

Meeting ADB(M)012

Minutes ADB(M)012-Draft MoM

Date of the Meeting : 14 December 2009
 Time : 14:00-18:00
 Place : SJU, av. de Cortenbergh, 100 - 1040 Brussels

Board members and other participants

SJU Members	Representative	
European Commission (EC)	Mr Daniel Calleja (DCC)	Chairman
	Mr Luc Tytgat	Excused
	Mr Marco De Sciscio (MDS)	Observer
EUROCONTROL (ECTL)	Mr Bo Redeborn (BR)	Deputy Chairman
AENA	Ms Mariluz De Mateo (MDM)	Alternate
Airbus	Mr Patrick Schuster (PS)	Alternate
ALENIA Aeronautica (Alenia)	Mr Fabio Ruta (AS)	Observer
DFS	Mr Georg Dickhaut (GD)	Alternate
DSNA	Mr Thierry Liabastres (TL)	Alternate
ENAV	Mr Iacopo Prissinotti (IP)	
Frequentis	Mr Johannes Bardach (JB)	
Honeywell	Mr Alexandre Laybros (AL)	Alternate
INDRA	Mr Ramón Tarrech Masdeu (RTM)	Alternate
NATMIG	Mr Aage Thunem (AT)	
NATS	Mr Ian Hall (IH)	
NORACON	Mr Niclas Gustavsson (NG)	Alternate
SEAC	Mr Giovanni Russo (GR)	
SELEX S.I. (SELEX)	Mr Stefano Porfiri (SP)	Alternate
Thales	Mr Luc Lallouette (LL)	Alternate

Stakeholder representatives	Representative	
Military (MIL)	Gp Capt. John Clark (JC)	
Civil users of airspace (CUA)	Mr Vincent de Vroey (VDV)	
Air Navigation Service Providers (ANSP)	Mr Bernard Martens (BM)	Alternate
Equipment manufacturers (EM)	Mr François Gayet (FG)	Excused
Airports (APT)	Mr Philippe Ahrens (PA)	
Staff in the ATM sector (STAFF)	Mr Joël Cariou (JC)	
	Mr Jean-Pierre Etienne (JPE)	Alternate
Scientific community (SC)	Prof. Peter Hecker (PH)	

Other participants		
SJU Executive Director	Mr Patrick Ky (PKY)	
SJU Director Admin & Finance	Mr Carlo Borghini (CMB)	
SJU Internal audit	Mr Ross Walton (RWA)	
Secretary of the Board	Mr Federico Grandini (FGR)	

Distributed meeting documents

SJU-AB-012-09-DOC-01	- Final approval of the annual accounts 2008 together with the report of the European Court of AuditorsItem 2
SJU-AB-011-09-DOC-02bis	- Budget 2010Item 2
SJU-AB-011-09-DOC-03	- Annual Work Programme 2010 and 2010-2012 main targets..Item 2
SJU-AB-011-09-DOC-04bis	- Decision on access to SJU documents..... ..Item 2
SJU-AB-011-09-DOC-05bis	- Associate Partners..... ..Item 3
SJU-AB-011-09-DOC-06	- Associate to the SJUItem 3
SJU-AB-011-09-DOC-08	- Decision on the Report of the Executive Director on the award of the activities in the context of IBAFO 2***Item R

*** In accordance with SESAR Joint Undertaking's (hereinafter the SJU) rules and provisions on confidentiality, independence and the management of conflict of interest of the bodies of the SJU, the representative of all SJU Members excluding the European Commission, and of a number of stakeholders are in a situation of conflict of interest on this item. Consequently the relevant documents have been sent to the Commission, and to Military, Airspace users and Staff representatives only. All other representatives have been asked to withdraw from the discussions and voting on this item.

Item R Decision on the Report of the Executive Director on the award of the activities in the context of IBAFO2

Restricted session - In accordance with the SJU's rules and provisions on confidentiality, independence and the management of conflict of interest of the bodies of the SJU, the representatives of SJU Members and stakeholders (with the exception of the Commission, Military, Airspace users and Staff) declared that they had corporate interest in the outcome of the deliberations of the Administrative Board in relation to this point of the agenda. Consequently, they withdrew from the discussions and voting on this item.

Participants to discussions on Item R:

European Commission (EC)	Mr Daniel Calleja (DCC)	Chairman
	Mr Marco De Sciscio (MDS)	Observer
Military (MIL)	Gp Capt. John Clark (JC)	
Civil users of airspace (CUA)	Mr Vincent de Vroey (VDV)	
Staff in the ATM sector (STAFF)	Mr Joël Cariou (JC)	
	Mr Jean-Pierre Etienne (JPE)	Alternate
SJU Executive Director	Mr Patrick Ky (PKY)	
SJU Director Admin & Finance	Mr Carlo Borghini (CMB)	
SJU Internal audit	Mr Ross Walton (RWA)	
Secretary of the Board	Mr Federico Grandini (FGR)	

1. PKY offered a presentation on the procedure followed and on the results of IBAFO2, highlighting the following:
 - a. Overview of the analysis and evaluation processes (administrative, technical, transversal and PAB);
 - b. Overview of the offers - 422 offers covering 110 projects;
 - c. Total co-financing budget requested, 94 M€, against available co-financing, 105 M€ (significantly below capping for WP7, good coordination in Airborne Industry);
 - d. Overview of the results per Member as per Annexes to the Report;
 - e. General PAB remarks and recommendations -
 - i. appreciation of the quality of the offers received (only one project not being awarded);
 - ii. acceptance of the offers within the limit of max 5% above the capping (with a number of specific exceptions);
 - iii. taking note of the amount of the offers submitted, compared to the capping and the results of the evaluation process, ie award of 84 M€;

- f. Specific PAB remarks on Eurocontrol:
 - i. as the contribution per project was “uncapped”, recommendation to introduce a capping;
 - ii. taking note of the level of complexity proposed for some cases of project management, together with the cost associated to it;
 - iii. concerns about the high level of additional subcontracting;
 - iv. recommendation for the SJU to look for more balanced resource distribution;
 - v. recommendation that the timing of some projects shall be considered in the light of developments at political level in the context of SES;
 - vi. impact of Eurocontrol reform on execution and delivery of the projects, with a potential risk for the performance of tasks.



Conclusions on item R

Decision ADB(D)-29-2009

2. Following the Chairman’s proposal, the Board took note of the Executive Director’s report, and decided to approve the recommendation for awarding the activities.

The Board took also note of the comments from the Airspace users, that it is essential that the reform of Eurocontrol is conducted successfully for the future development of SESAR.

Item 1 Introduction

1. The Chairman welcomed all the participants in the premises of the SJU.
2. He informed the Board of the appointment of new representatives of Staff (Mr Joël Cariou), ANSP (Mr Guenter Martis, not present in the meeting), and Thales (Mr Luc Lallouette). As of 01/01/2010, Mr Roland Krieg will no longer represent Airports, and will become the Alternate Member of SEAC. Airports community will be represented by Mr Philippe Ahrens, with Mr José Baganha as his Alternate. The Chairman also welcomed Mr Bardach (Frequentis’ CEO), present at the Board for the 1st time.

Verification of the voting quorum



3. The Chairman noted that the meeting had the required voting quorum.

Adoption of the agenda

4. The Chairman reviewed the agenda. He informed that an information point on “External relations” and the planning of the ADB meetings for 2010 will be treated under AOB.



5. The Board adopted the agenda.

Disclosure of conflicts of interests

6. The Chairman took note that all concerned representatives had correctly informed before the beginning of the meeting (through the signed declaration, in accordance with Article 2.4 of the Board’s decision on conflict of interest ADB(D)10-2008) of the existence of conflict of interest concerning the point on IBAFO 2, and consequently withdrew from the relevant discussions. The new representatives present to the meeting were also required to sign the declaration of commitment and confidentiality in accordance with Article 2.2 of the same decision.

7. The Chairman noted that all participants had completed the declarations on independence, confidentiality, where applicable, and of conflict of interest.
8. The Chairman conveyed an information point from the Commission on the results achieved by the SJU in 2009: he recalled that huge work was done to consolidate the SJU structure, and that this should now be formally recognised; he evoked the conversion into a formally recognised EU Body, which led to transfer the staff from Belgian to EU statute; the administrative agreement with Belgium, allowing the recovery of taxes and VAT and the availability of more money for the purposes of the programme; new SJU Headquarters; the endorsement of the ATM Master Plan; the renewed support from the EU and its Member States; the accession of the 15 new members; the confirmation of ECTL contribution; the signature of MA and MFA; the conclusion of a General Agreement with the Commission; the official start of operational activities over 140 projects kicked-off; the substantial success in international activities; AIRE, OPTIMI.

As regards the ADB, 4 ordinary meetings were held as required, and more than 20 decisions were taken. Furthermore, the Chairman further highlighted the following particular achievements: SES II package was published on 14 November and has entered into force on 4 December; also, the competences of EASA have been extended to ATM (published on 24 November and entering into force today); another important element is ECTL reform. The Chairman asked BR to provide the ADB with additional information on this matter.

9. BR reported that ECTL has proposed on 1 December to the Provisional Council a reform in order to cope with the new challenges related, inter alia, to SES II, and briefly outlined its main features. The Provisional Council agreed to start the reform and, in particular, to realise a separation between support to regulation and service provision, aiming at three main pillars respectively covering support to SES, Network Management functions and SESAR.
10. PKY stressed that 2009 results could be achievable thanks to SJU Members and their efforts; also, for changing SJU structure in EU body, the support of DG ADMIN and DG TREN was very important. 2010 will also be a challenging year: the ECTL reform will have impact on the way the SJU and ECTL will work together. 2010 will also see the moving to Commission accounting system; PKY highlighted to the Board the efforts and the excellent work accomplished by the SJU staff for 2009 achievements. On behalf of the Board, the Chairman expressed gratitude for the excellent work performed by SJU staff in the course of 2009.
11. The Chairman also reminded that EU rules and procedures can be sometimes complex, but they have to be complied with.
12. The Report of the Executive Director on the award of the activities in the context of IBAFO2 was distributed to all Members without going into details.

Item 2 General Administrative and Budget issues

2(a) Final approval of the Annual accounts 2008 together with report of the European Court of Auditors

- The Chairman verified that all participants had received the Annual accounts 2008 and the European Court of Auditors (ECA) report. CMB reported on the Annual accounts for the period 2007-2008, which were presented in accordance to rules already applicable to the SJU; they were made available to Members' financial managers for possible questions; as concerns the ECA report, it included a statement on reliability of the accounts, on the legality and regularity of the

transactions; the final discharge for the implementation of the budget will be given by the European Parliament upon recommendation of the Council - this is foreseen during the first six months of 2010.

- Following questions from VDV and BM, CMB recalled the process for the implementation and control of the budget and for its discharge.
- The Commission drew the attention of the SJU on the accounting instructions for Joint Undertakings recently adopted by the Commission's Accounting Officer, which should be applied for the 2009 closure of the SJU accounts
- The Chairman proposed to approve the Annual accounts 2008, also taking into account the ECA's report.



Conclusions on item 2

Decision ADB(D)-30-2009

- The Board agreed to the proposal and so adopted the decision ADB(D)-30-2009 to adopt the Annual accounts 2007-2008.

2(b) Budget 2010 and "Annual Work Programme 2010 and 2010-2012 main targets"

- PKY presented the "Annual Work Programme 2010 and 2010-2012 main targets", in particular putting the accent on
 - a. the mid-term vision and its strategic objectives to be achieved by the end of 2012;
 - b. the main challenges for 2010 within the 2012 perspective;
 - c. the Programme strategic framework and WP11 and WPE management;
 - d. stakeholders involvement;
 - e. update on AIRE and OPTIMI;
 - f. coordination with NextGen, Clean Sky, FP7 Projects;
 - g. Admin and Finance role in supporting the Programme implementation, ensuring timely pre-financing and co-financing of initiated projects as appropriate, and co-ordinating the adoption of Enterprise Risk Management;
 - h. Internal audit function.
- Following the comments from VDV on the relationships with EASA, the Chairman announced that there will be a joint paper EC-EASA on ATM policy, which will include the principles for EASA (simplification, safety first, good transposition of present achievements, establishment of priorities, without radical changes); on 15/12 the EASA management board is going to adopt this approach.
- Responding to questions from BM on the Work Programme and on the reporting to the board, PKY explained that the objective of having 80% of SESAR projects with their output tested in a real life environment is ambitious but feasible, and reminded that the SJU reporting to the Board is mandatory exercise (Annual report). The Chairman added that the Board will be regularly and in a systematic way informed about the progress of the Programme.
- Responding to NATS, the Chairman recalled that the targets of the AWP are for the SJU, and that the role of the Board is overseeing that they are achieved.
- The Chairman indicated that some observations needed to be taken into account and proposed to ask SJU to revise AWP, and then approve the text by written procedure.
- CMB presented the main features of the Budget 2010: staff expenditure in line with multiannual establishment plan; administrative expenditure in line with minimum needed for the organisation; list of activities planned for 2010, linked to AWP; budget appropriations, based on estimation that takes into account results of IBAFO 2; objective to commit all available money into the programme; pre-financing. Following a question from AENA, CMB explained that some posts indicated as TA in the establishment plan will be reclassified following their publication as END (Detached National Experts) positions. CMB also reminded that the Budget and the AWP should be adopted by the end of the year, and so a reduced response period for the written procedure would be appropriate.

▷ **Conclusions on item 2**

- Following the proposal of the Chairman, the Board decided to ask the SJU to revise the AWP and the draft 2010 Budget in order to take into account the Board's observations; Members shall provide their additional comments by the end of the week, i.e. Friday 18 December. The Budget 2010 and the AWP will be approved through written procedure with a reduced response period.

2(c) Decision on access to SJU documents

- The Chairman explained that the rationale is that Regulation (EC) No 1049/2001, regarding public access to European Parliament, Council and Commission documents, applies *mutatis mutandis* to the SJU documents.
- Upon request of AENA, the Chairman proposed an adoption of the document by written procedure; however, he also reminded that comments, if any, should be very minor, since the draft decision is simply extending the application of existing Community law to SJU documents.

▷ **Conclusions on item 2 (c)**

- The Board decided that the draft decision will be approved by written procedure; any comment to the text should be circulated by the end of the week.

2(d) Procedure for the evaluation of the Executive Director

In accordance with SJU's rules and provisions on confidentiality, independence and the management of conflict of interest of the bodies of the SJU, the Executive Director declared that he had a personal interest in relation to this point of the agenda. Consequently, he withdrew from the discussions on this item.

- The Chairman explained that under the EU staff Regulation, all staff has to be evaluated, including the ED; in accordance with the rules, there should be a reporting officer (in EU agencies, it is the representative of the EC) and an appeal officer (normally the Chairman of the Management/Administrative Board); since in this case it would be the same person, it is proposed that the reporting officer is the Chairman of the Board; the appeal officer will be the Director General of DG TREN (DG TRAN in the near future); the Chairman asked for the view of members and clarified that the decision would not be taken during the present meeting as the text would first have to be adopted by the College.
- NATS indicated that any role of Board members in the procedure could give raise to conflict of interest. RWA proposed that the Chairman reaches an opinion, present it to the Board for information, but that there is no possibility for Board members to ask for any modification.
- Following a question from AENA, the Chairman indicated that objective of the evaluation of the ED are his efficiency, competency and conduct.

The point was concluded with an overall agreement on the procedure proposed, subject to the adoption by the College before final submission to the ADB for approval.

2(e) Information on the general agreement SJU-European Commission

- The Chairman provided the ADB with information on the general agreement concluded between the Commission and the SJU: in compliance with the SJU Regulation, in order to allow the Commission to pay the EU contribution to the SJU a general agreement defining the modalities for the EU contribution needed to be established. This was signed a few days ago, allowing the Commission to commit 55 million Euros corresponding to the 2009 EU contribution.



Conclusions on item 2(e)

- The Board takes note that the general agreement and that the annual financial agreement have been signed in accordance with Article 4.2 of Council Regulation (EC) No 219/2007.

Item 3 Statute of "SJU associate"

In accordance with SJU's rules and provisions on confidentiality, independence and the management of conflict of interest of the bodies of the SJU, the representative of the Scientific community declared that he had a corporate interest in relation to part of this point of the agenda - namely the proposal for "Associates to the SJU". Consequently, he withdrew from the relevant discussions on this item.

- The Chairman recalled that the Board, in its meeting of 12 June 2009, requested the SJU to explore other possible form of partnership; at the previous meeting of 23 September, the SJU presented a proposal for 2 different types of association; the present revised proposal was also discussed at the Single Sky Committee, in order to define the position of the EU.
- PKY presented a revised proposal on the "Associate to the SJU":
 - a. This statute addresses in particular Research centres, universities, small and medium sized entities
 - b. The associates are chosen through call for tender in view of concluding a framework agreement, for a limited timeframe, for making use of associates' expertise, through specific work orders, where there are "gaps" in the execution of the work programme ;
 - c. If the Board agrees, the SJU will launch a call for tender in the first quarter of 2010 with signature of the framework agreement by end of 2010;
- The proposal received a general support from the Board although comments from some legal departments were anticipated and which will be forwarded to the SJU.
- Following comments from Thales, PKY proposed that an agreement on the identification of gaps is reached at Programme Committee level, without the need to involve the Board.
- PKY also presented the revised proposal for "Associate partner to a SJU member":
 - a. in this case there will be an invitation to the Members to indicate the entities they would like to have as "Associate Partners";
 - b. The proposed statute follows the model "Sub-contract for research assistance" defined under FP7 R&D contracts
 - c. These "Associates" would not have voting rights, nor would they participate in the ADB. The management of IPR provisions and the assurance of their coherence with those defined in the MFA would be under the responsibility of the Member concerned
 - d. Associates under this statute would have the possibility to declare, through the member, their full eligible costs , which could be reimbursed only up to 50%;
 - e. In the case of candidate associates from third countries, reciprocity requirements need to be fulfilled.
- The Chairman indicated that the EU Member States, consulted in the SSC, have no difficulties on principle, but asked for clarity on 4 points, namely the legal basis, the conformity with SJU rules, clarifications on financial aspects, and the issue of reciprocity in case of entity from third countries.
- ECTL indicated its full support to the proposal, stressing that the Board should check that the reciprocity issue is taken into account before any third-country associate is accepted.
- The Chairman informed the Board that the EC, with the participation of the SJU, will be starting negotiations at the end of the week with the US on a Memorandum

of Cooperation on research and development in civil aviation, and that the implementation of the new statute of Associate for entities from third countries should be consistent with these negotiations.

- The Chairman noted the overall support to the “Associate to the SJU” proposal; regarding the “Associate partner to a SJU member”, with some minor adjustments which could be made in the coming weeks.
- PKY stressed on the fact that the two papers submitted to the Board have already been agreed with the services of the Commission, so no comments on the core of the proposal are expected or otherwise, should be tabled at the meeting.
- The Chairman proposed that comments are sent to the SJU by the end of the week; on that basis, revised papers will be prepared and circulated for an adoption by written procedure foreseen in January.



Conclusions on item 3

- The Board agreed on the two documents presented, subject to the inclusion of the possible adjustments transmitted to the SJU by the ADB Members by Friday 18 December. Formally the papers will be adopted by written procedure.

Item 4 IP1 deployment

- Following the recent discussions within the SSC, this item was transformed into an information point. The Chairman indicated that the actual deployment of IP1 is not a matter regarding the SJU directly; he recalled the discussions on the possibility of having in SJU an IP1 office, but without taking resources from development activities;
- the SSC expressed reservations on the IP1 office within the SJU because of the need for SJU to concentrate on development activities leading to IP2 and IP3; On the other hand, it requested the Commission to form an IP1 group within the SSC, chaired by Commission, with representatives of stakeholders, ICB, ECTL, SJU, military; the first meeting will be at the beginning of 2010.
- PKY pointed out that there is a value in connecting IP1, IP2 and IP3, and that through the maintenance of the Master Plan, the SJU and the Board have a full and key role to play, also on IP1.



Conclusions on item 4

- The Board took note of the information given on IP1.

Item 5 AOB

5(a) External relations

- On 18 December the first round of negotiations with the US will start; the SJU will participate assisting the EC, together with the member States, with the objective to finalise a Memorandum of Cooperation (its first annex is dedicated to the interoperability between SESAR and NextGen). The Commission will keep the Board informed and underlined that it could not commit the SJU in the framework of the MoC without the prior agreement of the Board.
- Successful discussions on SESAR have been held in India (during a specific workshop with Indian authorities on SES; India would like to sign agreement by February 2010) and in Oman (interest expressed by Arabic countries in the SESAR

Programme).

- Main events in 2010:
 - a. the first EU-Latin America Aviation Summit will take place in Rio on 25-26 May;
 - b. ICAO Safety Conference (end of March);
 - c. ATC Global in Amsterdam, 9-11 March;
 - d. EUROCONTROL & ETF Joint Conference;
 - e. Madrid - Conference on the SES implementation roadmap.

9(b) 2010 ordinary meetings of the Administrative Board

- The Chairman presented the planning for the 2010 ordinary meetings of the Administrative Board:
 1. 30/3 (high-level meeting with CEOs);
 2. 12/7;
 3. 19/10;
 4. 14/12.

Despite all efforts will be put to maintain these date, some adaptation will be possible in case of other important events falling on the same dates.

PKY recalled that 30 March will be a good opportunity to have the CEOs present, since the decision on the update of the Master Plan is foreseen - and possibly on the Associate Partners; also it will be the opportunity for a commemorative ceremony for Ms Loyola de Palacio, in presence of the new transport Commissioner.

9(c) MFA-related issued

- CMB informed the Board that three companies still have to sign all the different copies of the MFA.
- He also recalled that the MFA provides that each company should submit a certificate of methodology; the given deadline of 11/11 was postponed to 30/11, however some companies are still late, with the suspension of payments as a possible outcome. The Chairman asked for a written reminder on this matter.

Closing of the meeting

The next meeting of the Board is scheduled for Tuesday 30 March 2010.

Annexes

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

Done in Brussels, 17/12/2009

Chairman

Secretary

Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest