

## Meeting ADB(M)037

### Minutes

ADB(M)037- MoM

Date of the Meeting..... : 20 October 2016

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 Maurizio Castelletti	Observer	
	Mr Marco De Sciscio	Observer	
	Mr Octavian Vasile	Observer	
Eurocontrol	Mr Philippe Merlo	Alternate	
Airbus	Mr Bruno Ley	Alternate	
AT-ONE	Mr Dirk Kügler	Member	
B4 Consortium	Mr Maciej Rodak	Observer	
COOPANS	Ms Susanne Isaksen	Member	
Dassault	Ms Catherine Champagne	Alternate	
DFS	Mr Ralf Bertsch	Alternate	
DSNA	Mr Philippe Barnola	Alternate	<i>excused</i>
ENAIRE	Mr Mariluz de Mateo	Alternate	
ENAV	Mr Cristiano Cantoni	Alternate	
Leonardo - Finmeccanica	Mr Fabio Ruta	Alternate	
Frequentis SESAR Partners	Mr Michael Holzbauer	Alternate	
Honeywell	Mr Jean-Luc Derouineau	Member	
	Mr George Papageorgiou	Observer	
INDRA	Mr Rafael Gallego Carbonell	Member	
	Mr David Luengo	Observer	
NATMIG	Mr Aage Thunem	Member	<i>excused</i>
NATS	Mr Peter Whysall	Alternate	
SEAC	Mr Giovanni Russo	Alternate	<i>excused</i>
Skyguide	Mr Thomas Buchanan	Member	
Thales Air System SAS	Mr Luc Lallouette	Member	
Thales Avionics SAS	Mr Philippe Priouzeau	Member	

#### Stakeholder representatives

#### Representative

Military 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	
Equipment manufacturers (EM)	Mr Vincent de Vroey	Member	
Airports (APT)	Mr Panos Spiliotis	Alternate	<i>excused</i>
Staff in the ATM sector (STAFF)	Mr Michele Altieri	Member	
	Mr Theodore Kiritsis	Alternate	
Scientific community (SC)	Prof. Peter Hecker	Member	

Permanent representatives	Representative		
SJU Executive Director	Mr Florian Guillermet		
SJU Deputy Executive Director	Mr Peter Hotham		
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		

## Item 1 Introduction

The Chairperson Mr Hololei welcomed the Board Members to the 37<sup>th</sup> Ordinary Meeting of the SJU Administrative Board, the second meeting of 2016, and the first including the Members who joined the SJU in 2016. New representatives present at the meeting were: Prof.Dr-Ing. Dirk Kügler for AT-ONE Consortium; Ms Catherine Champagne for Dassault Aviation; Mr Thomas Buchanan for Skyguide.

He informed the Board that as the nominated B4 Consortium representatives were not able to attend they delegated their representation to COOPANS, who accepted to be accompanied by Mr Maciej Rodak, a B4 expert. He also informed that NORACON has become COOPANS, represented at the meeting by Ms Susanne Isaksen. He added that as Thales has now split into two entities, Mr Luc Lallouette represented Thales Air System SAS and Mr Philippe Priouzeau represented Thales Avionics SAS.

He also welcomed Mr George Papageorgiou, participating as an observer in view of its future appointment as representative for Honeywell.

He concluded mentioning that ENAV was asked to represent DSNM that was unable to attend.

The Chairperson informed the Members that item 2 of the Agenda will cover the voting rights allocation and the quorum will be verified at that stage.

He informed that there was a request to add to the Agenda the following topics:

1. Rejection of "Project 13 (Air Vehicle Systems: RPAS, General Aviation and Rotorcraft system) to be addressed under item 5;
2. Modification to the Membership Agreement to be addressed under the AOB

### Adoption of the agenda

No Board Members proposed additional changes to the Agenda.

▷ The Board adopted the Agenda.

### Disclosure of conflicts of interests

The Chairperson reminded the participants of their obligation to declare any real or potential conflict of interest on any agenda item. Board Members and participants were required to 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.

Mr Hololei informed that the Commission participated to the Assembly of the International Civil Aviation Organisation (ICAO) in Montreal where the SESAR Joint Undertaking was represented by Mr Guillermet and Mr Batchelor; he thanked them for the support to the EC team and for their work in promoting the SJU and SESAR Solutions.

ICAO was a good success because a compromise was reached on the agreement on "Global Market-based measures" (GMBM) allowing it to start on a voluntary basis participation in 2021 to reach a mandatory system in 2027. The agreement builds on the COP 21 Paris Agreement and involves 191 countries, of which 65 have announced their participation to the voluntary scheme as of 2021. This already covers a significant amount of nations actively involved in aviation activities. On the basis of this political agreement several technical details will be defined by the ICAO Council.

Europe shall assess the impact of this deal in the context of the EU Emissions Trading System for aviation. He recalled that in 2013, the scope of the EU ETS for aviation was temporarily reduced to cover only intra-European flights to allow reaching an agreement at ICAO ("stop the clock"). The Commission will, by early next year, present a review to the EP and the Council on the outcome reached.

From a SESAR perspective, there is a need to ensure that flights are operated under the best environmental conditions by reducing the extra miles, fuel burn, improving efficiency.

In the framework of the EU-ICAO MoC, Mr Hololei informed that he co-chaired together with the Secretary General of ICAO, Dr Fang Liu, the 4<sup>th</sup> Joint Committee meeting which included as main point the signature of an ATM/ANS Annex to the MoC. The agreement's objectives include greater regional cooperation, in particular within the ICAO European region. He stated that this partnership will improve the monitoring of compliance with ICAO provisions, will help develop new ATM/ANS standards, will co-develop targeted assistance projects, and aid the ongoing implementation of ICAO's Global Air Navigation Plan that, as you know has been built on the experience of the ATM Master Plan.

On the Aviation strategy, the Chairperson reported that comprehensive air transport agreements are being negotiated: a first round of negotiations has taken place with Qatar on 19-21 September, with ASEAN on 26-28 October and with Turkey, which has shown particular interest in SESAR, on 9-11 November.

These agreements give new opportunities to "export" SESAR solutions.

The Chairperson added that on the revision of safety regulation (EASA regulation), the text is now being narrowed down to the most important and political issues; the Slovak presidency is aiming at reaching a general approach by December.

The guidance document on best practices in minimum service levels should be finalised by end November; three meetings of the Network Management Board Task force took place in order to provide input to the study from a Network perspective; contacts with unions are on-going to try to get them on board for the signing of a Charter of best practices on agreed minimum levels of service by all relevant ATM stakeholders.

Regarding Drones, Mr Hololei added that the Council and Parliament are progressing well on the regulatory side. He informed that on 22 August EASA published a "prototype rule" on unmanned aircraft, a consultation document that allows Member States and industry to better contribute to the formal opinion that EASA will develop at the end of the first trimester 2017. He added that EASA was organising a consultation meeting with Member States and Industry on 24 October in Cologne.

He informed that the Commission is supporting the Polish Government to organise a high level conference in Drones in Warsaw on 23-24 November. The event is a good occasion to assess how to speed up the establishment of the EU drone services market. In particular, two issues are to be considered: first, actions needed to deliver an EU Urban Air Traffic Management system for low level operations; second, assessment of coordination mechanisms within the Commission and with industry.

The Chairperson gave the floor to Mr Castelletti to summarize the Datalink situation. In 2009 the Commission issued a mandate to implement Datalink services. During the implementation phase technical problems arose due to disconnection of communication between pilots and controllers. As a consequence the Legal text was suspended, the application date postponed and the EC asked EASA to perform a technical audit. In 2015 EASA published the audit findings and the SJU was then mandate to conduct a study to address EASA recommendations. The European Commission asked the Deployment Manager to provide a recovery plan, which was done before the summer break. The European Commission intends to support the implementation of this plan in the coming years, also with funding from the CEF programme, with the Deployment Manager mandated to act as project manager for the recovery plan. The Single Sky Committee discussed the plan on 19 October and provided a positive feedback. The remaining issue is related to the idea of a Centralised service which did not manage to attract industry interest, versus European Data Communication Service. The EC then invited the industry and stakeholders to get to a common position in order to solve the existing problems with Datalink, which is a precondition for the deployment of "Trajectory Information Sharing", one of the PCP functionalities (AF6).

Mr Merlo (Eurocontrol) concurred with the EC that the issues at stake are very high due to the risk to lose investments made by airlines; all efforts should be put in place to mitigate that risk; he added that Eurocontrol is available to provide its expertise on the subject; he underlined the need to better coordinate Eurocontrol EIGTS initiative and European AirGround Datacomm Service to provide a framework for convergence for Datalink.

Mr McNamara (AU) congratulated for the GMBM at ICAO and commented that Datalink was not a good experience for Airspace users; airlines have made considerable investments in equipment never used; a single point of leadership is needed and the mandate could be given to the DM.

Ms de Mateo (ENAIRE) welcomed the mandate from the EC to the DM for the recovery plan.

Mr Bertsch (DFS) expressed his support for the idea of a single leadership and reminded that ANSP has invested a lot as well in Datalink.

Mr Merlo specified that there is currently a European deployment plan; Mr Castelletti underlined that SESAR's vocation is to include all the states that are covered by the EU Aviation Agreement and as such the deployment plan could have a pan European scope.

The Chairperson stressed the importance of having a single entity dealing with this issue and work together with all those that can contribute positively to the Datalink Project.

Mr Guillermet commented that there is a change of perception of SESAR. A number of countries expressed the desire to engage with the SJU, which has managed reaching a wider public thanks to the SESAR Solutions and also thanks to the fact that Deployment activities have started.

Mr Merlo underlined two points closely related to the SJU: one paper on the ICAO/GANP presenting a performance driven approach and stressing the importance of defining more precisely the architecture and a critical path for each region of the



world; and one paper on enablers presenting the necessity to develop a new CNS roadmap as new functionalities or applications will have to rely on a modernised CNS infrastructure.

### **Item 2a and b Voting rights allocation\* and verification of the quorum**

Mr Hotham explained that a decision on the principles underlying the voting rights allocation to ensure the recognition of new Members was adopted in September with decision ADB(D)13-2016. He explained that the calculation of voting rights for 2016-2017 uses financial data from documents submitted in support of membership application and votes are calculated in proportion to the 'value of each member's total net contribution in respect of the funds of the Joint Undertaking' and shall be 'done on the basis of maintaining at least one vote'. Principles include an annual update of voting rights calculation "to take into account the effective contribution of each member, in terms of commitment or execution, for the financial year into question compared to the initial stated contribution which originated the allocation of the initial voting rights".

Mr Hotham stressed that in the period to the 31 December 2016, for those matters exclusively affecting SESAR 1 Programme, and for which a decision from the Administrative Board is required, the applicable voting rights to the members entitled to vote will be those corresponding to the voting rights as adopted in decision ABD (D)05-2016.

Mr Buchanan (Skyguide) asked more information about the annual update and Mr Hotham explained that initial allocation is based on the Membership Agreement that defined Members contribution before the awarding of grants. As the value of each member's total net contribution will change over time, in relation to grants awarding, this change needs to be reflected in the allocation of voting rights.

The Chairperson expressed the European Commission's support to the proposed decision and asked the Members to proceed to the adoption.

#### **▷ Conclusions on item 2a and 2b** Decision ADB(D)14-2016

- The Board took note of the information and adopted the Decision ADB(D) 14-2016 on the allocation of voting rights. The Chairperson therefore confirmed the quorum.

### **Item 2c ADB Rules of Procedure**

Mr Hotham informed the Board that the Administrative Board Rules of Procedure were amended to align them to the SJU Regulation adopted in 2014 and to recent ADB decisions. Amendments consisted of:

- Added reference to Regulation 721/2014 of 16 June 2014 in 'Definitions' section
- In accordance with Regulation change from 'four' meetings per year to 'three' in 'Convening Meetings' section
- Updated the ADB Decision reference in 'Voting' section

He concluded mentioning that the document can be found in the SJU extranet and public website.

#### **▷ Conclusions on item 2c**

- The Board took note of the information provided.

### Item 3 Report on the progress of the Programme and other on-going key activities

The Chairperson gave the floor to Mr Hotham who informed that the presentation was covering the SESAR 1 closure, Release 5, including IOP, other activities status, AWP2016 Objectives.

Mr Hotham said that by the end of June the completion ratio was 95% with a total programme completion of 94%.

Mr Hotham continued by saying that the SJU is aware of the delay in starting SESAR 2020 and the necessity of a significant re-adjustment of the original plan. He however reassured that closure is on-going according to the agreed revised closure plan and the SJU expects that all of the Programme will be delivered by the end of the year. In addition to that, complementary activities are running until the end of the year to ensure a manageable closure and transition plan ensuring proper continuity between SESAR1 and SESAR2020. The closure entails significant effort for the SJU.

Out of 369 projects, 193 are closed, 167 in the closure phase, 9 remain in execution. Out of the ones in the closure process 74 involve complementary activity running at the time of the meeting.

Mr Hotham took the opportunity to remind Board Members that costs claimed for deliverables not submitted in due time will not be considered; as discussed during the PC meeting in several occasions, the Final Project Report shall be of a sufficient quality, according to best practices; complementary activities, being an integral and fundamental part of projects must be reported properly and in due time.

Mr Hotham took the opportunity to remind Board Members that, while going towards the end of the programme, communication & dissemination of results is becoming very important and the SJU website is regularly updated to ensure that the entire information is available.

Mr Rodak (B4 expert) asked if and how new Members can access SESAR 1 information relevant for SESAR 2020.

Mr Hotham explained that public documents will be available to all public in the SJU website; as regards material resulted from SESAR 1 needed for SESAR 2020 the SJU and the SESAR 1 Members will ensure that the transfer is made properly such that material needed is made available.

Mr Hotham continued with a summary on Release 5 exercises status and stated that all exercises have been completed, and these are covering 39 potential SESAR Solutions among which 16 are covering PCP scope; 20 Solutions (8 are PCP related) are validated as ready for pre-industrialisation; 2 Solutions have been rejected because of lack of Performance Benefits and 17 are to be assessed (8 are PCP related).

To provide an insight of the Programme exercises, the cases of "Variable profile military reserved areas and enhanced (further automated) civil military collaboration" and "CTOT&TTA iStream Demo to complement Validation" were presented.

Mr Hotham concluded his presentation with the main remaining issues, i.e. SESAR 1 Solution 28 iIOP, for which the validation exercise is complete and the results under consolidation and the definition of the Operational and Technical requirements is done but a new potential significant planning shift was reported to the PC meeting, leading to additional risk on the corresponding S2020 activities.



Mr Guillermet presented the activities related to Drones. He recalled that the Drones Outlook study was finalised and transmitted to the EC and should soon be published. RPAS demonstrations are completed and the outcome has been used for SESAR 2020 Call Specifications. The results have been collected in a new dedicated brochure and are available in the SJU website.

In addition, the Datalink status (ELSA study) represented a significant effort for the organisation and all those that have been involved. This study is probably the first study in Europe going into such a high degree of details in the analysis and obtained a strong buy in, despite the recommendations received. Mr Guillermet concluded mentioning that it will be important to address these recommendations in the future.

On Datalink, Mr Bertsch (DFS) underlined that the experience of datalink implementation highlights the potential risks associated to some of the Solutions are really complex in terms of magnitude, interactions, resources, systems or investments involved. Consequently, it is only possible to prove this type of solution through Large Scale Demonstrations in SESAR 2020 to ensure adequate assurance that such a complex solution can really work in a larger scale.

Mr Martis (ANSP) commented that a new and more innovative solution is actually needed, because Datalink is 10 years behind; on interoperability joint forces are necessary to make it work.

Mr Merlo (Eurocontrol) stated it is necessary to draw all lessons learnt from Datalink because in SESAR 2020 Programme complex functionalities are present; Datalink failure was due to the fact that Datalink was implemented in a fragmented way on national basis. At this end Eurocontrol proposed the centralized services idea. It is also necessary to reflect on the way IOP will be integrated in the Deployment.

Mr Guillermet then provided an overview of the progress of the SJU activities against the objectives fixed in the AWP 2016:

1. Completion and closure of SESAR 1: is overall on track and remain the first priority until the end of the year.
2. Ramp-up of SESAR 2020: the Membership accession process is completed, the Membership Agreements were signed in June, Agreement with Eurocontrol was signed in September; for the Exploratory Research call, 28 proposals were selected and all grant agreements were signed as of 28 April; for the IR-VLD call, evaluations were completed, 3 projects are in execution. This represents a heavy workload as a tight control is needed until the year end; the second call in the context of Exploratory Research - RPAS was launched in July. The launch of the SESAR 2020 Exploratory Research and VLD (open) call is expected by the end of Q4 the call specifications are in preparation.
3. Stakeholders' engagement by the SJU: the agreements with airports have been completed, the call for the engagement of airspace users is ongoing; arrangements for involvement of national authorities in the Programme and engagement of professional staff associations in SESAR 2020 is progressing although with some delays;
4. Assist stakeholders in other areas concerning the technological pillar of the SES: the SJU has progressed further with specific mandate (e.g. delivery of ELSA study in June 2016; completion of the RPAS Outlook delivered in July, update of a number of cooperative agreements (ESA and UAE signed; EDA and EASA to be signed).
5. Provision of an effective organization to support delivery of SJU's mandate: 3 "H2020 recruitments" in replacements of 3 terminated contracts; relevant ADB decision taken and procedures adaptation continues.

The ED concluded underlying that activities are overall on track and that Closure of SESAR 1 and launch of IR-VLD projects are the two priorities until the end of the year.

Mr Hololei congratulated the SJU for the SESAR Solutions catalogue. He stressed the importance of delivering the results of SESAR 1, as expected, by the end of the year. He shared the EC concern about the results of the work on the "initial IOP" and for the repercussions on the deployment of essential SESAR solutions and about the impact on the deployment of the PCP functionalities. The Chairperson enquired about the cause of difficulties from the ANSPs perspective and also from the manufacturers' perspective.

He then asked the SJU to make an assessment of the potential impact on PCP deployment timeline.

He added that this shortcoming on delivery comes at an unfortunate time where the EC is about to engage in the evaluation exercise for closure of SESAR 1 and for the H2020 mid-term review where these failures will have to be explained to Commissioner Bulc and also to Parliament and Council.

He also explained that over the last few months, the Commission has made great efforts together with the European Parliament to reverse a 40% cut in the budget of SESAR for 2017, which was proposed by the Member States in July. Without delivering results, the EC will have thin arguments next year if a similar situation occurs.

He reminded that, savings are good, but not if they are caused by delays and lack of results.

Mr Guillermet confirmed that work is ongoing to find some recovery options particularly in relation to the planning element. The ED said that the issue at stake is in relation with the usage of public money. He recognized that several efforts have been made by the SJU and outside and acknowledged the existence of elements outside the SJU's and SJU Members' control, but he said that continuous planning delays are not affordable any longer. He concluded by saying that it is urgent to stabilise the timetable for the rollout and to deliver.

Mr Merlo (Eurocontrol) concurred that IOP is a long standing issue. The reason might be that it is too complicated from a technical point of view to be able to succeed. He then asked if the SJU has considered fall back solutions.

The ED confirmed that the Programme Committee is looking into alternative options to IOP that might be available in a reasonable timeframe.

Mr Lallouette (Thales Air Systems SAS) stated that significant work has been performed during SESAR 1: very successful validation exercises have been performed and only during the latest validation exercise some inconsistencies revealed; in the recovery plan end 2015-2016, another validation exercise has been successfully conducted; good work has been done in refining and detailing the requirements, although the work is not completed. Options are currently being analysed to speed up the work and have guarantees that results will be achieved. He confirmed that all stakeholders are committed to achieve results and suggested to concentrate on priorities and on R&D requirements and validation activities. This approach will allow achieving the target.

Mr Gallego (Indra) confirmed that IOP is very important and good progress has been made in the last year. He stressed that there is now a better understanding of the situation and reiterated partners' commitment to achieve results.

Mr Bertsch (DFS) confirmed ANSP commitment and stated that more was achieved during the past year than in the last five years; however results are not showing in



the expected timeframe. Alternative management methods might be more effective. He expressed concerns about the idea of limiting IOP to R&D activities only, because this will allow seeing only minor developments. He concluded stressing that the timeline should be respected as much as possible and bilateral approach will not work.

Mr Hotham concluded by saying that different options are looked at and will be discussed at the December Board meeting.

The Chairperson stressed the importance of working together on the IOP issue.

On the External Relations, Mr Guillermet reported on the SESAR Showcase event that took place in Amsterdam and thanked all Members that contributed to its success; the feedback was very positive and the event allowed to close the results of SESAR 1 with the SESAR Solutions Catalogue and to ensure a proper dissemination to a wider community. Looking ahead the next big event is the World ATM Congress that will be held in March 2017. The idea is to present SESAR in the wider SES context.

On the cooperative arrangements, the ED reported that two MoC have been signed this year: one with the ESA with a strong focus on SatCom; one with the UAE, with a focus on demonstration projects and interoperability and exchange of data between the two regions.

Two more agreements are planned: one with EASA and one with EDA.

He added that the SJU had a discussion in Montreal with Qatar and Brazil, which are strongly interested in getting closer to SESAR.

Finally he stated that the SESAR NextGen State of Harmonisation document is being updated.

The Chairperson expressed the European Commission's support to the SJU work to facilitate the involvement of key stakeholders from third countries. He stressed that cooperation agreements should be properly implemented and followed up and invited to send the list of the MoCs and their implementation status to the Board Members, in order for the latter to provide support if necessary.

Mr McNamara (AU) intervened saying that the SESAR Showcase in Amsterdam was a very successful event, presenting and explaining the results achieved in SESAR to a wide community and going beyond the technical audience.

### ▷ Conclusions on item 3

- The Board took note of the information provided during the presentation and the discussion.

## **Item 4 ATM Master Plan**

Mr Guillermet recalled the Members that the European ATM Master Plan Level 3 builds upon the European ATM Master Plan 2015 Edition adopted by the ADB in December 2015 and provides the implementation view.

The Level 3 has been substantially transformed to provide decision-makers with an executive view and a strategic view, and submit relevant implementation objectives for mature and performing Solutions.

The ED referred that the Implementation Plan was circulated to Board Members in August with the objective of approving it at the October meeting. It was complemented by the implementation report, which was sent for information only. Eurocontrol expressed a positive opinion on 21 September; OI Step AOM-0104 was

removed as a reference in NAV10 Deployment view following comments from ANSPs. As the European Commission position was not provided, the ED asked the Chairperson if the ADB approval could be sought, subject to the condition of receiving a positive confirmation from the EC at a later stage.

The Chairperson recalled that the Union's position on the approval of the latest revision of the ATM Master Plan, requires the SJU to avoid duplication and overlapping with processes linked to SESAR deployment.

Regarding the "Reporting", he took note of the report submitted to the Board for information and expressed satisfaction that SJU and SDM have agreed on the principle to feed the next Report with the data collected by SDM in the course of the monitoring of the implementation of the Deployment Programme. He acknowledged the fact that practical arrangements will be discussed in the scope of the ATM Master Plan Committee to be set up under SESAR 2020.

Regarding the "Planning", he reported that following an analysis of the document and discussions with SJU, the EC has concluded that the Single Sky Committee needs to be consulted to establish the Union's position on the matter. In fact, the document affects the development of business plans and investments of the implementing stakeholders in all Member States and therefore represents a significant change to the ATM MP, requiring the consultation of the Single Sky Committee.

He stated that while the EC is still running its internal process for the adoption of the Union's position, the EC can give a preliminary positive opinion on the document, subject to written confirmation of the favourable conclusion of the EC internal process.

The Chair highlighted the following points:

- Firstly: when referring to the SESAR Deployment Programme 2016 in the level 3 planning, it should be noted that the Commission did not yet approve it. He suggested that reference is made simply to the "Deployment Programme".

- Secondly: the EC supports the split between the planning and reporting aspects of the Master plan's Level 3. However, as some reporting elements are in the planning part as well, the EC recommended transferring them to the Level 3 report.

The Chairperson explained that the position of the Union on the approval of updates of the Master plan, including the level 3, requires a formal College decision, after having consulted the Single Sky Committee and this can be a very long process. For this reason it should be avoided, as much as possible, that Level 3 is updated too frequently. This can be achieved by separating the planning from the reporting, which requires more frequent updating.

The same approach is adopted for the updates of the Deployment Programme, where the Deployment Manager was asked to separate those parts which require regular updates from the more stable parts.

Ms de Mateo (ENAIRE) thanked the SJU to have incorporated the comments to the Plan 2016. She underlined that for the first time Level 3 is completely aligned to the Deployment Programme. As regard the reporting ENAIRE supports the approach of avoiding duplication and overlapping and welcomes all the efforts made by all partners to find a solution in the frame of the Master Planning Committee.

The Chairperson asked the Board to approve the ATM Master Plan Level 3 planning document.



#### Conclusions on item 4

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- The Board took note of the information provided and, considering that the



Commission provided a preliminary positive opinion in accordance with Article 8.1 of the Board's rules of procedure, provisionally adopted the Decision ADB(D) 16-2016 on Approval of the European ATM Master Plan - Level 3, subject to a later written confirmation of the Commission's positive opinion.

## **Item 5 SESAR 2020 update**

### **Item 5a Status Report**

Mr Hotham provided an update on the ER call (H2020-SESAR-2015-1), reminding that 125 proposals were received and 28 grants awarded for a total value of €20.4 million. ER grant agreements are currently in execution and being managed in compliance with H2020 Rules and through the H2020 IT tools. The first reporting and payment period is approaching and projects amendments are currently being processed, with the support of the dedicated IT functionality recently developed. This process is being integrated into the SJU Amendment Procedure & Process documented in the QMS.

Regarding the ER-RPAS call (H2020-SESAR-2016-1), Mr Hotham informed that a dedicated mailbox was created and published in the Participant Portal to allow applicants to reach the SJU directly, as questions sent through the Participant Portal enquiry section are dispatched to the H2020 helpdesk but unfortunately not redirected to the SJU. The call deadline was therefore extended to 15 November to provide additional time to receive and process all questions before the call closure. The Call Evaluations have shifted accordingly. The award of grants is planned for the end of April 2017.

For the IR-VLD call (H2020-SESAR-2015-2) Mr Hotham reminded that the evaluation and grant award strictly followed the H2020 procedure and tools. 28 eligible proposals were received and 25 selected were selected (Pj 13, Pj 23 and Pj 26 did not meet the selection or award criteria). As of 19 October 2016 the status of the call was the following: text to clarify budget amendments agreed and implemented; three grant agreements are signed (Pj07, Pj22 & Pj31) and one (Pj24) in process of being signed; one project (Pj22) requires amended start date due to tooling issues.

Mr Hotham concluded that the GAP was on track to be completed in October; the tool was proven, despite some issues with a deployed 'bug-fix' that caused delays as changes to clean-up error messages were required; he reiterated that budget amendments will be processed during 2017 and additional date amendments may be needed to align all reporting periods.

Mr Hotham then provided an update on the ER3 and VLD (Open) call (H2020-SESAR-2016-2), whose scope, finance and schedule is defined in the AWP 2016 Amendment n.1. Regarding the call budget, EUR 500K are earmarked for the "Active Geo-fencing Service" topic. These funds are not coming from the H2020 budget line and their implementation will follow the EU Financial Rules. The call is planned to be published in December, as mentioned in the Annual Work Programme 2016 Amendment n.1, but the SJU target date is late November; the closure date is around 27 March 2017; the evaluation outcome is expected in July 2017 and the grants signature in November 2017.

Mr Hotham then provided an outlook to the Single Programming Document (SPD) 2017 planning drawing the Members' attention to the amendments to the IR-VLD grant agreements and the preparation for the IR-VLD Waive 2 in 2018-2019. No call is planned for 2017, where time will be dedicated to planning, reporting and payment.

In reply to Mr Merlo question about the budget reserved for "Geo-fencing services", Mr Hotham specified that this was already included in the Annual Work Programme 2016 Amendment n.1 and will be part of the call ER3 and VLD (Open) to be published before the year end.

Mr Ruta (Leonardo Company) started the discussion on rejection of Projects 13 and



subsequent impacts, being this project an enabler for other projects. Besides understanding the reasons leading to the rejection, Mr Ruta underlined the importance of finding possible solutions to recover the situation. Pj 13 was in charge of development of a lot of technological enablers to provide solutions to other projects, related to RPAS and rotorcrafts. He then enquired about the possibility to remedy to the situation via a call for Members on RPAS and Rotorcrafts and via an open call to provide expertise on General Aviation, currently not available in the Membership.

The Chairperson explained that the rejection was due to the fact that Pj 13 covered only 20% of the tasks described in the topic but asked for the entire budget allocated.

Mr Guillermet recognised the importance of the topic for SESAR 2020 and the technical difficulties its exclusion might cause. He added that projects linked to Pj 13 could a later stage adjust to take on board elements foreseen in Pj 13; introducing topics linked to RPAS is not possible; the budget earmarked for that activity remains linked to that activity, but it not possible to launch new calls before 2019; the budget that will become available in 2017 will be used to top up the IR-VLD projects.

Mr Lallouette (Thales Air Systems SAS), emphasised that the work in Pj 13 was enabler oriented and provided for synergies with MIDCAS (EDA). In case no action is undertaken before Wave2, this will strengthen the position of US solution vs European ones and this would be detrimental to European manufacturers. He suggested exploring the possibility that activities originally planned in Pj 13 are shifted to Pj 11.

Mr Guillermet replied that options are being analysed, within the limits of H2020.

Mr de Vroey (Equipment manufacturers) underlined that this project is important for the Equipment manufacturers in the context of the IR-VLD call and encouraged to find a suitable solution.

The Chairperson expressed satisfaction about the fact that grant agreements for Wave 1 were being signed and informed that if difficulties faced with regard to H2020 IT tools persist, causing further delays, DG MOVE could intervene with RTD colleagues for a speedy resolution.

## Conclusions on item 5

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- The Board took note of the information provided.

### **Item 5b Set up of governance arrangements**

Mr Hotham reminded the Board Members that the SJU Multi-annual Work Programme and the AWP 2016 described the governance arrangements, which were also presented to the Board at the October 2015 meeting.

As the SJU Regulation and the ADB Rules of Procedure provide for the setup of Working Groups to carry out specific tasks and that their mandate to be adopted by the Administrative Board, at the beginning of October the SJU provided to the Board the Terms of Reference (ToR) for the following Committees: the ATM Master Planning Committee, the Programme Committee, with its two sub-groups (the Delivery Management sub-committee and the Operations and Technical sub-committee) and the Scientific Committee.

The Commission communicated that it was consolidating its comments on the ToR.

The EC confirmed its support to the initiative of setting the three committees, but informed having a number of comments on the proposed texts, mostly on formal issues, to discuss with the SJU. The Chairperson proposed to provide the EC final comments by the end of that week, in time for an adoption through written procedure by 28 October, in time to allow the start of activities as planned after 1 November.

Ms de Mateo (ENAIRES) expressed support for the setup of the Committees and added that for the ATM Master Planning Committee, it would be important to mention the need to solve, as a matter of priority, the issue of double reporting among the definition of the role/tasks; regarding the composition of the Operations and Technical sub-committee, asked if the project coordinators of the VLDs and Transversal projects should also be included; requested that the Agenda and working papers be distributed 5 days in advance in order to be of support in the role of advisory bodies.

Mr Cantoni (ENAV) asked that explicit reference to Pj 20 is made in the PC ToR.

Mr Mc Namara (Civil users of Airspace) expressed his support in clarifying governance arrangements and working groups ToR with a view of increasing transparency in the way of working and asked how the reports of the PC and ATM MP Committee could be made more widely available.

In reply to one of ENAIRES requests, Mr Guillermet commented that the ATM MP Committee will have to establish an Annual Work Plan, where detailed activities will be defined. He added that the main outcomes of the activities of the three working groups will be regularly reported to the ADB and included in the Annual Activity Report to increase the transparency.

Otherwise, there were no other remarks from the other Board Members. As a consequence, Mr Hotham informed that on this basis the ToRs could not be adopted during the meeting. Mr Hotham added that once the consultation on the ToR for the Working Groups is concluded, the selection and appointment of representatives needs to be done quite rapidly.



#### Conclusions on item 5

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

### Item 6 Planning, Reporting and Budget documents

#### Item 6a Annual Work Programme 2016 - Amendment n.1

Mr Hotham informed that the AWP 2016 adopted in December 2015 required an amendment in order to:

- Address some comments received from EC (SESAR Solutions promotion etc.)
- Detail the information and conditions for the call of the SESAR 2020 ER3-VLD open call (H2020-SESAR-2016-2)

To this end a Written Procedure launched on 3rd August and concluded on 3rd October, and included:

- Minor updates to scope of proposed call text
- Minor updates to text on solution 'promotion'
- New text on stakeholder relations in line with Q&A for the IR-VLD call
- New text linked to H2020 rules of participation to open new grant options (access, exploitation & dissemination)
- Align financial Annex

#### Item 6b Budget 2016 - Amendment n.1

The SJU Accounting Officer, Mr Dedic, explained that the changes introduced in the Budget 2016 Amendment n.1, adopted by Written Procedure on 30 September, consisted of the following:

SESAR1 amendments:



- alignment of Budget Outturn with Final Annual Accounts 2015
- increase of EUR 750K for ICT one-off transition services fully financed by EUROCONTROL as part of the contribution to the SESAR1 Running Costs

SESAR2020 amendments:

- increase EUR 500K for additional contributions from the Commission to Very Large Scale Demonstration Activities ('Assigned Revenue')
- Re-allocation of Non-Members Commitment Appropriations following the changes in the Amendment No. 1 to the Annual Work Programme
- decrease of Non-Members Payment Appropriations EUR 14.5 million due to external factors beyond the control of the SJU leading to the postponed launch of various SESAR2020 calls (these will be reintroduced in subsequent budget years).

#### **Item 6c SPD 2017**

Mr Hotham recalled that the draft SPD 2017 was prepared in 2016 Q1 and Q2 and sent for consultation to the ADB Members and on the Budgetary Authority in June; he informed that there was no comment to be reported to the Board and the EC is expected to provide the feedback resulting from the internal consultation.

Updated financial information (Draft budget 2017) was sent to the Board on 4 October and Members comments were expected by 26 October on the updated financial information. He concluded reminding that the adoption of complete document is expected for December 2017 at ADB 038 meeting.

Mr Hotham recalled the information previously briefed on planning acceleration and the need to prepare the SPD 2018-2020 in advance compared to the usual programming cycle. The draft document will therefore be provided to the Board in December 2016 with a view to adopting it in April 2017.

The Chairperson informed that the Commission is currently finalising its internal consultation process in view of adopting the College Decision outlining the Commission opinion on the 2017 SPD, in time for the adoption of the SPD at the December Board.

He concurred that 2016 was a transition year with SJU making efforts to catch up with the new planning timeline imposed by the EC.

He also stressed the formal obligation to submit a draft SPD 2018-2020, approved by the Board, by the end of January 2017 (for budget planning purposes) and confirmed that DG MOVE will work closely with SJU to ensure the strict compliance with this deadline.

#### **Item 6d Draft Budget 2017**

Mr Dedic presented the main information included in the Draft Budget 2017.

For SESAR 1 there will not be additional commitments, only final payments to close SESAR 1 from a financial perspective. As regards Studies by SJU (Title 3.1) EUR 21.8 million in total are estimated for final payments of Non-Members activities; as regards Studies by Members (Title 3.3) EUR 45.4 million payments as final Co-financings expected (incl. clearing of Pre-Financings and release of amounts exceeding 80/85% threshold of MFA), assuming Programme closure of 96%.

As quarterly effort consumption indicators provided by the Members by the end of September 2016 and the planning of the projects closure process suggest actual consumption might be lower, the SJU is closely monitoring this development in cooperation with the Members, and will continue to regularly inform the Administrative Board and the European Commission about any need to revise the



budget for the expected final payments to the Members of the SESAR1 Programme and release funds if needed.

Revenues from the EU are estimated to EUR 61.9 million to cover final payments (41.8 FP7, 20.1 TEN-T); from EUROCONTROL are estimated to EUR 10.3 million for final contributions; from other Members are estimated to EUR 4.9 million as reimbursements for cash contributions to SJU Running Costs already paid.

Mr Dedic underlined that these are not the final figures and will need to be revised.

Running Costs for SESAR1 are currently estimated at max. 4.2%, i.e. value lower than the 5% mentioned in MFA/MAs and representing savings of EUR 20 million. He added that final actual amounts, both for SJU Running Costs and for all Members' Contributions necessary to perform a final balancing exercise will not be known before the administrative and financial closure of the Programme in 2017/2018; however, he stated that the SJU will provide updated and more reliable estimates and will consider performing a first reimbursement exercise in 2017.

For SESAR 2020, revenues are as follows:

- EU:
- Entitlements: EUR 102.7 million entitlements from Horizon2020
- Cash: EUR 76.9 million actual needed to cover payments
- of which EUR 3.2 million for SJU Running costs
- EUROCONTROL: EUR 3.5 million for Running costs
- Other Members: EUR 2.6 million for Running costs (1/7 of estimated total as per MAs)

Running Costs (Staff & Admin. Expenditure, Titles 1&2) will be in line with the ones of SESAR 1

- EUR 6.2 million for Staff expenditure (in line with SESAR1 2016 budget)
- EUR 3.2 million for Administrative expenditure (in line with SESAR1 2016 budget)

For Non-Members activities (Expenditure Title 3.1) that will start in 2017, there will be Payments of EUR 26.1 million against commitments carried forward from previous years (Pre-Financings for calls from 2016 and Interim Payments for previous calls).

As regards Members activities (Expenditure Titles 3.2&3.3), as soon as the EC financing Decision is adopted and the SJU Budget approved, the SJU will proceed preparing:

- Commitments: EUR 99.5 million new appropriations to increase existing commitments towards the SJU Members (second instalment of Wave1 approved in the Multiannual Work Programme for SESAR 2020).
- Payments: EUR 47.6 million expected to be needed for remaining Pre-Financings of Wave 1 projects (no Interim or Balancing payments to Members are yet foreseen in 2017), which represents an amount 10% higher than that of SESAR 1.

Mr Lallouette claimed the pre-financing of IR-VLD projects is not sufficient to have a neutral cash situation; with an average project duration on 36 months, Members would expect a pre-financing of 50%; he also added that Members will be in a difficult situation in 2017, due to the budget availability issue and urged the SJU to implement the grant amendments as soon as possible.

Mr Dedic explained that the SJU, in defining pre-financings, is bound by two factors: first, limitations imposed by the EU budget availability; second, H2020 Rules for calculating pre-financing, which lead to an average amount of 30% the total value of eligible costs.

Ms De Mateo informed that ENAIRE will send some comments to the Draft Budget 2017 and thanked for the efforts made for containing the running costs and the

administrative costs in 2017.

The Chairperson explained that in the draft EU Budget submitted to the EP and Council in June this year, the Commission proposed an increase of EUR 20M in the 2017 budget for the SJU from EUR 80M to EUR 100M, to support the ramp up of activities in Wave 1 Industrial Research. The Budget Committee in the Council had subsequently proposed to drastically cut the funding to EUR 61M. However, the EP had supported the Commission proposal and the two legislative bodies are currently engaged in negotiations over the final amounts allocated in 2017. The EC confirmed standing by the initial proposal and hope that the outcome of the negotiations reflects the Union's strong commitment towards the SESAR JU. He concluded by saying that once the EU Budget will be approved, the EC will immediately launch the process of transferring the funds to the SJU, allowing for the rapid launch of the amendment processes for Wave 1 calls, as early as March, according to DG MOVE estimations.

### ▷ Conclusions on item 6a, 6b, 6c, 6d

- The Board took note of the information provided by the SJU on Planning and Budget documents.

## **Item 7 General Administrative and financial items**

### **Item 7a Annual Accounts 2015**

Mr Dedic informed the Board that the Final Annual Accounts 2015 have been submitted to the ADB for opinion on 23 June 2016 by written procedure, which was concluded with positive results, and submitted to ECA, EP, Council and European Commission on 1 July 2016 as required by the SJU Financial Rules. The document contained, as usual, few changes compared the Provisional Accounts, and concerned an update of Accruals for 2015 Members' activities for 13 members for a total of EUR -4.5 million (-1.6%).

Mr Dedic then informed that the Board is requested to approve the Final Accounts during the December meeting, once the European Court of Auditors will have submitted its final report. Mr Dedic reported having been informed that ECA expressed a positive opinion ("unqualified") on the reliability of the SJU Annual Accounts 2015 and the legality and regularity of the underlying transactions.

He suggested proceeding with an approval of the SJU Annual Accounts 2015 by written procedure, once the ADB Members have received the final documents.

The Chairperson congratulated the SJU for the unqualified opinion received from ECA and agreed the proposal of adopting the SJU Final Accounts 2015 by written procedure.

### ▷ Conclusions on item 7a

- The Board took note of the information provided by Mr Dedic and agreed with the proposal of adopting the SJU Final Accounts 2015 by written procedure.

## **Item 7b Members Financial Reporting**

Mr Dedic warned the Board that JUs are under strict scrutiny from the European Parliament. So far the SJU, also thanks to the good cooperation with the Members, was able to provide all necessary information requested by the EP.



Last year, most of the JUs participating in H2020 were not able to comply with some of the reporting requirements, which are in the Membership Agreement.

Mr Dedic underlined that is important that *“each Member supports the SJU in developing estimates of the expected Member’s In Kind Contributions incurred in the reporting year by 31 January each year following the reporting year”* and that *“Within 120 days after the end of each calendar year and for the purpose of evaluating the contributions made by each Member to the SESAR PPP, each Member shall provide the SJU with an Interim Financial Statement...”*

This is important in view of demonstrating that Members and Eurocontrol’s contributions are matching the EU’s one.

He specified that as ECA, the Commission and moreover the European Parliament insist on compliance for regular measurement of private investment in JUs, a joint effort of Commission-services and JUs to integrate reporting requirements into H2020 Participants Portal is ongoing and a methodology on reporting and validating of In-kind Contributions will be presented by the SJU to ADB in December 2016.

#### ▷ Conclusions on item 7b

- The Board took note of the information provided.

#### **Item 7c Report IFS 2015**

Mr Calvo showed the status of Interim Financial Statements 2015, where all 16 were submitted to the SJU.

He informed that for the 2017 exercise, being the closure exercise, both the SJU and the Members have to make an effort to conclude the IFS as soon as possible and invited the Members to respond rapidly to requests for clarifications for the final IFS exercise.

In reply to a question from Mr Lallouette, Mr Calvo replied that next year payments will be made as soon as IFSs are made available.

#### ▷ Conclusions on item 7c

- The Board thanked Mr Calvo for the information on IFS.

#### **Item 7d SJU’s ex-post strategy**

Mr Calvo informed the Board that the H2020 Audits are performed by the Common Audit Service (DG RTD), which has put in place a common audit strategy to apply to all H2020 beneficiaries. The ADB should be aware of the following points:

- The First Common Representative Sample (CRS) was drawn 30<sup>th</sup> of September; (No SJU audit is included as no payments have been made);
- The basis for the CRS is paid costs claims submitted at the time the sample is drawn;
- Additional audits (estimate 15 for 2017) for SJU are foreseen in order to achieve coverage required by the ECA and assurance for the ED.

He added that the selection methodology for additional audits is still to be agreed with the CAS.

He added that for SESAR 1, audits will continue until 2018 and for the remaining two audit activities of 2017 and 2018, in accordance with current SJU Ex-post Audit Strategy, 7 Members for 2017 and 8 Members for 2018 (instead of 5 Members/year)



will be selected in order to have all Members audited in the third cycle. Audits in Demonstration activities / Associate Partners / Industrial Support will also be considered in order to provide assurance on these lines of expenditure.

#### ▷ Conclusions on item 7d

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

### **Item 7e Rules of Application of SJU Financial Rules**

Mr Calvo reminded that the SJU Financial Rules were adopted by the Board on 25 June 2015, based on the EU Financial Regulation and that according to Article 112 of the SJU FR *“The Administrative Board shall, as far as necessary and with the Commission’s prior consent, adopt detailed rules for implementing the financial rules of the SJU, on a proposal from its Executive Director”*.

The SJU asked and obtained the EC consent of applying, mutatis mutandi, the Rules of Application of the EU Financial Rules.

Ms de Mateo asked if the SJU could clarify the way in which the Rules of Application complement the SJU Financial Rules and SJU agreed to provide more information.

The Chairperson asked the Board to adopt the decision on the Rules of Application of the EU Financial Rules.

#### ▷ Conclusions on item 7e

- The Board adopted decision ADB(D) 17-2016 on the Rules of Application of the SJU Financial Rules.

### **Item 7f HR matters**

Mr Calvo provided an overview on the staff situation. As of 01/10/2016, 42 out of 44 positions were filled; the selection for the position of Head of Budget & Finance (TA - 5 years AD8) and the recruitment for the 2 positions of Grant Managers (TA - 5 years AD6) were ongoing and the foreseen start date was 1 November 2016. Two recruitments for the positions of Call Coordinator (TA - 5 years AD 9) and Head of Corporate Quality and Planning (TA - 5 years AD 8) were concluded.

As regard the HR Implementing Rules, the SJU has notified the EC/DG HR the intention to adopt a specific model decision on Telework for agencies and therefore to opt out of the Commission Decision on Telework. Concerning the Draft Model Rules related to “Setting up a staff Committee”, the SJU has informed DG/HR that the SJU will continue with the former rules adopted in 2011 (ADB(D)-05-2011).

#### ▷ Conclusions on item 7f

- The Board took note of the information provided.

### **Item 7g Arrangements for Accounting Officer**

The ED informed the Board that the SJU Accounting Officer, M. Dedic, Head of Finance & Accounting Officer of the SJU, resigned and will leave the SJU on 28/10/16.

Article 49 of the SJU Financial Rules mentions that the Administrative Board shall appoint an accounting officer and that the SJU may also agree with the Commission that the accounting officer of the Commission shall also act as accounting officer of the SJU.

The SJU has been preparing with the EC/DG BUDG the necessary administrative arrangements to have the Accounting Officer of the Commission also acting as accounting officer of the SJU and having the Treasury transferred to DG BUDG.

The Chairperson stated that the EC/DG MOVE agreed with the suggested option and requested the Members to adopt the decision, appointing the Accounting Officer of the European Commission as Accounting Officer of the SJU.



### Conclusions on item 7g

Decision ADB(D)18-2016

The ADB adopted decision ADB(D)18-2016, appointing the Accounting Officer of the European Commission as Accounting Officer of the SJU.

The SJU ED and the Chairperson thanked Mr Dedic for his valuable work in the SJU.

## Item 8 AOB

Ms Champagne stated that some Members had sent to the SJU a request for amending the MA and were expecting a feedback on the process to follow.

The Chairperson explained that the EC sees potential difficulties in opening up discussions on the text of the MA, which was just recently signed by all Members.

Mr Rodak (B4) informed that B4 would provide additional analysis of the proposed MA Amendment, prepared by the consortium Legal Team.

The SJU informed that comments will be analysed together with the Commission.

The Chairperson thanked the Members, the SJU and Eurocontrol for their valuable inputs during the meeting.

Mr Giovanni Russo informed that SEAC will change its representative to the SJU ADB and will be represented by Mr Gérard Battistella and Marc Burgess.

Mr Derouineau announced that Mr George Papageorgiou will be Honeywell main representative as of the December Board.

The Chairperson thanked Mr Russo and Derouineau for their contribution to the SJU ADB.

The date of the next Board is 15 December 2016.

The dates for Administrative Board meetings in 2017 are:

- Tuesday 25 April
- Thursday 19 October
- Thursday 14 December.

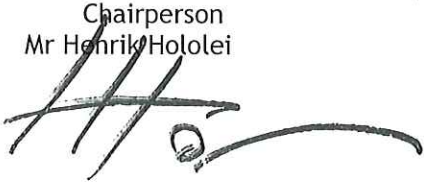
Annexes

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

Done in Brussels, 20/10/2016

Chairperson  
Mr Henrik Hololei



Secretary  
Ms Ilaria Vazzoler





**Annex 1**  
**Attendance list**

**Annex 2**  
**Declarations on conflicts of interest**