

Meeting ADB(M)021

Minutes ADB(M)021- MoM

Date of the Meeting: 29 March 2012
 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	Chair
	Mr Matthew Baldwin	Alternate
	Mr Maurizio Castelleti	Observer
	Mr Marco De Sciscio	Observer
	Mr Paul Verhoef	Observer
EUROCONTROL (ECTL)	Mr Bo Redeborn	Excused
	Mr Bernard Miaillier	Alternate
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 Philippe Merlo	Alternate
ENAV	Mr Iacopo Prissinotti	Excused Represented by delegation by DSNA
Frequentis	Mr Rolf Unterberger	Observer
Honeywell	Mr Jean-Luc Derouineau	Excused
INDRA	Mr Ramon Tarrech Masdeu	Alternate
NATMIG	Mr Aage Thunem	
NATS	Mr Alastair Muir	Alternate
NORACON	Mr Niclas Gustavsson	Excused
SEAC	Mr Giovanni Russo	
SELEX S.I. (SELEX)	Mr Stefano Porfiri	Alternate
Thales	Mr Luc Lallouette	Alternate

Stakeholder representatives	Representative	
Military (MIL)	Air commodore Chris J. Lorraine	
Civil users of airspace (CUA)	Mr Vincent De Vroey	Excused
	Mr Pedro Vicente Azua	
Air Navigation Service Providers (ANSP)	Mr Bernard Martens	Alternate
Equipment manufacturers (EM)	Mr Patrick de Prévaux	Alternate
Airports (APT)	Mr José Thomás Baganha	Alternate
Staff in the ATM sector (STAFF)	Mr Loïc Michel	
	Mr Joël Cariou	Excused
Scientific community (SC)	Prof. Peter Hecker	

Other participants

SJU Executive Director	Mr Patrick Ky	
SJU Deputy Executive Director	Mr Carlo M. Borghini	

Admin & Finance		
SJU Internal Audit Capability	Mrs Véronique Haarsma	
Secretary of the Board	Mrs Servane Woff-Lhuissier	
European Defence Agency	Mr Giampaolo Lillo	Observer

Distributed meeting documents

SJU-AB-021-12-DOC-01	Decision on voting rights	Item 2
SJU-AB-021-12-DOC-02	Provisional annual accounts 2011	Item 10
SJU-AB-021-12-DOC-03	Annual Activity Report of the SJU Internal Audit Capability	Item 9
SJU-AB-021-12-DOC-04	Revised Permanent Audit Panel rules of procedure	Item 9
SJU-AB-021-12-DOC-05	Amendment to decision ADB(D)10-2008 on “Confidentiality, independence and the management of conflict of interest of the bodies of the SESAR Joint Undertaking”	Item 10
SJU-AB-020-11-DOC-06	Draft Multi-annual Staff Policy Plan 2013-2015	Item 10

Item 1 Introduction

The Chairman welcomed the representatives of SJU members and stakeholders, as well as the new alternate representative of NATS, Mr Alastair Muir. He noted that Mr Martin Rolfe had been appointed NATS representative to the Board. He observed that Mr Rolf Unterberger would attend the meeting as an expert from Frequentis.

Verification of the voting quorum

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

Adoption of the agenda

The Chair presented the agenda and requested the Board members to submit any suggestions for changes. No changes were proposed.

- ▷ 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’s decision on conflict of interest ADB(D)-10-2008. The complete text of the decision was attached to the declaration in order to allow participants to better understand their obligations in terms of declaration of conflict of interest.

The new representatives present at the meeting were also required to sign the declaration of commitment and confidentiality in accordance with Article 2.2 of the same decision.

The Chair reminded the Board participants that information on the results of the call regarding integrated flight trials and demonstration activities would be given under Agenda item 10. He clarified that Board members involved in the call would record the risk of conflict of interest on this agenda item in their declarations and, thus, be asked to leave the meeting in case of discussion on this point.

- ▷ The Chair noted that no conflict of interest was declared on any other agenda item and that all participants had completed the declarations on independence, confidentiality, where applicable, and of conflict of interest.

The Chair informed the Board of the European Commission's intention to invite the European Defence Agency (EDA) to appoint representatives to the Administrative Board. Together with the MAB's participation, this would ensure a more complete representation of the military interests in the Board.

Answering to a concern raised by Air Commodore Chris J. Lorraine, the MAB representative, and a request for clarification of the EDA representative, the Chair indicated that both organisations would be present at the ADB meeting and each of them has to nominate a member and an alternate to the main member.

To clarify some of the Board members' positions and considering the need to introduce other changes, Mr Borghini proposed presenting revised Administrative Board rules of procedure for adoption at the next meeting.

Item 2 Decision on Voting Rights

- Mr Borghini presented the draft decision on voting rights and explained that it was proposed to maintain them unchanged. If needed, the voting rights allocated to SJU Members will be revised in 2013 based on the work and the results of the final reallocation of resources.
- No comments were formulated by the participants.

▷ Conclusions on item 2 Decision ADB(D)-01-2012

- The Board agreed to the proposal and adopted decision ADB(D)-01-2012 on the voting rights.

Item 3 Decision on the appointment of the Board's Vice-Chairman

- Mr Borghini reminded the Board that Article 4 of the Rules of procedure provides for the election of the Vice-Chairperson among the Members. Until now, this Article was interpreted *ad personam* instead as organization. He proposed that the Board decide to appoint a Board Member as Vice-Chairperson, thus ensuring continuity of the role in case of absence or replacement of the Member's representative.
- The Chair added that the idea was to appoint Vice-Chairman in a non-nominative manner the representative from Eurocontrol or his/her alternate.

▷ Conclusions on item 3 Decision ADB(D)-02-2012

- The Board agreed to the proposal and adopted decision ADB(D)-02-2012 on the appointment of the Board's Vice-Chairman.

Item 4 Programme status

Item 4a Report on the progress of the Programme

- Main achievements: Mr Guillermet presented the results of release 1 execution indicating that out of 29 validation exercises, 25 have been completed and 4 moved to release 2. Validation activities have been conducted close to operations with the involvement of pilots and air traffic controllers. The final step of release 1 will take place at the end of April with the final review of all results.

To illustrate in a concrete manner what came out of the validation activities, Mr Guillermet highlighted the most significant improvements, difficulties and other noticeable elements observed during the trials of the following SESAR solutions:

- integrated arrival and departure manager
- short term ATFM measures
- approach procedures with vertical guidance
- remote towers
- enhanced short term conflict alert.

For the first time, results were connected to performance improvements in a quantified manner. It also happened that some of the benefits initially expected from the solutions did not materialise during the validation exercises.

Regarding release 2, validation exercises were more focused on airport aspects and WP11 dealing with flight operation centres is now part of validation activities. There is also a focus on the management of airspace, in particular the flexible use of airspace and civil-military coordination. With a total of 35 validation activities, Release 2 encompasses more validation activities than Release 1. There is as well a stronger engagement of the airlines, not only in the definition of the release but also in the execution of the validation exercises.

WP11.1 projects related to flight operations centres are fully up and running. WP11.2 projects regarding meteorology were kicked off and should become fully active by the summer. Eurocontrol will now be responsible for the management of the airlines contracts on behalf of the SJU. Associate Partners start to be involved in the programme in particular with lot 6 activities on the UAS CONOPS.

- Progress of the Programme: The comparison of the actual achievements with the ones planned shows a positive progression of the Programme over 2011. Thanks to the measures taken, the gap between planned and actual is reducing. A number of projects will need to be reviewed in the upcoming period to be fully aligned with the European ATM Master Plan update and have more realistic plans.
- Quality of the Programme: Since August 2011, the situation has improved significantly thanks to coaching in the projects and better definition of the quality criteria. Regarding transversal activities and in particular performance aspects, considerable progress has been made with the definition of performance validation targets for Steps 1 and 2. On SWIM, one of the main risks highlighted to the Board in the past, there is a lower level of criticality. The SWIM concept is now available and defines high level requirements for all the SWIM technical and system projects.
- Resources of the Programme: EASA and NSAs are fully involved in the programme by reviewing deliverables and participating directly in some validation activities. This involvement allows them not only to provide feedback on the technical and operational SESAR solutions but also to anticipate on subsequent deployment processes. With the International Validation Team, a number of professional associations of pilots, controllers or engineers are engaged in the validation activities.
- The operational implementation of BAFO 1 and 2 Reallocation is completed. The gap between the planned resources and the actual commitment from Members is

closing, thanks to the actions conducted to better understand the resource profile of each Member and a better allocation of the resources.

- In terms of risks, the SJU is suffering delivery delays in some projects that could have a critical impact on Step 2 activities. A specific effort is put on that aspect due to its potential ripple effect on Step 2. The full review of Release 1 results will be conducted at the end of April. As the intention is to reach a pre-industrialisation stage, it is expected that some projects will have to perform some complementary activities or rework.
- For the next period, the SJU will continue to engage Associate Partners in the Programme in particular with the launch of lot 1 activities dedicated to information management. Some Demonstration activities should be ramped up in the course of the summer. Review sessions of Release 1 and 2 will be conducted respectively in April and June. At the request of the Programme Committee, a Tiger Team was set up and tasked to look at the priorities and efficiency of the Programme. A list of priorities was established, fully aligned with the European ATM Master Plan Update. Future Releases will be linked to these priorities to ensure a truly top-down approach in the Programme. When implemented, a set of efficiency measures identified by the Tiger Team should also improve the way the Programme works.
- The CANSO representative expressed his difficulty to judge the progress made by the Programme in spite of the interesting information provided in the presentation. He asked for further information on the projects delivering with delays and that could impact the critical path towards Step 2.
- Mr Ky underlined that because of the interrelationship between activities, a low level of maturity in one project could prevent other projects to build on the results and could have an impact on subsequent phases. This risk was identified and is being monitored very closely.
- The DSNA representative indicated his satisfaction to see that SESAR was becoming more tangible with the Releases exercises. He hoped that releases activities could ramp up in the coming years.
- The Chair thanked the SJU for the progress made regarding the performance in terms of Members engagement in the Programme. He underlined that the Programme was about to enter a critical phase where its visibility will be very high. Concrete results will be expected and should be shown in a way that can be easily understood by politicians.
- The Chair informed the Board that the Transport Council on 22 March achieved very good results. An agreement was indeed reached on a general approach on the trans-European network guidelines. The guidelines encompass the next generation of air traffic management systems and the deployment of SESAR. Even if the regulation still needs to follow the full negotiation process before its final adoption probably next year, Member States are taking already a strong commitment to the SESAR programme with the adoption of a general approach on the guidelines. The Chair stressed that this was one of the first major texts being adopted in view of the next financial perspectives. He indicated that however there was no visibility on the budget that will be available because the debate on Connecting Europe Facility (CEF) was still on-going. EUR 50 billion were asked by the Commission for CEF of which EUR 32 billion for transport related projects. The Chair was concerned that the expected budget cuts would be made to the detriment of CEF as it is a new instrument in the budget. By the end of 2012, the overall budget of the EU should be known including the allocation of funds for transport and SESAR. The Chair highlighted that now was the right time for SESAR JU Members to raise political awareness, at the appropriate National level, on the importance of SESAR for the growth and innovation strategy. To conclude, the Chair mentioned the effort and commitment of the Vice President Kallas and himself to obtain the agreement of Ministries of Transport to sign up for the guidelines.
- The Airspace Users' Representative stressed how important funding was during the deployment phase of SESAR and how a substantial cut of EU funding would be detrimental for airspace users.

- The Chair indicated that in the case of an optimistic scenario with a budget cut of 10%, transport projects would get a budget of EUR 28 billion. A reallocation would then need to be decided between the different parts of the programme. The worst case scenario would be that transport be allocated with the same budget as in the previous financial perspectives, that is to say EUR 8 billion.



Conclusions on item 4a

- The Board thanked Mr Guillermet for his valuable report and took note of the presentation as well as the information provided by the Chairman on the next EU financial perspectives.

Item 4b Presentation of the draft European ATM Master Plan update

- Mr Guillermet explained that the European ATM Master Plan (Master plan) Update campaign was launched in October. A dedicated Workforce with representation from all partners has been working on the update as an integrated Team within the context of WP C.1. A wide consultation was conducted at expert level, with the Programme Committee (PC), the Strategic Performance Partnership (SPP) and the Agency Advisory Body (AAB) of Eurocontrol. Comments received are currently being integrated in the final version of the update that should be submitted to the SJU on 30 March.

Very clear success criteria were identified in particular by the EC for this Master Plan Update. The objectives of the update are the following:

- simplify and prioritise the Master Plan document
- prepare for SESAR deployment phase, developing clear stakeholders roadmaps and updating the business view
- ensure interoperability at global level, in particular with NextGen and with ICAO's Aviation System Blocks Upgrades (ASBU) to be adopted in ANC/12
- strengthen the continuation of the SESAR programme, with strong links between research & development activities and the subsequent deployment activities.

Regarding the content of the performance view, in order to clarify the performance aspects, 3 levels were identified:

- The Single European Sky (SES) High Level Goals, coming from the wider context of the Single European Sky;
- The SES Strategic Performance Objectives defined with KPIs on which targets were set;
- The SESAR Contribution to the above-mentioned targets.

A clear distinction is made between the performance outcomes that can be expected from the technologies and SESAR and the rest that will be delivered for instance by FABs, the performance scheme, etc.

In the Master Plan Update there is also a strong focus on the deployment view. "Essential Operational Changes" (Essentials) were introduced and described in detail for Step 1 and with a more high level view for Steps 2 and 3. They were also allocated per area of performance and Deployment Roadmaps were developed per stakeholder groups. The Essentials and the Deployment view were aligned and made consistent with the notion of Aviation System Block Upgrades (ASBUs) developed by ICAO. There is a full traceability between what is done in Europe as part of the Master Plan and what will be discussed as part of the 12th Air Navigation Conference.

Regulatory and Standardisation Roadmaps: In the Master Plan, regulatory activities were identified only when considered necessary and will need to be duly supported by regulatory impact assessments. The Standardisation Roadmap lists in the European and ICAO context the need for standardisation for the different operational and technical changes. A standardisation case will need to be performed for each of the standardisation activities identified in the roadmap.

Business view of the Master Plan: A significant effort was made to move from the high level Business Case developed during the definition phase. The final business view is still under development and should be delivered by mid/end-April. It will include the Cost Benefit Analysis (CBA) for Step 1 with a clear identification of the costs for the different stakeholders. Two scenarios will be developed: one based on the Essentials (priorities identified for the baseline and Step 1) and a maximum scenario where all the improvements would be deployed. For each scenario, the deployment costs, required investments and associated benefits will be indicated for the 2014-2022 period.

Mr Guillermet concluded with the expected timeline and approval process of the Master Plan Update. A written procedure for the Administrative Board's approval of the Master Plan update will be launched beginning May 2012. Each Member will perform the necessary internal and/or Institutional consultations that will allow the Board to approve the update of the Master Plan in July 2012.

- The EC underlined the importance of the Master Plan for the deployment phase of SESAR. It should constitute a strong basis on which to build the deployment programme. The EC advocates also for a simplification of the document in order to allow managers to know what is expected from them. All the work done at ICAO level with the ASBUs for the global interoperability should be integrated in the update of the Master Plan. A clear hierarchy should be ensured between the Master Plan and the Network Strategic Plan (NSP). Mr Baldwin indicated that the final adoption of the NSP should take place in November but the stabilised draft should be available in June. This timeline is compatible with the approval of the Master Plan. The EC also called for a clear business view with facts and figures. Finally, the EC reminded the Board that Transport Ministers insisted on having a strong risk analysis in the Master Plan, highlighting clearly the potential risks for SESAR.
- The Eurocontrol representative commented that the Master Plan Update included an improved chapter on risks that was not mentioned in the presentation. Not only is the Master Plan simplified but it is also much more realistic due to the tremendous joint efforts from all the Members and other partners to work on the Master Plan. A higher level of cooperation was reached compared to the definition phase. In terms of process, the Eurocontrol representative underlined that Eurocontrol would do its utmost to prevent impediments during the consultation and at the stage of endorsement by the PC. He also asked for the support of the different Members in order to facilitate the consultation of the AAB and the endorsement by the PC.
- The AENA representative recognised the important work done by the team involved in the update of the Master Plan. She stressed however that performance expectations were missing in the performance view, i.e. what can be expected as a result of the execution of the validation exercises. The business view is one of the most important part of the document and it should be completed as soon as possible, especially the part on costs. The consultation of the Board should only start once this information is available. The number of Essential Operational Changes should also be further reduced. There are still too many priorities in the deployment baseline. The lack of traceability between level 1 and level 2 of the Master Plan should be looked at in the perspective of the upcoming consultation on level 2.
- The Airspace Users' Representative supported the comment made by AENA regarding the baseline (IP1) and called for its clarification considering its importance as the basis for the following steps. The Master Plan should address the full extent of KPIs identified during the definition phase, especially KPIs as important as those on predictability or flexibility. In terms of deployment, the Airspace Users' Representative also underlined the importance of the interoperability and synchronisation of timelines with NextGen. Finally, even if they are not binding, the SES High Level targets are highly symbolic and should remain unchanged. The airlines are strongly opposed to their modification as this would give a wrong signal and would put the whole project in jeopardy. Considering the various comments made and the need to finalise the work properly, the Airspace Users' Representative suggested delaying the approval process of the Master Plan Update by 3 or 4 months.

- Answering to a request for clarification from the Thales Representative on the synergies and the relationship between the Master Plan and the NSP, Mr Castelletti indicated that according to the Network Manager Implementing Rule, the NSP must be consistent with the Master Plan. The NSP should identify strategic objectives for the period 2012 to 2019. In this context, the NSP should define concrete objectives for the first reference period of the performance scheme regarding the implementation of operational changes and technologies requested for the network. On that aspect, the Master Plan and the NSP should be fully aligned. As the drafting process for both documents is running in parallel, a coordination meeting will be organised between the SJU and the NM with the EC to ensure that there is no contradiction in terms of implementation. The NSP should be adopted by the end of the year.
- Answering to the concern raised by the Airspace Users' Representative on the SES High Level targets, the Chair reminded all participants that the targets were established in 2005 when the traffic was expected to double by 2020. Current estimates state that traffic would double by 2033. These targets are only political goals and should be clearly distinguished from the real targets negotiated and established in the framework of the Performance Scheme. The EC would not be well advised if it maintained the targets of 2005 without any consideration of the reality.
 - Regarding the target to increase safety performance by a factor of 10: we need to examine whether we can afford such a steep increase in terms of safety with a lower volume of traffic than what was expected in 2005.
 - Regarding the cost reduction target: this target is very much linked to the volume of traffic. It is difficult to maintain it unchanged when we know that it has become unrealistic.
 - Regarding the target on environment: taking into account the high cost of fuel, the possibility to implement procedures and the fact that such measures would mean cost reduction for airlines, it is suggested to take a differentiated approach for this target.
- The Airspace Users' Representative clarified that the airlines' concern was that the watered-down targets would reduce the pressure put on all stakeholders and thus would jeopardise the progress of the programme. He noted that the SSC was consulted on the modification of the targets and asked for the airlines to be also engaged in the discussion. The targets should be kept very strong. The initial 2005 targets attracted the airlines to the whole SESAR Programme and this attraction should be kept as much as possible. He invited the EC to work jointly with the airlines on this issue.
- The Chair recognised the need to better communicate on the topic in order to show that there is no giving up on the EU side. Mr Baldwin confirmed that the EC was willing to work with the airlines on this issue using the existing channels. He underlined that the importance of the political targets should not be exaggerated. The real performance targets are what really counts. It is more a matter of communication.
- The NATS representative stressed that the performance scheme should hold the link between the Master Plan, the Deployment Programme and the NSP. He supported the analysis of the EC according to which the NSP should refer to the Master Plan. However, the NSP should also be consistent with the performance scheme.

Mr Ky indicated in particular that the elements requested by the EC were all addressed by the update:

- The Master Plan is now more readable thanks to the transfer of a number of technical information to the Master Plan level 2.
- Regarding global interoperability, the Master Plan is fully aligned with the ICAO approach. Nevertheless, the scope of the Master Plan is only European and thus synchronisation issues with other third country plans should be dealt with outside the Master Plan, for instance at ICAO level.
- The Master Plan is more realistic because for the first time, in particular for Step 1, firm dates coming from the industry were introduced to indicate the date at which a product will become available (IOC dates). This information will allow proper synchronisation with the US but also the preparation of the

implementation, if needed with regulation.

- The Business view is an essential part of the Master Plan. The figures provided in the cost-benefit analysis (CBA) will need to be treated with much caution. The CBA will indeed be done at a European-wide level. However, the SJU cannot master issues such as the airlines' investment policies, the fleet renewal, etc., which will have to be simplified in the CBA. Regarding the upcoming discussions of the EU on CEF, the SJU will need to discuss with the airlines and the ANSPs to see if the information provided in the Business view can be used for that purpose.

Mr Ky observed that the long discussions in the SPP on the SES High Level Targets should not hinder the progress made on the Master Plan. It is more a matter of communicating on the targets and of how they should be built into the policy objectives.

Mr Ky informed the Board of the good discussion that took place between the SJU and the NM. Chapters will be introduced in the Master Plan and in the NSP to show the interrelations between the two documents. It is good to have a clear hierarchy between the Master Plan and the NSP. Their goals are indeed really different as the Master Plan sets long term targets and the NSP sets operational targets at network level. Finally, Mr Ky concluded inviting the Board to pay tribute to the enormous work done in the previous weeks to make sure that the Master Plan update would be delivered within the expected deadline by the end of March 2012.

- Regarding the launch of the consultation procedure, Mr Ky indicated that 2 options were possible:
 - Submit the proposal to the Board without the Business view by mid-April for formal consultation. The final document including the Business view would be sent beginning of May.
 - Launch the formal consultation only when the complete document is available beginning of May.
- It was highlighted that in order to define its position on the Master plan update, the EC will need to consult the Single Sky Committee (SSC). Mr Castelletti explained that, considering the nature and content of the documents, they should be sent to the SSC one month in advance. The vote in the SSC will be done on the basis of the document submitted to consultation. After the vote of the SSC the draft opinion of the EC will be sent to the College for final adoption.
- Following request for clarifications of the DFS representative, Mr Borghini explained that the document will be distributed beginning of May to all Board Members for decision either at the Board meeting in July or by written procedure after July, subject to the conclusion of the consultations within the EC and Eurocontrol.



Conclusions on item 4b

- The Board thanked Mr Guillermet for his valuable report and took note of the presentation.
- The Board paid tribute to the tremendous work done to deliver the European ATM Master Plan update within the deadline of end of March.
- The Board agreed to launch the formal consultation procedure on the basis of the complete Master Plan Update document at the beginning of May. The objective is to have the Master Plan Update document approved in July.

Item 5 Presentation on Long term and innovative research by Prof. Dr. Peter Hecker

- Prof. Dr. Peter Hecker presented in detail how the SJU is implementing the long term and innovative research, the progress achieved up to the end 2011 and the expected planning up to the end of the Programme.

- Prof. Dr. Peter Hecker explained that ATM Strategic Research takes place in the context of wider challenges such as climate change and limitation of resources. WPE is addressing the question of what could be the vision beyond SESAR after 2025. The human centric aspect of future systems is very important.

The different elements of strategy were translated into a vision for ATM presented in a number of key documents such as Horizon 2020 or Flightpath 2050. To achieve the various objectives, the innovation cycle is followed. It has to be noted that various cycles of different speed take place at the same time and will need to be synchronised. The SJU has a very active role in supporting this process with the co-chairmanship of the ACARE SRIA (Strategic Research & Innovation Agenda) Working Group on “Meeting Societal and market needs”.

The SJU budget for Long term and innovative research is EUR 23 million. WPE activities are managed by Eurocontrol on behalf of the SJU with a contribution of 3,5 FTEs. The objective of WPE is to build a repository of knowledge and ensure a coherent ATM system beyond the current timescale. The SJU Scientific Committee analyses SESAR from different angles and liaises between the SESAR programme and the academic and scientific communities, in particular to ensure that the right level of future “SESAR” engineers and scientists is educated.

Four research themes were defined by the Scientific Committee and on that basis, 2 research networks were launched and a third one is about to be initiated. The networks involve numerous universities and research centres all around Europe. Attached to the networks, 20 PhDs and 18 research projects are being funded.

A number of communication events were organised on WPE related activities, in particular the SESAR innovation days organised in Toulouse in 2011 gathered a great number of researchers. A Young Scientists Award and a Science and Innovation award were also created.

To maintain the dynamic on long term research, an additional call for projects will be launched in the course of 2012. There will be also a need to re-align the SESAR Innovation and R&D scope to face the new European Challenges.

- The Chair commented that to a certain extent, the activities on long term research were already paving the way for the extension of the SJU.
- The CANSO representative noted that four research themes were mentioned, but wondered why nothing was said specifically on the research theme dealing with “Economics and Market Needs”. Prof. Dr. Peter Hecker explained that the research networks on complex systems and automation started in 2011. The third network on legal issues is about to be launched. Regarding market aspects, the Scientific Committee is examining what could be the best instrument to stimulate research in this area. Considering the importance of this theme to successfully deploy technologies, the objective would be to start the related activities very shortly.
- In reply to a question of the DFS representative, Prof. Dr. Peter Hecker indicated that the activities on legal aspects covered many questions, for instance the role and responsibilities of the individual stakeholder in the system. Mr Borghini added that the lawyers of the Members were invited by the SJU to attend a workshop that will be organised in Florence in June. The SJU strives to involve Members in the work done on legal aspects as this may be of specific interest for the future aspects of the deployment.
- Mr Verhoef, Head of Unit for research and innovation in DG MOVE, indicated that with the EC’s DG for Research and Innovation they are looking at what will need to be done for Transport Research at the 2020 horizon.
- Prof. Dr. Peter Hecker underlined that research funding could be used to support SESAR Members in developing products of scientific value and to educate engineers in the future. He suggested setting up a joint Working Group composed of scientific organisations and the SJU Scientific Committee to provide an indication of the size and scope of future work.

- Mr Ky clarified that the intention was to address this issue in the next Scientific Committee. One of the challenges is to maintain competence in Europe in the scientific field. Mr Ky stressed that the SJU tried to involve the economic scientific community and contacted business schools such as Oxford, INSEAD or Cambridge. However they indicated their lack of interest in participating in the research networks due to the low level of funding and the bureaucracy involved.
- Answering to a request of the Staff representative, Mr Borghini indicated that the invitation to the workshop on legal issues would be sent to all Board Members. He specified also that the involvement in the workshop would not be considered an eligible cost.
- Mr Verhoef observed that the connection of ATM with the rest of the transport system would be an important research topic to be looked at and that could be addressed by the SJU but also by other vehicles.



Conclusions on item 5

- The Board thanked Prof. Dr. Peter Hecker for his presentation.

Item 6 The extension of the SJU

- The Chair reminded the Board that according to Council regulation (EC) No 219/2007 establishing the SJU, the SJU will cease to exist on 31 December 2016. With the preparation of the 8th Framework Programme, called “Horizon 2020”, internal discussions in the EC indicate a move towards the further externalisation of the management of research programmes.
- Regarding the management of the infrastructure fund, the EC envisages using the TEN-T Executive Agency. A strong emphasis is also put on the PPPs and the Joint Undertakings to see if the existing JUs should continue to operate under Horizon 2020. All the elements needed for the discussion on a possible extension of the JUs have to be gathered, such as the CBAs or other relevant justifications. This process will take some time and the EC would like to propose launching now an assessment on the extension of the SJU, in order to ensure that the new SJU would be in the position to manage the Horizon 2020 research funds as of 2014. The Chair underlined that other JUs such as Clean Sky were already working in that direction.

The future remit of the SJU should also be looked at in the ACARE context to see how to integrate a gate-to-gate approach, flows in airports or security issues. The Chair indicated that he would like the long term continuity of ATM research but also support to the SESAR deployment phase to be considered when examining a possible extension of the SJU.

In terms of procedure, the Chair suggested that the Board approves in principle to take the necessary steps in view of the SJU extension.

An impact assessment could be performed by the SESAR JU consulting all Board members and other stakeholders. The results of the assessment will contribute to the EC’s work in drafting a proposal that will be discussed in the Council and the European Parliament in 2013 in order to have everything finalised on 1st January 2014.

The assessment should address:

- the mission of the SJU;
- the duration of the SJU;
- the necessary resources;
- the overall membership;
- the governance.

If the deadline of 2016 is maintained, the assessment should also identify what would need to be done in particular in terms of costs or winding down.

In any case, the three year evaluation of the SJU will have to be performed in 2013 and the elements on a possible extension would very well fit in such an evaluation process.

If the extension of the SJU were to be decided, a similar approach should be taken with a possible end date of 2023.

- A paper was distributed to all Board Members and the Chair indicated that the document was prepared by the EC to try to outline what would need to be done in case of an SJU extension.
- The Manufacturing industry representative asked whether there were other reasonable alternatives to the extension of the SJU. In case the extension of the SJU needed to start from 2014 until 2023, how would a budget fit to finance the necessary resources not only in terms of staffing, but also in terms of R&D needs for the execution of the work of such a structure?
- The Chair clarified that EU funds would be part of the budget together with the contribution of Eurocontrol and the industry if they accept to continue to be involved as is the case today. Otherwise, the approach would need to be changed and payment credits would be used for the last 2 years of winding up the SJU.
- The CANSO representative informed the Board that CANSO had not yet defined its position on the topic. He requested more explanation on the procedure foreseen and asked who would be responsible for the execution of the evaluation, the SJU or the EC.
- The Chair confirmed that any decision on the extension of the SJU would be taken by the legislators: the European Parliament and the Council. Any proposal to extend the SJU would need to be based on solid arguments also based on the formal feedback of the current Members. The Chair highlighted the fact that a non-extension of the SJU would result in the loss of a harmonized, consistent and non-fragmented management of ATM Research.
- The DSNA representative commented that in his personal opinion, it would be a waste not to extend the SJU. The SJU succeeded so far in federating research budget efforts, at least on the ANSP side. Before the SJU was established, each ANSP and Eurocontrol had their own research programmes. Now, at the time of the financial crisis, it makes more sense to work together in a common programme. If the SJU would cease to exist, there is a risk that it would lead again to a fragmentation of research and development efforts.
- The Thales representative stressed that the priority from a manufacturing industry point view was to address the transition phase, i.e. the early deployment of what is being currently developed. This will indeed have a critical impact on what will need to be done after. How the early deployment will happen and in which timeframe are questions that need to be urgently looked at. The unofficial position of Thales regarding the extension of the SJU is that they are satisfied with the way R&D is coordinated but that they are strongly reluctant to see organisations not having R&D activities in Europe having direct access to EU funding.
- The Airbus representative indicated his unofficial support to the extension of the SJU. The scope of the SJU in case it would be extended should not be restricted only to R&T but also address the transition between R&T and deployment. Pre-industrialisation stage and incentives to the early equipage of airlines could also be part of the extension. He also mentioned that in the US, the government funds large scale demonstrations, which should be considered in order to create a level playing field between EU and US industry.
- The INDRA representative underlined that SESAR is an R&D programme led in a cooperative and very unique fashion. While it is true that the SJU was created in a very particular environment to suit the Single European Sky policy, keeping a rigid theoretical and conceptual framework with a distinction between the research, industrialisation and implementation stages, does not allow to fully benefit from the SJU potential. When conducting the assessment of the SJU extension, the deployment phase should be considered having in mind what are the objectives we

want to achieve.

- The DFS representative expressed his support for the extension of the SJU within the existing scope, i.e. the coordination of R&D and the maintenance of the ATM Master Plan. With time, the convergence to a true partnership was achieved and it would be really a pity to change the mode of operation. This way of working together in the R&D phase could also be usefully used in the deployment phase.
- The Airspace Users' Representative indicated that the airlines' position had not been coordinated on the issue. However, he reminded the Board that the Airspace users always called for a rationalised and centralised R&D at EU level, such as in the case of the SJU, to avoid a fragmented and nationalised R&D.
- The NATS representative also gave an unofficial position and supported the extension of the SJU, in particular due to the valuable dimension of the partnership inside the SJU, but also outside it for instance with the A6 group. He invited the EC to consider the secondary impact of a less rationalised or a different model, as it could introduce costs back into the system.
- The Scientific Community representative stressed that additional instruments could be needed for long term and innovative research. The stakeholder consultation will thus be an important step to see how to make the Scientific Community participate from an academic perspective.
- The AENA and Alenia representatives both supported the extension of the SJU, in particular in order to avoid fragmented approaches to R&D in Europe.
- Mr Ky thanked all the participants for their support. He indicated that a joint position on the future of R&D was negotiated and agreed with Eurocontrol.
- Several speakers commented on the transition between R&D and deployment and Mr Ky underlined that "*Horizon 2020 should cover activities from research market with a new focus on innovation related activities such as piloting, demonstration, test-beds and support for public procurement and market uptake*". In this text, there is a focus not only on R&D but also on innovation and the preparation of the market for deployment. The SJU would like to make some proposals in this area in a complementary manner to the discussions that will take place on the deployment manager. This could bridge the gap between pure R&D and deployment and could be useful to the industry considering the small size of the market in ATM. To conclude, Mr Ky pointed out that the SJU partnership has a value and already goes beyond R&D.
- Regarding SESAR deployment, the Chair explained that the EC was working on guidance material for SESAR deployment.
- The Chair proposed to mandate the SJU to carry out an assessment with regard to the extension of the SJU reflecting the articulation of the future SJU activities with deployment in particular considering its responsibility to maintain the Master Plan.
- The Eurocontrol representative expressed the wish of Eurocontrol to be directly associated to the SJU with that work. On the Eurocontrol side discussions with Eurocontrol members should be organised to obtain the right to provide a substantial input in the future. It is important to prepare the next period already now in order to make the best use of the existing experience.
- The Chair observed that when performing the impact assessment, the SJU will have to look at very complicated issues on practical questions such as the organisation of the new partnership, the possible need for a new call, the possible application of a grandfathering principle, etc.
- The Chair outlined a two-step procedure: first, the Chair would like the general agreement of the Administrative Board to start the process; a draft mandate will be prepared and sent by the Secretary to seek by written procedure the Board's approval on the mandate within 7 days. On the basis of the mandate the SJU will start the assessment. The Chair underlined that the approval of the mandate will in no way engage Board Members to sign up to what will be presented later on.

▷ Conclusions on item 6

- The Board agreed to mandate the SJU to perform an impact assessment on the extension of the SJU.
- The Board took note that a written procedure would be launched to seek the Board's approval on the text of the mandate to the SJU.

Item 7 The SJU and international relations

- The Chair informed the Board that he had to leave the meeting due to other commitments and was replaced by his alternate, Mr Baldwin.
- The Chair expressed his appreciation of the way the SJU works in very close coordination with the EC on international relations and recalled that there is only one document related to the subject, which is the Administrative Board decision adopted in December 2008 and entitled "Principles governing the accession and the participation of the members of the SJU".
- Mr Ky stressed that the only formal constraint on the SJU international relation policy was that the membership was restricted to organisations from third countries that have concluded at least one agreement with the EU in the field of air transport.

The presentation was focused on the activities conducted in relation to the 4 objectives that the SJU wants to achieve with international relations:

1. Ensure interoperability of SESAR solutions
 2. Respect institutional agreements of SESAR founding members
 3. Provide technical added value to the SESAR programme
 4. Support European industry exports/ international activities.
- The Chair underlined the high amount of work done by the SJU with limited resources. Key players and priorities were well identified. On interoperability, the work done was very important to make the SJU be considered as an equivalent player to the US. The Chair suggested that the Board be provided with an update on international relations on an annual basis.

▷ Conclusions on item 7

- The Board thanked Mr Ky for his valuable report and took note of the presentation.

Item 8 SJU-EDA relation, including NATO relations

- Mr Ky indicated that a proposed Letter of Agreement with the European Defence Agency (EDA) was distributed to the Board. In accordance with the Board's mandate the SJU discussed with the EDA and NATO on the arrangement that would allow having in SESAR the right type of involvement from the military community, including NATO.

A two-step approach was agreed: the first step would be to formalise the way the SJU would interact with the EDA and then to formalise the recognition of EDA as "a go between" the SESAR Programme and NATO. This approach is reflected in the draft Letter of Agreement that Mr Ky would like to sign as soon as the Board gives its agreement.

NATO fully agreed on that approach. It was recognised that there would be a need to go into more details on how NATO experts would be involved, on which type of topics and if specific constraints in terms of information sharing would have to be put in place. The SJU is not entitled to manage classified information and that could

become an issue at a later stage. Information sharing should be treated in the right manner.

Mr Ky informed the Board that the SJU was very pleased with the relationship with NATO and the EDA.

- The Chair indicated that the EC is thinking of involving the EDA at level 1 of the governance for SESAR deployment. He wondered whether the formal aspects of the draft letter were put in the right manner, considering the need to have a living document that could have to be adjusted.
- The Manufacturing industry representative commented that the wording of paragraph 12 would probably need to be corrected to indicate that the EDA and/or the SJU may terminate “the arrangement” upon notice and not “the letter” as wrongly stated.
- The MAB representative noted that the aim of the Letter of Agreement is to facilitate the communication with NATO among other things. However, the absolute necessity to have a role for NATO in the SESAR Programme is not achieved with the Letter or with this Agenda item. The Military representative indicated that he expected a follow-up on that topic and looked forward to see how that would develop.
- The Chair stressed that the issue was indeed addressed with the Letter of Agreement but in a subtle way.
- Mr Ky explained that the Letter of Agreement was negotiated with the lawyers of the EDA and that explains the formality of the language. He underlined that the Letter did not represent any type of commitment for either organisation and formally the Board does not even need to be consulted. Any comment provided by the Board will be taken on board but then he will sign and send the letter.
- The Chair indicated that Board members had a week to provide their comments.
- The EDA representative confirmed that the EDA was ready to sign the Letter.



Conclusions on item 8

- The Board took note of the information and the approach presented by Mr Ky.

Item 9 Audit matters

Item 9a Annual Activity Report of the SJU Internal Audit Capability and SJU IAC Work Programme 2012

- Mr Ky introduced Véronique Haarsma, the new SJU Internal Audit Capability, to the Board.
- Mrs Haarsma presented the Annual Activity Report of the SJU Internal Audit Capability (IAC). This report informs the Board on the IAC activities conducted in 2011 by Mr Walton. Mrs Haarsma indicated that she would update the document and in particular ensure the follow-up of the recommendations and report back to the Board next year.
- The AENA representative stressed that the Annual Activity Report seems to be completely obsolete as it makes reference to actions that should have been completed in 2011. It seems that the document has not been updated for more than one year.
- Mrs Haarsma commented that the document was prepared by the previous IAC and she would make sure that the document is updated during the course of the year.
- Mrs Haarsma then presented the Annual Work Programme 2012 of the IAC. The work of the IAC will be 50% related to assurance audit, 30% related to consultancy

services and 20% related to other activities, such as the liaison with the audit services from the EC.

The assurance audits will be focused on the operational procurement processes, the application of the SJU Internal control standards, HR and Recruitment as well as the follow-up on the management actions taken in response to audits.

▷ Conclusions on item 9a

- The Board took note of the information provided by Mrs Haarsma on the Annual Activity Report 2011 of the IAC and the IAC Work Programme 2012.

Item 9b Revised Permanent Audit Panel rules of procedure

- The Chair clarified that the revised Permanent Audit Panel Rules of Procedure were presented to the Board for information and not for decision.
- The EC indicated that there was a typo in Article 2.1 that would need to be corrected.

▷ Conclusions on item 9b

- The Board took note of the information provided with regard to the Revised Rules of procedure of the Permanent Audit Panel.

Item 9c Information on the European network of post-audit experts

- Mr Borghini informed the Board that under the new 7th Framework Programme approach and in view of Horizon 2020, the EC developed an instrument where all results of ex post-audits will be put together in a single database with limited access. The SJU has to comply with this obligation due to the FP7 expenditure received from the EC. The SJU will thus have to make available in the database all the project audit reports. Mr Borghini underlined that in case there would be commercial information in the audit report, it would be taken out before the document is made available.

▷ Conclusions on item 9c

- The Board has no objections that the SJU makes the project audit reports available in a database accessible to auditors involved in Research funded projects.

Item 9d Audit Committee

- Mr Borghini asked the Board's advice on the establishment of an Audit Committee, as suggested by the ECA. The Audit Committee would include a representative of the Board and experts responsible for the follow-up of audit matters related to the SJU.

Mr Borghini stressed that the current draft regulation on the new PPPs in the Horizon 2020 already foresees for all of them the obligation to set up an Audit Committee.

- The EC stated that in principle it was not against the establishment of an Audit Committee, but the added-value and the work involved in running this Committee should be clarified.

▷ **Conclusions on item 9d**

- The Board gave mandate to the Permanent Audit Panel to provide it with an opinion on whether the SJU should set up an Audit Committee.

Item 10 General Administrative and budget issues

Item 10a Presentation of the Annual activity report 2011

- Mr Borghini reminded the Board that the Annual Activity Report 2011 was sent to all Board members on 31st January for one month consultation. Comments were received and included in the revised report. The SJU Executive has to sign it and it will be sent to the Budgetary Authorities and the Board members on 31st March.

▷ **Conclusions on item 10a**

- The Board took note of the information provided by Mr Borghini concerning the Annual Activity report 2011 and endorsed the document.

Item 10b Provisional annual accounts 2011

- Mr Borghini indicated that the provisional annual accounts 2011 were used by the ECA to perform their audit. Mr Borghini drew the Board's attention to the high negative equity of the SJU. The issue is related to the fact that the SJU accrued for the costs and contributions performed by Members in 2011 and they are recognised as revenue in the following year. This creates a mismatch and as the activities are increasing, this mismatch is becoming bigger. The situation should stabilize in the coming years.
The final annual accounts will be submitted to the Board on 1st July 2012 and the opinion of the ECA should be available by the end of the year. No changes to the annual accounts should be expected.

▷ **Conclusions on item 10b**

- The Board took note of the situation regarding the negative equity of the SJU in the provisional annual accounts 2011.

Item 10c Amendment to Decision on Conflict of interest

- Mr Borghini informed the Board that the EC recently adopted new rules on the conflict of interest to govern internally their activities. With the arrival of the new IAC in the SJU, the various declarations of confidentiality and of conflict of interest were reviewed. A number of missing elements were identified and clarifications were introduced in the declarations in order to make the person requested to sign the document better aware of the implications of his/her declaration. Each time a declaration will be submitted for signature, the explanations will be attached to the document.
- Mr Borghini underlined that the amendment to the decision on conflict of interest was only a first step. Considering the importance of the management of confidentiality and conflict of interest for the SJU, the future steps will probably consist of the development of a code of conduct together with other elements to

facilitate the management of conflict of interest.

- The EC commented that the proposed amendment to the decision was fine as a first step but further work should be done to continue to improve the management of conflict of interest.
- The Thales representative stressed that Thales was very satisfied with the way conflict of interest is managed by the SJU. He invited the EC to give due consideration to that aspect in the context of the on-going work on SESAR deployment.



Conclusions on item 10c

Decision ADB(D)-03-2012

- The Board adopted decision ADB(D)-03-2012 amending Decision ADB(D)10-2008 on “Confidentiality, independence and the management of conflict of interest of the bodies of the SESAR Joint Undertaking” and agreed to the development of a code of conduct and further elements to manage conflict of interest.

Item 10d Decision amending ADB(D)12-2010 on the appraisal of the Executive Director of the SESAR Joint Undertaking

- The Chair took note that this Agenda item had to be deleted and the amendment was no longer necessary.

Item 10e Draft Multi-annual Staff Policy Plan 2013-2015

- Mr Borghini indicated that this item of the Agenda was only for the information of the Board. Comments from the EC on the draft multi-annual staff policy plan were received quite late and the document will have to be sent to the Budgetary authorities on 31st March. The Multi-annual Staff Policy Plan 2013-2015 will be formally presented at the next Board meeting.

Item 10f Information on the results of the SESAR Integrated Flight Trials and Demonstration activities call for proposals

- Mr Borghini explained the process followed for the evaluation of the various proposals and then presented the results of the call to the Board. He informed the ADB that at the same time the Consortium submitting the proposal were officially informed of the outcome as well as the notice on the results was published on the EU OJ.
- No discussion took place.
- Answering to a question of the Chair, Mr Ky indicated that the SJU was expecting more proposals on the green flights. In AIRE 2, 18 proposals were funded compared to 9 proposals this time. On demonstration activities, the proposals were according to what was expected. The SJU was disappointed not to get any military proposals.



Conclusions on item 10f

- The Board took note of the information provided by the SJU on the results of the SESAR integrated flight trials and demonstration activities call for proposals and no discussion took place.

Item 11 AOB**Decision on the general provisions for implementing Article 43 of the Staff Regulations and Articles 15 and 87 of the Conditions of Employment of Other Servants of the European Community**

- Mr Borghini reminded the Board that the draft decision on the process for the evaluation of the SJU Staff was presented to them in March last year. The College adopted the decision in November 2011 and the SJU was notified of this adoption a few days ago. Considering that the document was sent shortly before the meeting, Mr Borghini proposed either to send it to the Board for approval by written procedure or to adopt it directly today.

**Conclusions on item 11**

Decision ADB(D)-04-2012

- The Board agreed to the proposal and adopted decision ADB(D)-04-2012 on the general provisions for implementing Article 43 of the Staff Regulations and Article 15 and 87 of the Conditions of Employment of Other Servants of the European Community.

Closing of the meeting

The Chair indicated to the Board members that there was an issue with the dates of the next two Board meetings.

Due to the preparation of the CANSO Global ATM Summit, the ANSPs representatives had informed the SJU that they would not be able to attend the Administrative Board meeting on 20 June.

Taking into account the availability of the Chairman and considering that the 22nd meeting of the Administrative Board would be at CEO level, Board members were invited to indicate their preferred dates among the following:

- 27 June
- 28 June
- 3 July
- 5 July
- 6 July

Regarding the 23rd meeting initially planned on 11 October, due to the SES Conference organised by the Cyprus Presidency on 11-12 October in Limoussol (Cyprus), it is expected that several members of the Administrative Board, including the Chairman, would not be able to attend the meeting. The envisaged solution would be to organise the 23rd meeting in Cyprus on 10 October.

The Secretary of the Board will send the proposed dates by email in order to agree as soon as possible on the dates of the next meetings.

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, 04/04/2012

Chairman

Secretary

Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest