Item 4b
IPR's list	Item 5a
Annual Accounts 2014 and Report of the European Court of Auditors	Item 5b
Revised Budget 2015	Item 5c
European ATM Master Plan update 2015	Item 6

Item 1 Introduction

The Chair welcomed the Board members to the 35th meeting of the SJU Administrative Board and proceeded with the verification of the voting quorum and adoption of the agenda.

Verification of the voting quorum

- ▷ The Chair noted that the meeting had the required voting quorum.

Adoption of the agenda

No Board members proposed changes to the draft Agenda.

- ▷ The Board adopted the Agenda.

Disclosure of conflicts of interests

The Chair 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 fill in and sign the relevant declaration in accordance with Article 2.4 of the Board decision on conflict of interest ADB(D)-10-2008 as modified by Decision ADB(D)-03-2012. Copies of the complete text of the decision were available in the meeting room in order to allow participants to better understand their obligations in terms of declaration of conflict of interest.

- ▷ The Chairperson noted that no conflict of interest was declared on any agenda item and that all participants had completed the declarations on conflict of interest.

The Chairperson provided an update on the Communication of the European Commission on the EU Aviation strategy that was adopted on 7 December.

He informed the Board that the Strategy, which aims to include all actors involved in the modernisation of air traffic management, will deliver on four of the following European Commission priorities:

- To boost economic growth and job creation;
- to reinforce Europe's position as a global leader in aviation;

- to strengthen Europe's industrial base;
- and to create an Energy Union and tackle Climate Change.

The EU Aviation Strategy reinforces Europe's position as leading player globally by building relationships in new parts of the world (e.g. ASEAN) which are underpinned by comprehensive cooperation agreements. The Strategy will address congestion in the sky and airport capacity, by making better use of existing infrastructure. It will aim to maintain the very high standards on key issues such as safety, security, social issues and passenger rights and will also help unlock the potential of drones by addressing key elements such as safety, legal issues, privacy etc.

The Chair outlined the following benefits of the Strategy: improved competitiveness for EU companies (through improved connectivity); safer, shorter, cleaner and cheaper flights, combined with more choices of destination for citizens; a fully optimised ATM system to cut delays and pollution; increased investments and jobs (the EU plans to invest EUR 430 million each year until 2020 in SESAR, which could create up to 300.000 jobs).

Mr Hololei concluded by saying that the Strategy is the framework that will provide direction for the future work and a successful implementation will ensure that the EU's aviation sector will stay competitive. He also reported that Commissioner Bulc visited the SJU and conveyed a number of key messages:

- Encouraged the SJU to "go to the market" by better selling the SESAR concept and solutions. A marketing strategy should be developed;
- Encouraged the SJU to be proactive regarding "Drones", in particular management at lower levels;
- Requested the SJU to "Get ready for the mid-term review of the financial framework", as this could be an opportunity for asking for more funds for SESAR;
- Suggested that the SJU cooperative arrangements with third countries are in line with the mandates received from the Council to negotiate comprehensive agreements.

Regarding SESAR Deployment, he informed that the first specific grant agreement with the Deployment Manager (DM) ended on 30 September and the new grant agreement between the EC and the DM was scheduled to be signed by the end of the year to cover the period until October 2016.

He added that in the presence of Commissioner Bulc, the DM and INEA have signed a single grant agreement awarding 318 million for a first batch of projects aiming to implement the Pilot Common Project.

He also informed the Board that the Deployment Manager finalised the 2015 Deployment Programme that serves as basis for the 2015 CEF call for proposals; that on 6 November INEA has launched the 2015 CEF call for proposals for SESAR deployment, with a foreseen EU contribution of EUR 515 million, with an additional budget of EUR 300 million reserved for cohesion Member States.

The Chairperson stressed that the EC has had a strong indication of the very high interest in this call: the Deployment Manager's initial call for expression of interest indicates that there are potentially 360 projects, with a total budget of around EUR 2.3 billion. The European Commission also welcomes the growing involvement of the military stakeholders.

The Chairperson finally informed the Board that he participated to a meeting with Chief operating officers of the A4 Group of Airlines and reported the EC's satisfaction about the proactive engagement from the Airlines, in particular the A4 grouping, and about the willingness to engage further and deeper by construction of a single DM legal entity. He also stated that the A4 supported the European ATM Master Plan update 2015.

He opened the floor to questions.

Ms de Mateo (ENAIRE) expressed concerns on the misalignment between the CEF call 2015 and the readiness of results from the SJU, and enquired about the EC plans for future calls to cover the full PCP implementation.

The Chairperson replied that the European Commission cannot make any commitment at this stage, but decisions on future calls will also be taken on the basis of results of the ongoing call.

Item 2 Report on the progress of the Programme and other on-going key activity

The Chairperson gave the floor to Mr Guillermet who informed that his presentation was organised in three parts, the first covering the programme status and key activities, the second reporting progress against 2015 objectives, the last one on updating on the activities of the US liaison officer.

The floor was given to Mr Hotham who informed the Board that Release 5 is moving forward according to plan and exercises in preparation, including interoperability (IOP), continue to be followed up by the SJU. With regard to the output of the SESAR programme, a total of 57 SESAR Solutions, delivered to v3 maturity level and spread across four areas, are expected by the end of SESAR 1.

Mr Hotham recalled that the programme also requires a large amount of work at V2 stage that does not have the same visibility of V3 activities and the SJU is currently looking for a way to promote the work in progress at the end of SESAR 1.

Mr Hotham reminded the Board that the Programme is also monitored against the PCP delivery and mentioned that no changes occurred since the last board meeting.

He explained that a Task Force for IOP, currently representing an area of concern, was created at the Programme Committee (PC) level within SJU to scope a SESAR 1 solution, to define an IOP roadmap to complete the PCP scope validation and to define a single governance principle for IOP development. The Report was tabled at the 34th Programme Committee meeting of 3 December, during which a way ahead was agreed.

Regarding the closure of SESAR 1 Programme, 118 projects have been closed and 28 are currently in the closure process; 224 are in execution and are planned to close by the end of 2016.

Mr Gallego (INDRA) expressed his support of the IOP task force action plan, as IOP is of a critical importance.

Mr Guillermet then presented the status of the objectives set for 2015:

- Objective 1 - execute Release 5, including PCP components: some activities reported some delays compared to plan and had to be moved to 2016 Q1, but overall the Release is on track.
- Objective 2 - launch SESAR 2020 and prepare SESAR 1 handover: the membership call and the IR/VLD call for proposals had been launched later than the targeted date but still before the end of the year. The delay had an impact on the project start dates for SESAR 2020: for the Industrial Research call, the objective will not be met, whereas concerning Exploratory Research, Grant Agreements preparation was ongoing at the time of the meeting with the objective of having 5 grant agreements signed before the end of the year. The Executive Director specified that as the signature process is also dependent on the features of H2020 management tools and the beneficiary responsiveness, the SJU is not in a position to fully control the timeline. Finally he highlighted that the execution of the SESAR1 closure plan is on schedule.
- Objective 3 - update of the European Master Plan: this objective is on track as the approval should take place during the meeting.
- Objective 4 - execution of specific mandates: the SJU has performed the Data Link study and is on track with the second phase of the study; on RPAS the SJU has delivered the definition phase, including the market outlook requirement, consisting of a study analysing RPAS in a wider perspective than R&D only.
- Objective 5 - complete SESAR 1 programme: completion levels reached 80% at the time of the meeting and they were expected to be at 85% by the end of the year.

On the RPAS outlook study, Mr Guillermet added that the objective is to complement the definition phase to take into account a long term outlook for Drones and their application within society and industry, to ensure a comprehensive sizing exercise in terms of future traffic according to the different operating areas, to consider the economic impact.

He also announced that the SJU will contact the Members who will have the opportunity to contribute to the study.

Mr Hololei thanked the SJU and the Members for the efforts to keep the SJU work programme on track and to continue to monitor progress very closely.

He insisted that the SESAR JU cannot be late in closing SESAR 1 or short on the results achieved.

Concerning interoperability between ATM systems (iTEC vs CoFlight) he stated that the EC took note of the Members commitment to work together to find a solution and the support provided by the Task Force at PC level. Following the discussion that took place at the Admin Board in October, he reminded the Board that:

- all SJU members were involved in the setup of the Pilot Common Project (EU Regulation 716/2014) and interoperability is a key aspect of the new mandatory ATM functionalities, in particular SWIM. A failure on this aspect would seriously question the whole SESAR project;
- the EU already invested a lot of money to develop and validate interoperable solutions and is willing to support their further deployment. This cannot be considered "pure" R&D, and the Commission is expecting visible results;
- the costs associated with deployed solutions that would not be interoperable shall not be considered eligible.

He concluded by underlying that the Commission has high expectations on the outcome of the Task Force to anticipate and solve any gap in the deployment process to ensure the PCP is deployed on time.

Mr Bertsch (DFS) intervened to underline that the activity of the Task Force has shown a clear commitment of all stakeholders to bring interoperability issues to a positive conclusion and to do this the involvement of all parties is required.

All members of the Industry followed up on Mr Gallego and Mr Bertsch statements to stress their full commitment to IOP and to the delivery of the relevant SESAR Solutions.

The Chairperson gave the floor to Mr Batchelor, the SJU Liaison Officer who provided an overview of his activity in the US.

He recalled that he is based in the EU Delegation to the US in Washington DC and his role is to support interoperability between SESAR and NextGen by fostering relations with the US Government, notably FAA and relevant stakeholders.

Concerning the political context, he stated that 2015 had been a year of continuing political gridlock and polarisation which impacted the federal budgetary process and affected a number of issues. In 2016 the presidential elections are scheduled to take place. On Transportation, Secretary Foxx's priority has been to secure the adoption of the long-term surface transportation bill. Consequently, the FAA reauthorisation and its possible structural reform had not yet been started.

In terms of the top aviation policy issues, Mr Batchelor listed: the "Big 3" passenger airlines complaint about alleged unfair competition from the three Gulf carriers; the Ex-Im Bank (export-import financing, relevant for Boeing) issues (its charter was not renewed during summer and its activity could continue only for loans already authorised until beginning of December when the charter was re-authorised for another 5 years); and FAA reform.

Concerning the FAA, Mr Batchelor outlined the 4 FAA administrator's Strategic Priorities:

- 1) making aviation safer and smarter;
- 2) delivering benefits through technology infrastructure;
- 3) enhancing global leadership;
- 4) empowering and innovating with FAA's people.

He underlined that the second and third priorities in particular are relevant for NextGen and that in 2015 the FAA had intensified its efforts to extend their international cooperation, for example by opening a centre of excellence in Singapore and by establishing regular contacts with China.

The FAA authorisation was extended on 30 September 2015 for six months to 31 March and it is expected that Chairman Shuster would table a proposal for corporatisation of the Air Traffic Organisation, i.e. separating the ATO from the rest of the FAA and setting them up as a user funded entity (along the line of NAV Canada). While there is likely to be extensive support for such a proposal, there is no consensus inside the industry and this will make a decision by Congress more difficult.

In 2015, FAA has been effective in presenting NextGen as a success story through the NextGen Priorities Joint Implementation Plan, presented in October 2014. 29 of the 31 milestones have been implemented in 2015 in 4 areas: Multiple Runway Operations, Performance Based Navigation, Surface Operations, Data Communications.

The main difference with the SESAR Programme is that NextGen has a very strong focus on implementation and a short/medium term focus.

During 2015, 2 Reports are of a particular interest:

- the National Research Council Report on NextGen (May 2015), highly critical of NextGen and FAA, declared that the original vision had been lost and that a system architecture is needed for NextGen; it also criticised the FAA's lack of measures to address Cyber Security issues.
- the GAO Report on NextGen and Global Interoperability (July 2015) provided a generally positive assessment of FAA's global interoperability efforts, notably its cooperation with SESAR, but found that FAA lacks processes for comprehensively assessing and managing potential NextGen interoperability risks and recommended FAA to conduct a comprehensive assessment of risks to NextGen's global interoperability.

Mr Batchelor informed the Board about the regular cooperation between SESAR and NextGen under the umbrella of a Memorandum of Cooperation. In 2015 regular senior level engagements occurred (Mr Guillemet sits on the NextGen Advisory Committee with Mr Brenner) focused on identifying concrete deliverables. In the context of Deployment a Letter of Intent was signed between the European Commission and the FAA Administrator in June 2015 expressing the commitment to explore deepening cooperation in the context of deployment and creation of deployment manager.

One main outcome of the cooperation in 2015 was the publication of the State of Harmonisation Report, in February 2015. The document provided a high-level summary of the current state of progress toward achieving the necessary level of interoperability between NextGen and SESAR and served as an outline for consideration of the current issues at stake and the challenges ahead. It will be updated by September 2016, in time for the ICAO Assembly.

Mr Batchelor presented the key areas of focus for cooperation activities in 2016: 1. the update of the ICAO Global Air Navigation Plan (for which a more thorough update is planned in 2019); 2. a joint assessment of Harmonisation Risks; 3. joint Demonstrations to highlight interoperability; 4. DataComm Alignment to set up a joint data communication strategy. An additional area of work will be the follow-up to EC/FAA Letter of Intent on deployment.

Looking ahead to 2016, Mr Batchelor presented the following highlights: the expiration of the current FAA Authorization on 31 March 2016; the debate on ATO corporatisation; the Presidential election that may lead to major legislative change. Regarding NextGen: a

strong focus on implementation, an additional focus on UAS integration (new rules for registration requirements) and Cyber Security provisions, the high-level engagement with SESAR. Ultimately in Q4 the 39th ICAO Assembly will take place.

Mr Hololei asked about US willingness to work more closely with EU and about the US perception of the SESAR programme.

Mr Batchelor replied confirming the presence of a very strong interest at senior management level and that the cooperation with the EU is showcased to its domestic audience. At working/technical level in FAA there might be the risk that personal agendas sometimes come in, but this can be mitigated by continuing to keep good cooperation and working relationships at a management level. Regarding the perception of SESAR programme, the FAA's position is that the US is the most efficient and safest ATM system. However there is a perception that the SESAR programme is more technically advanced.

Mr Merlo (EUROCONTROL) asked about the best way to mitigate risks related to Data communication. According to Mr Batchelor the Data communication risk should be discussed with the US counterpart, as the VDL2 issues in EU could be seen as an opportunity to learn lessons in the FAA. He confirmed that Data communication is included in the MoC.

Mr Guillermet added that the focus of Next Gen is moving to a medium and long term view in data communication and it would be interesting to reinforce the exchanges on that subject.

Mr Batchelor also mentioned that in 2015 regular contacts occurred with NASA, interested in cooperating on exploratory research activities. This might represent another avenue for longer term cooperation activities.

Mr Barnola (DSNA) enquired about the possibility of having a dedicated workshop on cooperation EU-US in 2016, as many strategy issues could be of interest for all the SJU Members. Mr Batchelor replied that a workshop was organised in Washington in 2013 and it could be considered to have another one planned for the end of 2016 or beginning of 2017.

In replying to a question of Ms de Mateo (ENAIRE), Mr Batchelor explained that the Letter of Intent was signed in June by the EC and FAA and it rests with the EC to take action and follow up on that Letter.

The Chairperson concluded supporting the idea of a workshop dedicated to the EU-US cooperation and encouraging the good work and relationship with FAA/NextGen.



Conclusions on item 2

- The Board thanked Mr Guillermet, Mr Hotham and Mr Batchelor for their valuable reports and took note of the discussion, supporting the idea of a workshop dedicated to the EU-US cooperation

Item 3 SESAR 2020 update

Mr Hotham reminded the Board that the SESAR 2020 Membership Accession call was launched on 25 November with a deadline of 28 January 2016. An information meeting took place on 9 December, evaluations are planned for February 2016 and signatures of Membership Agreements are planned for March 2016.

This process is linked to the call for proposals for IR/VLD opened on 1 December in the H2020 Participant Portal and its closing date is planned on 16 March, just after the conclusion of the Membership Accession. The evaluations will be conducted in compliance with H2020 rules and processes and the award of grants is planned for September 2016. Due to the limitation of the annual budget allocated to grants, a yearly amendment procedure will be used to update the budget per grant.

Mr Hotham then presented the timeline and dependencies within the two processes,

specifying that the IR/VLD call will also depend on H2020 tools and workflows and that the SJU will try to reduce the time to grant (period between the call closing and the grant signature) to 6 months instead of 8.

Mr Guillermet concluded saying that despite several difficulties and consequent delays, both the Membership and the VLD/IR call are open: this should still allow a proper, however not optimal, transition from SESAR 1 to SESAR 2020.

Mr Hololei added that a lot of efforts have been put in place both by the SJU and the EC Commission Services to solve the outstanding legal issues in order to allow the calls opening and the transition from SESAR 1 to SESAR2020.

In answering Mr Bertsch (DFS) question, Mr Hotham explained that evaluation of proposals related to the Membership Accession will be performed by the SJU following the usual process, whereas the evaluation of proposals for the IR/VLD call will be performed by independent experts, in full compliance with the H2020 rules. The independent experts usually make recommendations to the Executive Director, through the evaluation report, on which the ED award decision is based.

▷ Conclusions on item 3

- The Board took note of the information provided by the SJU on the SESAR2020 update.

Item 4

Item 4a Annual Work Programme 2016*

Mr Guillermet underlined the importance of the Annual Work Programme, as it serves as a basis for the work to be performed during the incoming year. He presented the main steps of the process leading to the adoption of the document, whose first draft version was presented to the ADB meeting on 23 October and then circulated to the Members on 27 October.

SJU Members had the opportunity to provide comments until 10 November; the draft document was reformatted to align it to the standard JT1/JU work plan structure and the updated draft was made available on 4 December to the SJU Members and the EC who started the consultation of the relevant internal services.

The document submitted for ADB approval integrated the revised format and comments received from Members. This entailed a certain number of changes compared to previous years' work programmes, but the strong connection between the AWP, the Budget and the objectives was still in place.

The ED then provided an overview of the 5 high level goals for the AWP2016: completion and closure of SESAR 1, ramp up of SESAR 2020, effective stakeholder engagement by the SJU, assisting stakeholders in other areas concerning the technological pillar of Single European Sky and the provision of an effective organization to support delivery of SJU's mandate.

He continued to explain that the transition to SESAR 2020 represents a significant challenge for the organisation. This process has started with an in-depth analysis of regulatory and legal documents that allowed the identification of 13 gaps with a significant impact on the SJU internal processes and led to the development of an action plan including 18 actions needed to align the SJU to H2020 processes. Some of these actions started already in 2015, in order to launch of the call for proposals and call for Membership.

An internal revision of task allocations and prioritisation of activities will be needed as the

estimated workload is equivalent to 6 FTE for the period 2016-2017; the peak of the activities is expected for mid-2016 and new dependencies to the H2020 tools and DG RTD services will have to be taken into account, resulting in a reduced degree of autonomy and control for the SJU.

Mr Guillermet tabled the proposed AWP 2016 to the adoption of the ADB.

The Chairperson declared that the EC considered that update version of the 2016 Annual Work Programme contained the necessary elements to enable the SJU to transit smoothly into the new year and, on the one hand, increase its efforts to close down SESAR 1 in an effective manner and, on the other hand, ramp up the SESAR 2020 programme.

The EC therefore supported the adoption of the AWP 2016 to ensure continuity in the SJU's activities but asked for a number of additional elements to be included.

Considering that 2016 is a crucial and pivotal year for the SJU (high expectations for the results of SESAR 1 and the launch of SESAR 2020; preparation of the mid-term review of the H2020 programme, due for 2017, that could have an impact in terms of budget on the future work of the SJU), the Chair considered it necessary that the AWP 2016 clarifies the way the SJU intends to implement the transition in the most effective manner, by further developing the plan for the transition from SESAR1 to SESAR 2020, addressing in particular those SESAR solutions that will not have reached the desired level of maturity by the end of 2016, their impact on SESAR 2020 and identifying the appropriate mitigation actions.

The EC also requested the SJU to integrate some of the political objectives expressed by Commissioner Bulc during her visit on 26 November, in particular the need to focus on "going to the market" with the SESAR concept and solutions also in view of expanding SESAR beyond the EU.

Therefore, the Chairperson stated that the Commission could approve the updated version of the 2016 Annual Work Programme, but with the condition that SJU integrates the above mentioned elements through an amended work programme in January 2016. He also requested this position to be reflected in the Administrative Board Decision adopting the AWP 2016.

He therefore asked for the Members' position.

Ms de Mateo (ENAIRE) supported the adoption of the AWP and asked if the Programme Control Group, that played an important role in SESAR 1 would be maintained in SESAR 2020. This was confirmed by the SJU and dedicated terms of reference for the PCG will be developed.

Mr Gallego (Indra) considered very important the approval of the AWP for the planning of activities and resources.



Conclusions on item 4

Decision ADB(D)-13-2015

- The Board adopted the SJU Annual Work Programme 2016 as presented. In addition the Board applied a condition that SJU integrates additional elements requested by the Commission through an amended work programme in January 2016:
 - To further develop the plan for the transition from SESAR1 to SESAR 2020, addressing in particular those SESAR solutions that will not have reached the desired level of maturity by the end of 2016, their impact on SESAR 2020 and identifying the appropriate mitigation actions;
 - To integrate political objectives to focus on "going to the market" with the SESAR concept and solutions also in view of expanding SESAR beyond the EU.

Item 4b Budget 2016*

Mr Dedic presented an overview of the Budget 2016, recalling that the draft Budget 2016 was presented in detail at the October Board meeting.

As regards SESAR 1, the EC requested the SJU to align the Payment Appropriations to the Draft EU Budget (EUR 100 million instead of EUR 75 million); however the SJU considers it more appropriate to keep the EUR 75.0 million as presented to the Board in October, as by now it is certain that all final payments to SJU Members related to the last financial exercise -with R&D activities running until the very end of 2016 - will not occur in 2016 but rather in 2017.

In order to comply with the recommendations of the Budget Authority (European Parliament and Council) on cash balances and budget outturn and obligations stemming from the EU Financial Regulation and the General Agreement with the EC, the SJU therefore suggested to maintain the amount of EUR 75 million of the SJU Draft Budget and to introduce Payment Appropriations for final payments of SESAR 1 in the 2017 Budget as outlined at the October Board meeting presentation.

Concerning SESAR 2020, the EC requested a full alignment with the EU budget to include EFTA contributions: commitments were therefore increased by EUR 1.6 million to EUR 61.6 million and payments by EUR 1.5 million to EUR 56.5 million. This additional budget was allocated to the RPAS Exploratory Research call in agreement with the EC.

The Chairperson affirmed that the EC was prepared to support the adoption of the draft Budget 2016, but underlined that the reduction in the requested payment credits (EUR 25 million) for SESAR 1 close down is likely to raise questions from the Budgetary Authority. He stressed the sensitivity of a timely SESAR 1 close down and invited the SJU to better tune the budgetary forecasts in the future.

**Conclusions on item 4**

Decision ADB(D)-14-2015

- The ADB adopted the SJU Budget 2016.

Item 5 General Administrative and budget items**Item a IPRs***

Mr Calvo reminded that the SJU Statues require that the Administrative Board grants rights of access to the deliverables and the MFA governs the ownership of Foreground generated under the SESAR Programme.

A list of deliverables stemming both from the Programme and complementary activities (e.g. RPAS, LSD, demos) and detailing the ownership status of the foreground generated between 1 January 2014 and 30 June 2015 was provided in September to the Members who were asked to review it and the final list was submitted by the end of November. The list contained around 900 deliverables assessed by the SJU and Members; around 200 still need to be assessed.

The ADB Members were requested to approve the list and give the Chief Administration Affairs a mandate to put in place the process to clarify the ownership status of the remaining foreground, for which the assessment has not been agreed yet. Therefore the same exercise will be repeated in the future.

**Conclusions on item 5a**

Decision ADB(D)-15-2015

- The Board took note of the process explained by Mr Calvo and approved the list.

Item 5b Annual Accounts 2014 together with the Report of the European Court of Auditors*

Mr Dedic outlined to the ADB Members that the Final Accounts were made available on 29 June 2015 by written procedure and included the data (accruals) related to all the interim financial statements received at the time, to provide the best picture of the Annual Accounts. Compared to the Provisional Accounts, the Final Accounts contained changes related to updates of accruals for 11 Members' activities.

The Administrative Board took note of the Final Accounts 2014 through the above mentioned written procedure. On 20 November the SJU received the European Court of Auditors Final Report on the SJU Annual Accounts 2014, containing an unqualified opinion on the reliability of the Annual Accounts and the legality and regularity of the underlying transactions and no other comments or observations were expressed.

Mr Dedic explained that the Annual Accounts 2014 include the Members contribution validated until the end of December 2013, which amounted to EUR 1009.8 million. The SJU estimates that by the end of SESAR 1 the total Members Contribution would amount to EUR 1.8-1.9 billion.

The Annual Accounts also provide details of the Members Contributions used during the year (including the SJU yearly running costs) and on the budget outturn.

The Chairperson congratulated the SJU for the clean report of the European Court of Auditors.

**Conclusions on item 5b**

Decision ADB(D)-16-2015

- The Board took note of the information provided by Mr Dedic and approved the SJU Annual Accounts 2014 completed by the "Report on the Annual Accounts of the SESAR Joint Undertaking for the financial year 2014 together with the Joint Undertaking replies" .

Item 5c Revised Budget 2015*

Mr Dedic continued explaining the key points of the Revised Budget 2015 that consisted of budget transfers within the authority of the ED (EUR 19.5k for experts involved in the evaluations, EUR 60k for additional interim staff); budget outturn (in alignment with the Final Annual Accounts 2014 with an increase of EUR 21.4 million of payments appropriations to Members to balance budget accordingly).

As regards SESAR 2020, the commitment budget was increased by EUR 1.5 million to EUR 51.5 million to include EFTA contributions. The payment budget was decreased by EUR 24.7 million in terms of payment appropriations due to the postponed opening of the SESAR 2020 calls and increased by EUR 0.3 million for pre-financing payments expected for the Exploratory Research grant agreements. These revisions are necessary to avoid as much as possible cash balances outstanding at the end of the year that would raise criticisms from the European Court of Auditors and the Budgetary Authority.

Mr Dedic took the opportunity to thank the Members for their efforts in the budget forecasting exercise during 2015, both for SESAR 1 and SESAR 2020 and suggested that the same exercise be run again for the 2017 Budget.

The EC and Members agreed with the proposed revisions.

**Conclusions on item 5c**

Decision ADB(D)-17-2015

- The Revised Budget 2015 was adopted.

Item 5d Overview of Administration and Finance activities

Mr Calvo provided an overview of the administrative activities performed in 2015: 11 calls for tenders/proposals were processed, resulting in 10 contracts/grant agreements; 18 work orders/specific contacts signatures and 21 contractual amendments.

Concerning Human Resources, 41 out of the available 42 positions are filled; 2 additional contract agents are recruited for the period 2016-2017 to support the workload during the transition phase from SESAR 1 to SESAR 2020. A second staff reclassification exercise also took place in Q3 2016.

▷ Conclusions on item 5d

- The Board Members took note of the information provided by Mr Calvo.

Item 5e Report on the Interim Financial Statements 2014 status

Mr Calvo informed the Board that 6 Members were already paid and invited the 4 Members that were still collecting information to submit the documentation required before the end of the year. He thanked the Members for their good cooperation with the SJU financial team and reminded that a particular effort will have to be made in 2016 to make sure that the IFS process is carried out on time.

▷ Conclusions on item 5e

- The Board took note of the information provided by Mr Calvo on IFS.

Item 5f Internal Audit Capability Work Plan 2016

Ms Haarsma, the SJU Internal Audit Capability (IAC) introduced herself and explained that she reports directly to the Executive Director in order to ensure the independence and objectivity of her work.

Up to 2014 the SJU ED validated the IAC work plan, but according to the new SJU Financial Rules, the IAC Annual work plan (AWP) shall be reviewed and approved by the Administrative Board.

The IAC AWP 2016 takes into account the results of the IAS Strategic Risk Assessment executed in November 2014, the audits planned by the IAS to avoid overlapping, the ECA reports, and is extensively discussed with the ED.

The IAC explained that her activities mainly include: audits performed by her, coordination of other auditors and consulting missions.

With regard to IAC audits, in 2016 Ms Haarsma will audit the exception register, perform follow up audits on recommendations issued in 2014 and validate existing ABAC authorizations.

As regards the coordination of other auditors, the IAC stated that 2016 will be particularly busy as several important audits are planned, ranging from an audit on H2020 grant management by the Internal Audit Service of the EC, to a performance audit executed by the European Court of Auditors.

Regarding Consulting missions, which consist of looking at existing process to streamline them, the IAC will mainly look at the closure process and the H2020 grant management process.

Ms Haarsma concluded informing the Members that the IAC AWP 2016 will be submitted for Board approval by written procedure in January 2016.

▷ Conclusions on item 5f

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

Item 5g Anti-fraud strategy

Ms Haarsma informed the Members that the SJU has developed an anti-fraud strategy and related action plan in order to comply with recommendations made by the European Commission for all EU agencies. This strategy is based on a detailed risk analysis undertaken in 2015 during which fraud risks were discussed with representative staff from all SJU sectors. This fraud risk assessment covered internal and external fraud risks (including for example violation of the EU financial interests, misbehaviour without impact on the EU financial interests, non-declared conflicts of interests etc.). 13 risks have been identified and an action plan to mitigate these risks (detection and prevention) was developed with the support of OLAF, the EC Anti-fraud office.

In very general terms, taking into account the overall context and existing controls, the SJU believes that the risk of significant undetected fraud is low.

The IAC concluded by informing the Members that the anti-fraud policy will be submitted to the Board approval by written procedure in January.

▷ Conclusions on item 5g

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

Item 5h MoU Moc/ SJU arrangements

Following requests made during previous Board, Mr Guillermet provided an inventory of the existing EU arrangements with a SESAR/ATM component, where the SJU is involved as a subset of a wider EU contribution and of the SJU cooperative arrangements, signed directly by the SJU.

The ED proposed to inform about the SJU activities in this area in the relevant programming and reporting documents (AWP and AAR).

For future agreements the SJU intends to introduce a standardised process, starting from the assessment of needs and type of cooperative agreements which will be included in the AWP. A formal process to coordinate with the EC will also be introduced in respect of the policy context and to define the type of agreement; the negotiations and finalisation of the draft arrangements will then take place and will be reported to the ADB before the signature of the Agreement.

The ED specified that the Board would then be informed about the regular progress including through the SJU's annual activity report.

It is intended to follow a standard template setting clearly the objectives and principles of cooperation, which should embed reciprocity, scope and the necessary legal and technical provisions.

The ED concluded with an overview of the cooperative arrangements for 2016, from the MoC signed in December with Clean Sky 2 to the revisions of MoCs with EASA, EDA and National Authorities to align them to the new structure of SESAR 2020.

The ED concluded by stating that the SJU is presently in discussions with the EC about the

possibility and the most appropriate type of arrangements for the cooperation with the European Space Agency and COCESNA.

Mr Bertsch (DFS) asked about whether it was possible to be informed about content and obligations stemming from agreements not directly signed by the SJU.

Mr Guillermet acknowledged that these cases are not led by the SJU, but the Members would be informed about content related to SESAR.

Item 6 European ATM Master Plan 2015*

Mr Guillermet introduced the topic by recalling that on 10 November the Single Sky Committee approved the technical elements of the draft Union's position which was integrated in the SJU's revised proposal made available on 11 November, together with a response document addressing the 115 comments received from different stakeholders. The ED continued saying that on 8 December EUROCONTROL adopted its position and that any comments from the ADB Members on the final version of the documents would be recorded in the meeting minutes.

The Chairperson congratulated the SESAR Joint Undertaking for the work performed with the strong support and expertise from EUROCONTROL and all members of the SJU and confirmed that the EC supported the 2015 edition of the ATM Master Plan. He added that the EC has high expectations about new potential technical solutions to be developed and validated notably through the SESAR 2020 Research and Innovation programme in order to improve ATM performance.

Regarding the content of the ATM MP, the Chairperson highlighted 3 main areas where the EC considers that progress is needed:

- Better coordination with the Deployment Manager through the SESAR Joint Undertaking's ATM Master Plan maintenance process for the future updates of the ATM Master Plan's Level 3, avoiding duplication or overlapping of work and ensuring complementarity with the SESAR Deployment Programme;
- The need to perform regular consistency checks between the Deployment Programme and the technology roadmaps contained within the ATM Master Plan, checking status and updating with the support of the SESAR Deployment Manager, the Network Manager and EASA;
- Establishing enhanced coordination between the SESAR Joint Undertaking, the SESAR Deployment Manager, EASA and the EU Standardisation Bodies in order to express more precisely the means to achieve the required safety performance ambition. This will require enhanced preparation and collaboration from the SESAR development to the deployment phase.

Mr Merlo confirmed that the edition 2015 of the ATM Master Plan was approved by the EUROCONTROL Provisional Council, by 41 Member States, thus extending the relevance of the MP to non-EU countries.

Mr McNamara (AU) declared that the airspace users, through their seat on the Administrative Board, approved the update to the SESAR ATM Master Plan 2015 as presented to members of the Board on 11 November 2015. However this approval is conditional on the comments listed below being actioned or noted on the record.

1. ATM modernisation is a key enabler for an efficient and well-functioning aviation system. It is therefore vital that the performance improvements in the Master Plan are delivered and the targets are met. To that end any risk of delay in the realization of this performance ambition should be closely monitored and mitigated. Airspace users also support the view expressed in the plan that the SESAR goals contribute to, but do not replace, the SES high level goals set in 2005.
2. It is essential that during the implementation of the ATM Master Plan the ATM Master

Plan key performance indicators (KPIs) are closely monitored so as to ensure consistency and support to the agreed SES Performance Scheme targets. If necessary there should be an adjustment of the Master Plan KPIs to ensure that they remain consistent and contribute to the overall SES targets. Equally there should be a regular assessment to ensure that the implementation of the ATM Master Plan is actually leading to improved cost (and operational) efficiency and a reduction in charges.

3. As part of the implementation process of the ATM Master Plan there needs to be a consistent and systematic coordination between the SJU and the Deployment Manager to avoid duplication of work and ensure consistency between the updated plan and the actual deployment process across all areas.
4. As part of the next round of updates to the Master Plan it is essential that a more detailed cost benefit (CBA) breakdown is made between scheduled users to include both mainline and regional operators. At present the CBA is too high level to allow a meaningful estimate of the benefits and costs on different categories of users.
5. Under the range of options for equipage incentives presented modulation of charges is included under financial options. The airspace users objected to the inclusion of the use of modulation charges as a means of equipage incentivisation. However, this comment was rejected by the SJU in the final draft. For the record the airspace users ask that this objection should be noted in the Master Plan as a position of the airspace users.
6. As part of the next round of updates to the Master Plan it is important that the ground handling industry is included in discussions. Currently their input is not part of the discussion on SESAR solutions despite many of the ground handling activities being critical to a smooth and safe gate-to-gate operation for airspace users.

The following two detailed comments were not included in the original response to the ATM Master Plan consultation, but were also submitted for completeness:

1. Annex B - Avionics Roadmap - Annex B Item 2, “Enhanced Visual operations (for operations down to 100ft)” in relation to rotorcraft we would like to propose the replacement of the marker for “before 2015” with “2021” as although we have this technology on board from 2015, it will not be used until 2021 for operations down to 100ft.
3. Annex B - Avionics Roadmap - Item 3. The reference to “Advanced RNP - RNP 0.3 Approach (Baro and SBAS)” is misleading and the terminology used is not in line with the one included in the PBN manual. Maybe the authors had in mind to use the scalability function of A-RNP, by setting the RNP to 0.3 (which is indeed possible) to fly “RNP approaches” with linear lateral guidance (0.3 NM Full Scale Deviation) and linear vertical guidance based either on Baro or SBAS. But such approaches do not exist today in the frame of ICAO PBN procedures.

Ms de Mateo (ENAIRES) expressed ENAIRES’s support for the adoption of the ATM Master Plan 2015, thanked the SJU for having taken most of the A6 and ENAIRES comments into account and highlighted that it will be important to continue working on the one hand on the proposed essential operational changes, knowing that they are currently based on experts judgments and could not be considered yet as sound candidate for future CP2; on the other hand to closely monitor and confirm the validity of performance improvement figures, considering the assumptions made and the tight timeline of the ANSPs roadmap that are quite challenging and ambitious. She finally supported the remark made by the Chair regarding the fact that the necessary measure needed to be put in place to avoid any overlap between the ESSIP/ELSIP and the Deployment Programme for the PCP related elements.

The ED thanked contributors for the comments expressed by the Board and committed to ensure that a proper follow up and monitoring mechanisms will be organised through a dedicated Master Planning committee.

Regarding other elements raised, such as the notion of ground handling, the way to

integrate them and their impact will have to be further analysed.

He confirmed that the rest of the comments are manageable and will be captured in the meeting minutes.

Mr Merlo (EUROCONTROL) confirmed his availability to discuss the alignment of ESSIP/ELSIP to avoid any duplication and expressed the intention of improving the cooperation between EUROCONTROL and the DM.



Conclusions on item 6

Decision ADB(D)-18-2015

- The Board took note of the information provided, the positions expressed by the AU and ENAIRE and approved the European ATM Master Plan 2015.

Item 7 AOB

The dates for Administrative Board meetings in 2016 are: 28 April, 20 October and 15 December.

The Chairperson thanked the Members, the SJU and EUROCONTROL for their valuable inputs during the meeting and the whole year and for the good cooperation with the EC.

Annexes

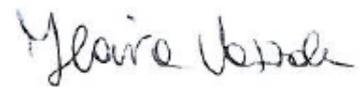
- Annex 1 Board members attendance list
- Annex 2 Declarations on conflicts of interest

Done in Brussels, 15/12/2015

Chairman



Secretary



Annex 1

Attendance list

Annex 2
Declarations on conflicts of interest