

Meeting ADB(M)015

Minutes ADB(M)015- MoM

Date of the Meeting: 19 October 2010
 Time: 10:00-14:00
 Place: SJU, av. de Cortenbergh, 100 - 1040 Brussels

Board members and other participants

SJU Members	Representative	
European Commission (EC)	Mr Daniel Calleja	Chair
	Mr Marco De Sciscio	Observer
EUROCONTROL (ECTL)	Mr Bo Redeborn	Deputy Chair
AENA	Ms Mariluz de Mateo	Alternate
Airbus	Mr Pierre Bachelier	Alternate
ALENIA Aeronautica (Alenia)	Mr Maurizio Fornaiolo	Alternate
DFS	Mr Georg Dickhaut	Alternate
DSNA	Mr Thierry Liabastres	Alternate
ENAV	Mr Iacopo Prissinotti	
Frequentis	Mr Johannes Prinz	Alternate
Honeywell	Mr Jean-Luc Derouineau	Excused
INDRA	Mr Ramon Tarrech Masdeu	Alternate
NATMIG	Mr Aage Thunem	Absent
NATS	Represented by ENAV, Mr Prissinotti	
NORACON	Mr Niclas Gustavsson	Alternate
SEAC	Mr Giovanni Russo	Alternate
SELEX S.I. (SELEX)	Mr Stefano Porfiri	Alternate
Thales	Mr Luc Lallouette	Alternate

Stakeholder representatives	Representative	
Military (MIL)	Gp Capt. John Clark	Excused
Civil users of airspace (CUA)	Mr Vincent De Vroey	
	Mr Pedro Vicente Azua	Alternate
Air Navigation Service Providers (ANSP)	Mr Guenter Martis	
Equipment manufacturers (EM)	Mr François Gayet	Excused
Airports (APT)	Mr Philippe Ahrens	
Staff in the ATM sector (STAFF)	Mr Jean-Pierre Etienne	
	Mr Joël Cariou	Alternate
Scientific community (SC)	Prof. Peter Hecker	

Other participants

SJU Executive Director	Mr Patrick Ky (PKY)	
SJU Director Admin & Finance	Mr Carlo M. Borghini (CMB)	
SJU Internal audit	Mr Ross Walton (RW)	
Secretary of the Board	Mr Federico Grandini (FGR)	
SJU Staff	Ms Servane Lhuissier	

Distributed meeting documents

SJU-AB-015-10-DOC-01	- Draft decision on the Internal Audit	Item 7
SJU-AB-015-10-DOC-02	- Decision concerning the appraisal of the Executive director of the SESAR Joint Undertaking	Item 9
SJU-AB-015-10-DOC-03	- Draft Budget 2011	Item 9
SJU-AB-015-10-DOC-03bis	- SJU Multiannual Staff Policy Plan 2011-2013	Item 9
SJU-AB-015-10-DOC-03ter	- Decision on Budget 2011	Item 9
SJU-AB-015-10-DOC-04	- Decision on the Internal Control Framework	Item 9
SJU-AB-015-10-DOC-05	- Decision on the appointment of the Board's Secretary	Item 9

Item 1 Introduction

1. The Chairman welcomed the representatives of SJU members and stakeholders. He acknowledged the apologies received from the representatives of Honeywell, the Military and the Equipment Manufacturers.
2. The Chairman informed that NATS is being represented at this meeting by ENAV (Mr Prissinotti), and welcomed Mr Fornaiolo as new representative of Alenia.

Verification of the voting quorum

- ▷ 3. The Chair noted that the meeting had the required voting quorum.

Adoption of the agenda

4. The Chair presented the agenda and requested the Board members to present their possible suggestions for changes. ECTL representative wished to raise a point under AOB: "Accounting principles of EUROCONTROL". No further changes or additions were proposed.

- ▷ 5. The Board adopted the agenda.

Disclosure of conflicts of interests

6. The Chair asked if there were no items which could give rise to conflict of interest. He asked the members to fill in the relevant declaration and inform the Chair if any conflict subsisted. Board members and participants were required to sign the declaration in accordance with Article 2.4 of the Board's decision on conflict of interest ADB(D)-10-2008. 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 Chair noted that no participants had declared a conflict of interest on any agenda item and that all participants had completed the declarations on independence, confidentiality, where applicable, and of conflict of interest.

Item 2 Industrial support

- Mr E. Stefanello (EST), Airbus Senior Vice-President Air Traffic Management, offered a presentation on the Engineering Methodology. The presentation was complemented by the intervention of Mr F Guillermot, (FGU), SJU Chief Programme Officer.

The presentation focused on the following aspects:

- a. The Objectives (performance, deployable capabilities), the Organisation (PPP with 16 Members, 300 projects, 2000 contributors), the Concept (4D Trajectory) and the Technology (Information Management, Automation, Communication) of the SESAR Programme call for an industrial development approach;
- b. SESAR faces a lot of challenges (because of its system elements tending to operate independently, with different life cycles, the need of up-front preparation and information management, the different maturity levels of system requirements), making it a very complex programme; there is the need of a robust structure that is the purpose of engineering methodology;
- c. In order to ensure that the project results correspond to final delivered capability, there is a need for a strong engineering methodology which provide assurance on the management of the complexity of the programme;
- d. Engineering methodology implementation started with the launch of the programme and its evolving together with the Programme to ensure the achievement of its objectives;
- e. Key conclusions: the Engineering Methodology is key to ensure the coherent delivery of the SESAR Programme results; the engineering deployed by the SJU and the Industrial Support is aiming at ensuring Technical Coherence and a System of Systems approach; the methodology has demonstrated the first benefits and will be further fine-tuned to better support the projects and the delivery of the first SESAR results in 2011.
- The Chairman stressed that the high complexity of SESAR entails the need to ensuring technical coherence.
- Following a question from ECTL on how divergences are managed, and what is the process to address the possible gaps, FGU answered that the engineering methodology will identify the inconsistencies and the SJU, with the advice of the PC will decide on corrective actions for divergences or gaps. PKY added that the Programme Committee discussed on the matter, and if divergences are found, it should decide whether to continue or to stop the concerned project. Furthermore, when the initiation phase will be finished, there is a need to discuss with partners on how to fine-tune the Programme. While there is a need for a certain stability in the Engineering methodology, this has to be address considering the development of the Programme and the need to adapt to its different phases;
- On a question from the Chairman, FGU offered examples on how issues have been resolved upon their detection in developing methodology;
- AENA and DSNA emphasised that, being not a goal but a tool, the engineering methodology should not be too complex and easy to be understood at all levels and positions in the Programme. The main goal of the methodology should be to avoid projects running in an isolated manner. ENAV further stressed on the simplification, which is needed to get results done;
- PKY confirmed the need to have a clear and adequate engineering methodology for the Programme and that the SJU is working on a simplified one. Nevertheless, the reality of a living programme like SESAR means that some alignments of the methodology are needed during the life of the programme.



Conclusions on item 2

- The Board took note of the information on the engineering methodology. A strong message in the sense of keeping it as simple as possible was emphasized, recalling the importance of stability without prejudging the evolution of SESAR.

Item 3 Validation strategy

- PKY presented what validation is about: basically the output of SESAR will be results coming from validation exercises. In particular he emphasized the need to

move from laboratory research to validation of outputs in an environment as close as possible to the operational activities. Members indicated that in the period between 2011 and 2013, there will be 147 validation exercises in 38 different sites and 42 operational platforms, used by operators for training or for validation of newly released software; to deliver this, the right amount of human and technical resources are required.

- PKY mentioned the risks on the resources availability to be made available by all the concerned partners and the particular attention that the SJU will pay to it.
- PKY highlighted that the agreement on a validation strategy was a major step for the programme, succeeding in bringing SESAR closer to reality by identifying different validation activities, refining the exact content of different validation exercises, and discussing with staff associations in order to create an international validation team;
- ENAV expressed its strong support for this approach, and that many parallel investments of ANSPs are going to be put at disposal of SESAR and the industry. Furthermore, the availability of ATCOs to participate in validation activities is an important issue and ANSPs started already an experience of transnational use of ATCOs.

► Conclusions on item 3

- The Board took note of the report and of the comments.

Item 4 Programme review, including financial aspects

- Mr Ky offered the Board a thorough presentation on the progress of the Programme:
 - a. As of October 2010, 2000 people are working on SESAR at different levels; 260 projects have been launched, and the first deliverables achieved: the progress of the Programme is in line with the objectives adopted by the Board last year (85% of programme in execution by the end 2010);
 - b. When the initiation phase started, a pure top-down approach was used; last June a number of Engineering Review sessions were conducted to assess the overall programme maturity and the progress made towards the delivery of Step 1;
 - c. In a more bottom up approach, a number of projects taking more time to deliver mature results were detected and corrective actions discussed. In some cases, the lack of clear link between projects, deliverables and performance targets were identified;
 - d. Based on the Validation Roadmap confirmed by the Members, a 1st SESAR Release is being defined for 2011; scope and content of the release will be presented to the Board in December as part of the SJU 2011 Annual Work Plan;
 - e. The main messages to be retained are that the initiation phase was performed in 18 months and that the maturity level of some projects appears to be lower than expected. 2011 will be the first big delivery of SESAR;
- Mr Ky offered further explanations upon comments formulated by some board members;
- Following the discussion on the concept that the validation is necessary for deployment but that also the deployment strategy will have a substantial influence on the process, the Chairman informed the Board that the Commission is required to report to the Council by the end of 2010 on deployment strategy. However, at this stage the Commission cannot table precise proposals. After a first reflection the Chairman indicated three possible options for governing the deployment phase:
 - a. once the Development is achieved, the SJU expires as foreseen and the Industry deploys;
 - b. the Network Manager (in the Framework of SES) could be assigned the task of coordinating deployment;

- c. or some form of a European PPP is chosen - inspired by the SJU concept.
- In order to continue the assessment, the Commission will probably propose the creation of a taskforce, involving the stakeholders, which will support the Commission in preparing its proposal to the Council. The taskforce should conclude its work by March 2011.
- Following some comments by AENA, ENAV - highlighting the failure in the deployment of IP1 - and the Civil Users of Airspace, the Chairman proposed to have a more focused discussion in December;
 - Mr Borghini offered an overview of the financial aspects of the Programme, including level of maximum co-financing, commitment and pre-financing; such an overview will be provided the Board on a regular basis.

▷ Conclusions on item 4

- The Board thanked the SJU for this valuable report and took note of the presentation and of the additional information provided on financial aspects.

Item 5 Update on the conclusion of contracts with Associate Partners approved on 12 July 2010 (all relevant Members)

- The Chairman recalled this new form of partnership created; following the first call for proposal which was closed on 26 May 2010, 16 Associate Partners were selected; the Board also agreed, at its last meeting, to launch a second call, which will close on 22 October 2010.
- The status of the conclusion of the partnership contracts was reported by each fostering member:
 - AENA: taking into account of the Board requests, discussions were held with NAV Portugal; the subcontract was submitted last week to the SJU, now waiting for SJU approval before signing it;
 - Airbus, which is fostering 2 associate partners: first partnership agreements were signed with both partners, now contracts are being negotiated and will be sent to the SJU by year end;
 - DFS, fostering 2 partners: negotiations are ongoing;
 - DSNA is finalising the contracts, to be sent to the SJU beginning of November;
 - ENAV is finalizing the contract to be sent by November;
 - INDRA, fostering 2 partners: with Lockheed Martin a 2-stage approach, checking reciprocity, working on legal aspects to have a MoC in place, then discussing technical details; with PANSA is having discussions on scope of work to be performed; in both cases contracts to be sent to the SJU by year end;
 - SELEX: a subcontract has been finalised with SEA, plan to send to the SJU by end of October;
 - Thales: generic subcontracts have been submitted to SJU, negotiations are ongoing;
- Mr Borghini informed the Board that, although the SJU has 90 days to approve the contracts, it will endeavour to approve them in 30 days maximum.

▷ Conclusions on item 5

- The Chairman asked the Executive Director to prepare a table reflecting the state of play of the partnership contracts by the next Board meeting, also including information on the ongoing second call for members' associates.

6 OPTIMI

- Mr José Calvo offered a presentation on the state of progress of OPTIMI, as a last update report before coming with the final study results and proposals:
 - Lot 1 completed, analysis of the baseline: Airlines equipage with FANS1/A are only 45% (foreseen ~ 60% in 2015); Airline equipage with ACARS for AOC purposes are around 100%; however, low aircraft ATC FANS1/A logging in order to save message costs; it was identified a very limited but existing issue of absent flight plans; the download of FDR is currently limited to Iridium (most aircraft use Inmarsat); privacy and data protection legislation may conflict flight tracking and FDR downloading;
 - Flight demonstrations have already begun, and are close to their end; ADS-C tested, with 15' periodic reports, lateral deviation alert of 5NM and vertical on 300ft;
 - Next steps: once Lot 2, 3 are finished (Lot 4 is already finished), an internal workshop of the Consortium will take place for operational analysis and beginning to build the Business case with the Safety case, to verify that safety is not negatively affected, and that benefits are brought in several points, including accident investigation. The recommendation will tackle what to do next; after completion of Lot 5, possible developments will be presented;
 - Following a question from DFS on the location of the Central Repository, JCF replied that this has to be decided (can be a regional one/different regional ones);
 - ECTL recalled that for applications over the high seas, need to go through ICAO; JCF informed the Board that the ICAO is represented within the OPTIMI Supervisory Committee, which suggested coming with a proposal before the next Air Navigation Conference.
 - The Airspace Users representative highlighted that the any proposal shall consider the needs of all users, being careful in the situation where on board technology will not allow for the deployment of the OPTIMI results.

**Conclusions on item 6**

- The Board took note of this information and welcomed the progress.

7 Decision on the Internal Audit

- The Chairman introduced the matter by informing the Board that the SJU had received comments from ECA concerning the SJU Internal Audit and had requested clarifications on who is the actual Internal Auditor of the SJU.
- The letter from Brian Gray, Internal Auditor of the EC (IAS), to the chairman and to the Executive Director, on the 'Internal Audit Function' in Joint Undertakings was distributed to the Board at the meeting. The EC's internal auditor states that the IAS is empowered to exercise the role of internal auditor under the provisions of the General Financial Regulation of the EU and no other person can exercise this role. Hence the need to inform the Board and to take the necessary actions in order to align the internal audit set up to the new position of the IAS.
- Mr Walton, reiterating that the letter sent by IAS on 15 October 2010 indicates that Mr. Brian Gray is taking the responsibility of being the Internal Auditor of the SJU, pointed out that the IAS will report to the Board, whereas the SJU Internal Audit Capability will report to the Executive Director. As a consequence, a decision is necessary to:
 - repeal the SJU Internal Audit Charter previously adopted by the Board
 - take note of the role of the Internal Auditor of the Commission
 - and to ask the Executive Director to establish the necessary arrangements and report to the next Board meeting.

- A new draft Charter of the SJU Internal Audit Capability was attached to the draft decision on the SJU internal audit arrangements presented to the Board.
- The Commission submitted its comments on the draft decision and Charter. It also stated that, in the light of the IAS position, it was necessary to adapt the SJU Financial rules but it was not necessary to modify the SJU Statutes.
- CMB reiterated that the IAS works in the SJU under the authority of Board, whereas the IAC shall be accountable to the ED.

▷ **Conclusions on item 7** Decision ADB(D)-11-2010

- The Board took note of the present situation and agreed to the following:
 - Acknowledges the role of the Commission's Internal Auditor (IAS) as the SJU's internal auditor.
 - Acknowledges the need to establish an Internal audit capability within the SJU.
 - Requests the SJU to prepare an amendment of the financial rules to align them with the Commission's financial regulation on this matter.
 - Approves the decision ADB(D)-11-2010 on the Internal Audit with the Commission's comments.
 - Request the Executive Director to revise the IAC charter, taking into account the Board's comments, and present it at the next meeting.
 - Requests the Executive Director to establish the appropriate arrangements with the Commission's IAS and, for this purpose, appoints RW as contact person from the SJU on the working level.
 - Agrees that the Board invites the Commission's IAS to the next meeting for a presentation on its role and how it intends to exercise its function in the SJU.
 - Agrees that the Chairman replies to the IAS informing them of its position.

8 Representation of the SJU in the USA (FAA, etc.) and to ICAO

- The Chairman introduced this matter indicating the importance of relationships with the USA in particular in the context of SESAR-NextGEN interoperability and the need to clarify the ECTRL's position, having already a staff member present in the FAA.
- The Chairman proposed to have first a discussion on the ED's proposal and to have at a second stage, once all the administrative processes are clear and satisfactory, a final endorsement of the decision.
- There is a need to clarify who will be hosting the SJU representative to the USA. The possibility of hosting the SJU representative at the EU delegation in Washington, which is under the responsibility of the constituting EEAS, bears the risk that the process will be long and complex.
- Another element for discussion was the possibility to second SJU staff to ICAO:
 - § The MoU initialled with ICAO might offer possibilities for secondment;
 - § a seconded expert would work in the area of ATM research and standardisation.
- The Chairman highlighted the advantages of having a person in ICAO considering that he/she would be able to contribute substantially to the preparatory works of the organization in particular in view of the standardization process of the SESAR results.
- PKY clarified that two very different types of representations are being discussed, as the Seconded expert to ICAO would be working for ICAO; concerning the position in Washington, he/she would be a representative to work on behalf of SJU.
- ECTL clarified that the current staff member seconded to FAA will terminate his secondment in January 2011 and any decision concerning his replacement will take into account the solution adopted by the ADB. Concerning ICAO, the Air Navigation Bureau could be of great interest and Eurocontrol is considering seconding a person there.

- There was a general support from the Members to the SJU's proposal, stressing on the need for the selected staff to possess good political skills as well as adequate technical skills;
- DSNA expressed some doubt concerning the fact that the staff would be based within the EU delegation in Washington.
- Airbus, showing support, asked for clarifications on the mission of such a representative in the USA;
- AENA, while showing support to both the proposals, pointed to contradictory information included in the paper presented to the Board, as concerns the funding.
- ANSPs supported the idea of secondment to ICAO, but questioned on the SESAR liaison officer in the USA with respect to the actual skills requested.

- As a result of the discussion, PKY requested the Board representatives to provide him with comments on the job descriptions to ensure alignment and common comprehension of the tasks to be performed.

- With regard to the hosting PKY informed the Board that he will meet with the Ambassador of the EU in the US in the following days.

▷ **Conclusions on item 8**

- The Chairman noted the interest of the Board on the principle of a secondment of an SJU representative in ICAO and on a liaison officer in the USA to follow FAA affairs. However, further analysis is required on the administrative and logistic aspects, as well as a clearer description of the tasks is needed.
- Board members were invited to provide their comments on the two job descriptions to the Executive Director. The Executive Director shall revise the job descriptions based on the Board representatives' comments
- Contacts with the EU delegation in Washington and the ICAO Secretary General should be undertaken.
- The Executive Director shall come back to the Board for final endorsement once the framework is complete and clear.

9 General Administrative and budget issues

9a Decision concerning the appraisal of the Executive Director of the SESAR Joint Undertaking

- The proposed draft decision was already presented to the board for its approval; it was consequently examined by the Commission services in accordance with Article 110 of the Staff Regulations and now has been adopted by the College.
- The Chairman summarized the procedure for the ED's performance evaluation contained in the draft decision submitted to the ADB. He informed the ADB that he would start the evaluation process as soon as the decision would have been adopted.

▷ **Conclusions on item 9a**

Decision ADB(D)-12-2010

- The Board adopted the decision ADB(D)-12-2010 on the appraisal of the Executive Director of the SJU.

9b Decision on Budget 2011

- CMB presented the Draft Budget 2011, which was prepared in accordance with the Financial Rules. He presented the main aspects of the budget and he informed the

ADB on the comments received by the EC which requires the insertion of additional information in the document. He proposed to submit consequently the Draft Budget 2011 to written procedure to include the EC comments and to have an adoption in principle, subject to the final adoption of the EU Budget by the budgetary authority and the approval of the AWP 2011 by the ADB in December.

- Following a comment from AENA on the Multiannual Staff Policy Plan, it was agreed to submit its new version to the Board by 15 January 2011.
- PKY reported that the draft 2011 budget had been distributed to persons outside the Board. He cautioned the Board on the distribution of meeting documents prior to meetings, as they may not represent the official position of the Board and may lead to misinterpretation or even misuse by third parties.



Conclusions on item 9b

- The Board agreed in principle on the Draft Budget 2011, subject to a) the final adoption by the budgetary authority of the EU of the EU Budget 2011 and b) the adoption by the Board of the AWP 2011 at its December meeting. However, the SJU is authorized to commit, in anticipation, the necessary administrative expenditure for 2011 in order to ensure the continuity of operations.

9c Decision on the Internal Control Framework

- The Chairman explained that this decision is required by the SJU Financial Rules and contains provisions that are in line with the Commission Internal Control Standards.
- Following a question from the Commission, CMB clarified that the 5-year rule for compulsory rotation of sensitive positions should be kept for the Board's awareness of the risks linked to some specific functions, however a different type of mitigating actions can be considered, due to the limited lifetime and size of the SJU, which would not allow for it.



Conclusions on item 9c

Decision ADB(D)-13-2010

- The Board adopted decision ADB(D)-13-2010 on the Internal Control Framework of the SESAR Joint Undertaking, taking into account the Commission's request to modify internal control standard n°16 to ensure its consistency with the decisions on internal audit.

9d Decision on the appointment of the Board's Secretary

- FG will be leaving the SJU as of 1 November 2010 to take up new duties at the European Aviation Safety Agency. The Board was consequently requested to approve the proposal to appoint Mrs. Servane Woff-Lhuissier, employee of the SJU under a seconded national expert contract, as Board's Secretary.



Conclusions on item 9d

Decision ADB(D)-14-2010

- The Board agreed to the proposal and so adopted the decision ADB(D)-14-2010 to appoint Ms. Servane Woff-Lhuissier as Secretary to the Administrative Board. The Chairman wished to thank Mr Grandini for his valuable contribution and commitment as Board Secretary.

10 AOB**10a Accounting principles of ECTL**

ECTL representative informed the Board on this matter. He will provide further details on this issue at the next Board meeting in December with a proposal for the Board consideration. He informed the Board that Eurocontrol will contact the SJU in order to provide the necessary details in view of a possible decision for the Board in December.

Closing of the meeting

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

The next ordinary meeting of the Board is scheduled for Tuesday 14 December 2010.

Annexes

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

Done in Brussels, 20/10/2010



Daniel Calleja
Chair



Federico Grandini
Secretary

Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest