

Meeting ADB(M)028

Minutes ADB(M)028- MoM

Date of the Meeting : 12 December 2013
 Time : 10:00 - 14:00
 Place : SJU, av. de Cortenbergh, 100 - 1040 Brussels

Board members and other participants

SJU Members	Representative		
European Union represented by the European Commission (EC)	Mr Matthias Ruete	Member	
	Mr Maurizio Castelletti	Observer	
	Mr Marco De Sciscio	Observer	
	Mr Frederic Claus	Observer	
EUROCONTROL (ECTL)	Mr Bernard Miaillier	Alternate	
AENA	Mr Ignacio Gonzalez	Member	
	Ms Mariluz de Mateo	Alternate	
Airbus	Mr Pierre Bachelier	Alternate	
ALENIA Aermacchi	Mr Fabio Ruta	Alternate	
DFS	Mr Robert Schickling	Member	
	Mr Ralf Bertsch	Alternate	
DSNA	Mr Maurice Georges	Member	
	Mr Pierre-Yves Huerre	Observer	
ENAV	Mr Iacopo Prissinotti	Member	
Frequentis	Mr Christian Pegritz	Alternate	
Honeywell	Mr Jean-Luc Derouineau	Member	
INDRA	Mr Rafael Gallego	Member	
	Mr Ramon Tarrech	Alternate	
NATMIG	Mr Aage Thunem	Member	
NATS	Mr Jonathan Astill	Observer	
NORACON	Ms Lena Bystrom	Observer	
SEAC	Mr Giovanni Russo	Member	
SELEX ES	Mr Stefano Porfiri	Alternate	
Thales	Mr Luc Lallouette	Alternate	

Stakeholder representatives	Representative		
Military (MIL)	Mr Richard Connelly	Member	<i>Excused</i>
European Defence Agency (EDA)	Ms Giampaolo Lillo	Alternate	
	Mr Vincent de Vroey	Member	
Civil users of airspace (CUA)	Mr Pedro Vicente Azua	Alternate	
	Mr Gunter Martis	Member	
Air Navigation Service Providers (ANSP)	Mr Gunter Martis	Member	
Equipment manufacturers (EM)	Mr Aimo Bülte	Observer	
Airports (APT)	Mr Andreas Eichinger	Alternate	
Staff in the ATM sector (STAFF)	Mr Loic Michel	Member	

	Mr Theodore Kiritsis	Alternate	
Scientific community (SC)	Mr J.A. Mulder	Alternate	<i>Excused</i>

Other participants

SJU Executive Director	Mr Claude Chêne	Member	
SJU Deputy Executive Director of Administration and Finance	Mr Carlo M. Borghini	Member	
SJU Deputy Executive Director Operations and Programme	Mr Florian Guillermet	Member	
SJU Internal audit	Mrs Beata Zwolinska	Observer	
Secretary of the Board	Mrs Ilaria Vazzoler		
SJU Liaison Officer	David Batchelor	Observer	
SJU trainee	Stanislava Angelova	Observer	

Distributed meeting documents

SJU-AB-028-13-DOC-01	Annual Work Programme 2014	Item 5
SJU-AB-028-13-DOC-02	Revised Budget 2013	Item 5
SJU-AB-028-13-DOC-03	Budget 2014	Item 5
SJU-AB-028-13-DOC-04	SJU Annual Accounts 2012 and ECA Report	Item 5
SJU-AB-028-13-DOC-05	Reallocation 2013 - BAFO III	Item 5
SJU-AB-028-13-DOC-06	SJU Financial Rules	Item 5
SJU-AB-028-13-DOC-07	SJU ex-post strategy revision	Item 5
SJU-AB-028-13-DOC-08	Implementation of SJU Staff Regulation	Item 5

Item 1 Introduction

The Chair welcomed the Board members and in particular the new representatives and the new alternates/observers:

- Mr Jonathan Astill, Director of Internal Strategy, who participated as an observer for Nats
- Ms Lena Byström, Deputy Director General LFV, who participated as an observer for Noracon
- Mr Pierre-Yves Huerre, Head of the Strategic and Planning Department who participated as an observer for DSNA
- Mr Aimo Bulte, chairman of Aerospace and Defence Industries Association of Europe (ASD) who participated as an observer for the Equipment Manufacturers

He also thanked Mr Bo Redeborn, who could not participate to the meeting, for his strong involvement in the SJU and his contribution as Vice-Chairman to the SJU ADB and wished all the best for his future.

As an introduction, the Chair declared that the EU Multilateral Financial Framework has been approved and H2020 as well. He informed that the EC is currently in the process of setting up the executive agency INEA which will manage the technical and financial

implementation of the Commission's programmes such as the Connecting Europe Facility (CEF) programme for transport, energy and telecommunications, as well as the specific objectives "Smart Green and integrated transport" and "Secure, clean and efficient energy" of part III - Societal challenges of the Horizon 2020 Specific Programme. It will also continue with the implementation of the legacy of the Trans-European transport network programme, and receive the Marco Polo programme legacy from the Executive Agency for Competition and Innovation (EACI).

The EC is currently in the process of launching the last TEN-T call for the period 2007-2013.

Verification of the voting quorum

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

Adoption of the agenda

The EC wanted to add an item to the agenda to inform about the second tri-annual evaluation of the SJU. No other Board members proposed additional 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 items. 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 Chair pointed out that the topic addressed under item 5 of the agenda (Reallocation/BAFO III) may have led to situation of conflict of interest for some of the present Members; he stated that, should have the discussion taken a certain direction, he would ask Members in potential conflict of interest to leave the room.

- ▷ The Chair noted that all participants had completed the declarations on conflict of interest.

Item 2 Programme Status

- Overall programme status: Mr Guillermet presented the progress of the Programme, focusing on the preparation for the Release for next year, detailed in the AWP 2014.

Following the results of the Programme Committee (PC) meeting that took place on the 11 December, the SJU Members agreed on the content of Release 4, consisting of 20 exercises, including 4 from R3. In terms of coverage, it addresses 13 operational topics (OFAs) and 4 Priority Business Needs (the equivalent of the key features of the European Master Plan). Mr Guillermet underlined that for the first time the SJU is integrating different components of the programme, grouping them together into wider validation activities. The detail content of Release 4 was made available to the ADB through the Annual Work Programme 2014.

Mr Guillermet also underlined that the participation of Airspace Users has been intensified both in the preparation of Release activities and in their execution next year. He then provided examples of the content of R4 exercises (see presentation).

He commented that maturity and quality of the information received in the preparation of Release activities were much higher this year than previous years.

Programme alignment with the PCP: Mr Guillermet confirmed that programme priorities have been aligned with PCP content and on the 6 ATM functionalities the SJU has a clear plan on how to progress them to full stage of maturity in future releases. The SJU is also careful in addressing potential discrepancies within projects in order to reach full maturity in R4 or R5.

In terms of ATM performance benefits, although figures are still under validation, big progress has been made in having quantifiable information, where possible. As an example, Mr Guillermet mentioned cost efficiency (= productivity improvements, i.e. the capability of the system either to manage more traffic or same level traffic with less resources).

Activities at the top of the V cycle are defining the targets, cascading down to the different projects that have to assess the results through V1, V2, V3 activities, with common methodologies provided by WP16; then finally the results are aggregated together by WPB and reported back to the programme. The SJU is currently reviewing the second edition of aggregated results provided by project B5, containing indication on targets achieved for Step 1.

Mr Guillermet concluded underlying that the efforts invested in measuring the ATM performance are starting paying back, and providing evidences of what SESAR can bring in terms of performance is now a reality.

The Chair thanked Mr Guillermet and opened the floor for questions.

- Mr Miaillier (Eurocontrol) thanked for the presentation being made available in advance to the meeting. He had a remark on the cost effectiveness improvement, in particular as regards Step 2 CONOPS: attention should be given to improve the cost effectiveness and one way of doing so is to look at the architecture of the ATM system and in particular the way the services are provided at local, regional and central levels.
- Mr de Vroey (Airspace Users): stressed that it is important that improvements go back to the Airspace Users in terms of tangible benefits.
- Mr Russo (SEAC) thanked for the presentation being made available in advance to the meeting and would like to be informed about the improvements in the future.
- Mr Michel (Staff Association) highlighted the increasing involvement of professional staff organisations in particular through the International Validation team participation in the next Releases, as it happened in the last one.
- Mr Batchelor, SJU Liaison officer in the US: provided a brief report on the first year of activities of the SJU Liaison Office in Washington DC, opened in August 2012.

The SJU offices are located in the EU delegation in the US, where also a representative from EASA and one from DG MOVE are located. The role of the SJU Liaison is (1) being the representative of the SJU in the US but also the representative of its Members; (2) fostering the relationship with FAA; (3) supporting the process of interoperability between SESAR and NextGen.

Mr Batchelor told that one event was held at the end of June 2013 in Washington DC to raise the profile of the SJU activities and thanked the Members who contributed with their participation to the success of the event; the message the SJU wanted to convey was that the SESAR Programme is moving forward, towards deployment, in Europe. A positive feedback was received from the US audience.

He stressed two aspects related to NextGen current situation: (1) issue of the US budget sequestration and government shut down, creating budget uncertainty for the FAA as well; (2) lack leadership within FAA: due to several changes in the high management, the SJU missed the adequate counterpart to discuss SESAR.

He explained that the NextGen programme is very much focused on near term improvements and it is substantially ground-driven; he also added that there is a strong level of scepticism among Airspace users about the capacity of FAA to deliver the improvements they need, not only due to budget constraints but also to organisational reasons. On equipage, the options on using financial incentives have been discarded.

He then focused on some important issues he has been following during the year. The first, related to Data Comm, consisted on the fact that FAA has been considering the postponement of the adoption of the standard for the ATN B2. The SJU raised the issue to senior level in FAA, reaching a common understanding in August on a standardisation roadmap. SJU will have to close monitor the issue.

The second is RPAS (UAS): the FAA was one year late in publishing its comprehensive Plan and UAS Integration Roadmap and it still has to announce the first 6 test sites; this is a politically sensitive issues in the US, as the FAA received around 25 application from different states, but eventually only 6 will be selected.

The last item is Cyber security, which was one of the top items of Vice President Kallas' agenda when he visited the US. Mr Batchelor admitted it is quite difficult to have more information on what is happening in the US. At EU/US level there is a working group on cyber security, whose US counterpart is the Department of Homeland security (DHS): it is a forum for high level exchanges on cyber security; several activities also occurs at industrial level.

The Chair thanked Mr Batchelor for his reports and activities in the US and for his contribution in increasing the European presence in the US.

- Mr Miaillier (Eurocontrol): on Data Comm, Eurcontrol appreciates the SJU efforts and also Eurocontrol is dedicating many efforts to that.
- Mr de Vroey (Airspace Users) stated that ensuring a common approach on Data Comm is essential: on some activities there are different approaches in the EU and the US, but this problem has to be fixed otherwise airlines will not be able to invest.
- Mr Bachelier (Airbus): on Data Communication we achieved a good progress between Europe and US but it is necessary to avoid misleading wording on standards. There is a need to use the term basic standard instead of initial standard to avoid any confusion on the nature and maturity of the datacom standard; it will be useful to have a report on the MoC SESAR Annex CP progress.
- Mr Porfiri (Selex ES) asked if it is possible to have precise figures regarding the budget to finance research and development in the US.
- Mr Batchelor answered that as FAA Budget foresees different categories of spending and NextGen activities are spread among them, it is very hard to have clear figures. In round figures the budget for NextGen activities is USD 1 billion (including both research and implementation activities). As regards US

expenditure for ATM research, as these activities are dispersed across a number of bodies (FAA, NASA, MIT, etc...) it is very difficult to obtain precise information.



Conclusions on item 2

- The Board thanked Mr Guillermet and Mr Batchelor for their presentation and all those who have intervened, took note of the information provided in the discussion and endorsed the content of Release 4 as part of the annual work programme.

Item 3 SESAR Joint Undertaking Extension

- Mr Ruete provided the Board with an update on the status of the discussion on the SJU extension. On 10 October the Council adopted a favourable position on the Commission's proposal to extend the SJU, and agreed on the time horizon of 2024, on the EU funding of EUR 600 million, and on the budget breakdown (EUR 100 million for exploratory research, EUR 1.2 billion for applied research; EUR 300 million for large scale demos).

The chair thanked the Members for their support at national level to allow having a positive opinion at the Council.

From a procedural point of view, the Treaty requires an opinion of EP. However, the ITRE committee is currently considering opting for a codecision procedure. By making linkages to other JTIs/JUs proposal, the EP is trying to build up a negotiated position on the whole package of JTIs/JUs, instead of adopting an opinion. It also prepared amendments to reduce the duration (to 2020 and not 2024) and the financial resources for the SJU (EUR 525 million i.o. 600).

- Mr Castelletti explained that there is an attempt of the EP to open negotiations with the Council on dossiers that are not under co-decision; this is because of the substantial budget involved in the underlying proposals. The EC is providing all the background information to the EP regarding both the 2024 timeframe and the budget allocation and highlighting that that the budget: (1) has already been decreased compared to the last period; (2) was set up on the basis of an external study which demonstrated the need of this resources level.
- Mr Prissinotti (ENAV) stressed that it is important to emphasize the fundamental role of the SJU in the context of the SES policy; he also suggested that it would be useful to have a common strategy of the SJU Members to provide inputs to MEPs.
- Mr Ruete replied that the EC strategy to address this issue was not yet established, but his suggestion would be to dissociate SJU's negotiations from the rest of the JTIs/JUs negotiations; there are specificities in the EC proposal regarding the SJU that can be used for that purpose.
- Mr de Vroey (Airspace Users) confirmed the support of the Airspace Users and invited Members not take positions that could be detrimental to SESAR Programme in favour of other programmes (e.g. Clean Sky).
- The Chair expressed his hope that the EC arguments and the action of the SJU and its Members would suffice to convince EP, in order to avoid having to restart the whole process next year with a new European Commission and a new European Parliament.
- Mr Bachelier (Airbus) confirmed Airbus strong support to the SJU extension proposal.



Conclusions on item 3

- The Board took note of the information provided by the EC and by the SJU on the extension of the SJU.

Item 4 SESAR deployment

- M Castelletti announced that further to the analysis of inputs received from the SJU, the EC is now ready to publish the draft proposal on PCP. The text has already been sent to the Single Sky Committee. The document contains: a view on the PCP, the technical description of what is intended to be deployed in the next years, the functionalities to be deployed, the roadmap of deliverables expected from the SJU, a cost-benefit analysis, the description of the links between this initiative and the Single European Sky policy and the deployment manager.
- The public consultation, available on line, started on 12 December and will last until the end of January. The EC intends to organize an information day to provide the feedback on the results of the consultation; the PCP proposal will then be modified to take into account relevant comments resulting from the consultation process. The text will then be submitted to the stakeholders' endorsement; the EC aims at tabling the proposal to the Single Sky Committee in April for the final vote on the implementing regulation. The EC intends to widely disseminate the documents to neighborhood countries, FAA, ICAO, etc.
- Mr Lillo (EDA) underlined EDA involvement and support provided to the SJU in preparing the PCP proposal; EDA is also committed to implementing its role in consolidating the military view and coordination role between NATO and Eurocontrol. Dealing with different communities made the task quite difficult, but EDA was eventually able to provide the consolidate view. Mr Lillo therefore pled for the military community comments, resulting from the consultation process, to be taken into account in the PCP proposal.
- Mr Bachelier (Airbus) stated that the extended time horizon could jeopardize the achievement of the proposal objectives and suggested to have a step by step approach, with intermediate targets and incentives.

In addition he asked to clarify: (1) if industrialization could be supported by the CEF budget; (2) what the governance and financing support envisaged for V4 phase are (as V4 is between R&D and industrialisation).

- Mr Prissinotti (ENAV) raised the following points: (1) he underlined the effort made by the Industry in contributing to the PCP proposal; (2) invited to undertake a political evaluation of the so-called binding commitment of such a large Programme. He pointed that the EC should not aim at regulating all details, but should rather have confidence on the maturity level of the industry and the SJU partnership committing to achieve these goals. Regulations are fundamental but should be an umbrella overarching the partnership rather than a collection of detailed obligations; (3) the EC should give the appropriate value to the comments received from the various stakeholders.
- Mr Martis (ANSP) expressed some concerns regarding the fact that the consultation period could be too short.
- Mr Tarrech (INDRA) asked some clarification on the evaluation of ATM functionalities 1 to 4 and 5 and 6: it is unclear for the manufacturing industry which type of incentives applies to the two groups. He underlined that AF and 6

cover areas requiring more innovation and therefore it seems not appropriate to exclude them from funding.

- Mr Derouineau (Honeywell) suggested that providing a vision on incentives would be important for the airborne industry.
- Mr Castelletti: the EC proposal was conceived on the basis of the inputs provided by the industry on the level of maturity of ATM functionalities; he recognized that industry, being on the lead of the industrialization process, could tell the EC what should be included in the packages (i.e. should be 5 and 6 included, the EC proposal could be reviewed). Concerning the funding, it is not EC intention to co-finance industrialization of V4, except for some activities like LSD that are before industrialization. The EC is aware of the different industrialization processes and the questions of incentives and funding can be further clarified. In relation to the legal framework, Mr Castelletti stated that issue of synchronization requires some legal commitment that should however remain sufficiently flexible. He concluded inviting Members to participate to the public consultation and confirmed that their opinions will be taken into account as appropriate.
- Mr Bachelier (Airbus) stated that maturity is not linked to the industrialization itself; he also added that it is not demonstrated how the benefits will materialize.
- Mr Gonzalez (AENA) raised some concerns on final dates mentioned in the proposal and particularly on the non-alignment between investments plans requested today to the ANSPs for RP2, expected for the coming months, and the PCP proposal.
- Mr Castelletti clarified that what was asked in the performance scheme was to come out with a business plan consistent with the PCP; the EC is expecting that regarding the second period 2015-2019, industry priority would be investing according to the PCP. The benefits of the PCP would eventually come at the end of the second period. The EC understands that the industry position may not always be easy, as it is invited from one side to make savings and on the other side to make investments to reach the cost efficiency targets, but the EC is confident that the EU financing and the current investments (1bn per year) industry can cover the investments needs and continuing the process of being cost efficient.
- Mr Porfiri (SELEX es) confirmed that SELEX is ready to industrialize and committed to all the 6 AF. He expressed some concerns regarding the fact that the EC seems to listen more to standardization bodies rather than manufacturing industry and the overall membership. This should not be the case as the manufacturing industry, through EUROCAE, should be the reference for standardization.
- The Chair justified the cautious position of the EC by the fact that some industries affirmed not being ready for industrialization. The EC takes note of the positions taken by the industry during the meeting and warned this should be a commitment on the industry's side.

He summarized the overall debate on investments with the following question: can industry face industrialization with its current level of investments and the EU funds currently available?

He concluded by saying that discussions on SESAR deployment started 3 years ago, went through a lot of different phases and iterations; the current level of maturity allows moving ahead and making appropriate decisions.



Conclusions on item 4

- The Board took note of the information provided by the EC and the discussion on SESAR deployment.

Item 5 General Administrative and budget issues

Item 5a Reallocation 2013/BAFO III

- The Chair stated that all ADB Members could have stayed for the presentation; should the discussion lead to situations of conflict of interest for some Members, the latter would have been invited to leave the room.
- Mr Borghini distributed a report on Reallocation, previously made available to the EC only, being the only Member not in a position of conflict of interest. He provided an overview of the process, started at the beginning of 2013 and concluded in December 2013. The proposals received for Reallocation and IBAFO III projects were assessed by a technical team. No irregularities on the process are to be reported; particular attention was given to making sure that level of co-financing did not exceed the initial one, fixed in the co-financing agreement.

As a result of the Reallocation process the in-kind contributions decreased of EUR 116 million, and EUR 6.5 million for Eurocontrol (corresponding approximately to 10% of the Programme); Mr Borghini underlined there is no corresponding decrease in terms of resources/efforts, i.e. level of activities remains the same, but at a lower price. Overall, as a result of the Reallocation process, around EUR 38 million is released back to the SJU.

The global result of the Reallocation process is positive, but Mr Borghini underlined that: (1) out of 15 projects, no offers were received for 2 projects; (2) for 1 project the offer was not affecting resources (as they will be taken from the Reallocation); (3) one proposal was a merge of projects 2 and 3. He also emphasized one negative outcome of the evaluations: 3 projects were scored substantially below the threshold. However, being these 3 projects of strategic importance, the experts involved in the evaluation suggested that the SJU ED be delegated to launch a 60 days clarifications process with the concerned project leaders in order to fulfil projects gaps and eventually launch them. Consequently the ED proposal to the ADB - and the voting rights, in the specific instance, were those of the EC and the AUs, all the others being in conflict of interest - was:

- to approve the Reallocation 2013 and IBAFO III process to commit to have a signature of the MFA and the MA amendments by the end of June 2014;
- to have a decision entering into force on 1 January 2014, allowing the SJU to make the necessary commitments and changes with immediate effect to make use of the Release resources;
- to delegate the ED to launch the projects, currently under the 60 days clarifications process, once the process is finalized and satisfactory changes have been made.
- Mr Chêne admitted the SJU's disappointment for the results compared to results of previous exercises, although the SJU does not question the capacity and professionalism of the companies involved in the proposals' preparation. He therefore invited not to consider this kind of process a "given for granted" exercise and to allocate the appropriate level of resources to future Reallocations.



Conclusions on item 5a

Decision ADB(D)-13-2013

- The Board took note of the information provided by Mr Borghini and adopted the Decision ADB(D)-13-2013 on the Reallocation 2013/BAFO III.

Item 5b Final Revised Budget 2013

- Mr Borghini presented the main changes of the Revised Budget 2013, which takes into account the results of the Reallocation/IBAFO III process. Commitments for the Members are reduced. The EUR 38 million released back to the SJU as a result of the Reallocation process, are allocated as follows: EUR 30 million to LSD, that will be launched by the end of December 2013; EUR 6 million to top up the Industrial Support contract to ensure IS activities until the end 2015 and to make a bridge with the launch of the new Programme; EUR 3 million to the launch of the definition phase of the RPAS integration in non-segregated ATM space (co-financed at 100%).

In terms of commitments, compared to the initial Budget, running costs have been reduced of around 2/3%, keeping a 2% to develop a document management system (particularly to satisfy a recommendation of the Court of Auditors) and a support tool for HR management. These tools will be useful to support the work related to the new Programme.

In terms of payments, the payment allocation received from the EC was reduced due to the fact that Members States made available to the EU less money than initially forecasted. This is a cash flow management issue that needs to be addressed next year.

As a conclusive remark, Mr Borghini underlined that the EC contribution of EUR 700 million is fully committed at the end of 2013. He also added that in terms of running costs, the SJU expects to spend overall EUR 20 to 25 million less than what initially planned and that these resources are already re-committed to the operational activities.

- Mr Gonzalez (AENA) asked if the tax issued experienced by AENA was shared and if it had an impact on the Budget 2013.
- Mr Borghini answered that there is no impact on the Budget 2013; as regards the specific case of AENA, the amount of money corresponding to the tax issue that was initially suspended has now been paid.



Conclusions on item 5b

Decision ADB(D)-10-2013

- The Board took note of the information provided by Mr Borghini and declared adopted the Decision ADB(D)-10-2013 on the Revised Budget 2013, congratulating the SJU for the effort in reducing the costs related to the overheads.

Item 5c Budget 2014

- Mr Borghini confirmed that most of the figures remained unchanged compared to the version submitted to the Board on 30 September. Regarding the administrative expenditure, mission costs are maintained at higher level compared to the 2013 actuals, but the SJU is paying attention to containing these expenses; the same effort is applied to IT costs; other increases are related to the increase of cost of life; as regards staff expenditure, changes are related to contract changes but no modification occurs in the overall number of the SJU staff.

As a conclusive remark, Mr Borghini wanted to draw the attention of the Members to the fact that 1 vacancy for a SNE is still free and the SJU is currently looking to fill this with a legal expert. The vacancy will be published at the beginning of January 2014.

- Mr Gonzalez (AENA) wondered why, considering that the missions costs are decreasing, the budget 2014 was not revised accordingly; he also asked why no

reduction was considered in the Budget 2014 for those contracts/chapters for which budget of 2013 is partially used; as regards the staff he noticed that the budget is increasing, even though the SJU HR number remains the same.

- Mr Borghini replied that: (1) missions' costs are kept to avoid cumbersome administrative procedures related to the budget revision process; (2) on the rental, benefit will not be seen before 2016; (3) regarding the Communication costs, the SJU is expecting a substantial reduction thanks to the possibility of using a EC framework contract, but on-off costs are not to be excluded; (4) staff costs are related to maternity leaves replacements and other ad hoc support, where needed.



Conclusions on item 5a

Decision ADB(D)-11-2013

The Board took note of the information provided by Mr Borghini and declared adopted the Decision ADB(D)-11-2013 on the Budget 2014.

Item 5d Annual Work Programme 2014

- Mr Borghini recalled that the AWP 2014 was made available to the Members around the first week of November. As a result of the consultation process, the SJU received comments from the EC, AENA and Airbus and included them, as far as possible, in the revised version.

The final version of the AWP 2014 will take into account the results of the Reallocation/IBAFO III process and will be made available by the end of January. The draft AWP 2014 is anyhow already aligned with the revised Budget 2013 and the Budget 2014.

- Mr Gonzalez (AENA) thanked Mr Borghini for taking into account AENA's comments in the revised version. He asked some clarifications on (1) the budget foreseen for the Demonstration call to be launched in January 2014 - it was said that this should be a EUR 30 million budget, but the Revised Budget 2013 actually reports EUR 25 million - (2) the precise figures for the RPAS call; (3) the content of the call for the RPAs definition phase.
- Mr Borghini confirmed that the total budget for the Demo call is EUR 30 million that consists of an amount of EUR 5 million, already committed by the SJU and an additional amount of EUR 25 million. Regarding the discrepancies related to the RPAS call, this is related to the fact that 1 project is still under a negotiated procedure and an award decision is expected at the earliest. Regarding the RPAS definition phase, the call is planned to be an open call, co-financed at 100% and will be launched during the first quarter 2014, if not already by the end of 2013.
- Mr Lillo (EDA) pointed out that RPAs is of a great interest for EDA and its expertise is available to support the SJU activities.
- The chair mentioned that the Council of Ministers has come out last week with a position encouraging a strong cooperation between civilian and military in RPAS.
- Mr Ruta (Alenia) stressed that the RPAS definition phase is an important phase and EC should exploit all the available expertise.



Conclusions on item 5d

Decision ADB(D)-09-2013

The Board took note of the information provided by Mr Borghini and declared adopted the Decision ADB(D)-09-2013 on the Annual Work Programme 2014.

Item 5e Annual Accounts 2012

- Mr Ruete passed the Chairmanship of the Board to the Eurocontrol representative, Mr Miailler, who gave the floor to Mr Borghini to refer on the Annual Accounts 2012.
- The Annual Accounts were provided to the ADB Members on the 1 July 2013 and the European Court of Auditors Report on the SJU Final Accounts was adopted in October 2013. The Report praised the SJU improvements on the IFS analysis and stressed the need for coordination of activities with Clean Sky. No other major comments are included.

Mr Borghini also seized the opportunity to inform the ADB that the SJU was invited in Luxembourg to make a presentation of its activities and way of working to the ECA Cabinets dealing with Research files.



Conclusions on item 5e

Decision ADB(D)-12-2013

- The Board took note of the information provided by Mr Borghini, adopted the Decision ADB(D)-12-2013 on the SJU Annual Accounts 2012 and authorized the Executive Director to use the outturn of the previous year for this year's payments as of 1 January 2014.

Item 5f Alignment of the SJU Financial Rules to the EU Financial Regulation 2013

- Mr Borghini informed the Board that the SJU has the obligation to adopt new Financial Rules as of 1 January 2014. The text of the new Financial Rules, which does not present substantial changes compared to the old one, but only some minor changes, has been submitted to the EC for endorsement. Therefore the ADB was invited to adopt the decision on the new SJU Financial Rules on a provisional basis and the final adoption will occur after the EC agreement is received. The new SJU Financial Rules enter into force, under a provisional arrangement, as of 1 January 2014.
- Mr Gonzalez (AENA) was of the opinion that art. 112, 113 and 114 were not to be included in the new Financial Rules, but could be rather part of an amendment of the MA.
- Mr Russo (SEAC) stated that it was not clear what the eligible costs would be.
- Mr Borghini explained that the artt. 112,113,114, were also present in the old Rules and are to be included in the new Financial Rules in order to (1) derogate to the grants approach of the EU (although Mr Borghini agreed that these provisions are more contractual arrangements, they had been included in the Financial Rules upon request of the EC/DG BUDG); (2) allow the payment of the co-financing of the current programme up to the end of 2016. Once the current Programme will be finished, these articles will automatically become obsolete.



Conclusions on item 5f

Decision ADB(D)-14-2013

- The Board took note of the information provided by Mr Borghini and adopted the Decision ADB(D)-14-2013 on the SJU Financial Rules on provisional basis. The Board agreed to hold a written procedure for the final approval, once the EC approval is received.

Item 5g SJU ex-post project audit strategy revision

- Mr Borghini informed that the main change of the revised ex-post audit strategy is the increase of the audit population to 25% to take into account a request of

the Court of Auditors. The revised ex-post audit strategy was discussed with DG MOVE ex-post audit unit, who did not have any objection.

Mr Borghini added that the text of the decision will be amended to mention that the old ex-post audit strategy is repealed.

▷ **Conclusions on item 5g** Decision ADB(D)-15-2013

- The Board took note of the information provided by Mr Borghini and adopted the Decision ADB(D)-15-2013 on the SJU ex-post audit strategy.

Item 5h Implementation of the Staff Regulation to the SJU

- Mr Borghini explained that as of 1 January 2014 the New Staff Regulations of Officials and Other Servants of the EU will enter into force. This requires changing all the implementing provisions that should be adopted by the ADB or by the ED, upon delegation. The EC decision for the adoption of the implementing rules is scheduled for the 16 December. It is proposed that the SJU Executive Director will take the necessary decision to put in place the implementing rules as of 1 January 2014 up to the moment the decision of the EC is adopted.

▷ **Conclusions on item 5h** Decision ADB(D)-16-2013

- The Board took note of the information provided by Mr Borghini and adopted the Decision ADB(D)-16-2013 on the implementation of the Staff Regulation to the SJU.

Item 5i Adoption of SJU Foreground - update

- Mr Borghini confirmed that several progresses were made on the report on the SJU foreground but 75 issues, involving 2 companies, were still open. Therefore the Board will be asked to adopt a decision on the SJU foreground only once the pending matters are solved.

▷ **Conclusions on item 5i**

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

Item 5j Selection process of the SJU Executive Director

- The Chair informed the Board Members that the process for the selection of the SJU ED was on track. The EC received a range of strong applications and held a first round of interviews with the pre-selected candidates. The shortlisted candidates have been examined through the assessment centre and were interviewed by a panel composed of senior Commission Officials. The panel recommended a shortlist of 4 candidates to Vice-President Kallas, who interviewed them that week. He will have to communicate to the College the final shortlist that will have to be formally adopted with a College decision. The EC should consult the Single Sky Committee; subsequently there will be an internal consultation in the EC and finally the ED will be formally appointed by the ADB, in its role of appointing authority. In this respect, an ad hoc ADB meeting should be scheduled possibly in the second half of February. The date will be communicated as soon as possible.

- Mr de Vroey (ANSPs) asked to fix the date of the extraordinary meeting as soon as possible.
- Mr Ruete promised to make the necessary to define the date at the earliest.

▷ Conclusions on item 5j

- The Board took note of the information provided by the Chair on the process.

Item 6 Any Other Business - second evaluation of the SJU

- Mr Castelletti stated that, according to the SJU Regulation, there is an obligation to have an evaluation of the SJU every 3 years. The first evaluation was done in 2010, the second evaluation is now starting and will be conducted by an external contractor (COWI), working under a framework contract with DG MOVE. He invited the Members and the SJU staff to cooperate when contacted by the contractor.

▷ Conclusions on item 6a

- The Board took note of the information provided and the request presented.

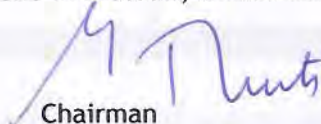
Closing of the meeting

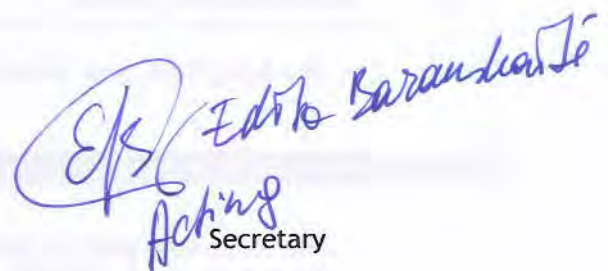
The Chair thanked the Board members and the other participants for their active participation and their contribution to the meeting.

Annexes

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

Done in Brussels, 12/12/2013


Chairman


Acting Secretary

Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest