

Meeting ADB(M)014

Minutes ADB(M)014- MoM

Date of the Meeting: 12 July 2010
 Time: 10:00-14:00
 Place: SJU, av. de Cortenbergh, 100 - 1040 Brussels

Board members and other participants

SJU Members	Representative	
European Commission (EC)	Mr Matthias Ruete	Director General DG MOVE
	Mr Daniel Calleja	Chair
	Mr Luc Tytgat	Alternate
	Mr Marco De Sciscio	Observer
EUROCONTROL (ECTL)	Mr Bo Redeborn	Deputy Chair
	Mr Bernard Miaillier	Alternate
AENA	Ms Mariluz de Mateo	Alternate
Airbus	Mr Pierre Bachelier	Alternate
ALENIA Aeronautica (Alenia)	Ms Alessandra Saroglia	Alternate
DFS	Mr Dieter Kaden	
	Mr Gerhard Tauss	SESAR Programme Manager
DSNA	Mr Philippe Merlo	Deputy Director
	Mr Thierry Liabastres	Alternate
ENAV	Mr Massimo Garbini	Director General
	Mr Iacopo Prissinotti	
Frequentis	Dr Christian Pegritz	Member of the Frequentis Executive Board
Honeywell	Mr Paolo Carmassi	President, Honeywell Aerospace EMEA
	Mr Alexander Laybros	Alternate
INDRA	Mr Rafael Gallego Carbonell	
	Mr Ramon Tarrech Masdeu	Alternate
NATMIG	Mr Aage Thunem	
NATS	Mr Richard Deakin	CEO
	Mr Ian Mills	MD
NORACON	Mr Thomas Allard	
	Mr Niclas Gustavsson	Alternate
SEAC	Mr Roland Krieg	Alternate
SELEX S.I. (SELEX)	Mr Antonio Mattogno	
	Mr Stefano Porfiri	Alternate
Thales	Mr Rémi Gille	
	Mr Luc Lallouette	Alternate

Stakeholder representatives	Representative	
Military (MIL)	Gp Capt. John Clark	
	Brig. Gen. Umberto Rossi	Vice Chairman of the MAB
Civil users of airspace (CUA)	Mr Vincent De Vroey	
Air Navigation Service Providers (ANSP)	Mr Graham Lake	CANSO Director General
	Mr Guenter Martis	

Equipment manufacturers (EM)	Mr François Gayet	
	Mr Patrick de Prévaux	Alternate
Airports (APT)	Mr Philippe Ahrens	
Staff in the ATM sector (STAFF)	Mr Jean-Pierre Etienne	
	Mr Joël Cariou	Alternate
Scientific community (SC)	Prof. Peter Hecker	

Other participants

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

Distributed meeting documents

SJU-AB-014-10-DOC-01	- Voting rights - Draft decision ..Item 2
SJU-AB-014-10-DOC-02	- Report of the Executive Director on the acceptance of the proposed Associate Partners of the SJU Members ..Item 6
SJU-AB-014-10-DOC-03	- Amendments to the Multi-lateral Framework Agreement - Draft decision.. Item 7
SJU-AB-014-10-DOC-03bis	- Amendment No 1 to the Multilateral Framework Agreement Item 7
SJU-AB-014-10-DOC-03ter	- Amendment No 2 to the Multilateral Framework Agreement ..Item 7

Item 1 Introduction

1. Mr Mathias Ruete, Director-General of the Directorate-General for Mobility and Transport of the European Commission, welcomed the representatives (Board members, CEOs or high level executives) of SJU members and stakeholders. He recalled the intention to have this kind of high-level meeting at least once a year.

Verification of the voting quorum

- ▷ 2. The Chair noted that the meeting had the required voting quorum.

Adoption of the agenda

3. The Chair presented the agenda and requested the Board members to present their possible suggestions for changes. No changes or additions were proposed.

- ▷ 4. The Board adopted the agenda.

Disclosure of conflicts of interests

5. The Chair asked if there were no items which could give rise to conflict of interest. He asked the members to fill in the relevant declaration and inform the Chair if any conflict subsisted. Board members and participants were required to sign the declaration in accordance with Article 2.4 of the Board's decision on conflict of interest ADB(D)-10-2008. The new representatives - as well as CEOs or high-level

executives who are not official members of the Board - present to the meeting were also required to sign the declaration of commitment and confidentiality in accordance with Article 2.2 of the same decision.

- ▷ 6. The Chair noted that no participants had declared a conflict of interest on any agenda item and that all participants had completed the declarations on independence, confidentiality, where applicable, and of conflict of interest.

Item 2 Voting rights

- Mr Ky introduced the draft decision on voting rights explaining that the new calculation of Members' voting rights was due to the award of the activities as a result of IBAFO 2 process.
- No comments were formulated by the participants.

▷ **Conclusions on item 2** **Decision ADB(D)-07-2010**

- The Board agreed to the proposal and so adopted the decision ADB(D)-07-2010 on the new voting rights.

Item 3 Report of the European Commission on the results of the negotiations with the FAA on the Memorandum of Cooperation EU-USA

- Mr Calleja presented the substance and the outcomes of the negotiations with the FAA on a Memorandum of Cooperation EU-USA:
 - a. On 9 October 2009, the EU Transport Ministers mandated the Commission to negotiate a binding Memorandum of Cooperation in the field of civil aviation research and development with the US. The negotiations lasted 6 months, from 18 December 2009 until 18 June 2010, when an agreement on a Memorandum of Cooperation (MoC) and a first annex relating to SESAR-NextGen interoperability was reached and initialled by the parties.
 - b. Mr Calleja explained that the memorandum will allow EU and US to jointly pursue common objectives for cleaner and more efficient air transport systems, providing opportunities for research in different areas within a legally binding framework and ensuring the implementation of reciprocity principles. The memorandum provides for a joint committee (the Commission assisted by the Member States + the FAA). On EU side, the activities launched under the Annex will be carried out by the SJU, which can ensure optimal coordination of EU's ATM modernisation activity. The Annex establishes a high-level committee with representatives of the Commission (assisted by the SJU) and the FAA, a Coordination committee, co-chaired by representatives of the SJU and of the FAA's Air Traffic Organisation and working groups dedicated to specific projects can be established as required.
 - c. The MoC that was agreed by the negotiators in June will be submitted to Transport Ministers possibly in October for the approval of its signing. Once signed it will be applied on a provisional basis until the European Parliament gives its consent, in accordance with the new procedures under the Lisbon Treaty. It is expected that the formal process within the EU will be completed by year with the entry into force of the memorandum in early 2011. Meanwhile, technical teams would be in the position to organise the work.

- Mr Ruete stressed the importance of the MoC, which provides the necessary framework for collaboration with the USA in all area of aviation, and in particular the cooperation in the ATM domain.
- Following a question from AENA on the possible access to the document and the analysis of the impact of the MoC and its annexes on the SESAR Programme and the, Mr Ruete clarified that although the document is still in the approval process, it can be made available informally to the SJU Members. Furthermore, he welcomed an analysis of the impact of the MoC and its Annexes on the SESAR Programme activities.
- Mr Calleja clarified that the MoC goes far beyond the domains covered by DG MOVE: indeed the first Annex concerns ATM interoperability since this is a key priority, but other services of the Commission and of the EU can be involved through further Annexes.
- Following a question from DSNA related to standardisation for interoperability and the MoC, Mr Calleja pointed out that the Single Sky Committee supports standardisation on EU side. In the specific Annex on ATM, the EU and US agreed to coordinate their technical efforts in support of global ATM standardisation activities. The possibility to establish working groups to ensure consistency and avoid duplication is established and will be useful: EASA and SJU will have an important role to play. Mr Ky added that the SJU has been tasked by Commission and ECTL to examine the priorities areas for collaboration to start the works without delay. The results of this analysis will be made available to the SJU Members in the course of September. Mr Ky indicated that the envisaged approach would include the identification of the contact points on the EU side based on the relevance of the work to be realized (either the SJU, ECTL, or any other Member). Mr Ky also highlighted the central role of ICAO in the standardization process in ensuring the necessary framework for EUROCAE and RTCA. No major impacts are expected in terms of work programme, except a review of priorities if needed.
- Responding to the representatives of the Military, Mr Ruete explained that it is envisaged to have a security R&D Annex in this agreement, since defence aspects play an important role. A safety Annex would also be a possibility.
- Mr Ruete also made a point clarifying the involvement of the scientific community in the execution of the MoC.



Conclusions on item 3

- The Board took note of the report of the Commission on the issue and congratulated the Commission for the results achieved. Further reports on the next stages will take place at Board meetings.

Item 4 Report of the Executive Director - Progress of the Programme

- Mr Ky offered the participants a thorough presentation on the SJU and the progress of the Programme , including:
 - a. Administrative set-up (building-up of the SJU and membership process, from 2007 to 2010), focussing on the building up the SJU capacity as well as its core driving force, the PPP.
No comments were expressed by the Board members.
 - b. The key elements of the Programme progress:

- i. Launch on 3 June 2009;
- ii. July 2009: 20 projects launched;
- iii. March 2010: 150 projects launched;
- iv. July 2010: 260 projects launched, 81 M€ of pre-financing;
- v. 80% of the Programme now initiated;
- vi. Objectives for 2012:
 - 1. 1) Initial 4D trajectory is validated in an operational environment supported by satellite-based technology;
 - 2. 2) 10,000 flights, including 500 military, are SESAR labelled;
 - 3. 3) 80% of SESAR projects have tested their output in a real life environment;
 - 4. 4) First SWIM pilots are in place to exchange data across at least 5 domains;
 - 5. 5) The first remote tower is ready for operations;
 - 6. 6) SESAR benefits are demonstrated on city pairs connecting 8 European airports;
 - 7. 7) Airspace users have signed up to the SESAR business case for time-based operations.

Several interventions followed this part of the presentation:

- i. SEAC highlighted that one of the crucial elements for the first flight trials is the strong cooperation with airlines and questioned on how their participation can be ensured. Mr Ruete invited the representative of the Airspace Users to answer. Mr De Vroey confirmed the commitment of the Airspace users towards the achievement of the objectives and he reported on the existing involvement of a large number of Airspace Users in the Programme activities.
 - ii. The Military representatives requested a clarification on the kind of military flight it is referred to, so as to understand the scope. Mr Ky explained that this needed to be further discussed and agreed with the military stakeholders, but that the 500 military flights would probably be mostly transport flights.
- c. Other operational activities: Mr Ky highlighted the developments related to AIRE and OPTIMI in particular.
 - d. International activities and role of the SJU were introduced. Mr Ky highlighted the importance of further developing international relations, in particular with Brazil, India and China. Mr Ruete expressed his full support indicating that these countries are key and recalled that the principles of coordination, transparency and communication shall be present. Mr Ky obtained also a strong support to the proposal of having a permanent presence at ICAO and FAA - a staff to be designated from the SJU, Eurocontrol or one of the other Members, subject to the administrative and financial assessment. The person will be a SJU representative. Mr Ruete, while expressing his support, requested further discussion to clearly identify the cost sharing.
 - e. Concerning the main issues, Mr Ky identified that many projects are still focusing on their own activities without sufficiently considering the other related projects, with a risk of a future major effort to ensure alignment of schedules and consistency. On request of the Airspace users, Mr Ky explained how by means of design reviews and control gates the SJU had a strong control of the projects and their deliveries.
 - f. The proposal by the SJU for a single framework (within SESAR WP C) of the planning process was strongly supported by the SJU members and in particular by AENA, ENAV, ECTL, DSNA. Mr Ky explained that ESSIP has to be adapted to the SES2 regulation and to the ATM Master Plan approach, in

order to make it fully part of process. Mr Calleja added that the ATM Master Plan, with its first amendment, has been endorsed and that the SJU shall be implementing all the related elements. Consequently a single planning process framework to avoid any inconsistency is needed, looking forward to the deployment phase. As a result of the Board consensus, the Chair requested Mr Ky to take the necessary steps for the implementation of the proposal and report back at the next Board meeting.

- g. Mr Ky continued presenting the other issues. In particular he focused on two key aspects, the military interface and the organisation within the Members for the realization of the Programme activities (research vs. operations);
 - i. Military representatives explained how, within ECTL, the Military ATM Board (MAB) is trying to bring on board NATO. J. Clark in particular identified significant overlapping between ECTL and NATO ATM activities, leading to some resourcing problems within the States. With the proposed creation of a SESAR Military Forum, the military community will be able to exchange SESAR information within the ECTL and NATO organisations and thus organise a synchronised input into the programme. The EC expressed its high concern about the lack of EU presence in the Eurocontrol-NATO initiative, which made it difficult to consider it as a relevant platform for SESAR. Mr Ky added that the SJU had not been informed of this initiative and that the Board has the right to take a position on which type of information is made available to this forum.
 - ii. Concerning the second issue, Mr Calleja asked the Members involved in the Programme activities to explain how they ensured that there is a clear link between research and operations. Positive examples were offered by Airbus (they use the same approach like in any other cross-cutting project), ENAV (SESAR is a priority for ANSPs, need to involve operational staff from the very beginning to guarantee the acceptance of future issues), Honeywell, DSN (fully committed to SESAR, all R&D resources are dedicated to SESAR, with internal seminars organised to link with operational staff), DFS and NATS. Mr Ruete considered the interventions reassuring, and proposed to have at some stage at Board/SJU level a communicational effort to engage with operational side and see what SESAR would bring and what it would mean for them. Staff representatives mentioned that ATM staffs, who are busy with their operational duties, may encounter some difficulties to work on Sesar because of lack of time and of resources. The fragmented expertise which is needed at the expertise level and the high complexity of the programme do not facilitate the overall understanding by all. Nevertheless they clearly show their interest in the Sesar programme.
- h. Mr Ky during his presentation referred to the results of the SJU staff survey just concluded. The document was distributed to the participants and Mr Ky mentioned two key aspects, on the one hand, the extremely high motivation of staff and, on the other hand the workload judged high or extremely high, and unclear perspective of career opportunities. Mr Ruete mentioned that the current career perspectives shall be looked as a transition towards the deployment.



Conclusions on item 4

- The Board thanked Mr Ky for this valuable report and took note of the presentation and of the additional information provided.

Item 5 SESAR Deployment - Presentation of the European Commission on the initial lines concerning the SESAR deployment phase

- M. Ruete presented major EC policy milestones related to the deployment of SESAR:
- EU 2020 innovation policy (Commissioner Kallas considering SESAR as one of the flagship programmes, to get sufficient visibility in the EC communication);
 - White paper on transport to be issued in November 2010 (dealing with 3 themes, transport policy, infrastructure policy and internal market, with SESAR to be part of at least 2 of these themes);
 - New Financial Perspectives (proposals in 2011); in order to have any financing for SESAR there is a need of a blueprint of what needs to be deployed by whom, the cost/benefit analysis, etc.
 - The publication (end 2010/ Jan 2011) of a Communication on SESAR deployment, its governance and possible financing mechanisms (3 orientations are considered at this stage for the deployment governance: industry lead; public approach; or PPP approach);

M. Ruete stressed that it was necessary to convey a clear message on what exactly SESAR deployment is, who needs to take which actions, what are the costs, what is financed by the private sector, why and in which cases would public funding be necessary. He pointed out that the situation is not the same in all Member States. Therefore, a differentiated approach based on the actual needs should be adopted. Without clear answers to these questions and solid arguments, in the current context it will be difficult to convince the budgetary authority to release EU funds for this phase.

Discussion took place at the request of the EC. Most of the ANSPs supported the idea of a PPP to ensure coordination of the deployment in the logic of continuity, collaborative decision making, project management approach like in the SJU.

- In particular
 - a. for DFS, coordination is necessary, without leaving it to the market;
 - b. NATS sees the need of clear vision of what will be deployed;
 - c. Airspace users called on the fact that a resistance from airlines is probable for any investment which does not provide any return before two years: a PPP framework would be needed to cover the transitions costs;
 - d. ENAV warned on the need to ensure appropriate governance, within the same approach and continuation of SESAR. In addition, since part of the system will be on-board (avionics), need to have a balanced approach with the airlines;
 - e. CANSO called for the need to involve aircraft operators to deploy successfully;
 - f. for DSNA it is a question of coordination and of commitment of stakeholders, of project management, and possibly regulatory support is needed; deployment depending on success of development phase and should follow the same approach
 - g. AENA stressed on coordination, or better collaborative decision making, and stated that any decision should be taken by all the stakeholders, users and so on; as concerns funding, the PPP structure is very much welcome. Questioned about the possible contribution from stakeholders, Mr Ruete replied that obviously a large stakeholders consultation should take place. No mention of any other solution that a continuation of the PPP was made by the ADB members.
 - h. The Military representative indicated that funding deployment of SESAR would be an issue for them.

□ Conclusions on item 5

- Mr Ruete summed up the key aspects and Mr Calleja completed indicating that this will be further discussed in the next regular meetings of the Board, in order to

ensure to get and include SJU members and stakeholders' position.

6 Associate Partners of SJU Members (SJU/LC/0042-CFT) - Decision on the acceptance of the proposed Associate Partners of the SJU Members

Mr Ky presented his report, which includes the recommendation on the acceptance of proposed Associate Partners of the SJU Members. The proposals for acceptance and non-acceptance, included in the report, were presented. The reasons for non-acceptance of the proposals concerning Boeing (fostered by Honeywell) and Funkwerk Avionics GmbH (fostered by NORACON) were explained. In particular, it was considered that Boeing's proposed contribution to Honeywell's activities did not bring the required added value the Work programme. Furthermore, it was suggested that it would be more appropriate for Funkwerk Avionics GmbH to participate in the next call for SJU Associates, which would represent a better framework for an SME, in particular in the field of General Aviation.

Following a question from Thales on the proposed acceptance of PANSAs and SEAs, Mr Ky recalled that although in principle ANSP would have fostered only other ANSPs or airports and industry other similar companies, considering the important added value of the proposals, exceptions to this principle should be accepted. In addition, the reciprocity requirements were satisfied considering the information provided by the Members concerned and their proposed Associates.

Nevertheless, taking into consideration the need to ensure consistency between Members, Mr Ky proposed to the Board to organise a second call in September for a limited number of associates (in principle max. 5) to enable SJU members to propose new associates. .



Conclusions on item 6

Decision ADB(D)-08-2010

- The Board agreed on the proposal made by the Executive Director for the acceptance on 13 Associate Partners of SJU Members, and so adopted the relevant Decision ADB(D)-08-2010.
- The Board took note of the proposal of the Executive Director to launch a new call in September in principle for a maximum number of 5 additional Associates of an SJU Member and requested the Executive Director to report to the Board at the next meeting.

7 General Administrative and budget issues Amendments to the Multi-lateral Framework Agreement

Mr Borghini explained the reasons for the two amendments to the Multi-lateral Framework Agreement. The first amendment reflects the necessary changes following the award of the activities in the context of IBAFO 2, as well as further minor text changes. The second amendment includes the provisions related to the creation of the categories of "associate partners of the SJU" and "associate partners of an SJU member", as well as an alignment of the financial provisions with the results of the initiation phase. Among the aspects taken care of, the simplification of reporting process and the introduction of notion of average cost now missing from MFA.



Conclusions on item 7

Decision ADB(D)-09-2010

- The Board agreed to the Decision ADB(D)-09-2010 on the amendments to the Multi-lateral Framework Agreement¹.

¹ During the ADB meeting, the Commission was provided by its horizontal services with a request to change the payment delay included in Article 6 of the Amendment 2 of the MFA, which shall remain at 60 days instead of the proposed 90 days mentioned in the amendment, in order to ensure compliance with the EU General Financial Regulation.

8 AOB**8a Appointment of the Board's Vice-Chair**

Mr Ruete proposed to confirm Mr Bo Redeborn, Board representative for ECTL, as vice-Chair for one additional year.

**Conclusions on item 8****Decision ADB(D)-10-2010**

The Board agreed to the proposal and so adopted the Decision ADB(D)-10-2010. Mr Ruete thanked Mr Redeborn for accepting this and for the continuous support offered.

8b Other issues

CANSO informed the Board that he received feedback from Third Countries' ANSPs revealing anxiety about the inadequate knowledge on the developments within SESAR and NextGen. For this reason, CANSO intends to organise a "SESAR and NextGen interoperability meeting" at ATC Global in 2011 and invited the Board members to provide with their views on the matter.

Answering a question from the Scientific Community, Mr Ky informed the Board that the call for 'Associates to the SJU' will be launched before the end of 2010, and that the relevant gap analysis will be completed before the issuance of the call.

Closing of the meeting

The Chair thanked Board members and CEOs/high level executives for their active participation and their contribution to the meeting.

The next ordinary meeting of the Board is scheduled for Tuesday **19 October 2010**.

Annexes

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

Done in Brussels, 14/07/2010



Daniel Calleja
Chair



Federico Grandini
Secretary

Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest