Meeting ADB(M)018

Minutes
ADB(M)018- MoM

Date of the Meeting ......: 1st July 2011
Time ....: 10:00-14:00
Place ....: SJU, av. de Cortenbergh, 100 - 1040 Brussels

Board members and other participants

SJU Members   Representative

	Representative	
European Commission (EC)	Mr Matthias Ruete	Chair
	Mr Matthew Baldwin	Alternate
	Mr Maurizio Castelleti	Observer
	Mr Marco De Sciscio	Observer
EUROCONTROL (ECTL)	Mr David McMillan	Director General
	Mr Bo Redeborn	Deputy Chair
AENA	Ms Mariluz de Mateo	Alternate
Airbus	Mr Pierre Bachelier	Alternate
ALENIA Aeronautica (Alenia)	Mr Nazzario Cauceglia	
	Mr Fabio Ruta	Observer
DFS	Mr Gerhard Tauss	Observer
DSNA	Mr Maurice Georges	
ENAV	Mr Iacopo Prissinotti	
Frequentis	Dr Christian Pegritz	Member of the Frequentis Executive Board
Honeywell	Mr Paolo Carmassi	President, Honeywell Aerospace EMEA
INDRA	Mr Ramon Tarrech Masdeu	Alternate
NATMIG	Mr Aage Thunem	
NATS	Mr Ian Mills	
NORACON	Mr Thomas Allard	
	Mr Niclas Gustavsson	Alternate
SEAC	Mr Thomas E. Kern	CEO Zurich Airport
	Mr Giovanni Russo	
SELEX S.I. (SELEX)	Mr Stefano Porfiri	Alternate
Thales	Mr Rémi Gille	
	Mr Luc Lallouette	Alternate

Stakeholder representatives   Representative

	Representative	
Military (MIL)	Patrick Rey	EDA
	Gp Capt. John Clark	
	Brig. Gen. Philippe Adam	Observer
Civil users of airspace (CUA)	Mr Vincent De Vroey	Excused
Air Navigation Service Providers (ANSP)	Mr Graham Lake	CANSO Director General
	Mr Guenter Martis	
Equipment manufacturers (EM)	Mr Patrick de Prévaux	Alternate
Airports (APT)	Mr Morgan Foulkes	Observer
	Mr Luc Laveyne	Observer

Staff in the ATM sector (STAFF)	Mr Loïc Michel	
	Mr Joël Cariou	Alternate
Scientific community (SC)	Prof. Peter Hecker	

Other participants

SJU Executive Director	Mr Patrick Ky	
SJU Director Admin & Finance	Mr Carlo M. Borghini	
SJU Internal audit	Mr Ross Walton	
Secretary of the Board	Mrs Servane Woff-Lhuissier	

Distributed meeting documents

SJU-AB-018-11-DOC-01   Report of the Executive Director to the Administrative   Item 4
Board on the selection of Associate Partners to the SJU

SJU-AB-018-11-DOC-02   Decision setting up a Staff Committee and the rules   Item 6
governing the election of the Staff Committee

SJU-AB-018-11-DOC-03   Information paper: SESAR membership of CANSO and   Item 7
other Associations

SJU-AB-018-11-DOC-04   DHMI letter requesting membership of the SJU   Item 7

SJU-AB-018-11-DOC-05   Information paper: Demonstration activities' Initiative   Item 2

Item 1   Introduction

1. The Chairman welcomed the representatives (Board members, CEOs or high level executives) of SJU members and stakeholders, as well as the new representative of staff in the ATM sector, Mr Loïc Michel. 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 explained that item 3 would be discussed before item 2 because of time issues. He also requested the Board members to present any suggestions for changes. No additional changes were proposed.

▷   **4.   The Board adopted the modified agenda.**

Disclosure of conflicts of interests

5. The Chair reminded the participants of their obligation to declare any real or potential conflict of interest on any agenda items. Board members and participants were required to fill in and sign the relevant declaration in accordance with Article 2.4 of the Board's decision on conflict of interest ADB(D)-10-2008. The new representatives present at the meeting were also required to sign the declaration of commitment and confidentiality in accordance with Article 2.2 of the same decision.

6. At the request of the Chair, the internal auditor of the SJU clarified that conflicts of interest could occur to some Board members if a discussion took place under Agenda item 4 on the selection of Associate Partners to the SJU. In accordance with Article 6 of the Statutes, any participants having a conflict of interest would then have to withdraw from the meeting during the discussion and vote.

7. The Chair asked all Board members to indicate if a discussion on the Agenda item 4 was needed, as in such a case he would move this item at the end of the meeting. Nobody requested to have a discussion and the Agenda remained as approved.

▷ **8. As no discussion would be necessary on item 4 of the Agenda, the Chair noted that all participants had completed the declarations on independence, confidentiality, where applicable, and of conflict of interest.**

Item 2   SESAR deployment

Item 2 b Update by the Chairman on the latest progress made in the discussions

Before giving the floor to the McKinsey representative for the presentation on the Macroeconomic Study, the Chair considered appropriate to inform the Board Members on the progress of discussions in the context of the preparation of the SESAR Deployment.

- The Chair recalled that the EC published end of March a Roadmap to a Single European Transport Area, which defines its transport policy until 2050. This roadmap is composed of 4 different documents: the White paper, a Commission staff working document, the impact assessment and its executive summary. The White paper presents 40 actions, 10 goals and 1 target (CO_2 emission reduction). Vice-President Kallas had also written in December a 3 page letter, which highlighted the importance put on the development of the next generation of the ATM systems in Europe.

  Since then, the EC has been working on the definition of the next Multiannual Financial Perspectives. Vice-President Kallas ensured that Transport was high on the agenda. In the final version of the proposal of the EC to the Council and the European Parliament of 29 June 2011, the European Commission proposes the creation of an infrastructure fund (connecting Europe facility) with a budget of EUR 32 billion from 2014 onwards for Transport. With regard to TEN-T funding, the European Commission proposes a quadrupling of the amount while the overall budget would remain constant. A strong increase of the EU budget in terms of research and innovation is also requested. The EC made an overall bid of EUR 80 billion for the future Research and Innovation Programme. The share of transport in that amount is still being discussed, but an increase is expected in accordance with the document "Flightpath to 2050" produced by the High Level Group on Aviation Research. There is also a EUR 7 billion bid to continue with the Galileo Programme. All these figures highlight a major shift in terms of priorities proposed by the EC. It is really a growth and job oriented proposal. This remains of course an initial bid, but the Chair indicated that it was already quite well received by the EP and the Member States also because of proposed measures concerning cuts for EU administration costs. Lots of discussion can be expected on the proposed approach to EU own-resources (financial transactions tax, European share of the VAT). The Chair finally invited the Board members to have a look at the Multiannual Financial Perspectives and asked for their support in their interactions with Member State governments in order to have a more forward-looking budget for the EU.

  For SESAR, there are two elements that need to be funded: research and deployment. The Infrastructure Fund would be used for deployment with a programmed amount of a bit more than EUR 2 billion. Part of the funding for SESAR deployment would also come from the Regional and Cohesion Funds, with an

amount of around EUR 360 billion. SESAR IP3+ would be covered by the Research and Innovation Programme with an overall proposed budget of EUR 80 billion.

The European Commission set up a Task Force on SESAR deployment with the participation of Mr McMillan, Mr Ky and Mr Goudou. This Task Force was chaired by the Director General DG Move. It finalised, in an independent manner, a report a few days ago and sent a letter to Vice-President Kallas including an appendix on the funding and governance issues as well as a bigger appendix with a detailed report from the Experts Group. This report will be published on the EC, ECTL and SJU websites. The general feeling of the Task Force was that the initial thinking on how SESAR deployment should be structured was a bit simplistic. The Task Force work resulted in the identification of three key levels in the deployment of SESAR: the political level; the programme management level and the project implementation level.

- The political level would involve the Ministers, the EP, the democratically elected instances as well as the senior officials of all Member States participating in the deployment of SESAR.
- At programme level, a structure would be needed to refine and develop in a better focused way the EU ATM Master Plan. It would make sure that the money is spent in a judicious way, and would go back to the political level with the type of measures or regulations needed to move the projects forward.
- At project level, projects can be of a different nature (PPP, huge chunks of the programme...) and will probably have to be managed in a different manner.

In the opinion of the Chair, most of the work remaining to be done concerns the second level. The EC should be able to present a proposal to the Council of Ministers in December 2011 at the latest.

The Chair underlined that the decisions to be made in the coming months should allow the EU to make a difference in the next 10 years. The Chair called for the Board members' support and ideas in order to engage much more the political level in terms of understanding the challenges of SESAR deployment. We need to make sure that the Heads of States and governments recognise the SESAR brand and what is associated to it. It is important in view of the coming discussions to find the right ways to move SESAR up on the political agenda.

- Mr McMillan stressed that one of the most important questions the Task Force tried to address was: How do we ensure the effective deployment of SESAR rather than the desynchronised deployment that has typically been seen in the past for other projects? The proposed answer underlines the need to have a revised version of the EU ATM Master Plan, which is much closer to business reality. There is also a clear need for a political commitment and a political drive. When there are no clear positive business cases, mechanisms should be found to induce investors to synchronise their investments in a way which maximises the overall return. 3 levels of investment were identified by the Task Force: the investments with pan-European impact, at regional level and at local level. Synchronisation is particularly important with regard to the network and regional levels. One issue is how to secure the biggest buy-in of all partners in terms of investment. A solution would be to set up a challenge process where investors would be given money and would be asked to deploy where they can get early benefits and quick learning from deployment.

- Mr Ky underlined the progress made by the Task Force in identifying what are the foundations for the governance of SESAR deployment. The Task Force also recognised that it is not possible to implement SESAR all over Europe at the same time. As rightly indicated by Mr McMillan and building on what is done in the US for the implementation of NextGen, we should determine where we want to invest first. Mr Ky finally thanked Messrs Ruete and Baldwin and their team for having presented a significant budget request for SESAR in the proposal on the next Financial Perspectives. This will help building the overall business case for SESAR.

- The Chair indicated that during his recent meeting with Mr Babbitt, the head of the FAA described the way NextGen is being implemented in the US. Anticipating the discussions on ICAO (Agenda item 5), the Chair invited Mr Baldwin to present the

situation at international level.

- Mr Baldwin informed the Board that an ICAO "Challenge Team" meeting took place in Montreal on 27 June with the participation of senior representatives of the EC, the SJU, Eurocontrol, the FAA, Japan and the industry. It was a successful meeting very effectively chaired, where a range of different opinions were expressed. At technical level, there were very good discussions focused on the issues of coordination, synchronisation and interoperability. Mr Baldwin emphasized that the idea of Aviation System Block Upgrades is quite a revolutionary approach. By dividing these blocks into modules, it will facilitate modernisation, will minimise the technical and operational risks and will allow standards to be built within each block. One big issue remains however to define how to communicate on such a complicated business. All players are really committed and actively support ICAO. Other meetings are already planned mid-July and in September for both the Technical Team and the Challenge Team.

- Mr Redeborn further described the discussions that took place in the Challenge Team to determine where the focus should be between the different blocks. He also indicated that block 0 as defined today can be mapped to IP1 and blocks 1 and 2 are more related to the EU ATM Master Plan. He explained that there are on-going internal discussions in ICAO to change the way it currently works: for instance technical details could be developed by standardisation bodies such as EUROCAE or RTCA. Mr Lake, CANSO Director General, finally offered his views on the challenges to be tackled by the ICAO initiative, the most urgent one seeming to be to arrive to a consolidated view on DataCOM.

- At this point, the Chair suggested coming back to the discussion on the funding and governance of SESAR deployment.

- NATS observed that the principles of SESAR deployment are simple: it consists in an appropriate funding, in sequencing the coordination, monitoring the implementation, and through national plans ensuring benefits are delivered with an impact at EU level. Deployment is the daily job of an ANSP. NATS emphasized that the Deployment manager is the critical layer. If it is made too complicated, without the right capability, this could lead to a delayed SESAR implementation. If this layer is made correctly, SESAR deployment could be a success.

- ENAV and AENA both agreed that the second layer is essential for a successful deployment of SESAR. AENA stated that ANSPs and industry at large consider that participate to a consultative group set up will not be effective. AENA and ENAV thus called for a solution where the industry would be directly involved in the driving seat of the Deployment Manager.

- The Chair summed up the expectations put on the second level: it should be a simple body, able to take the lead, that has the money in order to drive things forward, has to take the responsibility and can lead back to the policy level. There should be a very strong involvement of industry in the second level, which should not be only consultative. We need to do it together and work out how to structure it and how to get buy-in from the non-public side without creating an unworkable structure and adequately addressing the management of conflict of interest. This is the traditional problem for a PPP but there are solutions to properly manage it. The Chair underlined that if the industry is committed, it is possible to get the structure of the governance right.

- The Chair highlighted that the project level can be quite large and see the developing of PPPs. In reply to a question of the Military representative on the consideration given to the need for military investments in deployment, the Chair clarified that this was indeed part of the considerations and that it is recognised that the military are an essential users of the airspace. However, the Chair recalled that EU budget is never used for military spending. Although recognising the need to mobilise funds for military airspace users, there are not many possibilities for EU funding for the military.

- The manufacturing industry representative indicated the interest of the manufacturing industry to be involved as much as possible in the second level and

stressed that the risk of conflict of interests could and should be overcome. The Chair recognised that at management level, the manufacturing industry will need to be involved. The question of how to do it without creating an unworkable structure remains to be answered.

- The CANSO representative informed the Chair that CANSO already sent to the EC a written position on SESAR deployment that specifically highlights the issues on the second level.

▷ **Conclusions on item 2 b**

- The Board took note of the information provided by the European Commission on the funding and governance of SESAR deployment. The Chair invited all Board members to provide their feedback on the second level deployment management.

Item 2 a Presentation of the study "Assessing the macroeconomic impact of SESAR"

- Mr Chartrin, partner from McKinsey & Company presented the results of the study launched by the SJU 5 months ago to assess the macroeconomic impact of SESAR at European level. Multiple stakeholders were involved to validate the methodology: stakeholders of the Air Transport industry, the European Commission, the OECD, and some Member States. The study assessed 3 types of macroeconomic impact:
  1. Economic impact (primarily GDP contribution);
  2. Social impact (employment, mobility, safety and security);
  3. Environmental impact (mainly climate change and noise).

  Mr Chartrin explained the approach followed for the impact assessment and presented the scope and assumptions used for the economic model.

  4 scenarios were evaluated:
  1. baseline (situation with no new ATM systems);
  2. SESAR on time;
  3. SESAR desynchronised;
  4. SESAR delayed.

  If SESAR is on time, over the period 2013-2030, it would bring EUR 419 billion in terms of undiscounted GDP, it would create 328 000 jobs and it would save around 50 million ton of CO_2. In terms of GDP contribution, the airlines and the airports are the ones which would get more benefits. In reply to a question made by Mr Lake, Mr Chartrin clarified that the ANSPs are not get GDP benefits in this context because SESAR will lead to an increased productivity and an optimisation of costs.

  If SESAR is desynchronised, the value at risk would represent EUR 117 billion of undiscounted GDP over the period 2013-2030. If SESAR implementation is delayed by 10 years, the value at risk would be EUR 268 billion due to the unaccommodated demand. These results show that the business case of SESAR is highly sensitive to a delayed implementation. According to the sensitivity analysis made, SESAR impact on GDP can be negatively impacted by the passing of airline savings on the ticket price and by the SESAR-enabled extra-traffic in 2020.

- Mr Carmassi, President of EMEA Honeywell Aerospace asked how the results of this study fit compared to the initial high-level objectives of SESAR in terms of safety, capacity, cost-reduction and environmental impact. Mr Chartrin explained that the study did not challenge the assumptions of the European ATM Master Plan but updated them based on the more recent forecast.

▷ **Conclusions on item 2 a**

- The Chair thanked Mr Chartrin for his presentation. He also underlined that it was a timely study, which could be used in the upcoming discussions on SESAR funding. Then, to finish the discussions on the international dimension, the Chair proposed to move directly to the Agenda item on the ICAO 12th Air Navigation Conference

Item 3   ICAO 12th Air Navigation Conference (Nov. 2012)

- Following up on the points introduced by Messrs Baldwin and Redeborn beforehand, Mr Standar, SJU Chief Air Traffic Management made a short update on the ICAO initiative for Aviation System Block Upgrades (ASBUs). With this initiative, ICAO is defining a new way of working. It was after the symposium on SESAR-NextGen in September 2008 that the idea came up of having other organisations than ICAO in charge of standardisation. The ASBUs are primarily based on operational concepts extracted from modernisation programmes such as SESAR, NextGen or CARATS. The ASBUs are fully consistent with the ICAO Global ATM Operational Concept agreed in the Air Navigation Conference in 2003. To build the technical content of the ASBUs and provide relevant inputs to the Technical Team, the SJU worked with experts from Eurocontrol and DSNA and in close cooperation with the FAA. During this work, the objective for the SJU was to ensure the alignment of the ASBUs with what is in the EU ATM Master Plan and the SESAR Programme.

  A Block Upgrade is a package of capabilities, called modules. They are clearly defined measurable operational improvements. They will be equipments and systems in aircraft and on ground or standards and procedures for airborne and ground systems. They should have a positive business case. The timelines of the 4 blocks (0 to 3) fit very well with the SESAR timeframe. From the ICAO standpoint the contribution of the EU should focus on blocks 0, 1 and 2 in order for Europe to be able to do what is currently foreseen in the SESAR Programme.

  As explained by Mr Baldwin, on 27 June the Challenge Team reviewed and provided feedback on the technical content of the ASBUs but also gave its view on the overall approach. Before GANIS, a coordination meeting on European side should take place in order for Europe to be able to provide consistent inputs during the Symposium. These inputs would then be used for the ANC 2012, for instance in the coordination group chaired by the EC for the Conference.

- The Chair called for a high level participation in GANIS on European side and indicated his intention to attend the Symposium.

- Mr Lake suggested two items for GANIS agenda: the safety assessments for ANSPs and the air-ground data link communications.

- Mr Baldwin stressed that the proactive approach of ICAO should be encouraged. The ANC in 2012 will be a difficult exercise to manage, especially considering the very ambitious objectives ICAO wants to achieve. European coordination for GANIS will be very important.

- Finally, the need for a strong coordination between the different SESAR participants to the conference was stressed.

▷   **Conclusions on item 3**

- The Board took note of the information provided on the progress made in the definition of the Aviation System Block Upgrades in preparation of the ICAO 12th Air Navigation Conference.

Item 4   Reports on the progress of the Programme

- Mr Guillermet, SJU Chief Programme Officer, offered the Board a presentation on the latest progress of the Programme. His presentation was organised in 4 chapters: the content of the Programme, its progress, the Delivery approach and Release 1, and finally risk assessment.

- **With regard to the content of the Programme**: The link between the projects, the Programme and the performance targets still remains weak, however the culture is changing and the SJU clearly pushes for that change to take place. The main challenge the SJU is facing in terms of maturity development is how to derive the top level concept towards the operational and technical levels. The operational requirements generally remain too high level or, to a certain degree, too vague. Technical projects are therefore missing sufficient input to develop the proper prototypes or systems.

  For the period 2012-2013, 50% of the validation activities will take place through flight trials and shadow mode exercises, which is in line with the SESAR validation approach and overall a positive achievement for the Programme. It must be noted however that there is still room for further consolidation of members' contributions and validation sites and platforms in the upcoming period.

- **With regard to the progress of the Programme**: The ramp-up phase is now considered to be completed and more than 2000 contributors are participating. The Programme is planned, executed, monitored and controlled along 3 main axis, the R&D products (a), the PPP (b) and the work breakdown structure (c):

  (a)   Significant progresses have been made over the last period however a number of plans need to be redefined. Some of them were too ambitious and need to be adjusted. The monitoring of the activities show that today operational requirements are progressing at a slower pace than what was expected and that could impact the planning of technical projects.

  (b)   With regard to the Members' contributions, they are expected to spread over a longer period of time, without reaching a peak in 2012 / 2013 as expected at the beginning of the Programme. The SJU will take decisions of reallocation of contributions in the coming period in order to align the plans with this new situation.

  (c)   Projects are controlled on a yearly basis in terms of quality of content, schedule and resources. Overall projects are on-track. The cultural change from an "academic research" approach to a "development and delivery" oriented approach will take some time.

  The Airspace users' involvement was recently improved and today close to 200 experts are involved in 80 projects. Pilots, staff from the technical and flight departments are really working directly with the Project Managers and the Project Members. The feasibility of coupling validation activities with commercial flights is also being assessed.

  In terms of innovative research, 2 Research Networks have already started, 18 Research Projects are up and running and 13 PhDs have been recruited to work in close cooperation with the networks.

- **With regard to the delivery approach and Release 1**: A number of validation sites have been selected across Europe to host the validation exercises of Release 1. An assessment of the results' maturity was recently conducted and a number of issues were detected in terms of maturity and completeness of the validation activities. However, Release 1 is overall on track.
  3 exercises out of 29 have been completed:
  1.   improved ACAS
  2.   link autopilot with ACAS
  3.   Integrated Controller working position
  The results of those 3 exercises are promising.

  One of the most important exercise to be performed as part of Release 1 should take place before the end of the year. It will consist of a flight test related to the 4 D trajectory. An Airbus will fly from Toulouse to Stockholm, crossing MUAC and NUAC airspaces and exchanging for the first time trajectory with the ground systems. 2 FMS prototypes will be tested at this occasion.

The work has started for the definition of Release 2. The objective is to finalise the Release by the end of the year to present it as part of the SJU Annual Work Plan for 2012. In the current draft, 45 validation exercises have already been identified, which is a big change in terms of scope compared to Release 1. Activities to be performed as part of Release 2 will address for instance the airport platform safety (improved runway incursion prevention, routing of aircrafts and vehicles using datalink...); activities related to the 4D trajectory; tools and design of the controller working positions; first step of SWIM through the ground-ground information exchange with the flight object; some activities also related to the network.

- With regard to risk assessment: 25 top risks are monitored at the SJU level. Most of the risks are managed directly by the projects:
  o One of the key risks is related to SWIM. A full action plan has been defined and is being implemented: it addresses both ground-ground and air-ground aspects of the exchange of information system.

  o The specific risk related to Trajectory management is handled by WPB dealing with the concept of operations.

  o The risk associated to "cases methodologies" (safety cases, business cases) is dealt with within WP16 (methodologies).

  o The main risk is related to the operational requirements. Urgent mitigation actions were agreed in the PC and an action plan has still to be defined.

  For the next period:
  - WP 11.1 dealing with airline wing operations centers should be ramped up before the end of the year. It is a key component of the Programme with a budget of EUR 30 billion. One of the challenges will be to couple it and integrate it with the rest of the Programme activities;

  - The Campaign for the update of the European ATM Master Plan will have to be kicked off in the next coming period;

  - The contributions of the Members have to be realigned by the end of the year, with maybe the need to launch a new IBAFO(3) next year;

  - The objective is of course the completion of Release 1, with maybe some recommendations for industrialisation and then the launch and execution of Release 2.

• The Chair reemphasized the overall risk highlighted for members' financial commitments. Although not meeting the intermediate targets may not be dramatic at this stage, it is important that commitments are kept at a high level. This issue will need to be carefully looked at and monitored.

• Airbus commented that simulators should not be opposed to flight tests, in particular for the airborne part, as simulators offer the possibility to test several scenarios. He also added that without a clear buy-in of the industry, for instance for 4D trajectory, Airbus will not make the effort to engage in a certification process. Mr Ky agreed with the first comment. With regard to the second one, Mr Ky indicated that proper rationalisation of efforts on the operational side should be made and acknowledged that there was a need to make progress in this area.

• Mr Ky then briefed the Board on the EU ATM Master Plan Update and the decision taken by the PC the day before. He explained that the next update of the EU ATM Master Plan would be presented to the Board next summer. The formal adoption of this update would probably take place later in order to respect the consultation processes within Eurocontrol and at the EU level.

  Three major changes are expected to be made to the EU ATM Master Plan:
  - Introduction of performance linkages: The performance aspects of the Master Plan will be linked to the other aspects of the Master Plan. This may be a difficult task, since it can be difficult to identify individual components participation to the overall performance of such a complex system, but it is

worth giving it a try.

- Simplification: today there are 180 Operational improvements in the EU ATM Master Plan, some of them which are redundant or do not make any sense. The objective will be to rationalise the Master Plan to make it manageable.
- Presentation according to the stakeholders: Each of the investors will know what the Master Plan means for them, what is expected from them, when and where.

• At the request of ECTL, Mr Ky offered some clarifications on the expected timeline for the formal adoption of the update to the Board.

• Airbus welcomed the foreseen simplification of the EU ATM Master Plan but asked for the revision of the time needed for the transition from the V3 phase to the actual deployment. This transition indeed often takes 2 to 3 years. The EU ATM Master Plan should be as realistic as possible. The risk of misalignment with NextGen should also be taken into account.

Mr Ky recognised this risk and offered to highlight in the European plans the risks of potential desynchronisation with other initiatives such as NextGen.

• The Chair added that the EU ATM Master Plan was discussed in the Task Force on SESAR deployment. During the discussions, it was agreed that it is essential for the deployment strategy to clearly identify in the EU ATM Master Plan the type of actions that need to be done in a certain timescale. The EU ATM Master Plan mark 2 should already move to a much stronger deployment management plan.

• Mr McMillan called for an iteration process in order to ensure the articulation of SESAR and NextGen works.

• Mr Ky made a presentation on <u>AIRE</u> highlighting the principles followed for this project. There was an open procurement process, however the consortia answering to the call had to comprise at least one ASNP, one airline and where relevant one airport. All the activities had to take place through flights trials on commercial flights, leading to operational implementation. AIRE is 50% funded and the typical duration of a project is between 12 and 15 months. Communication between the different partners was organised in order for them to be able to share the best practices. There are 3 main areas of work in AIRE: the Atlantic routes; the terminal areas (CDO, Continuous Climb procedures...); the surface of the airports (project with CDG: optimal recovery scheme from crisis situations). Results: 6000 green flights will be operated through AIRE. 80% of the activities are expected to become day to day operational procedures. Substantial CO_2 savings per flight were demonstrated.
In terms of communication best practices, Mr Ky gave the example of NOVAIR where the airline agreed to put on all its aircrafts the SESAR logo. Several airlines also published articles on AIRE in their on-board magazines.

• Mr Borghini presented the proposed new initiative with regard to <u>Demonstration Activities</u>. The SJU would like to extend the AIRE approach to the rest of the Programme. When defining Release 1, the need for Demonstration Activities was identified in order to show on a larger scale the benefits of the Programme. It would involve airspace users, ANSPs, the ground and airborne industry and if necessary research centres. The proposed co-financing level would be of 50%, excepted in the cases of research centres and universities, which would get co-financing levels of 75% and 100% respectively. The programme would start next year up to 2016. The maximum amount available for the Programme would be of EUR 30 million, and in any case will be subject to the overall SJU budget availability. The first call for proposal would be launched at the end of the year in order to have the activities starting in 2012. The budget to be submitted to the Board at the end of the year would include an envelope for this programme.

• ENAV, the EC, ECTL and Honeywell warmly welcomed this initiative. Honeywell stressed that this initiative will have a positive impact on the discussions with the FAA.

- At the request of the EC, Mr Borghini clarified that there would be no impact on the 2011 budget. The impact will only be on the budget from 2012 onwards.

- The Chair asked for the development of a communication strategy from the beginning of the Demonstration Activities. Demonstration Activities organised will show that SESAR is progressing. By agreeing early enough on a communication strategy, we could get a bigger buy-in on it. Mr Ky indicated that in the call the SJU will make sure that the communication aspects will be taken care of at an early stage.

- ECLT asked whether it would be possible to have an indication of what will be in the Releases 2013 and beyond. It would be useful to complement the bottom-up approach with a more top-down outlook. That would help SESAR with the synchronization, in particular in the context of the discussions on Blocks Upgrades in ICAO. The Releases are not directly connected to the EU ATM Master Plan. For that reason, it would be helpful to have an outlook of what is anticipated for the Releases 2013 to 2016.
  Mr Ky fully supported this remark. The same discussion took place in the PC. It was decided to bring in a top-down approach for the Release 2013, where it will clearly be indicated what the SESAR partners want to see by that date. This will bring a more strategic view on the activities.

▷   **Conclusions on item 4**

- The Board thanked Mr Guillermet for his valuable report and took note of the extensive presentation. The Board took also note of the information provided by Mr Ky on the EU ATM Master Plan Update and the AIRE activities.

- The Board provided its support for the initiative on Demonstration Activities and mandated the executive Director to prepare the call with a detailed budget for the period 2012 onward.

Item 5   Associate Partners of the SJU

- Mr Borghini explained that the Associate Partners of the SJU is a new category of stakeholders created to ensure a better participation of SMEs, research centres and universities in the Programme. The selected entities will be contractors of the SJU under a Framework Partnership Agreement. It was decided to have a maximum of 2 agreements per lot and a maximum of 10 Framework Partnership Agreements in total. The call was launched accordingly on 1st of February and the financial and technical evaluations took place between the 10th of May and the 1st of June. The call followed the same process as the ones used for IBAFO 1 and 2 and resulted in a proposal submitted for approval to the Board. The call was divided in 6 lots and 35 groupings representing 140 entities from 30 countries (on which 11 non EU) participated. 57% of the proposals came from SMEs, 26% from universities and 13% from research organisations. Out of the 69 proposals received 9 of them were not admissible from an administrative and legal point of view. The evaluation resulted in the selection of 2 entities for each lot but lot 3, for which no proposal was retained. There will be work orders for each Framework Partnership Agreement. The assessment and the competition on the price will be done when the work orders will be launched. The approval of the Board on the proposal of the Executive Director is requested in order to finalise the process.

▷   **Conclusions on item 5**

- No discussion was requested by any Board Member, and consequently the Chair proceeded with the request of adoption of the Executive Director's report. The

Board agreed to the proposal of the Executive Director on the selection of Associate Partners to the SJU and adopted the decision ADB(D)-04-2011.

Item 6   General Administrative and budget issues

Item 6a   Decision setting up a Staff Committee and the rules governing the election of the Staff Committee

- Mr Borghini explained that in accordance with the Staff Regulations of the EU the SJU is obliged to set up a staff committee. A proposal was prepared and was submitted to the European Commission under article 110 of the Staff Regulations. This proposal was endorsed by the College of the EC and is now submitted to the Board for adoption. The staff committee does not represent unions. It represents the staff and it can assess and discuss with the management any type of human resources process put in place in order to take into account the staff position and ensure compliance with the Staff Regulations. The SJU will launch the process for the election of the Staff Committee at the occasion of the General Assembly of the Staff expected in the next weeks.

▷   **Conclusions on item 6a**

- The Board took note of the information provided by Mr Borghini and adopted the decision ADB(D)-05-2011 setting-up a Staff Committee.

Item 6b   SJU Financial situation

- Mr Borghini presented the SJU financial situation. The European Court of Auditors will start its 2011/2012 audit on 26th of September this year and there will be a second week in February/March 2012. Each year, the SJU has to receive the financial statement of each Member before the 30th of April. 4 Members did not submit their financial statements and one member has not yet submitted its external audit report.

  As of end of May, EUR 50 million are available, which are going to be used in large part to co-finance costs of the previous years. Around EUR 14 million are available for pre-financing and for that some Members still need to make a request. Mr Borghini will enter in contact with them to see what their situation is. This will have an impact on the capacity of the SJU to absorb financial resources during 2011. The SJU thus plans to come back to the Commission this summer to see what will be the financial needs up to year end.

  The main issue mentioned in the draft report of the European Court of Auditors for 2010 is the "underspending". The SJU explained that SESAR is a multiannual Programme and thus that the cash cannot reflect the developments of the Programme. It is an issue to which the budgetary authorities, in particular the Council and the EP are paying particular attention. In order to monitor the situation strictly, Mr Borghini will ask the financial staff of all SJU members to formalise by year end the expected needs in terms of finances or consumption of resources in the following years. This process will allow readjustments in order to align the SJU needs to each member.

  The Chair emphasised the risk on the spending profile, already highlighted in previous point.

▷ **Conclusions on item 6b**

- The Board took note of the information provided by Mr Borghini on the financial situation of the SJU.

Item 7   AOB

Item 7a   SJU Membership to CANSO

- Mr Ky recalled the discussions in the last Board on the SJU Membership to CANSO. After that meeting, Mr Ky received a letter from Mr Schulte-Strathaus in which the SJU was offered the possibility to become an associate member of AEA for an amount of 5000 euros per year. In order not to create difficulties, the SJU proposes to the Board to abandon the idea of becoming an associate member of CANSO.

- However, Mr Ky proposed that the SJU become a member of RTCA (US standardisation body). RTCA had recently refused to give the SJU access to some documents it needed for some of its projects on the basis of the fact that the SJU was not a member of RTCA. This membership would represent an annual cost of 2200 USD. Mr Ky noted that several SJU members are already members of RTCA.

- Mr Lake indicated his full understanding of the SJU decision with regard to its membership to CANSO. He however stressed the importance of having SJU part of CANSO and offered the possibility for the SJU to sign a written agreement outside the scope of membership.

▷ **Conclusions on item 7a**

- The Chair noted that there were no objections from the Board to the proposal to decline CANSO membership or on the proposal to explore the possibility of establishing an agreement with CANSO.
- The Board did not raise any objection with regard to the proposal of the SJU to become member of RTCA.

Item 7b   DHMI's request to become member of the SJU (Turkish ANSP)

- Mr Ky presented to the Board the request of DHMI to take part to the SJU work either via membership or through any other possible scheme. The SJU sent an answer coordinated with ECTL indicating that the SJU was open to a participation of DHMI in SESAR framework and that the Board would be informed of their request.

- In the last year, there were two opportunities for DHMI to participate in the Programme: the calls for "Associate Partners of SJU Member" and the call for "Associate Partners of the SJU". However, DHMI probably wants a more formal, more official type of involvement.

- ECTL fully supported the request of the DHMI to become more closely associated to the SJU. Turkey represents a big part of the European airspace, with a rapidly growing traffic and it is already facing a number of difficulties in terms of capacity. ECTL finally underlined that Turkey is a full member of ECTL.

- Mr Baldwin supported the intervention of ECTL and that ways to involve them in SESAR should be found and possibly arrange meetings with them.

- CANSO indicated that DHMI recently joined CANSO Europe.

- In relation to the possible membership in the SJU, the Chair highlighted the need to

see further evolution on discussions engaged in several areas between the EU and Turkey, hoping to move ahead as quickly as possible on the conclusion of different agreements.

▷ **Conclusions on item 7b**

- The Board noted a general positive attitude towards the request of DHMI.

Closing of the meeting

The Chair recalled the dates of the 4 of October and 15 of December for the next ADB meetings.

Finally the Chair thanked the Board members 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, 05/07/2011
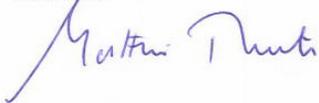
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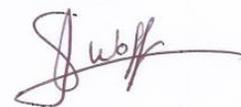
Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest