

Meeting ADB(M)022

Minutes ADB(M)022- MoM

Date of the Meeting: 3 July 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 | Chairman |
| | Mr Matthew Baldwin | Alternate |
| | Mr Maurizio Castelletti | Observer |
| | Mr Marco De Sciscio | Observer |
| | Mrs Doris Schroecker | Observer |
| EUROCONTROL (ECTL) | Mr Bo Redeborn | Vice-Chairman |
| AENA | Mr Ignacio González Sánchez | |
| | Ms Mariluz de Mateo | Alternate |
| Airbus | Mr Pierre Bachelier | Alternate |
| ALENIA Aeronautica (Alenia) | Mr Maurizio Fornaiolo | |
| | Mr Fabio Ruta | Alternate |
| DFS | Mr Georg Dickhaut | Alternate |
| DSNA | Mr Maurice Georges | |
| | Mr Philippe Merlo | Alternate |
| ENAV | Mr Iacopo Prissinotti | |
| Frequentis | Mr Rolf Unterberger | |
| Honeywell | Mr Alexandre Laybros | Alternate |
| INDRA | Mr Rafael Gallego Carbonell | |
| | Mr Ramon Tarrech Masdeu | Alternate |
| NATMIG | Mr Aage Thunem | |
| NATS | Mr Alastair Muir | Alternate |
| NORACON | Mr Thomas Allard | |
| | Mr Niclas Gustavsson | Alternate |
| SEAC | Mr Thomas Kern | CEO Zurich Airport |
| | Mr Giovanni Russo | |
| SELEX S.I. (SELEX) | Mr Mario Richard | |
| | Mr Stefano Porfiri | Alternate |
| Thales | Mr Rémi Gille | |
| | Mr Luc Lallouette | Alternate |

| Stakeholder representatives | Representative | |
|---|---------------------------------|-----------|
| Military (MIL) | Air Commodore Chris J. Lorraine | |
| European Defence Agency (EDA) | Mr Giampaolo Lillo | Alternate |
| Civil users of airspace (CUA) | Mr Vincent De Vroey | Excused |
| | Mr Pedro Vicente Azua | Alternate |
| Air Navigation Service Providers (ANSP) | Mr Guenter Martis | Excused |
| Equipment manufacturers (EM) | Mr Michael Von Gizycki | |
| | Mr Patrick de Prévaux | Alternate |

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|---------------------------------|---------------------|-----------------------------|
| Airports (APT) | Mr Olivier Jankovec | Director General ACI Europe |
| Staff in the ATM sector (STAFF) | Mr Loïc Michel | |
| | Mr Joël Cariou | Alternate |
| Scientific community (SC) | Prof. Peter Hecker | Excused |

Other participants

| | | |
|---|----------------------------|--|
| SJU Executive Director | Mr Patrick Ky | |
| SJU Deputy Executive Director of Administration and Finance | Mr Carlo M. Borghini | |
| SJU Deputy Executive Director Operations and Programme | Mr Florian Guillermet | |
| SJU Internal audit | Mrs Véronique Haarsma | |
| Secretary of the Board | Mrs Servane Woff-Lhuissier | |

Distributed meeting documents

| | | |
|----------------------|--|--------|
| SJU-AB-022-12-DOC-01 | Multiannual Staff Policy Plan 2013-2015 | Item 7 |
| SJU-AB-022-12-DOC-02 | Final annual accounts 2011 | Item 7 |
| SJU-AB-022-12-DOC-03 | Revised Administrative Board Rules of Procedure | Item 7 |
| SJU-AB-022-12-DOC-04 | Code of conduct for the Administrative Board Members | Item 7 |

Item 1 Introduction

The Chair welcomed the representatives (Board members, CEOs or high level executives) of SJU members and stakeholders.

Verification of the voting quorum

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

Adoption of the agenda

The Chair indicated that he would not be able to stay the whole meeting and therefore asked if the agenda could be changed as follows:

2. EU ATM Master Plan Update for approval
3. SESAR deployment
4. Extension of the SJU
5. Programme status
6. ICAO 12th Air Navigation Conference
7. General Administrative and Budget issues
8. Any Other Business

Board members were requested to present any suggestion for additional changes. No other changes were proposed.

- ▷ The Board adopted the modified agenda.

Disclosure of conflicts of interests

The Chair reminded the participants of their obligation to declare any real or potential conflict of interest on any agenda items. Board members and participants were required to fill in and sign the relevant declaration in accordance with Article 2.4 of the Board decision on conflict of interest ADB(D)-10-2008 as modified by Decision ADB(D)-03-2012. 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 Chair noted that no conflict of interest was declared on any agenda item and that all participants had completed the declarations on conflict of interest.

Item 2 EU ATM Master Plan Update for approval

- Florian Guillermet reminded the Board of the various steps followed for the preparation of the European ATM Master Plan (Master Plan) update. Supported by WPB, WP16 and the Master Planning Group in which all SESAR Members and main stakeholders were represented, WPC prepared the draft update. The SJU ensured the final structuring of the document before its circulation to the Board on 10th of May for consultation. Mid-June, the update was presented to the Single Sky Committee (SSC) and the Advisory Agency Body (AAB) of Eurocontrol. All comments from Board Members had to be submitted by the 20th of June.

All the high-level success criteria (simplification & prioritisation, promotion of synchronisation between R&D and deployment, reviewing risks, global interoperability) defined at the start of the campaign were achieved.

The formal comments received were organised in 3 categories:

- Comments on the executive summary, on the stakeholder's executive summaries, on the performance aspects (SES High Level Goals, SES Strategic Performance Objectives and SESAR Contribution) and a number of editorial fixes and clarifications will be taken into account.
- Substantial comments regarding the Business View, both in terms of methodology and content. A significant amount of work is required to refine the document in that regard and it is suggested to consider it as part of an update to be performed within one year.
- Other comments focused on the unavailability of validation results and highlighted the need to refine the content and the description of Step 2 and to improve the regulatory and standardisation views in the Master Plan. These comments should be taken on board in the next update of the Master Plan.
- The EC thanked Florian for his very clear presentation and reminded the Board that the objective was to approve the update of the Master Plan in time for the ICAO 12th Air Navigation Conference (ANC 12). The EC underlined that the Master Plan was not the SESAR deployment plan. The "deployment plan" will however be based on the Master Plan and will be driven by it.

In order to be able to formally approve the update, the EC will need to submit it in a formal consultation process both internally with the EC services and with the SSC. No major issues are expected to be raised during the consultation process.

The EC explained that it should be able to give its approval in principle subject to its requests and comments being taken into account by the SJU and the finalisation of the formal consultation procedure within the EC. Upon termination of the consultation process, the EC will adopt the position of the European Union as regards the approval of the proposed modification of the Master Plan.

The EC then presented its detailed comments on the proposed Master Plan update as follows:

- Need to restore in the Master Plan update the stakeholders' executive summaries;
 - Need to replace the text in Chapter 2.1 by an alternative text clarifying that the SES High-level goals defined in 2005 remain the desired high-level political vision for SES to which SESAR is a significant but not the only contributor;
 - Need to modify the text in Chapter 2.2.2 to improve the definition of the SES Strategic Performance Objectives and remove any confusion between the validation targets of the Master Plan and the binding targets set at EU level;
 - Need to map more clearly the Essential Operational Changes related to SESAR baseline and those related to SESAR step 1;
 - Need to ensure consistency with the Network Strategic Plan (NSP) by inserting in Chapter 3.4 "Basic Dynamic sectorisation" as a priority change for the Network Manager;
 - Request to the SJU to perform an intermediate Master plan update, to be approved by mid-2013, strictly limited to the business view;
 - Request that the next update focuses in particular on the achieved results in implementing the Master Plan, on the assessment of the consistency of the NSP with the Master Plan, on any additional regulatory or standardisation actions decided by the SSC or the European Aviation Safety Agency and on the refinement of the risk management plan and the ESSIP Plan (Master Plan level 3).
- The Eurocontrol representative informed the Board that the comments made by the EC were fully coordinated with Eurocontrol. On the ECTL side, AAB had no major issues but mostly editorial comments. A text should in particular state the importance of the "quality of service" key performance area since this aspect was not addressed in this update of the Master Plan.
 - The text in Chapter 5 will need to be amended to tackle a couple of issues. Regarding the Business View, two options are possible: either open the Master Plan update document again next year or just add a revision for the Business View. Considering the need to ensure stability of the Master Plan over time, the Eurocontrol representative indicated being in favour of the second option.
 - The ENAV representative underlined that the Master Plan update should be supported and defended by all stakeholders considering its political importance at EU level and the big effort made to produce it. While recognising the need to ensure the stability of the document, the ENAV representative supported the proposal from ECTL to immediately work on the Business View and the economical part of the Master Plan to improve them. Regarding the societal goals, they should be seen as political objectives that will not immediately translate into technical and operational capabilities to be achieved. To conclude, the ENAV representative explained that the ANSPs developed updated and more realistic cost figures and would like them to be taken into consideration.
 - The Chair appreciated the extraordinary and enormous amount of work performed in a very short time by the staff of the SJU and its Members to deliver the update.
 - The Airspace Users' Representative noted that the EC had taken on board most of the airlines comments, with the exception of the international synchronisation issue with NextGen. With regard to the High Level Targets, the representative welcomed the proposed changes to Chapter 2.1 and asked that the rest of the document be aligned with these changes. A realistic performance roadmap for the future would also be needed. The Airspace Users' Representative indicated that a common position paper from the different Airlines/Airspace Users Associations had been prepared and would be formally submitted to the SJU.
 - The Eurocontrol representative clarified that an important work had been done together with the FAA to identify what is needed from ICAO and what still needs to be done to ensure global interoperability. This new version of the Master Plan is aligned with the global environment compared to the previous version. A complete mapping against the ICAO block upgrades was also performed.

- The AENA representative stressed that the update of the Master Plan was an important milestone in 2012. It gives a common European vision for ATM that can be defended in ICAO. However, in terms of content, AENA shares the concern expressed by ENAV regarding the economical part and some of the cost figures presented in the Master Plan. An analysis of the economic aspects should be done before the final approval of the document.
- The Airbus representative underlined that an adoption of the Master Plan update before ANC12 is key and asked further explanations with regard to what was intended to be done with the roadmaps of the Business view. An improvement of this part of the document is necessary in the short term.
- Mr Ky thanked the Board members for their constructive comments and stressed that the update of the Master Plan was the result of a truly collective work involving everybody.

Regarding the remark made on the alignment between the Master Plan and the NSP, it should be noted that the NSP will only be adopted at the end of the year. It would not seem reasonable to modify the Master Plan to take on board elements coming from an unstable document. There are also some technical elements that the EC and Eurocontrol requested to change that would risk reopening technical discussions. The SJU will discuss with the EC and Eurocontrol to make sure that their comments are addressed whilst not taking any risk on the stability of the current Master Plan.

Regarding the comments made on the Business View and the cost analysis, Mr Ky recognised that the costs indicated in the current document were not the most accurate ones, although they were established by stakeholders' representatives. He proposed that the current figures be kept and to mention in the text that those figures would be updated shortly. It is the SJU's intention to set up immediately a task force with the SJU partners to come up with new cost figures by the end of the year or beginning of next year.

- The EC recognised that the NSP had to be adopted by the end of the year and that the alignment with the Master Plan was indeed the end point of the process. Regarding the EC and ECTL technical comments, discussions can continue with the SJU to decide how they will be handled.
- The Eurocontrol representative explained that the NSP was developed in parallel to the Master Plan update and that there were no major contradictions between the two plans. There are consistency aspects that will need to be fixed and that could be dealt with separately based on the European ATM Master Plan 2012.
- The ENAV representative supported by AENA stressed that whatever disclaimer would be put in the document, the Master Plan would be distributed widely and a proper communication was essential. There is indeed a substantial difference between the figures in the document coming from the definition phase and what is now proposed by the ANSPs. This difference would give a wrong signal on the quality of the document. Therefore, ENAV and AENA asked to insert the new cost figures in the document together with a disclaimer explaining that further work will be carried out to refine those figures.
- The Chair highlighted that the new figures provided by the ANSPs had not been validated by all the Board Members and would consist in a change from one to two in terms of value.
To answer the ANSPs' concern, and keeping in mind that the objective is to have the Master Plan adopted in time for ANC12 but also in view of the discussions on SESAR deployment, the Chair proposed explaining in a footnote that the cost figures had not been fully validated and will need to be refined. A range of values could be added together with an identification of its origin. Work will be launched to get validated figures by the end of the year, beginning of next year.
- The AENA representative supported the compromise. However the Thales representative did not feel comfortable with the idea of giving a range of figures, stating that we should not give the impression that there is a minimum and a maximum figure and that the real figure is somewhere in between.

- The Chair explained that this would be clarified in the text describing clearly the origin of the figures presented.



Conclusions on item 3

- The Board approved the Master Plan update in principle subject to taking into account the comments expressed by Board members and to the final results of the consultation processes of the EC. The final version of the update will take into account the changes agreed, in particular: the amended text of Chapter 2.1 on the High Level Targets, the necessary text mentioning the range of cost figures for the ANSPs, the launch of the work for the preparation of an updated Business View for 2013, the need to ensure alignment between the NSP and the Master Plan.
- **The Master plan is the only reference document for Europe on which to build SESAR deployment.**

Item 3 SESAR Deployment

- The Chair summarised the process that the Commission has followed so far to set up SESAR deployment. This process included a series of consultations over the past recent months with various stakeholders on an approach to put in place the 3 levels of SESAR deployment governance and in particular, to define a deployment plan and the Deployment Manager and the right sequence for their setup.
- In terms of EU funding, the Chair informed the Board that a political agreement on the CEF (Connecting Europe Facility) had recently been reached by the EU Transport Ministers. An iterative process between the Council and the European Parliament will now take place in view of the adoption of the final financial envelope, which will probably be achieved at the beginning of 2013. As the EC will be principally using the CEF as the EU funding instrument, we will have a little bit more time to put in place the governance mechanisms for SESAR deployment, as the first calls in the framework of CEF should be launched at the end of 2013, beginning of 2014.

It has become clear from the discussions with stakeholders and further reflection on the EU instruments and processes that it will be necessary to first define a deployment plan based on a common and agreed understanding of the deployment priorities before designating the Deployment Manager to ensure their implementation.

The initial assumption was that the Master Plan was in fact the deployment plan. Today it is commonly understood that, although the Master Plan is and should remain the primary reference for deployment, it does not have the necessary high level of granularity and precision to be considered as the SESAR deployment plan.

DG MOVE proposes to achieve the required level of maturity beyond the Master Plan through the common project instrument defined in the SES regulatory framework. The required maturity should be achieved by selecting from the Master Plan the mature essential changes and adding to them: further geographical and temporal scoping; a credible CBA; and possible incentives.

To ensure an integrated vision of the deployment needs (what, where, when, who) and provide them with the necessary legal basis and support for EU funding, the establishment of common projects should be under the political responsibility of the Commission (as Level 1 of the deployment governance). The Common projects should be adopted through a formal “comitology” procedure. This top-down approach in fixing priorities underlines the Commission’s political responsibility for SESAR deployment.

In order to implement the common projects, which therefore represent the deployment plan, the Commission should launch an open process to select a Deployment manager who will identify specific implementation projects and a related deployment programme to execute them.

In order to establish the common projects, the EC proposes to work with the SJU in a joint process involving the relevant stakeholders, Eurocontrol, the Network manager, PRB, EASA. In particular, through this process, the SJU should produce the contents of a first “Pilot” Common Project. Once the Pilot Common Project is available, the EC would then proceed to selecting the Deployment Manager who would implement the common project through a binding deployment programme and the related implementation projects. This process should be finalised in the course of 2013 in order to start using CEF funding in 2014.

- The EC (Mr Baldwin) added that with the additional time available, a clearer way on how to proceed with SESAR Deployment can be secured. The alignment with the NSP will need to be ensured and credible Business Cases, in particular for the airspace users, will need to be established.
- The DFS representative stressed that the approach presented by the EC so far had been that the operational investors (ANSPs, airlines, airports) would propose the projects to be funded. With the new approach, would the SJU be entrusted with this task?

The EC clarified that while the SJU would assist the EC in establishing priorities through the common projects, it would not be tasked to propose specific implementation projects (investments).

- The AENA representative commented that the main investors were always concerned when hearing about binding documents, especially in a context of existing tensions between the various stakeholders. He also raised a number of questions: how will common projects actually work? How will a multiannual plan be coordinated with national investment plans defined on a yearly basis? Will the Deployment Manager be able to update the common projects in case of situation changes or will it be done by the SJU under the control of the EC?
- The ENAV representative listed a number of fundamental principles that should be taken into consideration:
 - There should be only one plan, the Master Plan and all the other documents should comply with it. In opposition to what was said by the EC, the Master Plan has a good level of granularity as it includes the ESSIP.
 - There is a need to deliver, as nothing is really done before it goes into operation.
 - When there is no technical motivation to deploy, this leads to failure. The main investors are the ones that will be responsible for achieving the performance targets.
 - Funding and financing methodologies should be looked at, especially in today’s crisis situation.
 - The Deployment Manager should be in a position to take the priming of the planning process with a focus on the regulatory, the financial and the economic frameworks.
 - The Deployment Manager should be granted flexibility on the economic and technical parts. The EC proposal seems to be taking away the responsibility from the essential organisations.
- The DSNR representative underlined that the most efficient way to define projects was to use a continuous process rather than a sequential one. He also asked whether it would be the task of the SJU to consult the bodies mentioned by the EC for the preparation of Pilot Common Project or if it would be defined by a joint team composed of the SJU, NM, EASA and PRB. The latter option would be much more complex to manage.
- The NATS representative observed that the commitment from the organisations that need to deploy is essential. It seems with the proposed approach that the organisations that will have to deploy will be the last to be involved. The issue with this top down approach will really depend on the level of details expected from the initial Pilot Common Project. If it remains high-level, the Deployment Manager will be able to elaborate it further through consultations and appropriate engagement mechanisms.

The Chair clarified that it would be a bottom-up approach in terms of definition of content, but it would be a top-down approach in terms of making it a legally binding document under the SES regulations.

- Mr Ky commented that the approach proposed by the EC was pragmatic. The EC needs to have a pilot Common Project to establish what needs to be done on the basis of which it can organise the call for the appointment of the Deployment Manager (who should do it). The preparation of the pilot would only be a first step. It should not be seen as a tentative to take over the roles of stakeholders. The SJU is a PPP, so all the SESAR members will be involved in this exercise as appropriate. However, considering that this will lead to the call for tender the Deployment manager and implementation projects and the potential conflicts of interest that would arise, the SJU will have to take position as SJU at some stage. It has to be taken into account that the Network Manager may also benefit from Common Projects. On the binding aspects, further work needs to be done. At some stage, there will be a need for the SESAR Deployment to become binding otherwise it would remain a plan without any meaning.
- Answering to a question of the DSNA representative, the EC clarified that the Master Plan is seen as a catalogue of essential operational changes prepared and validated by the SJU and available for implementation. The objective of the Common Projects will be to extract from the Master plan only those essential changes that are mature enough to be deployed (What, where, when and who) to ensure the creation of the European ATM network in accordance with the performance objectives. A legal framework is required in order to commit and protect all actors involved in SESAR deployment and ensure the respect of the performance plans. In the case of the EC for instance, due to the public funding, such a legal framework is necessary to demonstrate that everything is sound from the economic point of view. The pilot Common Project is expected to be quite high level. Details on the specific implementation projects will be defined later by the Deployment Manager.
- The SELEX representative supported the difference made between the pilot Common Project initiation and its execution. He enquired what would be the objective of the workshop organised on 12 July.
- The Airspace Users' representative generally supported the change of approach proposed, especially as the EC seems to be taking the lead and full accountability for SESAR Deployment. He also welcomed the idea of the Common Projects approach and the reinforcement of the institutional presence. Given the diversity of actors in the market, especially with regard to the airspace users, a private consortium was not the right approach. Finally, he asked whether it was the intention to work on the basis of the level 2 and 3 of the Master Plan to prepare the pilot Common Project.
- The Eurocontrol representative reminded the Board that deployment was different from R&D. With deployment, there is a need to be inclusive and adopt a pan-European approach taking also into account the network performance. Business cases are also key for deployment and additional work will be needed to improve the business cases in order to ensure that things will really be deployed where they provide maximum benefits. Common projects will have to address these different aspects of deployment. Considering the large amount of work to be done to define common projects, the Eurocontrol representative welcomed the information that the timescale for the decision on SESAR deployment was a bit less tight.
- The INDRA representative observed that irrespective of the structure that will be chosen for SESAR deployment, what is important is that something is deployed. A good partnership has been put in place for the R&D phase and now it is time to compete with other regions of the world for ATM delivery. So far, the discussions were quite conceptual and now there is a need to know concretely what will need to be deployed. The integration of the industrialisation phase in deployment is well received. The manufacturing industry will likely not be making the deployment plan. The INDRA representative was confident that the SJU would be able to appropriately involve the various stakeholders and manage the conflict of interests when defining the pilot Common Project. He expressed concern on the allocation of SJU resources

to this task. He asked for more detailed information on the practicalities of this new task. The gap between R&D and deployment will need to be covered and it will be really useful to use the SJU with that regard.

- The Airbus representative also highlighted the need to fill the gap between R&D and deployment through a continuous and iterative process, based on the results of the R&D phase. The role of the manufacturing industry in this process should be clarified. To develop Business cases and take decisions, the CBA will need to be available upfront.
- The Chair concluded by reiterating that the presentation made was “thinking in progress” based on consultations with stakeholders. Based on the Master plan we want to establish a joint process with which everyone feels comfortable. The EC believes that it is essential to first jointly establish the “plan” in more collective and iterative process (what needs to be deployed) and then select who should deploy it. Once the pilot Common Project is defined, the EC will be able to appoint the Deployment Manager and ask for funding (EIB, project bonds).



Conclusions on item 3

- The Board took note of the information provided by the EC on SESAR Deployment.

Item 4 Extension of the SJU

- Ernst and Young (E&Y) presented the first initial results of the impact assessment study on the SJU extension. E&Y planned to consult 43 organisations and already met 25 of them. The rest of the consultations should take place before the end of July. As two-thirds of the stakeholders were met, it can be considered already a representative feedback from the community.

On that basis, the preliminary results of the impact assessment were presented as follows:

- A large majority of the stakeholders think that the SJU was necessary to develop the new generation of ATM system;
- 95% of the stakeholders agreed that with the establishment of the SJU the situation improved with regard to the EU position compared to the US;
- The added value of the SJU for the organisation of the development phase and for ensuring stakeholders participation was widely recognised.

An important element of the consultation was to get the stakeholders’ views on the future of the SJU:

- All the stakeholders consulted so far were in favour of an extension of the SJU beyond 2016.
- Answers were more divided on the question of the estimated delay in the realisation of SESAR objectives if the SJU would not be extended.
- 65% of the stakeholders were of the opinion that the SJU current research areas should be extended and the three main research areas mentioned in this context were: airport management, security and UAS/UAV.
- 68% of the stakeholders were in favour of an extension of the SJU to different research phases. There is more demand for a role of the SJU in the pre-industrial development phase and it is thought that this would lead to an average estimated time gain of 2,44 years in the realisation of the SESAR objectives.

Most of the people consulted highlighted that the SJU performed well in terms of:

- avoiding fragmentation in European ATM research
- bringing together all stakeholders
- defining the operational concepts of future ATM technologies
- bringing new methods for the validation of new technologies and releases.

It was also recognised that the PPP was an added value for the use of public funds.

Regarding the governance of the SJU, a number of stakeholders called for a stronger participation of the airlines and airports, while others considered the role of Eurocontrol to be too important.

It was widely recognised that the level of funding should be maintained and even for some of the stakeholders, increased. Stakeholders would be ready to increase their contribution to an extended SJU if a clear return on investment could be demonstrated.

In the impact assessment, 4 scenarios will be examined:

- Option 0: SJU not extended. The effects will need to be analysed;
 - Option 1: Extension of the SJU in time with the same scope;
 - Option 2: Extension of the SJU in time and extension in scope in the direction of the pre-industrial development phase;
 - Option 3: Extension of the SJU in time and in scope in the direction of the pre-industrial development phase and extension towards other areas closely related to ATM.
- The Chair explained that this impact assessment was conducted at a time when the EC is thinking of the way forward with regard to the existing Joint Undertakings. There is a clear and strong orientation to go towards externalised management of research in the next Research Programme. The impact assessment carried out by the SJU will contribute to the wider impact assessment supporting decisions of the EC on the extension of Joint Undertakings. When performing its impact assessment on all the Joint Undertakings, the EC will organise a wider stakeholder consultation.
 - Answering to a question of the SELEX representative, E&Y clarified that the option 1 meant that the SJU would deal with the same research subjects as today.
 - In reply to a question of the ALENIA representative, E&Y informed the Board that the consultations should be completed by mid-July. The question of the amount of funding considered necessary was not included in the questionnaire because it is a matter really dependent on the EC final decision.
 - The AENA representative enquired whether the level of contribution of the stakeholders consulted would be taken into account when performing the final analysis. E&Y explained that the EC had asked for the answers provided to be qualified by groups of stakeholders.
 - The Chair concluded that depending on the outcome of the negotiations on CEF and the multiannual financial perspectives, the Business model of the SJU would have to be discussed and thought about.



Conclusions on item 4

- The Board took note of the information provided by E&Y with regard to the first initial results of the impact assessment study on the SJU extension.

Item 5 Programme status

Due to other commitments, Mr Ruete handed the chairmanship of the meeting over to Mr Baldwin.

- Mr Ky presented the Main achievements of the Programme since the last Board. They consist mainly in the update of the Master Plan and in the delivery of the Single Concept of Operation (Conops) for SESAR Step 1 (period 2012 to 2024). The definition of the Conops is a major step for the Programme and it will prove particularly helpful for discussions in ICAO.

Release 1: Mr Ky explained that the final Release 1 report was not completed yet, but the SJU would send the close-out report to the Administrative Board Members by the end of the week.

Interesting results came out of the exercises on AMAN/DMAN, but now that the R&D work is completed we need to define the next steps that have to be taken to get to deployment and implementation at European level. The processes to build the cases (safety cases, business cases...) also need further development. A lot of quantitative information is available on the performance reached with the new tools or operational procedures. It forms a very good basis for the establishment of the Business cases.

In Release 2, more activities are related to airports. Out of the 35 exercises scheduled: 11 were completed, 10 are delayed, 3 were moved to Release 3 and 2 were cancelled. Commitment on Release 2 delivery should be strengthened.

It is very a positive signal that partners from neighbourhood countries are involved in several demonstration activities projects. There is as well a very good cooperation with the FAA. In total, 5000 commercial flights should be operated and the full results of the demonstration activities are expected beginning of 2014.

Following the recommendations of the Tiger Team, the objective is to define the content of the releases on the basis of the priority business needs identified. The Release Strategy that will be discussed in the Programme Committee following the Board meeting is trying to map the priorities and the releases. This shows that the programme is capable of looking at issues from a top-down perspective and that it can be driven by business priorities.

Progress of the Programme: The comparison between the actual delivery and the planned delivery shows that significant progress was made and the ratio is now of 79% from 57% one year ago. A lot of work was done in terms of resource consumption and the ratio of the actual resource consumption compared to the planned consumption is now at 94%.

In terms of risks, the update of the Master Plan identified new risks and the severity of the existing risks was updated. Some of the new risks are linked to the unclear frontier between development and deployment. Some of the risks are also not directly under the SJU responsibility, but they were identified because they are risks for the SESAR programme.

For the next period, the SJU will work on Release 2 intermediate review and Release 3 definition. It will also implement a more "top-down" approach through the Release Strategy. The SJU will continue to ramp up demonstration activities and will renew the airspace users contracts. Finally, the award of the WPE call will be organised late this year.

- The Chair informed the Board that the EC asked the SJU to carry out a study on the interdependencies between Key Performance Areas. It is expected that the tasks specifications will be finalised before summer and the results of the study should be available next year.
- Answering to a question of the Thales representative on a possible BAFO 3/final reallocation exercise, Mr Ky explained that discussions on that subject were on-going with the SJU members. He informed the Board members that due to the fact that the funds for the SJU are coming from the current financial perspective of the EU, it will not be possible to substantially change the way the funds are used after 2013 and in consequence any change should be finalised before the end of 2013. He invited the SJU Members to look at their level of resources in the programme and at the way they intend to use these resources by the end of 2016. If changes were deemed necessary, the contractual arrangements should be organised by the beginning of 2013.



Conclusions on item 5

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

Item 6 ICAO 12th Air Navigation Conference

- The EC (Mr Castelletti) reminded the Board that ANC12 was scheduled to take place in November in Montreal. This Conference is particularly important for Europe to ensure global interoperability at ICAO level. The European contribution is mainly based on the inputs coming from the SJU and was also coordinated with the FAA. The objective was indeed to try to align as much as possible the inputs from the two main ATM modernisation programmes worldwide, SESAR and NextGen.

The first level of the European coordination is done between the different European institutions: the EC, Eurocontrol, ECAC, SJU, EASA and EUROCAE. This coordination started at the end of 2011 and will continue until the Conference. The second level of the European coordination is done with the European States, including the Eurocontrol and ECAC States.

The Conference should lead to the approval of a Global Air Navigation Plan (GANP). To present their views and try to influence the content of the GANP, the different players can produce working papers. ICAO prepared a first set of working papers that were reviewed by the Air Navigation Commission. These papers try to explain the ICAO concept of Aviation System Block Upgrades (ASBUs). Europe is currently reviewing the ICAO working papers and through the coordination mechanism is also preparing around 30 working papers. With the European working papers, the objective is to address issues not covered by the ICAO papers and to be more precise in relation to some activities and to the ASBUs. For this exercise, the Master Plan Update is a key element.

In the coming days, in order to be approved the working papers will go through the consultation of the different constituencies. For instance, to define the position of the EU, the working papers will be discussed in the Council. By the end of the summer, a consolidated position of all European States will be ready to be expressed at the ICAO Conference. The European coordination mechanism will continue on site during the Conference to make sure that the GANP will in the end duly reflect the European position.

- The Eurocontrol representative stressed that the Air Navigation Conferences only takes place every 10 years and these events set the ICAO working programme for the next decade. For that reason, it is particularly important to identify all the elements and ICAO provisions that are necessary to ensure global interoperability. Together with the FAA, Europe identified out of the Master Plan the elements that would need to be fixed by ICAO in the next 10 years. The Master Plan in its new version will map onto the ICAO ASBUs.

On PBN - RNP, a symposium also open to industry is organised in October. Depending on the results of the symposium, there could be a need to discuss this subject at ANC12. To address this possibility, a paper is being prepared for the Conference.

- The Chair underlined how well the European coordination worked so far and suggested putting this item again on the agenda ahead of the Conference.



Conclusions on item 6

- The Board took note of the information provided by the European Commission with regard to the preparation of ANC12.

Item 7 General Administrative and budget issues

Item 7a Multiannual Staff Policy Plan 2013-2015 (MSPP)

- Mr Borghini reminded the Board that the draft MSPP was presented at the last meeting. The document was sent to the Budgetary authorities on 31st March 2012 and took into account comments received from the EC. The final document was not

substantially changed compared to the previous years' versions submitted to the Board. It mainly reflects the new organisation of the SJU.

- The AENA representative indicated that p. 19 of the document there was an issue in the pie chart presenting the geographical representation of the Staff. Whereas UK and ES have the same number of staff working in the SJU (4), the percentage indicated for UK in the pie chart (11%) is not similar to the one indicated for ES (12%).

The AENA representative received confirmation that in Part 1.1.3 of the document (p. 13) the increase of the staff-related expenditure from around 4,5 million in 2011 to 5,5 million in 2012 was due to the recruitment of 7 persons in 2012, positions vacant during part of 2011.



Conclusions on item 7a

Decision ADB(D)-06-2012

- The Board took note of the comment made by AENA and adopted decision ADB(D)-06-2012 on the SJU MSPP 2013-2015.

Item 7b Presentation of the Final Annual Accounts 2011

- Mr Borghini reminded the Board that the provisional annual accounts 2011 were submitted to the Board on 29 March. The document was audited by the European Court of Auditors and was reviewed by the EC. The SJU implemented the comments received from the EC and the document was updated on two aspects:
 - The accruals for the in-kind contributions of the Members: End of May, the SJU had received 11 interim financial statements (IFS) out the 16 IFS that were expected to be received. The accruals were updated and the figures changed to align them with the eligible costs declared in the IFS received from the 11 SJU Members.
 - The annual accounts also provide answers to each of the points addressed to the SJU by the European Parliament, and in particular one new point addressed to all the Joint Undertakings of the EU with regard to the management of conflict of interest.
- Mr Borghini informed the Board that the draft report of the European Court of Auditors (ECA) was received. The final report should be available around October. The final accounts 2011 together with the report of the ECA will be submitted to the Board for approval by year end. Answering to a question of the AENA representative, Mr Borghini clarified that note 18 in the table of Part 1.3.2 of the Annual Accounts was only kept to allow confrontation of the accounts through the years. There is no text in Part 1.3.5 corresponding to note 18 because the related amount is zero.



Conclusions on item 7b

- The Board took note of the information provided by Mr Borghini with regard to the Final Annual Accounts 2011 and did not express any additional comments.

Item 7c Revised Administrative Board Rules of Procedure

- Mr Borghini described the main changes proposed to the Administrative Board Rules of Procedure. Following the decision taken in the last Board, the possibility to appoint the representative of a Member as the vice-chairperson instead of a nomination ad-personam was introduced in article 4. It could be envisaged to make such an appointment valid for more than 1 year. A reference to the new code of conduct for Board Members was also added. Mr Borghini explained that the Code of

Conduct was prepared to answer concerns from the European Parliament on the management of conflict of interest. Three Agencies did not receive their annual discharge only because of conflict of interest issues.

- Answering to the DFS representative, Mr Borghini explained that the new paragraph 7 in Article 7 did not intend to limit the possibilities for Board members to be accompanied by experts. The new paragraph 7 aimed at increasing the flexibility in terms of rules applied in the case of CEO meetings.
- To clarify the wording of Article 7 paragraph 7, the Chair suggested changing the text as follows: “On the occasion of High Level *Board* meetings where Chief Executive Officers or senior representatives of the *Board Members* are invited, the requirements mentioned in paragraphs 3, 5 and 6 shall not apply”.



Conclusions on item 7c

Decision ADB(D)-07-2012

- The Board agreed to the proposal as modified and adopted decision ADB(D)-07-2012 on the revised Administrative Board Rules of Procedure.

Item 7d Code of conduct for the Administrative Board Members

- As already mentioned by the Chairman and Mr Borghini, Ms Haarsma explained that the ECA and the European Parliament were currently closely monitoring if members involved in spending public money were duly protecting the general interest of the public. All Joint Undertakings were requested to put in place verification mechanisms to ensure a proper management of conflicts of interest. The SJU will also have to report on the measures taken.

The SJU is considered to be performing well with regard to the management of conflicts of interest. Nonetheless, a code of conduct was thought to be missing to establish general principles of behaviour within the Administrative Board. The Code of conduct mainly presents in a formal way rules that already existed. General principles of behaviour were also added based on a comparative analysis of codes within other European institutions and on international recognised guidelines from the OECD.

- The Chair commented that the proposed Code of Conduct reflected the prudent arrangements established in the SJU for the management of conflicts of interest. He noted that the EC could accept the code of conduct as proposed.



Conclusions on item 7d

Decision ADB(D)-08-2012

- The Board agreed to the proposal and adopted decision ADB(D)-08-2012 on the Code of conduct for the Administrative Board members.

Item 8 Any Other Business

- **Annual Internal Audit Service Report for 2011:** Mr Borghini informed the Board that the Internal Audit Service (IAS) of the EC has submitted to the Board its official report for 2011. In 2011, the IAS only performed a risk assessment exercise on which they built their tri-annual work plan. Their first audit concerning programme management is almost finalised and should probably be submitted and presented to the Board in the next meeting or at year end.
- **Membership requests follow-up:** Mr Borghini informed the Board that after having requested the candidate UAE Company to provide information on their interest to

become member, no further information was received. Mr Borghini proposed considering this request for membership to be terminated.

- Mr Ky announced that the newly appointed Chief of Communication had finally decided not to stay in the SJU and that his Associate would leave on 1st September. As the two posts will be vacant, some issues with communication in the SJU should be expected in the last quarter of 2012.
- David Batchelor, SJU liaison officer in Washington was introduced to the Board members. Mr Ky invited the SJU Members to consider Mr Batchelor as their representative as well as the SJU's.

Closing of the meeting

The Chair reminded the Board members that there was an issue with the date of the next Board meeting. Two alternative dates were envisaged: 26 October and 14 November. As 14 November was a difficult date for M. Ruete, but a better date for the SJU as it would give more time for the submission of documents, the Chair suggested proceeding to a vote by a show of hands.

On 26 October, 3 members were not available.

On 14 November, 5 members were not available due to the meeting of the Network Management Board.

The Board agreed that the next meetings would take place on 26 October and 19 December.

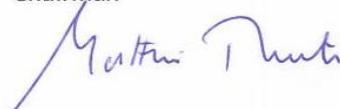
The Chair thanked the Board members and the other participants for their active participation and their contribution to the meeting.

Annexes

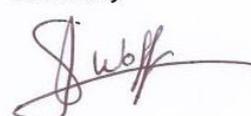
- Annex 1 Board members attendance list
Annex 2 Declarations on conflicts of interest

Done in Brussels, 09/07/2012

Chairman



Secretary



Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest