

Meeting ADB(M)026

Minutes ADB(M)026- MoM

Date of the Meeting: 27 June 2013
 Time: 10:00-13:00
 Place: SJU, av. de Cortenbergh, 100 - 1000 Brussels

Board members and other participants

SJU Members	Representative	
European Union represented by the European Commission (EC)	Mr Matthias Ruete	Chairman
	Mr Matthew Baldwin	Excused
	Mr Maurizio Castelletti	Observer
	Mr Marco De Sciscio	Observer
	Ms Elfa Kere	Observer
	Ms Anne-Cécile Swinnen	Observer
EUROCONTROL (ECTL)	Mr Frank Brenner	Director General
	Mr Bo Redeborn	Vice-Chairman
AENA	Ms Mariluz de Mateo	Excused
Airbus	Mr Pierre Bachelier	Alternate
ALENIA Aeronautica (Alenia)	Mr Maurizio Fornaiolo	
	Mr Fabio Ruta	Alternate
DFS	Mr Robert Schickling	
	Mr Ralf Bertsch	Alternate
DSNA	Mr Philippe Merlo	Alternate
ENAV	Mr Massimo Garbini	Excused
	Mr Iacopo Prissinotti	
Frequentis	Dr Christian Pegritz	Alternate
Honeywell	Mr Jean-Luc Derouineau	
INDRA	Mr Rafael Gallego Carbonell	
	Mr Ramon Tarrech Masdeu	Alternate
NATMIG	Mr Aage Thunem	Excused
NATS	Mr Jonathan Astill	Observer
NORACON	Mr Niclas Gustavsson	Alternate
SEAC	Mr Thomas Kern	CEO Zurich Airport
	Mr Giovanni Russo	
SELEX S.I. (SELEX)	Mr Mario Richard	
	Mr Stefano Porfiri	Alternate
Thales	Mr Jean-Marc Alias	
	Mr Luc Lallouette	Alternate

Stakeholder representatives	Representative	
Military (MIL)	Air Commodore Chris J. Lorraine	
European Defence Agency (EDA)	Mrs Claude-France Arnould	
Civil users of airspace (CUA)	Mr Vincent de Vroey	Excused
	Mr Kay Kratky	COO of the Lufthansa group
	Mr Fabio Gamba	CEO of EBAA
	Mr Pedro Vicente Azua	Excused

Air Navigation Service Providers (ANSP)	Mr Jeff Poole	Director general of CANSO
	Mr Guenter Martis	
Equipment manufacturers (EM)	Mr Patrick de Prévaux	
Airports (APT)	Mr Olivier Jankovec	Excused
Staff in the ATM sector (STAFF)	Mr Loïc Michel	
	Mr Theodore Kiritsis	Alternate
Scientific community (SC)	Mr Peter Hecker	
	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	
SJU Internal audit	Mrs Véronique Haarsma	
Secretary of the Board	Mrs Servane Woff-Lhuissier	
SJU Staff	Mrs Ilaria Vazzoler	

Distributed meeting documents

SJU-AB-026-13-DOC-00	Draft Agenda	
SJU-AB-026-13-DOC-01	Final Annual Accounts 2012	Item 5

Item 1 Introduction

The Chair welcomed the representatives of the SJU members and stakeholders and in particular the CEOs and/or high level executives who were able to attend the meeting: Mrs Arnould, Chief Executive of EDA, Mr Brenner, Director General of Eurocontrol, Mr Kern, CEO of Zurich Airport representing SEAC, Mr Kratky, COO of the Lufthansa Group and Mr Gamba, CEO of EBAA, both representing the airspace users, and Mr Poole, Director General of CANSO representing the ANSPs.

Verification of the voting quorum

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

Adoption of the agenda

The Chair presented the draft Agenda and no Board members requested any changes.

- ▷ The Board adopted the agenda.

Disclosure of conflicts of interests

The Chair reminded the participants of their obligation to declare any real or potential conflict of interest on any agenda items. Board members and participants were required to fill in and sign the relevant declaration in accordance with Article 2.4 of the Board 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.

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

Update by the Chair on the state of play of the EU Multiannual financial framework negotiations

- The Chair informed the Board that an agreement on the Connecting Europe Facility (CEF) was found at the last trilogue, which took place earlier in the morning. CEF is the instrument to promote growth, jobs and competitiveness through targeted infrastructures investments in the fields of transport, energy and digital services. It will be used, inter alia, to provide the financing instruments for the deployment of the SESAR results. A combined ceiling of 5% of the CEF budgetary resources will be applied for the funding of RIS, VTMS, SESAR and ITS on-board equipment. Available from 2014 to 2020, the budget for on-board equipment should amount to EUR 1,15 bio (EUR 1,3 bio in 2013 prices) with a co-financing rate of up to 50%. The Chair underlined that in spite of the 5% cap on on-board equipment, the result was quite positive compared to the initial proposal of a 20% co-financing rate.

With regard to ground components, there is no ceiling foreseen in the CEF. Solid funding for SESAR deployment is now ensured and ideally, there should be more leverage with PPPs and the European Investment Bank's involvement. The Chair stressed that the push for having transport put higher on the European agenda was a success as reflected by the final figures of the CEF.

The Chair indicated that a few days before, an agreement was also reached on the Horizon 2020 Research Programme. Thanks to the support of all stakeholders, the share of transport research reaches 8,2% of the overall Programme, which represents a budget of around EUR 6 bio. In the context of reduction of the EU budget, the 50% increase in terms of transport research compared to the other research parts shows that the contribution of an innovative organisation of the transport and logistics sector to Europe competitiveness was well understood.

The Chair finally mentioned the recent adoption by the EC of the legislative proposal on SES 2+. He welcomed the level of attention given to the proposal and thought that this would enable the debate on the Single European Sky to move to a more political agenda. The Lithuanian Presidency is expected to put the Single European Sky on the Agenda of the Informal Transport Council meeting, which will take place on 16 September.

- Mr Ky informed the Board about the results of the first SESAR Workshop organised in the US. The workshop took place on 25 June in Washington and the objective was to brief the Americans' stakeholders on the progress made on SESAR. It was a very successful event and a general positive feedback was received afterwards from the US. Mr Ky suggested that such an event be organised regularly, for example once every two years.
- The Airbus representative asked if it would be possible to use the CEF to fund the aircrafts' equipage for the large scale demonstration flights which will be organised within SESAR 2020.

The Chair stressed that for the usage of funds a clear line would need to be drawn between what pertains to SESAR 2020 and what pertains to SESAR deployment. He indicated that he did not know enough technical details at this stage to be able to draw the line and answer the question.

- The ENAV representative welcomed the very positive information provided by the Chair and stressed that the Deployment Manager should be put in place as soon as possible to allow public funding to be spent in the right manner and to enable a modernised ATM infrastructure to be put in place.

The Chair explained that in March 2014 the election of the European Parliament will take place; the new European Parliament would only be operational from November onwards. As from the 1st of November, there will also be a new European Commission and a Transport Commissioner. 2014 risks to be a complex year where the decision making process will be influenced by the capacity of the ATM stakeholders to increase awareness these new actors.

Item 2 Programme Status

- Overall programme status: Mr Guillermet presented the progress of the Programme, which remains above 80% in terms of actual progress against the plan. Thanks to the collective effort made by the SJU members, significant progress was made compared with last year in terms of on time delivery. 60% of the deliverables are now received on time, which facilitate the synchronisation within the programme. However, since 2012 a slight reduction of the deliverable quality can be noted. This evolution is mainly due to the difference between the SJU and the other projects' expectations and what is actually delivered. Some Projects have still difficulties to align with the SJU top-down guidance.

In terms of resources, the difference between the planned and actual resource consumption is expected to reduce further by year end following the reallocation and BAFO 3 activities.

The criticality of a number of risks was reduced, in particular the ones related to the top-down approach implementation. The most critical risk is related to the emergence of competition between SESAR deployment and development activities. This risk starts to materialise in terms of resources with skilled people who are beginning to leave projects. Mr Guillermet stressed that a continued commitment should be maintained on development activities.

- Releases activities: All Release 2 activities and results were reviewed and 7 main achievements were identified as reaching the pre-industrialisation stage. The performance contribution of each exercise was also assessed.

2 exercises of Release 3 were completed and the execution of the Release is going according to the plan, with most of the exercises taking place in October-November 2013.

Release 4 is the first release clearly driven by a top-down approach, ensuring a strong link between the Master Plan objectives, the performance targets and the technical content of the Release. Most of the activities identified so far are focused on technical aspects and the operational part still needs to be further developed. The final scope of Release 4 should be presented to the Board in December.

- SESAR Solution packs: With the support of the Programme Committee, the SJU is preparing the definition and design of the SESAR solution packs. A SESAR solution pack will gather all the relevant information necessary to move the solution into industrialisation and subsequent deployment phase. It will take into consideration the IPR aspects so that the content of the pack can be shared with the rest of the ATM community without any problem.
- Outlook for coming activities: In the third quarter of 2013, the level of ambition for the performance and concept of operation of SESAR Step 2 will be discussed, the ACASX Study will be launched and the procurement of VDL Mode 2 "Breaking Point" Study will be organised. In the last quarter, the SESAR solution packs should be published, the reallocation and BAFO III process should be completed and Release 4 content should be approved by the Board.
- The EUROCONTROL representative, Mr Redeborn, commented that Release 4 content seemed to be limited to airport and network-oriented and was still very weak from an ANSP perspective. The role and contribution of the ANSPs to Release 4 should really be clarified and reinforced. Mr Redeborn also stressed the importance of the VDL Mode 2 Study in the context of the disagreement with the US on Data Communication. This disagreement is mainly due to different views on when and how the enablers should relate to the improvements. It is also a weak point in the Master Plan, where there is an assumption that there will be a physical layer supporting all the operational improvements. The study on VDL Mode 2 will give the necessary indication of what should be done in order to complement the enablers existing today with new enablers. Discussion with the FAA will need to be organised to see how to progress with the Data Communication issue.

Mr Guillermet observed that further work in particular with the ANSPs should be

conducted to progress with the definition of Release 4 content. The current picture of Release 4 is expected to change significantly by year end.

- Mr Kratky stressed that Releases, trials or validation exercises were very important to move from R&D to industrialisation. He underlined that the A4 would like to be much more involved in the trials to get more grip on trying and bringing elements to the end user-stage. In order to be able to support the SESAR Programme, the airspace users would also like to have more detailed information and a more insight view on the Business Cases. Contrarily to what happened with the Datalink mandate, it is of paramount importance to synchronise from a technological point of view the implementation on the ground and on-board the aircrafts. Mr Kratky finally asked if the organisation of the ATM infrastructure and in particular if the Virtual Centre Model developed by Skyguide could be examined in more details and be given more focus.

The Chair thanked Mr Kratky for his intervention and observed that it was particularly helpful to get the views of the airlines on where things were going wrong and where things should be better synchronised.

The Chair informed the Board that due to an urgent request related to the preparation of the meeting of Heads of State and Government; he would have to leave the meeting for a short period of time and would be replaced by Mr Brenner.

Answering to Mr Kratky's comments, Mr Ky indicated that a stronger involvement of the Airspace Users in the Release activity would be welcomed. A lot of resources were spent on building the business cases, for instance for the PCP and the level of transparency provided on specific technology investments was unprecedented. With regard to the rationalisation of resources and the Skyguide initiative, the SJU had already included, as part of BAFO III process launched in May 2013, a study on the feasibility of implementing this type of approach for future SESAR solutions. Mr Ky observed that these activities may lead to possible implementation only after 2025. FABEC also proposed to work together with the SJU on this topic.

- Other activities - Pilot Common Project: Mr Guillermet reminded the Board that the PCP mandate was given by the EC to the SJU in August 2012. The SJU was requested to make a proposal on the content of the first SESAR elements to be deployed and the associated business cases. The PCP proposal was handed over to the EC on 6 May and the SJU is now working on the supplement to the mandate requested by the EC on Centralised Services. As part of the PCP proposal, the SJU identified 6 ATM functionalities. Four of them are building on existing capabilities (e.g. network management, airport integration...) and the two others provide the foundations for the new ATM infrastructure (i.e. SWIM capabilities and initial trajectory information sharing). Regarding performance benefits and the global CBA, a significant effort was made to have solid assumptions and quantify the impact of the PCP proposal in terms of ANSP productivity gains, airspace and airport capacity, reduction of delays and length of flights and reduction of the fuel consumption. Overall, the 6 ATM functionalities will deliver together a net benefit, which makes a case for moving these elements to deployment.
- The ENAV representative, as one of the Steering Group member during the work on the PCP mandate, stressed that the way the SJU coordinated the work enabled the right figures and inputs to be provided. The Airspace Users were actively involved and such coordination model should be used as well for the Deployment Manager to ensure the right level of synchronisation.
- The DSNA representative asked if some of the assumptions mentioned in the CBA could be explained in more details.

Mr Guillermet indicated that all the details for the CBA were made available to the EC and to the ones involved in the work. Each time assumptions were made in terms of costs or benefits, the associated risks and possible mitigation measures were also identified.

- Mr Castelletti explained that the intention of the EC was to examine the proposal made by the SJU and to translate this technical document into a European Commission Implementing Rule before the end of 2013. All stakeholders will be

consulted during that process. In parallel, the process to establish the Deployment Manager will be launched in order to start implementation and to benefit from CEF funding as from the beginning of 2014.

- Answering to a question of Mr Kiritsis, representative of staff, Mr Guillermet explained that the CBA was defined for a period up to 2030, i.e. a 15 year timeframe. Mr Brenner added that the same reasonable mid-term timeframe was also chosen for Centralised Services' implementation.
- Mr Ky commented that he believed a very good work had been done with the CBA of the PCP. Very accurate estimates were received regarding the equipment costs of PCP implementation for single aisle and long range aircrafts. There is less confidence with the figures which were provided for business aviation and regional aviation. The PCP cost for a forward fit on a single aisle aircraft already compliant with the DLS IR is indeed expected to range between EUR 30.000 and 50.000 when it was indicated that the cost for a business or a regional aircraft would be 10 times more. To further improve the CBA, Mr Ky encouraged Business aviation and Regional aviation to provide more accurate figures.
- The DSNA representative stressed that the translation of the PCP into an Implementing Regulation should remain quite high-level and should not be too prescriptive. Otherwise, there is a risk to repeat the negative experience of the Data link mandate.

Mr Castelletti recognised that the right balance would need to be found between a regulation precise enough to ensure the commitment of stakeholders but also flexible enough to allow investors to act according to business behaviour. Legislation should be sufficiently flexible to integrate as well the risks of implementation and avoid the need to modify legislation.

- Other activities - RPAS Demonstration activities Call for proposals: Mr Borghini reminded the Board that the RPAS call was launched in February to select pre-operational demonstration projects aiming at demonstrating how to integrate RPAS into non-segregated airspace. 23 proposals from 16 States were received for a request of co-financing of more than EUR 10 million. 9 proposals were selected for a total co-financing of EUR 4,2 million and subject to review, an additional proposal for a total co-financing of EUR million 0,4 should also be considered. This proposal was not fully in line with the scope of the call; however the level of civil and military participation and the involvement of the State foreseen in the proposal made it particularly interesting. All contracts should be signed by the end of September and the activities should be launched immediately after. The USA have a similar approach and are very interested to see how far and how fast the EU is progressing with RPAS integration.
- Mr Castelletti complemented Mr Borghini's presentation with some background information on the policy context. At the Paris Air Show the week before, a working group established by the EC - DG ENTR delivered formally to the EC a joint roadmap on RPAS. This roadmap is divided in 3 pillars: the first one is about the regulation to be put in place to allow the use of RPAS in non-segregated airspace, the second pillar concerns the research activities to be carried out in the context of the SJU extension and the third pillar focuses on legal questions arising from the use of RPAS, such as security and privacy. In order to raise the political attention of the European Parliament and Council of the EU on RPAS, a Communication will now be prepared by the EC and should be submitted to the European institutions after the summer. Stakeholders asked for the application of a similar approach to the one used for the SESAR programme with 3 clear different phases: definition, development and deployment. During the definition phase, a mini Master Plan on RPAS would need to be drafted to prefigure the research activities.
- Mrs Arnould, the EDA representative, expressed the full support of EDA and Defence ministries to the active implementation of the roadmap on RPAS. She also thanked the EC for having organised the systematic involvement of the military community in the RPAS activity. Considering the number of domains where the civilians and the military have commonalities (e.g. technics, regulation and certification aspects...) it is very important to work together. The EDA and the military are working actively

with the EC to launch a joint investment programme on the necessary technology developments to comply with the regulation for the integration of RPAS in non-segregated airspace. The joint investment programme should be launched in the second semester. There is also on-going work with the European Space Agency on how to guide RPAS with satellite technologies. At the last EDA Board in April, the RPAS activity was presented as one of main deliverables for the Council of the EU. The Commission is also preparing a Communication on Defence matters for the European Council, which should be released in July and examined at the end of the year. It will be an opportunity to show that on different issues a comprehensive approach was taken, bringing the civilians and the military together.

- Other activities - ATM Master Plan: Mr Borghini reminded the Board that since the release of the Master Plan Edition 2012 in October 2012, further work had been conducted at the request of the Single Sky Committee and in agreement with the EC on some aspects related to the military costs, the business view, risk management and the outcome of ANC12. The results of this work will be submitted to the Board in July for discussion and approval either by written procedure or at the next Administrative Board meeting in October. The business view review will take the form of an addendum to the corresponding chapter of the Master Plan and will integrate recent developments regarding the calculation of the military costs. The SJU in agreement with Eurocontrol and the EC would like to propose that a new edition of the Master Plan be submitted to the Board mid-2015. This date was chosen so that the Master Plan 2015 can take on board developments happening between now and 2015, in particular the results of the work on the performance needs, on Step 2, the evolution of the SES framework, the decision on the SJU extension, results from Release 4 and the content of the second common project.
- Mr Redeborn, stressed that the structure of the Master Plan in 3 levels allowed for a continuous update of the Master Plan integrating as required small adjustments coming as a result of the SJU activities. Mr Redeborn supported the proposal of mid-2015 for the next significant update of the level 1 of the Master Plan.
- The ENAV representative also supported the date of 2015 and highlighted the need for the SJU working framework, in particular Work Package C, to evolve and improve to meet the deadline.
- Other activities - Cyber security: A SJU Committee was set up and conducted a survey to better understand the state of the art on Cyber security. A number of companies involved in cyber security were interviewed. In the US, a similar activity is taking place; however it involves not only the ATM sector but also Defence and Homeland security agencies. The SJU Committee on Cyber security delivered a report that was sent to the High Level Group chaired by Mr Ruete. The SJU is planning to launch a study to understand the threats that can affect the future ATM system and to identify what should be the approach to address these threats. The procurement process for the study should be launched in September/October 2013 for a start of activity beginning of 2014.
- Following a request of the Airbus representative, Mr Ky indicated that the report of the SJU Committee on cyber security would be made available to the Board members.
- Other activities - Reallocation 2013 - BAFO III: Mr Borghini explained the process which will take place before the end of 2013 regarding the Reallocation 2013 and BAFO III. Members will be asked to provide their final commitments on their resources between now and the end of 2016. It will help refocus the programme on the Priority Strategic Business Needs, the release strategy and Step 1. It will also take into account the development of the PCP and the baseline on which the SESAR Programme 2 will be designed. A list of 77 priority projects was identified and should now become the core of the Programme. If resources are released to the SJU, Members will have the possibility with BAFO III to apply for 15 new activities. Within the 15 activities, one activity is related to the Virtual Centre Model and another one concerns the architectural aspects of the Programme with space for the examination of the Centralised Services. There will be other activities related to the preparation of the next SESAR programme: one for the definition of the boundaries

between the two programmes and one for the preparation of the very large scale demonstrations. To meet the deadline of a decision by the Board on 12 December and start of the work on 1st January 2014, Members were asked to submit their proposals by the end of September. The SJU will work on that basis in October and November in order to have everything ready on time for the Board of December. Mr Borghini underlined that BAFO III was a great opportunity to have resources dedicated for the launch of new large scale demonstration activities in 2014.

- Mr Castelletti stated that the EC fully supported the Reallocation exercise considering that it aimed at making the best use of the financial resources. The EC would expect that the resources committed by the EU to the Programme be used by the SJU as much as possible before the end of 2016. The full use of the resources available would also send a good signal to the Council and the European Parliament.
- Mr Redeborn, stressed that it would be good to have an indication of how much money would need to be spent in BAFO III to meet the objective just expressed by the EC.

Mr Borghini clarified that Members would not be able to participate in new activities if they do not release resources as part of the reallocation exercise. If an amount between 5 and 10% could be released back to the SJU this would allow new activities and potentially large scale demonstrations to be performed. However, it will be up to each Member to make its own assessment and make a proposal to the SJU in the spirit of the collaborative partnership.

- Eurocontrol recommendation on FAB/regional implementation: Mr Brenner explained that a letter was sent by Eurocontrol to the SJU to encourage a discussion at the Board on how the SJU could look at potential architectures and technologies to be used at regional/FAB level to complement the work performed by Eurocontrol on Centralised Services. Looking at the portfolio of the things developed within SESAR, there are a lot of candidates which could be used better at regional level rather than at central level or at local level. Before moving to the deployment phase, it seems necessary to know how the architecture of the operational concept would look like.
- Mr Kratky expressed on behalf of the A4 his full support for the Eurocontrol initiative. It is a good opportunity to make a first step towards more efficiency, more productivity and cost savings. The A4 is ready and willing to support Eurocontrol in this process.
- The ENAV representative recommended that within the overall cycle of planning, R&D and deployment, the objective should be to achieve the best economic performance model possible with the best cost-efficiency and the best support to the airspace users. The role of the SJU, the Master Plan and the Deployment Manager should be to achieve this target.
- The DFS representative stressed that when looking at new concepts such as Centralised Services or Virtual Centre Model, it was of paramount importance to consider the technical prerequisite of a harmonised architecture of the ATM system. Without this prerequisite, it will be difficult to implement some of the Centralised Services or the Virtual Centre Model. It is important to already start working on a harmonised architecture in order to get the benefits which are anticipated.
- Mr Ky acknowledged that the Eurocontrol letter was a step in the right direction. One of the activities proposed in BAFO III will look at the architecture of the new systems as well as at the notion of regional/local/centralised functions and the impact on the systems' architecture. It is important for the industry to take not only into account the impact on the functions but as well on the underlying technical architecture. Mr Ky proposed to take into account as part of the Master Plan 2015 the notion of "scaled deployment". It is indeed an essential dimension of how SESAR solutions will be implemented and a very important element of the CBA. A first discussion will take place soon at the PC on how the next ATM Master Plan Update should be organised. The organisation of the Master Plan Update should then be presented to the Board in October. Both the above mentioned BAFO III activity and the Master Plan Update could then be considered as providing an answer to the

Eurocontrol request.

- The INDRA representative informed the Board that a joint letter from the manufacturing industry was sent to the EC and Eurocontrol to support the implementation of the Centralised services. A combined collaboration between ANSPs and industry is considered the right approach to implement such services.

The Thales representative welcomed the fact that the technical aspects and underlying aspects of what the manufacturing industry will need to provide to the ANSPs will be addressed jointly under the SESAR Programme.



Conclusions on item 2

- The Board thanked Mr Guillermet and Mr Borghini for their valuable reports and took note of the presentation and exchange of views under this agenda item. The Board supported the activities that were presented by Mr Ky and will be carried by the SJU as an answer to the Eurocontrol recommendation on Regional/FAB implementation.

Item 3 SESAR Joint Undertaking Extension

- Mr Castelletti kindly requested all Board members not to use the terms “SESAR 2” anymore to avoid any confusion with the SES2+ legislative proposal. Reference should now be made to the SJU 2020, which is also consistent with the fact that there will not be any major change of direction with regard to the SESAR Programme development phase.

Mr Castelletti thanked all the SJU members for sending letters to the EC with the indication of their expected level of contribution to the SJU extension. Mr Castelletti explained that the modifications proposed to some of the articles of the SJU regulation and its annex were presented in the non-paper distributed to the Board. These proposed changes are minor. The main change aims at extending the duration of the SJU until the end of December 2024. The limitation of 8 years on the employment contracts was removed and some other changes are related to the new financial framework and the rules of Horizon 2020. The key assumption is that the SJU current organisation should be maintained. An indicative amount of EUR 1,6 billion is foreseen to be spent in the next period with the following break-down: EUR 100 million for exploratory research and the rest for applied research, pre-industrial development and large scale demonstrations. Exploratory research would be 100% co-funded by the EU and the rest of the activities would be 50% co-funded. The SJU budget would continue to follow the rule of one third of the budget brought by the EU, one third by EUROCONTROL and one third by industry.

The legislative proposal should be adopted by the College of Commissioners on 10 July and will be examined by the Aviation Working Party of the Council on 22 July. The Lithuanian Presidency is aiming at an early adoption of the modified regulation after the summer. To achieve this objective, Mr Castelletti invited all Board members to liaise with their respective States at ministerial level so as to facilitate the discussions in the Council.

- The ENAV representative stressed that the financial figures for the SJU extension would still need to be consolidated. In accordance with the new financial rules, the level of co-funding could indeed become in average higher than 50% and the level of contribution of EUROCONTROL as a founding member would also need to be clarified. Large scale demonstrations will now be part of the SJU activities and will also consume resources. It is now particularly important to get quickly to a common understanding of how the foreseen budget of EUR 1,6 billion could result in a robust and consolidated model.
- Mr Kratky indicated that the Airspace Users could support the extension of the SJU if a number of conditions were met. First of all, a clear plan of the SJU activities and

associated timeline is needed. Discussions should focus on the identification of the topics to be worked on. In the process from development to industrialisation and deployment, it will also be particularly important to maintain and secure full competition between manufacturers. Adequate funding should be ensured and finally, Airspace Users would like to get a much more active supporting role in the SJU.

- The Airbus representative underlined that the SJU extension Work Programme should address deployment to support the activities of the PCP and future CPs. With regard to the competition aspect highlighted by the previous speaker, Boeing in the framework of its associate partner contract with Airbus already confirmed that it would like to be part of the SJU extension and participate in particular in large scale demonstrations.
- Mr Ky clarified that competition was duly maintained in the SESAR programme even for the airborne components, as two flight management systems were used. Mr Ky recognised that there was a need to find a way to get Boeing, regional aircraft manufacturers and business and general aviation aircraft manufacturers involved in the SJU 2020. As mentioned by Mr Kratky, a lot of lessons can be learned from the current Programme. The lines of responsibility are too diluted in such a complex programme and priorities should be defined with a clear focus on activities that will deliver the expected benefits. The Programme is now mature enough to allow such a rationalisation to take place. It will nonetheless be a difficult task because SJU members will have to abandon some of their ideas or projects.
- The ANSP representative highlighted that the basis for ensuring sufficient competition was to have standards for the airborne and the ground equipment. Standards are the key to development and successful implementation.
- The Chair, Mr Ruete, commented that SESAR was now moving to a dangerous phase where with the SJU 2020, the establishment of the Deployment Manager and Central and Regional deployment, there would be temptations to do the same thing in different places. An important task for the EC over the next years will be to make sure that things are not duplicated unnecessarily and that competing organisations are not created. It will thus be particularly important to make a clear distinction between the demonstration activities and deployment. In the future even more than currently, the SJU will be a Research & Innovation organisation. The Deployment Manager will be responsible for SESAR and Common Projects' Deployment. The profile of the different organisations will need to be correctly defined. As indicated by Mr Kratky, a clear timeline and allocation of tasks is also needed. With regard to a stronger involvement of Boeing in the SJU extension, the Chair observed that this could make sense in terms of interoperability and common standards' development. Competition should of course be ensured and as indicated by Mr Ky, this could be achieved also through the involvement of regional and business aviation aircraft manufacturers.
- Mr Borghini explained that with the work on BAFO III, there should be a better visibility on how resources will be allocated until the end of the Programme. He also committed to provide the Board at its next meeting in October with a first outline of the SESAR Programme 2020 preparation and the list of activities foreseen. The objective will be to phase out and phase in resources without losing any opportunity.
- Answering to a question of the INDRA representative on the SJU expectations regarding large scale demonstrators, Mr Ky explained that the validation activities currently did not allow tools to be tested at 10 different locations. In the best cases, they were tested in a maximum of 3 locations. I4D trials were performed for example only with one flight and it was not possible to test the way the system would behave with a group of aircrafts equipped and another group not equipped and the impact on the surroundings. Large scale trials would enable the different actors to be educated on the impact, at operational level, of the new technologies, systems and functions and to build the real business cases. Large scale demonstration activities are a step towards implementation. The USA used this approach to test the added-value of the ADS-B out functions in real operation, with

commercial flights. It is also an opportunity to train the pilots, controllers and dispatchers on a large scale basis. For large scale demonstration activities to be successful, they will need to be well organised and the airlines and the military will have to be fully involved.



Conclusions on item 3

- The Board took note of the information provided by the EC and the exchange of views on the SJU 2020.

Item 4 SESAR deployment

- Mr Castelletti reminded the Board that a long process had finally led to the adoption in May by the EC of the Implementing Regulation on SESAR deployment. The implementation of this regulation can now start with the organisation of the 3 levels of governance. To activate the first level, which is the policy level, the EC sent letters to all the relevant organisations. Discussions have also begun on how to launch the Deployment Manager and should be concluded by mid-2014 with the establishment of the Deployment Manager. In parallel to this process, work will continue on the definition of the first Common Project, which will define what should be implemented, by when, by whom and where. As CEF funding will soon become available, it is urgent to put in place all the SESAR Deployment elements. It is important not to lose momentum and show that the SESAR development phase really produced concrete results.
- Mr Kratky asked the EC to explain how the process could be enforced from the decision level to the implementation level.

Mr Castelletti acknowledged that recent examples such as the Data link mandate had shown the difficulty to have decisions taken at legal level implemented. In the context of SESAR deployment, the EC is not imposing what should be deployed. It is really an industry-led process with elements coming from the SJU validation exercises and the PCP was defined based on industry inputs. There is normally a clear link between what has to be deployed and what is in the business plan of individual stakeholders. To avoid the negative experience of VDL Mode 2 to be repeated, the EC would like to introduce rewards and penalties in the legal framework.

- The Chair compared in a metaphorical manner what the SJU has delivered in the last years with the different models of a wardrobe. The aim is now to choose which parts of the wardrobe should go into mass production. For that reason, users (ANSPs, airspace users, airports) should agree together and say what they really want to do and implement. The Chair underlined that a vision of what we want to do was currently missing.
- The ENAV representative observed that a regulatory approach in a field technically complex like ATM was not appropriate and led very often to failure as shown by the VDL Mode 2 example. With SESAR Deployment, there is now an opportunity for operational investors and the other stakeholders to partner together to deploy a single model. There is a need for flexibility in the Deployment Programme and the financial engineering should be fully integrated with the technical programme as is the case currently in the SJU. The way the final call for the Deployment Manager is drafted should give the needed flexibility for the operational investors to act in a very efficient way.
- The Chair indicated that the call for the Deployment Manager, its setting-up and the adoption of the Common Project Implementing Regulation should realistically be achieved beginning of 2015.

▷ Conclusions on item 4

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

Item 5 General Administrative and budget issues

Item 5a Presentation of the Final Annual Accounts 2012

- Mr Borghini informed the Board that the last version of the draft final annual accounts 2012 had been distributed to the Board the day before. The SJU has to submit the final annual accounts by the 1st of July 2013 and the Board will have to approve them by year end together with the report of the European Court of Auditors (ECA) which is still under preparation.

The delay in the submission of the final annual accounts is due to the fact that the ECA decided to re - perform the audits on three members. For two of them, the results of the audit were fine. Nevertheless, in other two cases the SJU did not receive confirmation of the final results. As a consequence, the final annual accounts should be finalised only over the next days to protect the SJU from any problem on the financial aspects in the next months.

The final version of the final annual accounts 2012 will be sent to the Board on 1st July. The document already includes the information on the resignation of Patrick Ky as the Executive Director of the SJU, considering that an event of this importance has to be mentioned in the accounts.

- The Chair noted that the EC would need a few days to look at the final annual accounts 2012 and would send back comments to the SJU, if any.

▷ Conclusions on item 5a

- The Board took note of the information provided by Mr Borghini with regard to the Final Annual Accounts 2012.

Item 5b Appointment of the SJU Executive Director *ad interim*

- The Chair indicated that the Board had to formally accept the resignation of Mr Ky. The Chair stressed that Mr Ky had done an amazing job in setting up the organisation of the SESAR Joint Undertaking. He wished Mr Ky good luck in his new position as EASA Executive Director.

The Chair explained that the process for the appointment of the new Executive Director would be long and would probably be finalised around March 2014. The Board would then be requested to appoint the new Executive Director based on a shortlist of at least 3 candidates. Consequently, during approximately 6 months, there will be a situation of interim to manage. The EC proposes to appoint for that role someone from the Aviation Community.

The Chair and Mr Brenner suggested to the Board to nominate Mr Claude Chêne as the Executive Director ad-interim. Mr Chêne used to be Aviation Director in the EC during his career, he was also a former Director General for Human Resources in the Commission and he is now special adviser to Vice-President Kallas. Mr Chêne is well known in the aviation community. The Chair added that this solution would not result in any significant costs for the Joint Undertaking.

- The Chair noted the agreement of the Board with regard to the appointment of Mr Chêne as the Executive Director ad-interim from the 1st September 2013 onwards.

Mr Chêne will be relying on the two Deputy Executive Directors to assist him in doing his work.



Conclusions on item 5b

Decision ADB(D)-04-2013

- The Board formally accepted the resignation of Patrick Ky as the Executive Director of the SJU. The Board also took note of the information provided by the Chair and adopted Decision ADB(D)-04-2013 on the appointment of the SJU Executive Director *ad interim*.

Item 5c Process for the selection of the SJU Executive Director and appointment of the SJU representative and observer in the pre-selection panel

- The Chair reminded the Board that Board members were consulted on the draft job description of the SJU Executive Director. Comments were received and taken into account and the vacancy notice should be published in the Official Journal of the EU on 5th of July as well as in other specialised journals. Applications should be submitted before 5th of September.

A pre-selection panel will be created and will be chaired by Mr Ruete. Other representatives of the Commission will be part of the panel, together with a representative and an observer of the SJU Administrative Board. The Chair suggested appointing Mr Brenner as the representative of the Board in the pre-selection panel. For the observer of the Board in the Panel, the EC proposes Mrs De Mateo from AENA, who is an experienced member of the Board and who would, moreover, ensure nationality and gender balance in the panel. As she was not able to attend the meeting, she will be contacted to know if she would accept the assignment.

Depending on the number of applications received, European Commission will look at the CVs to check that they are compliant with the selection and eligibility criteria of the vacancy notice. On the basis of the evaluation of the CVs, the panel decides who to invite to an interview. Normally, 10 to 15 candidates are invited. A shortlist of 3 to 6 candidates then goes to the Management Assessment Centre and has a second interview with senior officials of the EC (the European Commission's Consultative Committee on Appointments (CCA)). On the basis of the interview and the results of the assessment centre report, the CCA establishes a shortlist of 3 to 4 candidates. The Commissioner interviews the candidates and proposes to the College to adopt a shortlist of the most suitable candidates. Once adopted, this shortlist will be submitted to the Single Sky Committee for an opinion and the SJU Administrative Board will then be able to interview the candidates and take the decision on the appointment of the new Executive Director.



Conclusions on item 5c

- The Board took note of the information provided by the Chair with regard to the process for the selection of the Executive Director. It also noted the proposals made for the appointment of the SJU representative and observer in the pre-selection panel.

Item 5d Appointment of the Board Secretary

- Due to the termination of the contract of Mrs Woff-Lhuissier at the end of September 2013, the SJU proposed to appoint Mrs Ilaria Vazzoler as the new Secretary of the Board.

▷ **Conclusions on item 5d** Decision ADB(D)-05-2013

- The Board agreed to the proposal and adopted decision ADB(D)-05-2013 to appoint Mrs Ilaria Vazzoler as Secretary to the Administrative Board. The Chair thanked Mrs Woff-Lhuissier for the high level work as Secretary of the Administrative Board and wished her luck in the next steps of her career.

Item 5e Appointment of the Board Vice-Chairperson

- The Chair proposed to the Board the renewal of the appointment of the Eurocontrol representative as the Vice-Chairperson.

▷ **Conclusions on item 5d** Decision ADB(D)-06-2013

- The Board agreed to the proposal and adopted decision ADB(D)-06-2013 on the appointment of the Board Vice-Chairperson.

Item 6 Any Other Business

Item 6a Involvement of the military in the programme: update by EDA Chief Executive

- Mrs Arnould observed that was a few years ago there was a clear disconnect between SESAR, as a civilian programme and the military community. Since then, considerable progress was made and the EC has now engaged a very constructive dialogue with the military. The defence community is considered a key partner for the successful implementation of the SESAR Programme. The military flights only represent 2% of the traffic in controlled airspace but are accountable for 25% of all flights in Europe. The Implementing Regulation on SESAR Deployment fully recognises the importance of the military and EDA was given the role of coordinating the views of the military, bringing together all the inputs in particular from EUROCONTROL but as well from the Nations within NATO. EDA established two years ago an informal forum on SESAR called SMIF (SESAR Military Informal Forum) to bring together all actors: the EC, SJU, EUROCONTROL and NATO. EDA has recently put in place a programme, which will be supported by a cell composed of experts from Member States with expertise in the following domains: security, planning and procurement of ground systems, of airborne systems and ATM. EDA established as well cooperation frameworks with all key stakeholders, through an exchange of letters with the SJU and with EUROCONTROL and through a roadmap with NATO. In December 2011, the SJU Board had indeed mandated the SJU to rely on EDA for the interactions with NATO. The assistant secretary general for defence investments of NATO and Mr Ky then agreed on a roadmap to engage NATO at tactical level. After a few technical meetings, the dialogue will now focus on the interface between SESAR and ACCS. With the roadmap and the very active involvement of Mr Ky and his team for its implementation, a good cooperation framework is now in place with NATO.

As a result of the SESAR definition phase in 2008, the financial impact of the SESAR Programme on the military had been estimated to EUR 7 billion. A study is being performed to review this figure and the impact on the military is now estimated to be around EUR 4 billion. This figure will be further refined and will be provided to the SJU during summer as an input to the review of the ATM Master Plan Business View. Mrs Arnould stressed that the question of compliance with SESAR was very sensitive in the current context of important cuts in the budget of the Member

States' Defence Ministries. In terms of funding, it is clear that it is not possible to get direct EU funding for purely military capabilities. EDA is however looking at dual use equipment and is examining how EDA could be part of the structure of the Deployment Manager and help deliver synergies between the civilian and the military domains.

- The Chair underlined the important role played by EDA to make sure that the military are fully aware of SESAR. It was important to get the wider military community on board.
- Answering to an intervention of the INDRA representative, Mrs Arnould clarified that what was discussed was how to support the military constituency in presenting projects that could fill the criteria for funding under SESAR. The question raised by INDRA was if within the EDA activities, some funding was foreseen for purely military aspects coming from the SESAR Programme. Mrs Arnould indicated that this was something that EDA could develop.
- The Military representative commented that the military community was very interested in exploring the possibility of equivalent capability standards. A number of the military platforms have probably already an equivalent level of capability to the one required by SESAR, without having to spend additional expenditure. It is thus very important to express the military requirements of SESAR in terms of equivalent capability standards.
- Mrs Arnould confirmed that the question of standards was really key and proper harmonisation was one of the main issues.
- The Chair suggested that SESAR be clearly mentioned when Heads of States and Government will meet to discuss the topic of Defence industry in December.



Conclusions on item 6a

- The Board took note of the information provided by Mrs Arnould on the military involvement in the programme.

Item 6b Other topics

- Mr Borghini explained that the Internal Audit Service of the EC was expected to come to the meeting, but as the report they wanted to present was not yet complete, they should present it instead at the October or December meeting.
- Mr Borghini drew the attention of the Board members on the report that was distributed to them on the monitoring of IPRs. Members were invited to provide their comments on the document by the end of September. The final document would then be presented to the Board in October. The SJU has to provide this document in accordance with a requirement provided for in FP7, to show what the SJU is doing to monitor IPRs.
- Mr Ky thanked all Board members for the cooperation and partnership spirit they have always shown in the Board. He stressed that it was very helpful to have a Board always willing to support the SJU in achieving the best results. He also underlined the admirable work done by all the SJU team and in particular his two deputies.

Mr Ky informed the Board that he would receive an award (the Glen A. Gilbert award) during ATCA in the US on 23 October. As he would like to invite a number of Board members to come to this event, he kindly requested if the date of the next Board meeting, currently planned on 24 October, could be reconsidered.

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, 04/07/2013

Chairman



Secretary



Annex 1
Attendance list

Annex 2
Declarations on conflicts of interest