

Meeting ADB(M)025

Minutes ADB(M)025- MoM

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

Board members and other participants

SJU Members	Representative	
European Union represented by the European Commission (EC)	Mr Matthias Ruete	Chairman
	Mr Matthew Baldwin	Alternate
	Mr Maurizio Castelletti	Observer
	Mr Marco De Sciscio	Observer
	Ms Elfa Kere	Observer
	Mr Paul Verhoef	Excused
EUROCONTROL (ECTL)	Mr Frank Brenner	Observer
	Mr Bo Redeborn	Vice-Chairman
AENA	Ms Mariluz de Mateo	Alternate
Airbus	Mr Pierre Bachelier	Alternate
ALENIA Aeronautica (Alenia)	Mr Fabio Ruta	Alternate
DFS	Mr Robert Schickling	Excused
DSNA	Mr Philippe Merlo	Alternate
ENAV	Mr Iacopo Prissinotti	
Frequentis	Mr Christian Pegritz	Alternate
Honeywell	Mr Jean-Luc Derouineau	Excused
INDRA	Mr Ramon Tarrech Masdeu	Alternate
NATMIG	Mr Aage Thunem	
NATS	Mr Simon Hocquard	Alternate
NORACON	Mr Thomas Allard	Excused
SEAC	Mr Giovanni Russo	
SELEX S.I. (SELEX)	Mr Stefano Porfiri	Excused
Thales	Mr Luc Lallouette	Excused

Stakeholder representatives	Representative	
Military (MIL)	GpCapt Richard Connelly	Observer
European Defence Agency (EDA)	Mr Patrick Rey	Observer
Civil users of airspace (CUA)	Mr Vincent de Vroey	
	Mr Pedro Vicente Azua	Alternate
Air Navigation Service Providers (ANSP)	Mr Guenter Martis	
	Mr Bernard Martens	Alternate
Equipment manufacturers (EM)	Mr Gert Runde	Excused
Airports (APT)	Mr Olivier Jankovec	Excused
Staff in the ATM sector (STAFF)	Mr Loïc Michel	
	Mr Theodore Kiritsis	Alternate
Scientific community (SC)	Mr J.A. Mulder	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	Excused
SJU Internal audit	Mrs Véronique Haarsma	
Secretary of the Board	Mrs Servane Woff-Lhuissier	

Distributed meeting documents

SJU-AB-025-13-DOC-01	Voting rights	Item 2
SJU-AB-025-13-DOC-02	Provisional Annual Accounts 2012	Item 6
SJU-AB-025-13-DOC-03	Multi-annual Staff Policy Plan 2014-2016	Item 6
SJU-AB-025-13-DOC-04	Annual Activity Report 2012	Item 6
SJU-AB-025-13-DOC-05	Annual Activity Report of the SJU Internal Audit Capability	Item 7
SJU-AB-025-13-DOC-06	Audit Committee - report of the Audit Panel	Item 7

Item 1 Introduction

The Chair opened the meeting by congratulating Mr Ky for his appointment as the next Executive Director of EASA. He indicated that the process for the replacement of the SJU Executive Director would need to be launched shortly.

The Chair welcomed the Board members and in particular the new alternate representative of NATS, Mr Hocquard and the new alternate representative of the staff in the ATM sector, Mr Kiritsis. The Chair also warmly welcomed Mr Brenner, the new Director General of Eurocontrol as well as GpCapt Richard Connelly, who attended the meeting as observer for the Military Community. The Chair noted that Messrs Runde and Eichinger had been appointed respectively as the new representative of the equipment manufacturers and the new alternate representative of the airports.

The Chair finally noted that Mr Martens was attending the Board for the last time and he wished him a good and active retirement.

Verification of the voting quorum

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

Adoption of the agenda

No Board members proposed changes to the draft Agenda.

- ▷ The Board adopted the agenda.

Disclosure of conflicts of interests

Board members and participants were required to fill in and sign the declaration on conflict of interest in accordance with Article 2.4 of the Board decision on conflict of interest ADB(D)-10-2008 as modified by Decision ADB(D)-03-2012. Copies of the complete

text of the decision were available in the meeting room in order to allow participants to better understand their obligations in terms of declaration of conflict of interest.

- ▷ **No conflict of interest was declared on any agenda item and all participants completed the declarations on conflict of interest.**

Update by the Chairman on the EU Multiannual financial framework negotiations

- Before going through the Agenda items, the Chair provided an update to the Board on the EU Multiannual Financial Framework (MFF) negotiations. The Chair thanked the Board members and in particular the representatives from industry for having mobilised their top management in order to convey the right messages during the negotiations. The agreement that was reached by the Heads of State and Government on the MFF does not achieve the major shift that was hoped for from agriculture and structural funds towards the growth and employment agenda. The sub-heading concerning Competitiveness for growth and jobs is nonetheless the only one which is growing.
- Regarding the “Connecting Europe Facility” (CEF), there is a big decrease between the EUR 50 billion initially asked by the EC and the EUR 30 billion of the European Council agreement. For the transport part of the CEF, the sum amounts to around EUR 23,2 billion corresponding to EUR 26 billion in today’s prices. It is a cut of EUR 9 billion compared to the almost EUR 32 billion that were requested by the EC, while being a considerable increase compared to the EUR 8 billion available in the current MFF.
- Regarding “Horizon 2020”, there should be a significant increase of the budget for the Research and Innovation Programme. However, the detailed figures are not yet known. During the negotiations with the European Parliament (EP), one of the difficulties will be to defend the transport share in the Horizon 2020 budget. The EP indeed already made proposals going in a different direction. Concerning the agreement of the Heads of State and Government on the MFF, the EP indicated on 13 March that it could not accept it. The EP adopted a very tough resolution asking in particular for the reinforcement of the size of the budget for growth, jobs and competitiveness. However, it is expected that the negotiations between Institutions will not focus on figures but be more on allowing flexibility to move budget resources between the different activities, titles, etc. Once there will be an agreement on the MFF all the work on the different legislative proposals will need to be accelerated in order to be able to be operational at the beginning of 2014. In the meantime, all proposals with budgetary implications will be held up pending the final agreement on the budget, including the proposal on the extension of the SJU.
- The Chair concluded that from the Transport and Research and Innovation perspective the outcome of the agreement of the Heads of State and Government was quite positive.
- Answering to a question of the Frequentis representative, the Chair clarified that if the EP went into a discussion on the overall budget figures, this would lead the Heads of State and Government to move to the scenario of a yearly budget without legal basis. The EP is expected to request flexibility in the budget more than any change in the figures.
- In reply to a question of the DSNR representative on the budget that could be available for SESAR JU 2, the Chair indicated that the overall question of the SESAR JU budget was not yet settled. How the different partners would engage in the programme was still under discussion. A distinction should be made between activities related to basic research, long term research, demonstration activities and the core business of the SESAR JU. The EC is thinking of allocating EUR 600 million to SESAR JU 2, which with a scenario of a contribution of one third from the EU, one third from Eurocontrol and one third from the other industry partners would lead to an overall budget of EUR 1,8 billion. However, the Chair underlined that there was a

risk that industry partners would not be able to match the one third contribution from the EU. Equally importantly, the co-funding rates for Horizon 2020 are not yet fixed. The Chair finally also invited the Eurocontrol representatives to indicate what they thought their contribution to SESAR JU 2 could be.

- The Airspace Users' representative stressed that there was a need to lobby against the 5% ceiling proposed by the EP in the CEF regulation for grants awarded for the deployment of on-board ATM components. This limit has indeed become one of the bigger risks for SESAR Deployment. The Chair explained that the budget for SESAR JU 2 should come out of the Horizon 2020 budget. The CEF will be the relevant financial instrument for the overall SESAR deployment strategy. In terms of co-financing rates and the 5% ceiling, the Chair promised he would monitor during the triologue in the next few weeks how these elements would evolve.
- The ENAV representative recognised that the EC had made lately an incredible effort to organise SESAR deployment process. The financial dimension and its effective engineering will be essential elements of a successful deployment. Regarding SESAR JU 2, the SJU has made an important effort to identify the funding levels that are needed. A number of activities are considered essential to achieve the whole process of the value chain and cannot be moved to other areas. Large scale demonstrations in particular correspond to an important amount of money and constitute the fundamental bridge inside the R&D to support an effective and timely deployment of SESAR. With the financial figures mentioned earlier by the Chair, no success will be achieved in that part of the programme, thus jeopardising the rest of the process.

The Chair took note of the comments made by the ENAV representative. He reminded that finance ministries and Research ministries will ask for solid figures justifying the EU contribution for SESAR JU 2. The Chair stressed that by being too ambitious there was a risk of getting even less money.

- The Airbus representative speaking also on behalf of Honeywell stressed that SESAR deployment could be at risk for two reasons: Firstly, SESAR concepts are not sufficiently mature and a way to mitigate the risks associated to industrialisation decisions is to organise large scale demonstrations. It is the only way to show that the concepts are robust and to convince the airspace users. With a budget of EUR 600 million, it is not sure that large scale demonstrations can be funded. If SESAR JU 2 was to be limited only to R&D, the airborne industry would reconsider its participation in the SESAR JU 2 Programme; Secondly, if the validity of SESAR concepts cannot be demonstrated, the European industry will be in a weak position in front of the US and the NextGen programme.
- The Chair, noting that the debate was mainly focusing on the large scale demonstrations, informed the Board that discussions were still going on to see how much things would need to be done in the SJU, through the Deployment Manager or in the context of Eurocontrol. When the way to perform and manage demonstration activities will be clear, the necessary budget should be mapped out.
- The INDRA representative expressed a strong concern in the case the assumption of a one third contribution from the EU, Eurocontrol and other industry partners did not hold. He stressed that the situation was now quite different from the one at the start of the SJU. At that time, funds from both TEN-T and 7th Framework Programme were available. A plan needs to be put in place, which is consistent with the policy of the Single European Sky. The ground industry is committed to SESAR and willing to continue to invest in the programme, however all the research phases should continue to be done in the SJU. The ground industry is ready to discuss with the EC to help secure a successful SESAR Deployment.
- The Chair reassured the Board of his awareness of the points highlighted by the different speakers and which are being discussed within the Commission. He observed that there was an agreement on the end-goal, but there was a need to define how to do it best. He noted from the interventions that industry was worried that it could not match the type of budget foreseen by the EC for large scale demonstrations and thus asking for more public funding for those activities.

Item 3 Report on the progress of the Programme and other on-going key activities

- Overall programme status: In terms of progress, Mr Ky underlined that the percentage of activities completed against what was planned was now above 80%, which can be considered as optimal for such a Programme. Following a recommendation of the Tiger Team, the Programme was progressively followed through the operational focus areas (OFAs). Indicators in the Programme are being measured according to this OFA grouping.
- It was noted that the quality of the deliverables has really improved compared to previous years. Since July 2012, the quality of the deliverables is assessed against a number of satisfaction criteria. In average, deliverables are compliant with 70% of the criteria. These results show that in terms of programme management, there is now the right level of maturity in the programme.
- Release Work-plan for 2013:
 - Release 2: the System Engineering Review 3 planned in May will lead to the delivery of the final report on Release 2 results before the summer.
 - Release 3: the execution of Release 3 is on-going and first results were delivered.
 - Release 4: the planning and definition of Release 4 will start in the second quarter.

The processes and working arrangements for the different Release activities are now well established. Regarding Release 3, activities are taking place to improve the detection of runway incursions at airports or to link the Airport Operations Plan with the Network Operations Plan, which allows a better management of the arrivals based on the Target Time of Arrival.

In the field of traffic synchronisation, Point Merge procedures are performed in the context of an extended horizon of the arrival manager in a multi-airports TMA.

Tools are also developed to assist controllers in the application of the i4D concept and upgraded airborne system.

13 Validation sites are used for Release 3. The NSA of Sweden has started the certification of remote tower operations. Remote towers are thus expected to become fully operational in 2014.

- SESAR contribution to Performance: For each of the KPAs, the contribution from SESAR to the SES high-level targets was highlighted on several graphics:
 - The SES high-level goal on fuel efficiency is -4% and the contribution from SESAR is expected to be -2,8% in Step 1. Validation activities performed secured already 46% of the -2,8% contribution;
 - In terms of cost-efficiency, the SES high-level goal is -14% and SESAR should contribute up to -6%. 25% of this contribution was secured through validation exercises;
 - For airspace capacity, the SES high-level goal is +40% and SESAR contribution should be +27%. Through validation activities, 75% of the SESAR contribution on the TMA performance objective was secured but only 20% of the en-route performance objective;
 - In terms of airport capacity, the SES high-level goal is +14% and SESAR should contribute fully to the achievement of this goal. Validation activities already secured 65% of the performance objective;
 - For safety, there are a number of solutions in the programme which are specifically safety-oriented and for which a performance impact on safety is expected. This impact will be measured in a qualitative manner at this stage.

These figures are based on the work performed by projects B4.1 and B5, which are led respectively by NATS and AENA.

Activities in 2013:

- In April, the first version of the SESAR Concept of Operations for Step 2 and the

update of the Regulatory and Standardisation Roadmaps should be delivered. A study on VDL mode 2 “breaking point” should also be launched and the PCP proposal should be handed over by the SJU to the EC.

- The call on RPAS Demonstrations has triggered a lot of interest and the SJU organised on 18 March an Information Day for which more than 50 participants registered. Contracts are expected to be awarded in June/July. The first results of the Demonstration Activities should be available in June and the first SESAR solution packs should be developed and be ready around July. Finally, the SESAR Concept of Operations for Step 1 should be updated in the autumn based on R&D results.
- Re-allocation exercise: Mr Borghini explained that Members will be asked as from mid-April to make proposals for the re-allocation of resources, including where appropriate the possibility to release resources. The need for “new activities” to be launched should also be identified. The proposals from the Members should be delivered mid-July and will be consolidated by the SJU during the summer. A proposal on the re-allocation process should be submitted to the Board in October and the final decisions on both the re-allocation exercise and BAFO III should be adopted by the Board in December in order to allow their entry into force on 1st January 2014. Mr Ky stressed that the re-allocation exercise was the last opportunity for the Programme within the current financial perspectives to review in-depth the contribution of the Members.
- Other activities - Pilot Common Project: The technical content of the different proposals was agreed as a result of the first phase of the activity. This content was grouped into 6 logical packages named “Technology Investments” (TIs). 4 TIs are proposing new packages of functionalities and 2 TIs are more technical infrastructure building oriented (i.e. iSWIM functionality and i4D).

The second phase is on-going and includes the development of deployment scenarios and cost-benefit analyses. It will be more difficult to demonstrate a financial benefit for the 2 Tis focused on infrastructure building and it would seem justified to make public funding available to support the deployment of these elements. The second phase should be completed by the end of March in order for the SJU to draft during the month of April the final report to be delivered to the EC.

- Mr Castelletti provided the Board with a short update on the latest developments on performance in the SES context. Regarding the implementation of the first reference period (RP1) of the performance scheme, indicators show that the capacity target should be reached mainly due to the traffic decrease. In terms of cost-efficiency, savings up to EUR 2,4 billion should be achieved during RP1. At the last SSC, there was a positive vote on the revised performance and charging scheme. With this revision, the EC wanted to increase transparency and accountability as well as reinforce its control on the performance mechanism. The debate should now focus on the targets for RP2 (2015-2019). During the 5-year period, between EUR 3 billion and 6 billion of savings are expected and should come from all the elements of the SES, including its technological pillar, SESAR. In the revised charging regulation a clear link was established between the charging scheme and SESAR deployment. The eligibility of new equipment is now linked to the ATM Master Plan and the process for the definition of Common Projects.
- Mr Brenner, Director General of EUROCONTROL, reminded the Board that the Network Manager also had to comply with performance targets. EUROCONTROL is now thinking about how it can support the Member States of the EU and beyond the EU in saving money when deploying SESAR technologies. Before any investment or deployment decision is made in the coming months, it will be important to look at where things should be deployed, e.g. at local, regional or central level, taking into account the impact on the performance situation. EUROCONTROL is working on a list of 10 centralised services to assess what would be their contribution to the performance scheme. The current estimates show that compared to other deployment scenarios, a centralised deployment of the 10 services would create savings in a range of EUR 150 million to 200 million. A first information workshop on centralised services was organised beginning of March for the EUROCONTROL Member States and a letter will now be sent to the ANSPs and the airspace users’

organisations in order to encourage them to be ready to have a more in-depth discussion on this topic.

- The Chairman stressed that in the coming months the right balance would need to be found for SESAR Deployment, with the correct articulation of the centralised services and the role of EUROCONTROL with the Common Projects and the role of the Deployment Manager.
- The AENA representative observed that the concept of centralised services could prove to be interesting however, being still at a preliminary stage it requires further analysis. Additional work would also be needed to demonstrate the economic value of the concept. All the entities that could be competent for the provision of the services should be involved in this work from the beginning. In particular, all the PENS (Pan-European Network Services) community should be involved considering the discussion and work that will take place on governance, business models or funding.
- The ANSP representative commented that it would be helpful to get a more detailed proposal and indicated that his organisation was ready to contribute to any further discussion.
- The DSNA representative stressed that the 10 centralised services identified by EUROCONTROL were indeed the backbone of the ATM system. For DSNA, the proposal on centralised services could be very powerful and its impact in terms of cost reduction in particular would have to be analysed. A number of connected issues will need also to be examined, such as the impact on the sovereignty of a Member State of giving up a radar-tracking system or the impact of centralised services on high-skilled jobs. To conclude, the DSNA representative observed that the rationale behind the setting-up of the Deployment Manager was quite similar to the one described by Mr Brenner for centralised services. He emphasized that room for convergence between the Deployment Manager process and the centralised services approach could be found. When discussing the governance of the Deployment Manager, the inclusion of centralised services could be envisaged to optimise the use of resources.
- The NATS representative reflected that the different models and ideas should all be carefully examined to identify the ones which are the most cost-effective, add the most value and create the most benefit for the consumers and the users. All players should be involved upfront in this work.
- The ENAV representative as a member of the PCP Steering Group complimented the SJU on the optimal organisation of the work. He recommended that the PCP process become iterative to ensure a full alignment between R&D and deployment. Reacting to the intervention of Mr Castelletti on the performance scheme, he stressed that the time frame of investments coming from the SESAR process will be very different from the one of the performance scheme. SWIM and i4D are examples of long term investments for which the support of the EC will be needed. With regard to the 10 proposed centralised services, there will be a need to examine each of them to see what would be the most efficient business model and to determine the ownership of the different service capabilities in order to involve the right entities in the decision-making process.
- The Airspace Users' Representative indicated that the concept of centralised services was very interesting and the Airspace Users could support it subject to the analysis of its impact in terms of cost-efficiency improvement. Regarding the impact of the concept on jobs, a wider perspective should be taken to consider not only the impact on ANSPs but also the possibility to safeguard airspace users' jobs. With regard to the performance scheme, the Airspace Users' Representative deplored the weakening of the proposal by Member States. Concerning the PCP, Airspace Users consider that a good work has been done by the SJU. However, more work will still be needed before the Airspace Users can sign up for the Business Case to support the elements of the PCP.

The Airspace Users' Alternate Representative added that the Airspace Users were not happy with the targets that were set for the SESAR contribution to the SES high

level goals and would like them to be more ambitious in particular in terms of cost and flight-efficiency.

- Mr Brenner noted that several speakers underlined the need to discuss the fundamentals of how to deploy the 70 to 90 potential technological solutions and services coming from SESAR on a FAB or regional basis. There are some historical examples such as the CFMU, the CRCO or the EAD (European AIS Database) where synergy effects were looked for and centralised decisions were made. These examples have all proved to be very efficient.
Answering to a question from the NATS representative on what would be the best organisation to operate centralised services, Mr Brenner commented that the Eurocontrol Agency was not meant to be a service provider and the way EAD is organised should be used as a model. With this approach, the Eurocontrol Agency is responsible for ensuring the availability of the service 24 hours a day for all the Eurocontrol Member States. Following a call for tender, industry was tasked with providing the service under a performance based contract. If the model of EAD were to be applied to centralised services, this would also be beneficial for the EU external aviation policy. SESAR services would indeed be deployed beyond the EU Member States, their impact would be higher and it would ensure a better interoperability of the service. The 10 centralised services would be a unique chance for the ANSPs and manufacturing industry.
- Mr Ky observed that the SES 2+ legislation could be a good placeholder for a number of centralised services and he invited the Chair to give an indication of the time frame envisaged by the EC to deal with the subject.
- The Chair underlined that while SESAR deployment is at the centre of all discussions, the EC remains extremely frustrated about the effectiveness of Member States to organise themselves and deliver the FABs. The EUROCONTROL approach would be a useful way to create pressure and convince Member States of the need to move to a federal model. Following this model, there would be a procurement agent and an architect responsible for the definition of services but the actual deployment would be done by the best bidder. However, this approach would have to be accompanied by a number of reforms of Eurocontrol and there would be a need to see how the approach on centralised services could be articulated with Common Projects, that the SJU shall be tasked to propose to the EC.
- The Frequentis representative stressed that one of the best argument in favour of centralised services were the examples of the EAD and the CFMU which enabled EUR millions of savings.
- The Indra representative expressed support for the concept of Centralised Services.



Conclusions on item 3

- The Board thanked Mr Ky for his valuable report and took note of the presentation and exchange of views under this agenda item.

Item 4 Extension of the SJU - Status update

- The Chair reflected that during the discussion about the EU MFF negotiation held at the beginning of the meeting the subject of the SJU extension was already well covered.
- The Chair asked Board members to communicate within the next 6 weeks to the EC and in particular to Vice-President Kallas the type and level of commitment they would be ready to make with regard to the extension of the SJU. Any point or issue with regard to large scale demonstrations could also be highlighted on that occasion. All these elements are going to be particularly helpful in the context of the upcoming political debate on the SJU extension and the fine-tuning of the budget figures.

- Mr Castelletti explained that in terms of process, an EC inter-service consultation had just been conducted both on the legislative proposal amending the Council regulation establishing the SJU and on the associated ex-ante evaluation. The replies received from the different EC services were being examined. Considering that the proposal was anticipating the results of the negotiations on Horizon 2020, the adoption process was temporarily put on hold.



Conclusions on item 4

- The Board took note of the information provided by the EC with regard to the SJU extension and of his request to Board members to provide a letter of intention to Vice President Kallas on their intended commitment in an extended SJU.

Item 5 SESAR Deployment

- Mr Castelletti informed the Board about the latest developments regarding SESAR Deployment. He reminded the Board that the Interim Deployment Steering Group (IDSG) was set up to prepare for the governance of SESAR Deployment and is organising the deployment of the ATM Master Plan Baseline elements. The implementation of the Interim Deployment Programme has been included in TEN-T Call for proposals.
- To set up the right binding framework for organising and coordinating SESAR Deployment, the EC has proposed an implementing Regulation on the definition of common projects, the establishment of governance mechanisms and the identification of incentives to support the implementation of the ATM Master Plan. The Single Sky Committee (SSC) voted a positive opinion on the proposal at its last meeting on 7 March. Once adopted, the Regulation will allow moving quickly to the Deployment phase of SESAR.
- To enable a timely and synchronised deployment, 4 main instruments were established in the regulation:
 - The Common Projects will support the deployment of essential ATM functionalities identified in the Master Plan, which are considered mature enough to be deployed and demonstrate a positive business case;
 - The deployment governance, which is organised in 3 levels: policy level, management level and implementation level;
 - The Deployment Programme;
 - The incentives through EU funding programmes.
- The next steps for the EC will be to set up the policy level of the governance and to start the process for the establishment of the management level with the selection of the Deployment Manager. Once the work done by the SJU on the PCP content is available end of April, the EC will launch a consultation process with a number of stakeholders and ICB in order to get to an endorsement of the content of the PCP. The EC will then translate the results in a legal text to be presented to the SSC by the end of the year. Mr Castelletti concluded by indicating that the process for SESAR Deployment was now on track.
- The ENAV representative stressed the need to have the Deployment Manager in place as soon as possible in order to enable the work on SESAR deployment to start. All the efforts made to achieve the best timing possible would be much appreciated.
- The Airspace Users' representative supported the comment made by the previous speaker, adding that all the management structure should be kept really lean in order not to waste any resources.
- As a member of the PCP Steering Group, the Airbus representative acknowledged the good work done on the PCP but indicated that a longer vision would be needed. The second Common Project (CP2) will indeed be a driver to align the end of SESAR JU 1 with SESAR JU 2. As the financial framework used for the PCP and CP2 will be the same, we should make sure that some budget remains available for CP2. The Airbus representative suggested that after the delivery of the PCP to the EC in April,

the SJU should make use of the rest of the year to perform a preliminary scoping and analysis of CP2.

- Mr Castelletti confirmed that the approach on Common Projects was incremental. In accordance with the validation process, as soon as a technology becomes sufficiently mature it will be moved to deployment.
- The AENA representative supported the comment made by the Airbus representative. The PCP should cover not only what should be deployed in the short term but also in the medium term, if these elements are mature enough to be deployed in the next 3 years. With regard to the Deployment baseline, the AENA representative observed that the IDSG at its last meeting had identified elements of the IDP that would be deployed beyond 2015. All these elements of the Deployment Baseline should be integrated in the PCP.
- Mr Castelletti clarified that the Deployment Manager should also be made responsible for the management of the transition from the IDP to the PCP.
- The EUROCONTROL representative, Mr Redeborn highlighted that the content of the first common project would be the result of a selection of the best candidates coming from the IDP and from the PCP proposal made by the SJU, for which there will be a decision to push these candidates forward taking into consideration the context of the coming years. To develop CP2, the issue will be to look at the transition from the IDSG, the selected elements of the PCP and to identify among the remaining elements of the PCP the ones that would be sufficiently mature to be integrated in CP2.
- The Chair underlined that as part of the deployment process and on the basis of the CBA, the EC will need to identify financial instruments to support deployment not only of the ground but also of the airborne parts.
- The Airspace Users' Alternate Representative asked for the CBA and interoperability aspects of the i4D package in the PCP to be clarified. The US seems indeed to go in a different direction on that subject.
- The ANSP representative informed the Board that CANSO has started to cooperate with the Middle East on ATM. In that context, it was stressed that Europe should be careful of not going too far ahead of the rest of the world in terms of system modernisation in order to avoid being disconnected or encountering interoperability issues with other regions.
- The Chair commented that it was also positive to push ahead as it gives the possibility to be part of the world global standard set up.
- Mr Brenner added that there were examples where Europe pushed very cleverly one standard, in a coordinated manner with other regions of the world.
- The INDRA representative underlined that the European manufacturing industry had a very good market position compared to US companies in several parts of the world. The relationship with the US, for instance through the SESAR-NextGen Memorandum of Cooperation, should be seen as an opportunity to maintain the competitiveness of European industry rather than an issue.
- Answering to the concern raised by the Airspace Users' Alternate Representative, the Airbus representative indicated that the interoperability aspects were always taken into account by Airbus during the development of new solutions. For instance on APP, which is the downlink of the trajectory, SESAR should be a bit ahead of NextGen. However, the standards used to develop the EPP were agreed at global level in a joint RTCA/EUROCAE working group involving also Boeing. The Best Equipped Best Served principle could be used to support the airlines that get equipped with EPP without penalising the airspace users for which there is not a positive business case such as the regional, the military or the business aviation.
- The Airspace Users' Representative stressed the importance of keeping open markets. Due to the consolidation in the avionics industry, there is today limited choice for the operators leading to high costs. Not only should the competitiveness of the manufacturing industry be preserved but also the competitiveness of the

airline industry to avoid an increase of costs with detrimental consequences on the Business Case.

- The Chair commented that at the Air Navigation Conference in November 2012 Europe had been able to do very well in the ICAO context.

▷ **Conclusions on item 5**

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

Item 2 Voting rights

- Mr Borghini reminded the Board that a decision on voting rights needed to be adopted at the beginning of each year to modify or confirm the voting rights of each Board Member. Considering that the re-allocation process conducted in 2011 did not result in an amendment of the Membership Agreements, the SJU proposes to maintain the voting rights unchanged. With the agreement of the Board, this approach will be formalised in a decision to be signed by the Chair.
- Mr Borghini indicated that depending on the results of the re-allocation process to be performed in 2013, it could prove necessary to amend the voting rights early 2014.
- No comments were formulated by the participants.

▷ **Conclusions on item 2** Decision ADB(D)-01-2013

- The Board took note of the information provided by Mr Borghini and adopted Decision ADB(D)-01-2013 on the allocation of voting rights to Board members.

Item 6 General Administrative and budget issues

Item 6a Presentation of the Provisional Annual Accounts 2012

- Mr Borghini explained that the Provisional Annual Accounts were used by the European Court of Auditors (ECA) to provide its assessment and opinion. The Annual Accounts constitute also the basis on which the budgetary authorities provide a discharge to the Executive Director and the Board on the use of the money during 2012.

The ECA will perform its audit in April and will formalise its comments in May and June. The annual accounts will need to be finalised by 1st July 2013. Mr Borghini invited all Members to provide their comments on the document and asked them in particular to check the level of their in-kind net contribution as it is an important element to show their ownership of the SJU.

▷ **Conclusions on item 6a**

- The Board took note of the information provided by Mr Borghini on the Provisional Annual Accounts 2012.

Item 6b Multi-annual Staff Policy Plan 2014-2016

- Mr Borghini explained that the Multi-annual Staff Policy Plan is a document drafted to show the level of resources in terms of staff planned for the period 2014 to 2016. The SJU has a fixed number of staff corresponding to 39 positions. The document

thus mostly provides information about the current situation regarding staff. The document has to be sent to the budgetary authorities on 31 March; however, it cannot yet be proposed for adoption by the Board as the SJU is still awaiting comments on the document from the EC services.

▷ **Conclusions on item 6b**

- The Board took note that the Multi-annual Staff Policy Plan 2014-2016 would be adopted by written procedure once the comments from the EC are received and integrated into the document.

Item 6c Annual Activity Report 2012

- Mr Borghini reminded the Board that the Annual Activity Report 2012 (AAR) had been distributed on 31 January 2013. Comments from a number of Members were received and were included in the updated version sent to the Board on 8 March. Mr Borghini drew the attention of the Board on the fact that the activity launched on some Members to be subject to project audits was still on-going. The chapter of the AAR on project audits could need to be amended if before the 31 March any big issues were identified. In this case, the SJU would then re-submit the document to the Board.
- Mr Borghini suggested that the Board adopt the AAR in principle and if the document needed to be modified as mentioned before, it would be submitted again to the Board.

▷ **Conclusions on item 6c**

Decision ADB(D)-02-2013

- The Board adopted in principle the Decision ADB(D)-02-2013 on the Annual Activity Report 2012, subject to any change being introduced before 31 March.

Item 6d Process for SJU foreground

- Mr Borghini explained that the development of SESAR Solution Packages and the fact that these documents would be made publicly available required the correct identification and management of intellectual property rights (IPR). In accordance with the MFA, the SJU foreground corresponds to specifications, proposals of norms and standards. The real complete foreground is owned by the Members that have produced it in the context of the different projects.
- After consultation and agreement of the lawyers of the different Members, and in accordance with the MFA and the SJU Regulation, the following process was defined:
 - On a yearly basis, the SJU will present to the Board what is considered to be the SJU foreground after having assessed it internally and with the project members at each control gate.
 - The Board will then have the possibility to decide if there are any mistakes to be corrected.
 - Once the process is completed, the Board will identify and take a decision on the access rights to the SJU foreground to be granted to the Members.

The first set of SJU foreground should be presented to the Board in July or in October. It will be an opportunity to test the process.

Mr Borghini indicated that the Board was now asked to agree about the procedure. If during the first implementation of the process there was anything that would need to be corrected, this would be done at the same time.

- The Chair stressed that the process for the identification of the SJU foreground was a very useful tool that would have nonetheless to be managed carefully. It is not

only an exercise of transparency but also an opportunity to see how far it is possible to go in terms of standard setting without causing any IPR infringement.

- Answering to a question of the SEAC representative, Mr Borghini clarified that the dissemination process would take place only once the process of recognising the foreground is completed. As a first step, there will be a decision of the Board on the identification of the foreground and the access rights that can be given to the Members and where appropriate to the outside world. As a second step, a SESAR solution package will present what would be disseminated and will also identify all the IPRs that would need to be protected. As a third step, the SJU foreground could be used in future activities of the Members for their own purposes (commercial, research...). The discussion should be more concrete once the list of proposed SJU foreground is presented to the Board.

▷ **Conclusions on item 6d**

- The Board took note of the information provided by Mr Borghini and agreed on the approach. The SJU would come back in June with a practical case.

Item 7 Audit matters

Item 7c Audit Committee - report of the Audit Panel

- Mr Borghini reminded the Board that in the opinion of the ECA on the SJU financial regulation, the ECA had suggested that the Board consider the set-up of an audit committee. This proposal was debated in the Audit Panel and a summary of the discussion was presented in a report distributed to the Board. After having considered the risk profile of the SJU, the commitment of the management of the SJU, the discharges provided by the ECA and the budgetary authorities and taking into account the advice of the auditors present, the Audit Panel concluded that there was no need at this stage to propose the creation of an Audit Panel to the Board. The situation should be re-assessed in a three-year time if any change in the risk-profile of the SJU requires the set-up of an Audit Committee. In the meantime, it was proposed to maintain the permanent Audit Panel.
- The Chair stated that the internal control system in place worked well as was shown by the ECA reports on the SJU and it seemed better to avoid setting up too many bodies.

▷ **Conclusions on item 7c**

- The Board took note and discussed the conclusions of the report of the Audit Panel. On that basis, the Board agreed not to create an Audit Committee at this stage.

Item 7a Annual Activity Report of the SJU Internal Audit Capability

Item 7b SJU IAC Work Programme

- Mrs Haarsma presented to the Board the Annual Activity Report of the SJU Internal Audit Capability (IAC) for 2012 and the SJU IAC Work Programme for 2013. In 2013, the IAC activities will mainly focus on the following topics:
 - Staff appraisal and Career development;
 - Internal and external communication;
 - Procurement (legal advice);
 - Human Resources (Recruitment).
- The Chair took note that both documents were only presented for information to the Board. The SJU IAC Work Programme has only to be approved by the SJU Executive Director.

▷ **Conclusions on items 7a and b**

- The Board took note of the information provided by Mrs Haarsma on the Annual Activity Report of the SJU Internal Audit Capability and the SJU Internal Audit Capability Work Programme.

Item 8 Any Other Business

- The dates of the Administrative Board meeting were confirmed as follows:
 - 27 June
 - 24 October
 - 12 December.

Mr Borghini indicated that there was a risk that the Board meeting in December could be moved from 12 to 19 December due to the re-allocation exercise. He invited all Board members to also block this date in their agenda.

Mr Ky reminded the Board members that the meeting on 27 June would be organised at CEO level. He also indicated that he would organise at that occasion a farewell cocktail after the Board.

- The Airbus representative informed the Board of the change of Airbus representative at the NextGen Advisory Committee. It will now be Mr Allan McArtor.
- Mr Ky informed the Board about the SESAR Workshop to be organised in Washington DC on 25 June. All SESAR Partners are welcome to participate and sponsor the workshop or support the logistics. For this first SESAR Workshop in the US a large audience is foreseen and there should be a high level of representation with the participation of the EU ambassador and Mr Huerta, the Administrator of the FAA. As the detailed agenda is not yet established, all ideas would be welcomed.
- The Chair indicated that Vice-President Kallas, Mr Baldwin and Mr Ky would be going to Washington DC in April. If Board members would need to pass any messages, they are invited to submit them to Mr Baldwin.

Closing of the meeting

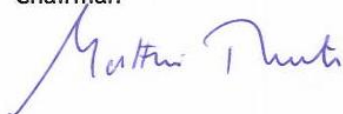
The Chair thanked the Board members and the other participants for their active participation and their contribution to the meeting.

Annexes

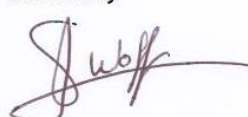
- Annex 1 Board members attendance list
Annex 2 Declarations on conflicts of interest

Done in Brussels, 14/03/2013

Chairman



Secretary



Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest