

Today's Partners for Tomorrows Aviation

ANNUAL REPORT 2007-2008

Founding Members



PRELIMINARY REMARK

This annual report covers the period from the first official Administrative Board meeting of the SESAR Joint Undertaking held on 15 June 2007 to 31 December 2008.

The SESAR programme is the operational and technological answer to Europe's major air traffic management challenges. The aim of the SESAR Joint Undertaking is to ensure the modernisation of the European air traffic management system by coordinating and concentrating all relevant research and development efforts in the Community with a view to harmonising implementation. Partnership, sustainability and user orientation are founding principles of the SESAR Joint Undertaking work approach.

Founding Members



ANNUAL REPORT 2007-2008

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CORPORATE GOVERNANCE & MANAGEMENT

The SESAR Joint Undertaking (SJU), founded by the European Community and Eurocontrol, is a public-private entity with three pillars.

The governance of the SESAR Joint Undertaking is ensured by the Administrative Board and the Executive Director.



THE ADMINISTRATIVE BOARD IS COMPOSED OF REPRESENTATIVES OF

- the members of the SJU;
- the equipment manufacturers;
- the military;
- the airports;
- the civil users of airspace;
- the bodies representing staff in the air traffic management sector;
- the air navigation service providers;
- scientific institutions and the scientific community.

ON THE DATE OF 31 DECEMBER 2008 THE BOARD'S MEMBERS WERE

- | | | |
|---|--|---|
| → EUROPEAN COMMISSION
Mr Daniel Calleja (Chairperson)
Mr. Luc Tytgat, (alternate) | → CIVIL USERS OF AIRSPACE
Mr Vincent De Vroey
Mr Pedro Vicente Azua (alternate) | → AIRPORTS
Mr Stuart Condie
Mr Roland Krieg (alternate) |
| → EUROCONTROL
Mr Bo Redeborn (Deputy Chairperson)
Mr Bernard Miaillier (alternate) | → AIR NAVIGATION SERVICE PROVIDERS
Ms Marie Desseaux
Mr Martens (alternate) | → STAFF IN THE ATM SECTOR
Mr Marc Baumgartner
Mr Jean-Pierre Etienne (alternate) |
| → MILITARY
Gen Antonio Pilotto
Gen Jean-Robert Cazarré (alternate) | → EQUIPMENT MANUFACTURERS
Mr Luigi Iodice
Mr Hugues Subra de Salafa (alternate) | → SCIENTIFIC COMMUNITY
Mr Peter Hecker
Mr Jean-Jacques Favier (alternate) |

The Administrative Board is chaired by the representative of the Community, Mr Daniel Calleja, Air Transport Director in the Commission's DG TREN.

The Executive Director, Mr Patrick Ky, directs the execution of the SESAR project within the guidelines established by the Administrative Board, to which he reports. To achieve this, he has the full commitment of the SJU teams.

THE MANAGEMENT OF THE SJU IS ORGANISED AS FOLLOWS

- | | |
|--|---|
| → Director Administration and Finance: Carlo Borghini
→ Chief, Communication and Stakeholder Relations: Eric Platteau
→ Chief, Economics and Environment: Alain Siebert | → Chief, Operational Concept and Validation: Michael Standar
→ Chief Architect: Peter Hotham
→ Chief Programme Manager: Florian Guillermet |
|--|---|



SJU staff

MESSAGE FROM THE CHAIRMAN OF THE ADMINISTRATIVE BOARD

SESAR is one of the most important research and development projects ever launched by the European Community. Its objective is to provide technological solutions in the area of the Air Traffic Management for the full and successful achievement of the Single European Sky legislation. While the Single European Sky's regulations will provide a revised legal framework for a more efficient, performance driven, safer and greener procedures for the air traffic management in the entire ECAC area, the SESAR programme will deliver technological solutions, functionalities, systems and standards which will be deployed in Europe.

The SESAR Joint Undertaking constitutes a powerful public-private partnership which brings together all the stakeholders from the ATM community, including air navigation service providers, aircraft manufacturers, airlines, civil and military representatives and two international organisations, the European Community and Eurocontrol.

The SESAR Joint Undertaking's mandate is to modernise the European ATM system by coordinating and concentrating all relevant research and development efforts in the Community and execute the European ATM Master plan, which is the roadmap for achieving the performance improvements. It is founded on recognised knowledge and technical expertise of EUROCONTROL and the future members, whereas the European Commission acting as the public international organisation will secure the necessary financial, legal and management support for the execution of the ATM Master plan and consistency with the Single European Sky framework.

The activities undertaken by the SESAR Joint Undertaking in 2007 and 2008 mainly focussed on the setup of the public-private partnership. The first step was to establish its governance: the Administrative Board and the Executive Director.

The Administrative Board of the SJU held its first informal meeting on 2.04.2007 one month after the entry into force of Council Regulation establishing the SJU. The Board has held 10 meetings in the first 22 months of its existence and has taken important and timely decisions which have allowed a rapid setup of the JU in order to assure a seamless transition from the definition phase.

The Administrative Board appointed the Executive Director in October 2007. Thanks to the support and confidence from the Member States, the Institutions, Eurocontrol and industry the SJU was set up in record time and it is progressing very fast consolidating its structure and steadily picking up speed. The initial membership process is due to be finalised in April 2009 and the development activities shall be launched in 2009.

The task was, and still is, a challenge because we have set up something new in the ATM sector, using an innovative legal instrument which has allowed us to bring together the public and the private sector to work on a common program and to carry out R&D in a new manner. We took the risk of being pioneers. This means that we may have to make adjustments along the way. The Joint Undertaking's staff dedicated a lot of efforts to successfully conduct negotiations and finalise accession agreements with its future members and Eurocontrol, within the mandates laid down in the Council's regulation and by the Administrative Board. The European Commission, EUROCONTROL and the JU have worked hand-in-hand in order to shape the legal and the financial framework for the participation of the future members in the joint undertaking.

The SESAR Joint Undertaking is now a reality gaining visibility as an emerging body responsible for managing the development of European ATM research. All the ATM players are looking with interest at SESAR. The first ICAO forum dedicated to SESAR and NextGen in 2008, shows the importance between research-driven programmes and their implementation contributing to new international standards applicable throughout the world. The ICAO forum on integration and harmonisation of NextGen and SESAR next September constitutes a major event and a key step forward towards global interoperability.

These are initial achievements of the Joint Undertaking. They have all been achieved with a spirit of full commitment to the Programme. I would like to warmly thank my fellow Board members as well as the Executive director and the SJU staff for taking part in this new human, technological and ambitious adventure. After the set-up of the Joint Undertaking, I am confident that 2009 will be the year of the full kick off of the SESAR work programme to meet the high expectations of its founding members and all other actors of the Air Transport sector.

Daniel Calleja



FOREWORD FROM THE EXECUTIVE DIRECTOR

Aviation has made fantastic progress in the last 50 years and traffic has more than doubled in the last 20 years. To cope with the growing demand for air travel, air traffic management has also significantly improved. But not sufficiently, as technologies are becoming old and saturated. Soon, the cost of technical shortcomings will become a real issue, and the technological gap between Air Traffic Management and the other industrial fields (telecommunications, space, IT, etc.) may become impossible to bridge. As far as technologies are concerned, ATM is at a crossroads. The SESAR Programme is the only way forward.

THE BIRTH YEAR OF THE JOINT UNDERTAKING

The SJU mission is to manage the SESAR development phase, which is composed of research, development and validation activities. Since taking up my duties, I have worked on establishing solid foundations for the SJU activities:

- **Cost-efficiency:** by reusing whenever possible existing facilities or expertise, for instance by establishing the SJU in the former offices of the GALILEO Joint Undertaking, using their furniture and equipment.
- **A light structure:** by recruiting highly-skilled professionals who will supervise and manage technical activities rather than doing them themselves.
- **Establishing partnership:** the major challenge in SESAR is to work together and agree on decisions which need to be made. Progress has been made by laying the foundations of a public-private partnership, as well as by initiating a working relationship with a large set of stakeholders.

As in all organisations, the key to success lies in the quality of recruitment. Since August 2008, almost all SJU management positions have been filled by experienced managers from various countries (UK, Sweden, France, Italy, Belgium, Germany, etc) with a public or private professional background (ANSPs, airlines, international organisations, etc.). To supplement this team, we have been able to bring in high-calibre experts seconded by Eurocontrol to form the Programme Support Office, which will be a key asset in the management of the Work Programme.

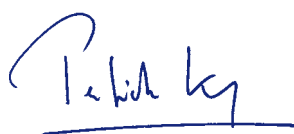
The public-private partnership in SESAR is the first of its kind worldwide. Building these new working arrangements has been a concentrated, sometimes tense, but always constructive effort that the SJU has led with 15 candidate members, who were selected through an open procedure launched in 2007, and Eurocontrol, its second founding member. Although this process needs to be finalised, the path which has led to its hopefully successful completion (due in Q2, 2009) has been extremely positive in terms of learning and understanding how we can work together.

TODAY'S PARTNERS FOR

This partnership must not work in isolation. In particular, there are a number of key stakeholders who are not set to become full members of the SJU, but which nevertheless need to be fully involved in the work. In order to build up their involvement, the SJU has conducted discussions with a number of stakeholders, including the relevant representative associations (IATA, AEA, IACA, ELFAA, ERA, EBAA, IAOPA, CANSO, ACI, ETF, ATCEUC, ECA, IFATCA and IFATSEA) to inform them adequately and to define ways to involve them at every step of the SESAR development phase.

During the last part of 2008, the European Community decided to transform the Joint Undertaking from a Belgian legal entity to a European Community Body. The new Council Regulation¹ entered into force on the 1st of January 2009 and allows for substantial tax savings, as from 15 October 2008, which can be dedicated to the operational activities of the Programme. This is an important step, which allows the SJU to be aligned with other Joint Technology Initiatives. It reinforces the duty of the SJU to strictly follow the European Commission rules and regulations in its management. In 2008 the European Commission also transferred to the SJU the first instalment funds in an amount of € 110 million. The SJU is now fully ready to deploy all its efforts to lead the SESAR Programme.

I would like to finish by thanking our newly recruited staff for their commitment as from day one and for their hard work during this initial phase through 2007 and 2008. I would also like to extend my thanks to our future members and partners for their support and dedication in this start-up phase. 2009 will be the kick-off year for the SESAR Work Programme, which means exciting and challenging times ahead for us and for the Air Transport Community as a whole.



Patrick KY



TOMORROWS AVIATION

1. Council regulation (EC) 1361/2008 adopted on 16th of December 2008, entered into force on 1st of January 2009.

"It is the first time ever that a partnership of this importance and with this many partners has been created in the air traffic management sector. With SESAR, Europe will not only have the safest and most modern ATM infrastructure (an infrastructure which will be greener too), but will also continue to be a leader in the wider aeronautics sector," observed **Dominique Bussereau, French Minister for Transport**, representing the Council of the European Union.



"This is one of the most complex research and development programmes ever launched by the European Community," underlined **Antonio Tajani, Vice-President of the European Commission and Commissioner for Transport**, adding that "the positive impact of SESAR's goals on the day-to-day activities of air space users, passengers, air traffic controllers and citizens will include fewer delays, lower fuel consumption, improved efficiency, time gains and increased airport capacity."

PART 1 THE MISSION OF THE NEWLY CREATED SESAR JOINT UNDERTAKING

1.1. A PROGRAMME FOR ALL AND WITH ALL AIR TRANSPORT ACTORS

The SESAR programme came into existence when it was recognised that Europe's current air traffic control systems will soon be unable to cope with the growth in flight movements, the number of which is expected to double by 2030². In 2007, about 10 million flights were recorded, whilst the most likely scenario according to a Eurocontrol report entitled "Challenges of Growth" is an average growth of 2.7% a year between now

and 2030, i.e. 20.4 million flights by 2030. At the same time, environmental awareness is rising, prompting the need for more efficient operations and better technology. The EC's Single European Sky legislation has taken jurisdiction over air traffic management matters at Community level in a drive to coordinate the critically needed upgrade of European ATM systems.

The SESAR Joint Undertaking (SJU) was created under European Community law on 27 February 2007, with the European Community and Eurocontrol as founding members, in order to manage the SESAR Development Phase.

SESAR, AN AMBITIOUS, 3 PHASES PROGRAMME

- The SESAR Definition Phase (2005-2008) delivered the SESAR ATM Master Plan. It was developed by a representative group of ATM stakeholders. The Master Plan is a roadmap for achieving higher performance levels for ATM, it identifies the actions, from research to implementation, needed to achieve SESAR goals.
- The SESAR Development Phase (2008 - 2013) will produce the required new generation of technological systems, components and operational procedures as defined in the ATM Master Plan and Work Programme. The research activities of the SESAR JU will continue until 2016, as foreseen in the Council's Regulation³.
- The SESAR Deployment Phase (2014-2020) will see the large-scale production and implementation of the new air traffic management infrastructure composed of fully harmonised and interoperable components guaranteeing high-performance air transport activities in Europe.

SESAR aims to modernise the ATM infrastructure by synchronising the input of all stakeholders. For the first time, all aviation players are involved in the definition, development and deployment of a pan-European modernisation project.

THE KEY PERFORMANCE TARGETS FOR 2020 ARE TO

- enable a threefold increase in capacity
- improve safety by a factor of 10
- reduce the environmental impact per flight by 10%
- cut ATM costs by 50%



2. Source: EUROCONTROL – long-term forecast at www.Eurocontrol.int

3. Council Regulation (EC) 1361/2008 Since there were only a limited number of transactions in 2007 and respecting Article 5 of the SJU Financial Regulation, the first financial year for

1.2. THE ANNUAL WORK PROGRAMME FOR 2007-2008

In February 2008, the Administrative Board approved the Annual Work Programme 2007-2008, defining 7 sets of activities where the SJU needs to achieve specific milestones (ref. SESAR JU-ADB-2008-1 rev 2):

1. The setting up of SESAR JU.
2. The signature of the membership agreements.
3. The setting-up of the Work Programme Management structure.
4. The establishment of the stakeholders' participation modalities.
5. The establishment of the framework for international cooperation.
6. The launch of specific technical activities.
7. The launch of communication activities.

1. SETTING UP THE SJU

The Administrative Board immediately took actions to set-up of the Joint Undertaking. A temporary administrator has been nominated, Olivier Meert, who initiated all the first administrative duties to start-up the JU as a Belgian legal entity.

In 2007 a European recruitment procedure was organised to select the Executive Director. On October 12th, Mr. Patrick KY has been appointed at the head of the Joint Undertaking.

As detailed in the different parts of this annual report, milestones have been achieved meeting the expectations expressed by the Board in the annual programme for 2007-2008. The Joint Undertaking has been set up and has developed human resources policies and financial processes, resulting in the hiring of new staff and the detailed reporting of the SJU financial statements (see Part 5). For the smooth running of the joint undertaking, logistics have been organized to ensure that the staff has a suitable working environment. The former Galileo Joint Undertaking offices were selected to host the JU. Lastly, but critically, an initial IT infrastructure was developed. The deployment of a full collaborative platform to share technical information amongst SESAR participants is planned for 2009.

On December 16th 2008 thanks to the adoption of the amended Council regulation, SESAR JU was recognised as a community body. This change of statute from a Belgian entity to an EU body is a major evolution and will require an intense administrative follow-up in 2009. The Protocol on the Privileges and Immunities of the European Communities shall apply to the Joint Undertaking including significant changes in staff regulation and financial rules.

2. SIGNATURE OF MEMBERSHIP AGREEMENTS

The strength of a "Joint Undertaking" lies in its ability to establish public private partnerships. In 2008, after a call for expressions of interests following which 26 companies/organisations submitted offers, the pre-selection process identified 15 companies/organisations to be part of an initial core group of members. A steering group was established to allow coordination between the candidate members and the Joint Undertaking. This steering group established technical groups, in order to establish a common legal framework for the PPP, and also to develop a solid technical work programme. After intensive work, during which a number of highly-skilled technical and legal experts worked together in a cooperative but sometimes challenging spirit, the steering group finalised a set of principles and documents, which were subsequently approved by the SJU Administrative Board to be the basis for the membership agreements. This first round of membership is expected to be concluded by Q2, 2009.

Founded by the European Community and EUROCONTROL, the SESAR Joint Undertaking also benefits from the support of fifteen public and private enterprises which are candidate-members of the SJU:

→ **air navigation service providers:** the DSNA (France), the DFS (Germany), ENAV (Italy), NORACON (Northern Europe and Austria), AENA (Spain), and NATS (En Route Limited (United Kingdom);

→ **ground and aerospace manufacturing industry:** Frequentis, Honeywell, Indra, NATMIG, SELEX Sistemi Integrati and Thales;

→ **aircraft manufacturers:** Airbus and Alenia Aeronautica;

→ **airports:** SEAC (a consortium expected to comprise six large European airports), AENA and NORACON;

→ **airborne equipment manufacturers:** Thales.

The listed organisations are able to offer the specialist expertise of aircraft manufacturers, national air navigation services providers, airport operators and equipment manufacturers. This makes the SJU a truly international public-private partnership.

3. SETTING-UP OF THE WORK PROGRAMME MANAGEMENT STRUCTURE

A good deal of effort was put into building a detailed work programme on which contractual accountabilities could be defined (see next section).

The secondment of a team of highly-skilled staff from Eurocontrol in the Programme Support Office (PSO) enabled the SJU to set up the foundation for management of the excessively complex and large R&D activity.

4. ESTABLISHMENT OF STAKEHOLDER PARTICIPATION MODALITIES

As SESAR is impacting a large variety of stakeholders, the SJU partnership's attitude is by definition extended to them as well. Substantial efforts were there made – as described in part 3 – to liaise regularly with the main air transport actors.

5. ESTABLISHMENT OF A FRAMEWORK FOR INTERNATIONAL COOPERATION

In parallel, the Joint Undertaking started to position itself as an approachable interlocutor in order to secure international cooperation. The involvement of members, partners and other worldwide actors in this field is of crucial importance for the success of the SESAR programme.

6. LAUNCH OF SPECIFIC TECHNICAL ACTIVITIES

As further developed in part 4 of this report and according to expected milestones listed in the annual work programme, the SJU launched a call for tenders to implement the activities of the the Atlantic Interoperability Initiative to Reduce Emissions (AIRE).

17 tenders were selected to be part of the "Atlantic Interoperability Initiative to Reduce Emissions programme". The AIRE programme is supporting more than 100 trials in 2009, based on the preparation work carried out during the second half of 2008.

Moreover, in order to facilitate the alignment of ongoing R&D activities with the SESAR programme, and therefore limit the risk of dispersion and waste of resources, the European Commission decided in 2008 to ask the SJU to provide technical support in the steering of 6th Framework Programme activities. This has taken the form of technical reviews by the SJU to support the European Commission in the follow-up of these projects.

7. LAUNCH OF COMMUNICATION ACTIVITIES

Communicating adequately is a key for success. Since the SJU is a new entity, its entire visual identity needed to be developed. This initially involved developing communication material (brochure, press release, press kit, video, website, etc.). The key event was undoubtedly the official inauguration of the Joint Undertaking on 8 December 2008, which was attended by more than 350 guests. The media covered the event on the basis of the official press release issued at this occasion.



TIMELINE

27/02/2007

SESAR Joint Undertaking created under European Community law, founded by the European Community and Eurocontrol

15/06/2007

First formal Administrative Board Meeting

27/06/2007

First call for expressions of interest to become a member of the SESAR Joint Undertaking

12/10/2007

Appointment of the Executive Director

15/11/2007

Temporary offices in Brussels, rue du Luxembourg 3

21/02/2008

Start of the negotiations with 15 pre-selected members

06/05/2008
Public release
of D5 – SESAR
Master Plan, a
key deliverable
of the Definition
phase

09/09/2008
First ICAO
forum dedicated
to SESAR and
NextGen

17/11/2008
First AIRE
contracts
signed

01/12/2008
Initiation of
the last phase
for accession
to the
SESAR Joint
Undertaking

8/12/2008
Official
inauguration
of the Joint
Undertaking

16/12/2008
adoption of
the amended
Council
regulation
recognising
SESAR JU as
the community
body

PART 2 THE FOUNDATIONS OF THE SESAR WORK PROGRAMME

INTRODUCTION

The technical Work Programme of the SESAR Joint Undertaking is based on the SESAR Master Plan developed during the Definition Phase. It defines all projects and activities to be undertaken in the 2008-2016 timeframe under the supervision of the SESAR JU.

The Work Programme, executed in cooperation with the 16 members, comprises 16 work packages designed to provide tangible results from the ATM Network R&D Programme.

These packages will develop and deliver the necessary operational and technical materials (specifications, procedures, prototypes, validation reports, etc.) for the progressive industrialisation, deployment and operation of the new ATM system.

THE PROGRAMME BREAKS DOWN INTO 4 DIFFERENT THREADS

- Operational activities are addressed under WPs 4, 5, 6 and 7,
- System development activities are addressed under WPs 9, 10, 11, 12, 13 and 15,
- System Wide Information Management is addressed under WPs 8 and 14,
- “Transverse activities”, such as validation infrastructure, development of safety, security, environment and human performance guidance and cases, ATM Master Plan maintenance, target concept and architecture maintenance, are dealt with in WPs (B, C, 3, 16).

2.1. INITIAL DESCRIPTION OF WORK

An initial version of the SESAR Work Programme was established in the framework of the Definition Phase (“Work Programme for 2008-2013” deliverable [D6]). However, this version did not go into sufficient detail to define objectives, activities and deliverables. Moreover, it did not have any prioritisation elements in it.

As a consequence, a refined version was created in a cooperative way with the Candidate Members, under the steering and supervision of the SJU.

As a result of this very intensive activity, Description of Work (DoW) documents have been created for each of the 16 Work Packages. A DoW describes, at the level of individual projects (more than 230 in total), the work to be undertaken and provides high-level project descriptions (concept and objective, activities to be carried out, necessary expertise, dependencies, timeframe, relations with the Operational Improvements and enablers of the ATM Master Plan, deliverables, management information and high-level risks).

These DoWs were submitted for different reviews and prioritisation activities, resulting in a stable DoW version 4.0, which was released on 17 December 2008 and forms the basis for the last phase of the membership accession process.

2.2. ESTABLISHMENT OF A CONTRACT FOR INDUSTRIAL SUPPORT

The complexity of SESAR lies in the heterogeneity of all its technical components: ground, airborne, satellite segments, managed by different types of stakeholders (airports, air navigation service providers, military actors, airspace users, etc.). In order to ensure the overall consistency of the Programme and to align individual projects with the SESAR Programme objectives, the SJU will deploy an engineering methodology framework, establishing procedures, processes and tools that will be uniformly applied.

An “Industrial Support” (IS) contract supports the definition and implementation of these methodologies.

The IS contract was awarded to AIRBUS in July 2008 after a public procurement procedure (CFT N° SJU-6-2007) and signed on the 16 October 2008.



ICAO Forum, Montreal, Sept. 2008



ICAO Forum, Montreal, Sept. 2008

PART 3 SJU AS THE DRIVING INTERFACE FOR ALL SESAR STAKEHOLDERS

The SJU is the only entity which is responsible for the development phase of SESAR.

The SJU policy is to build upon existing working arrangements whenever feasible. For this reason, the SJU started to participate actively in the European Community working groups (Single Sky Committee and Industry Consultation Body) and Eurocontrol working groups (Military ATM Board, Stakeholders Consultation Group). Moreover, in order to ensure appropriate coordination with standardisation activities, the SJU decided to become a member of EUROCAE.

International coordination is an essential dimension of ATM modernisation. In order to ensure coordination with other similar initiatives worldwide, the SJU started discussions with the US Federal Aviation Administration, under the umbrella of an FAA-European Commission Memorandum of Understanding, using where appropriate the existing FAA-Eurocontrol Memorandum of Cooperation.

From this perspective, the key event for 2008 was undoubtedly the ICAO forum on SESAR and NEXTGEN which gave the global aviation community an update on the situation on both programmes, and addressed the role of ICAO in the perspective of global harmonisation.

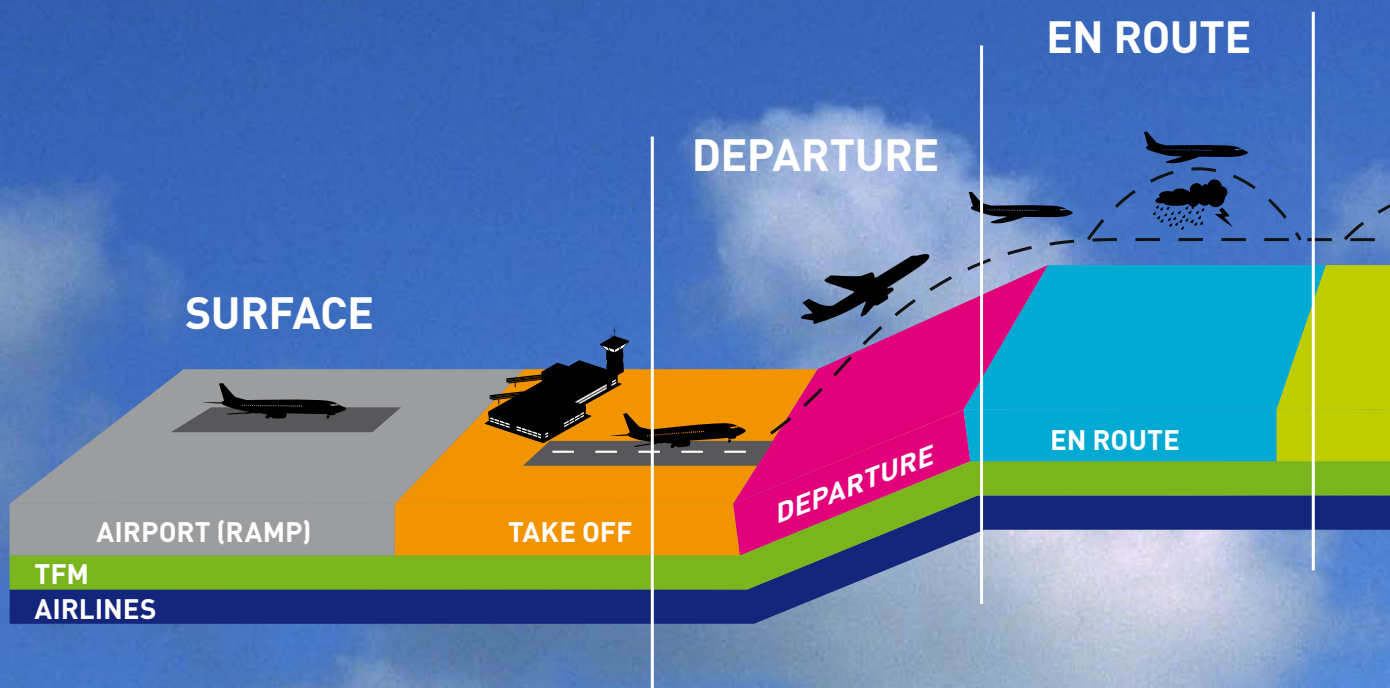
The SJU also initiated discussions with a number of stakeholders in order to define and anticipate their participation in the work programme, with the materialisation of these contacts to be expected for the start of the technical activities (Q2 2009). In particular, constructive contacts were made with airspace users, staff representatives, regulatory authorities, EASA, military authorities, meteorological organisations.

PART 4 FIRST ACTIVITIES LAUNCHED: AIRE

The Atlantic Interoperability Initiative to Reduce Emissions (AIRE) agreement between the European Commission and the United States is a programme which aims to reduce CO₂ emissions. By taking advantage of new operational procedures in the air traffic management and using existing technologies, the AIRE project will accelerate the implementation of environmentally friendly procedures for all phases of flight, and aims at quantification of the benefits of these improvements.

Under this initiative, airlines, air navigation service providers (ANSP), the manufacturing industry and airports are invited to capitalise on present avionics technology and work collaboratively in order to perform integrated flight trials and demonstrations validating solutions for the reduction of CO₂ emissions.

AIRE DOMAINS

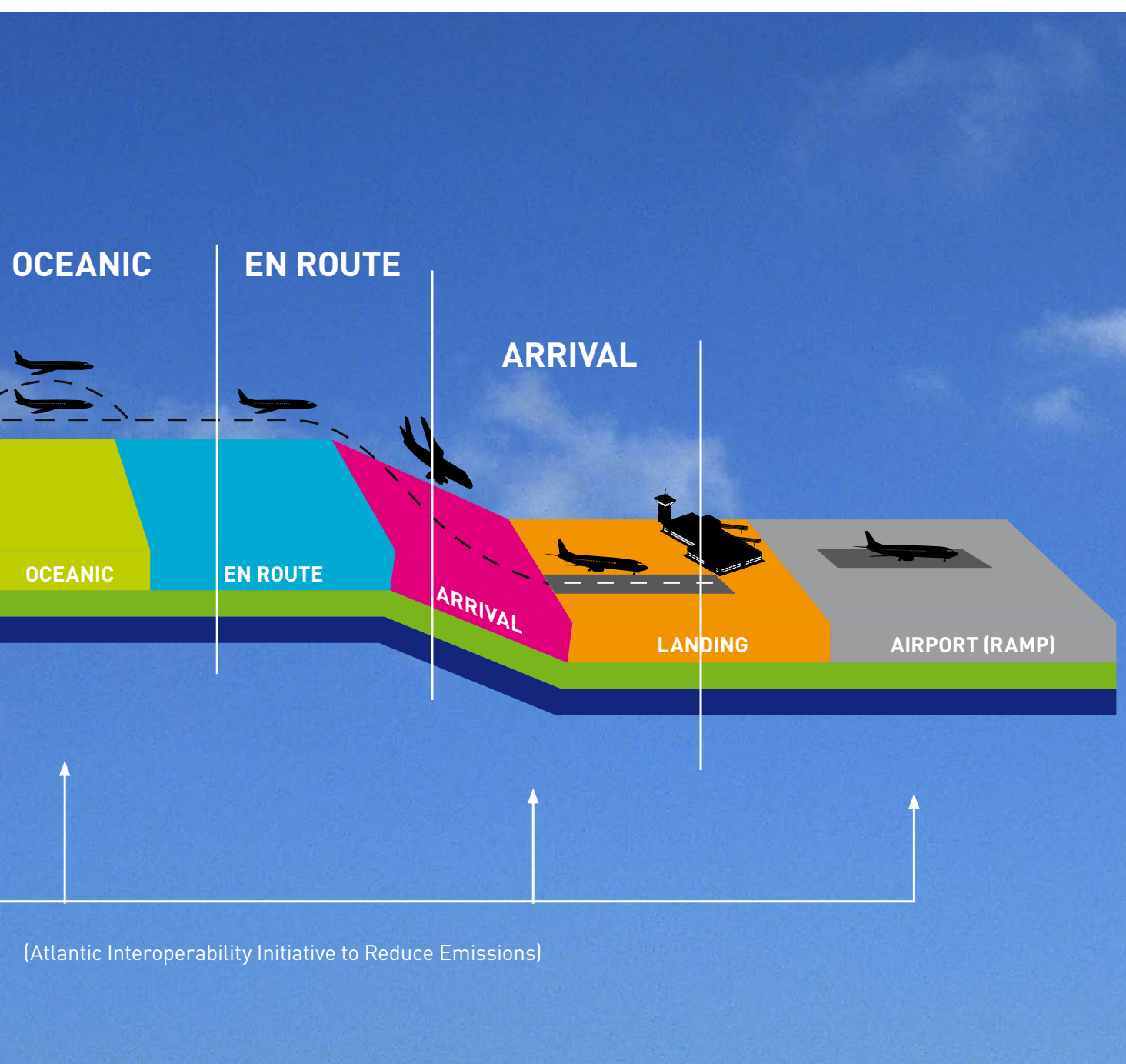


AIRE

During 2008, the SESAR Joint Undertaking became responsible for the management of AIRE from a European perspective. A call to support forthcoming AIRE activities was launched and resulted in an agreement with seventeen partners to perform over one hundred trials during 2009. The seventeen partners are: Airbus, Air France, the French ANSP DSNA, Aéroports de Paris, Thales, ADACEL, AVTECH, Egis Avia, Nav Portugal, TAP Portugal, Isavia, Icelandair, AENA, INECO, Iberia, LFV and Novair.

These trials will complement the findings of a number of AIRE activities conducted in during 2008, some of them already putting Europeans and Americans side by side.

In addition during 2008, the SESAR Joint Undertaking intensified its exchange with the FAA with a view to further strengthening transatlantic cooperation in this field.



PART 5 ADMINISTRATIVE INFORMATION

A KEY AREA IN 2008: THE HUMAN RESOURCES

The ability to attract a highly qualified and flexible workforce was of vital importance in the start-up phase of the Joint Undertaking. The HR policy of the SJU is compliant with the one of the European Commission and has been proactively applied since 2008. One of the most critical tasks since the appointment of the Executive Director was to define the appropriate organisational chart to run the SESAR programme efficiently and to start defining the requested profiles. 14 recruitment procedures were completed in 2007 and 2008 for the following positions:

- Executive Director
- Head of the Financial Resources Unit
- Human Resources Officer
- Head of Legal Affairs and Contracts Unit
- Executive Secretary
- Secretary – Programme Director
- Chief, Economics and Environment
- Chief Architect
- Director, Administration and Finance
- Chief, Operational Concept and Validation
- Secretary – Administration & Finance Director
- Chief, Communication and Stakeholder Relations
- Finance and Accounting Officer
- Deputy Exec Director-Programme Director (on-hold)

The SJU worked intensively on the selection procedures. 1,108 curriculum vitae were received by the SJU and 72 interviews were organised to allow panels to select the best candidates. Selection panels always involved representatives from the European Commission, Euro control and, when relevant, from the industry.



SJU staff



The Programme Support Office (PSO) was composed of 8 employees from Eurocontrol. In total, the people based in the SJU premises were 22 on 31 December 2008.

In December 2008, 11 recruitment procedures were launched for the following positions:

- **Head of Legal affairs and Contracts Unit (replacement)**
- **Chief Regulatory Affairs**
- **Head of ConOps S&D Unit**
- **Head of Validation/Verification S&D Unit**
- **Head of Airborne & CNS Systems Unit**
- **Head of Airport & Centre ATM Systems Unit**
- **ConOps/Airport S&D Officer**
- **ConOps/Airspace User S&D Officer**
- **Avionics Systems Architect**
- **IT Systems Architect**
- **Communication Associate**

All these positions are expected to be filled during the second part of 2009.

Moreover, in order to conduct its technical activities, the SJU identified a need to rely on a pool of independent experts, who could be called upon in case of specific needs such as tender evaluations, audits and reviews. A total of 104 CVs were listed in the independent experts database as of 25 June 2008, following an open procedure for applications (Ref. SJU001/CFP)

FINANCIAL INFORMATION

The first financial year⁴ of the SJU was characterised on the one hand by the Initial Contributions of the two SJU Founding Members (European Communities and Eurocontrol) in terms of revenue, and on the other hand by expenditure on administrative and preparatory costs in order to prepare for the start of the actual Programme, planned for the first half of 2009.

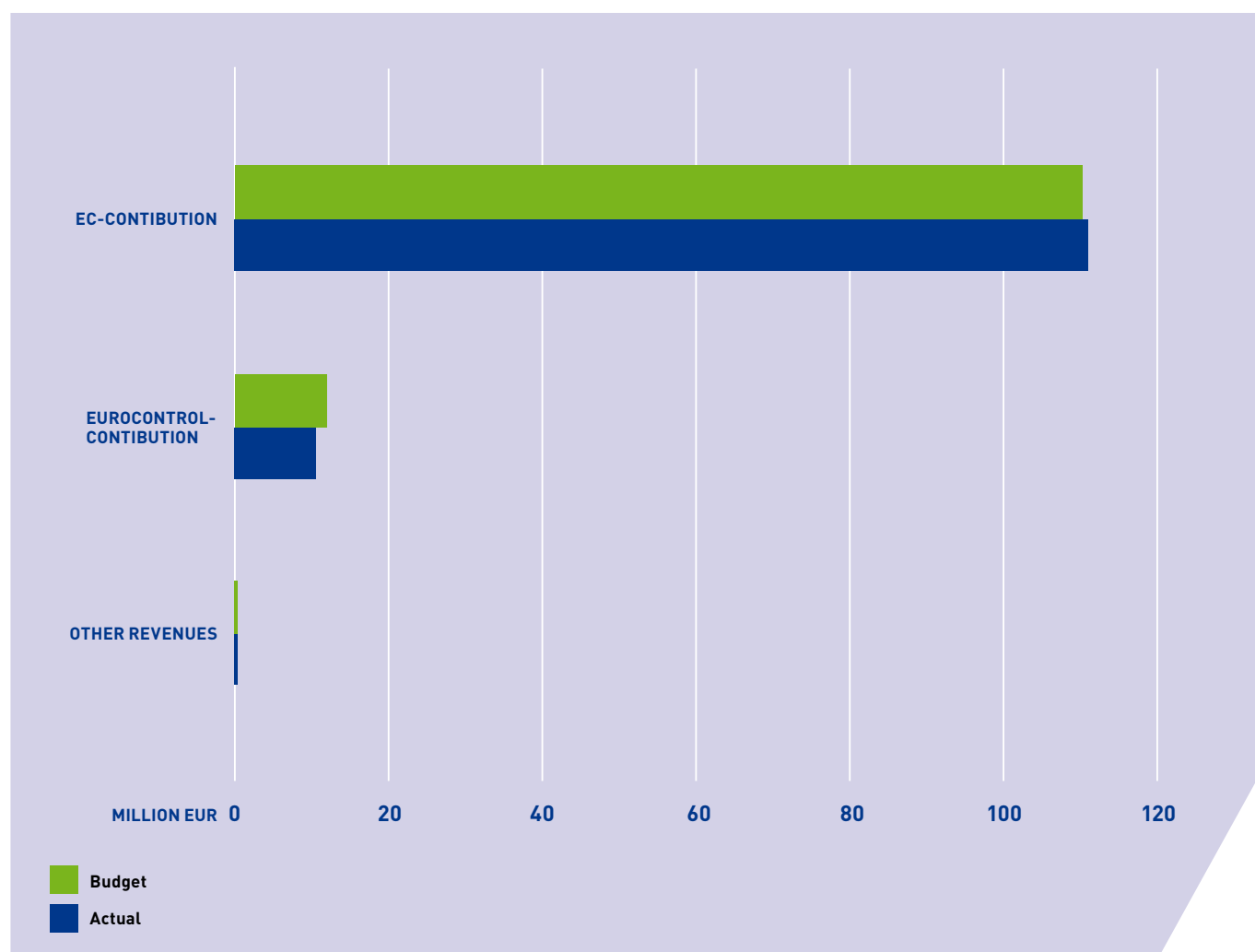
REVENUES

In August 2007 the SJU received an initial contribution of €10.0 million from the European Commission's 7th Research & Development Framework Programme (FP7). Furthermore, the Commission transferred €85.8 million from the Trans-European Transport Network funds (TEN-T) as well as a second payment from FP7 of €15.0 million in December 2008, amounting to an overall contribution of €110.8 million by the EC.

Furthermore, Eurocontrol paid an initial Cash Contribution of €10 million in 2008 and, in addition to that, Eurocontrol provided the SJU with contributions in kind to the tune of €0.9 million for Programme-, IT- and administrative support necessary to set up the operational structure of the Joint Undertaking⁵.

Other revenue consists of €0.2 million for non-reimbursable interests received on cash deposits.

THE FOLLOWING CHART SUMMARISES SJU REVENUES FOR 2007/2008



4. the SJU combines all 2007 and 2008 transactions.

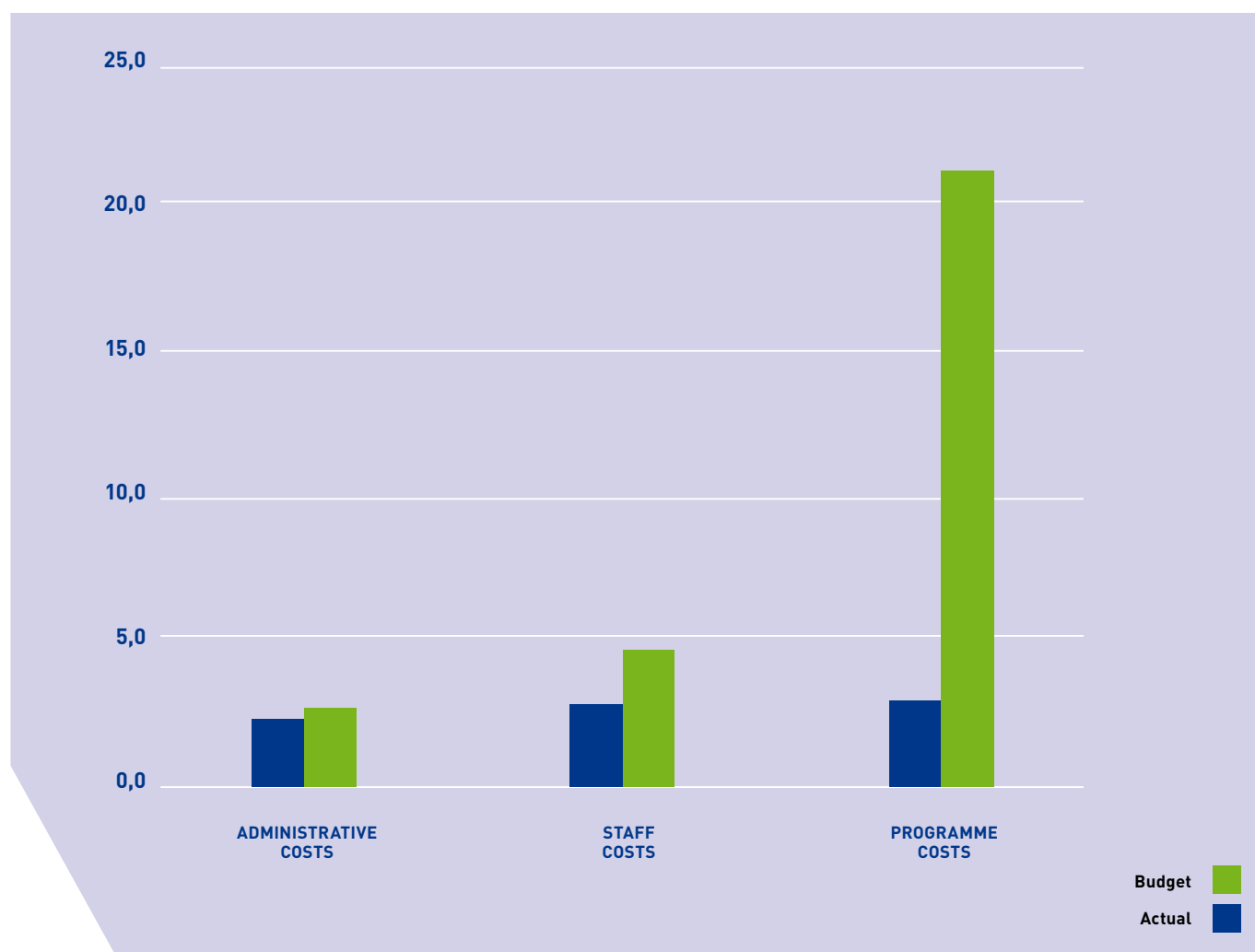
5. These in kind contributions, however, were not yet recognised in the financial accounts as revenues in absence of a final agreement between Eurocontrol and the SJU.

EXPENDITURE

The SJU's costs for 2007/2008 consisted mainly of staff and administrative expenditure, as the Programme itself is expected to be launched in early 2009. However, preparatory activities such as management, technical and legal support for building up the structure of the Programme have already incurred Programme-related costs of €3.0 million.

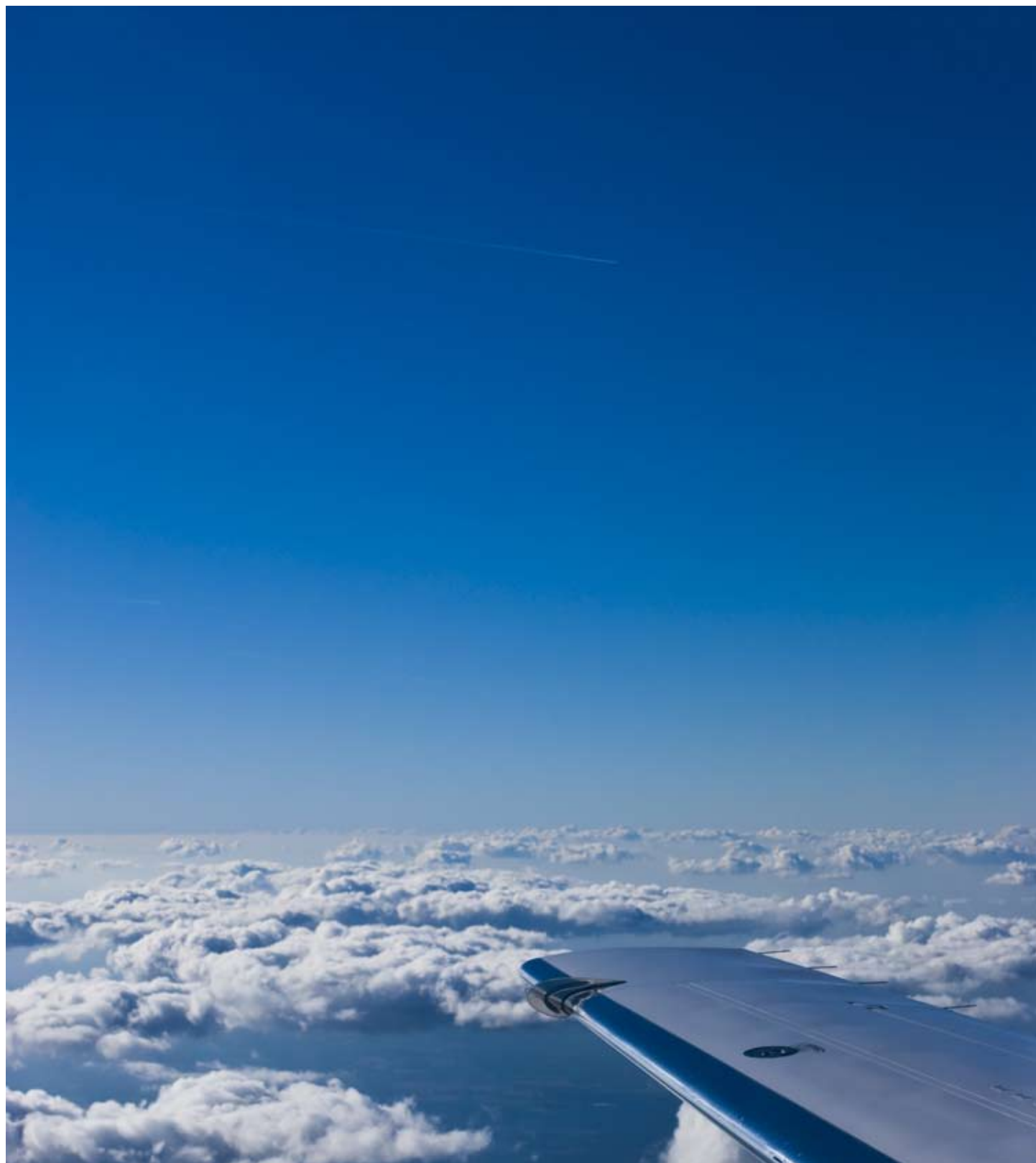
On the other hand, costs for the setting-up and running of the Joint Undertaking itself amounted to €5.1 million for 2007/2008. Of these costs €2.8 million were expenditure for staff-related costs such as salaries, payroll-taxes, social security expenses and insurances/pensions. The remaining €2.3 million comprised administrative expenditure such as Rentals, IT and PR costs.

THE FOLLOWING CHART SUMMARISES SJU EXPENDITURES FOR 2007/2008



Disclaimer:

All financial figures contained in this report are subject to the final observations of the European Court of Auditors and the final approval by the SJU Administrative Board (in accordance with Article 5 (i) of the Statutes of the SJU annexed to Council Regulation (EC) No 219/2007 of 27 February 2007 and as amended by Council Regulation (EC) No 1361/2008 of 16 December 2008).



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