

EASA MANAGEMENT BOARD

14 November 2002

Minutes of the 2nd meeting of the EASA Management Board (list of participants is attached)

The Management Board started its meeting by an homage to the victims of the LUXAIR crash, occurred on 6 November, and expressed its condolences to their families.

1. AGENDA

The Management Board adopted the followed revised agenda:

Administrative part (for decision)

- (1) Adoption of the agenda
- (2) Adoption of the minutes of the 1st Management Board
- (3) Adoption of the rules of procedures of the Management Board
- (4) Election of Chairperson and Deputy Chairperson (vote)
- (5) Adoption of a 2002 budget and establishment plan
- (6) Adoption of a decision for the composition of the Advisory Group of Interested Parties
- (7) Confirmation of next meeting

For discussion

- (1) State of play for the appointment of the Executive Director
- (2) First discussion on the rule-making process

- (3) First discussion on the structure of the Agency
- (4) A.O.B.

2. MINUTES OF THE PREVIOUS MEETING

The minutes of the 1st meeting of the Board as set out in the corresponding document dated 29 October 2002 have been adopted without modification.

3. ADOPTION OF THE RULES OF PROCEDURE OF THE MANAGEMENT BOARD (EASA MB/2/2002 OF 7 NOVEMBER 2002)

As promised during the first meeting of the Board, the Commission representative informed that the opinion of its Legal Service is that the Chairperson should not lose its voting rights once elected. He also informed the Board of the rationale for the involvement of European third countries in the work of the Board: the Board's role is to control and manage the executive arm of the Agency; participation in that context shall reflect the level of commitment to the Community system and can therefore not be completely open.

The Management Board then examined article by article the document EASA MB/2/2002 dated 7 November 2002 and introduced a number of changes. A revised document EASA MB/2/2002 dated 14 November 2002 final has been distributed during the meeting and has been adopted unanimously.

4. ELECTION OF CHAIRPERSON AND DEPUTY CHAIRPERSON

Two candidates have presented their candidature for the Chairperson function: Mr. Schmidt (Germany) and Mr. Smethers (UK). After a short introduction of their motivation, the Board voted by secret ballot as stipulated in article 2(2) of its rules of procedure. Two members of the board (Belgium, Greece) and their alternates were absent.

According to the adopted rules of procedure when there are only two candidates the first ballot is not held. In the second ballot, the two candidates received an equal number of votes (7-7) and therefore none of them received the required two-thirds majority. A third round has been held, during which the two candidates received the same number of votes each (7-7). As no candidate received the majority of votes of all members required for the election in a third round, the election ended without result.

The Board decided to postpone the election to its next meeting and authorised the moderator (Mr. Ayral) to sign the Board decisions on its behalf in the meantime.

5. ADOPTION OF A 2002 BUDGET AND ESTABLISHMENT PLAN (EASA/MB/2/2002 OF 8 NOVEMBER 2002)

The Commission alternate representative (Mr. Probst) introduced the document on the 2002 budget and establishment plan outlining the main conclusions of the ad-hoc meeting held on 6th of November to discuss budget and staffing aspects.

The common understanding between all Board members is that the hiring of staff at this stage is done with a view to facilitate preparatory work and in no case could prejudice decisions to be taken by the Executive Director once appointed. The staff envisaged (15 A grade and 3 C grade auxiliaries) will be initially managed by the Commission's team in charge with the EASA file; the Executive Director will take over as soon as appointed.

The Commission representative on a request of a delegation, declared that the staff recruited will mainly deal with the Agency logistics; in no way it will enter in aviation safety technical matters even when dealing on tasks under the so-called "regulatory logistics" in the paper of 8 November 2002. The document will be modified in its page 7 accordingly to clarify that the hired staff will only deal with the procedures for consultation on the regulatory material. A typing error on page 5 on the number of hired staff should also be corrected.

The Commission representative informed the Board that the contract for the building rent would be flexible enough with the possibility to step out every six months due to the uncertainty of the Agency's location; such flexibility of course will have financial consequences. The rest of the budget was devoted mainly to IT and furniture purchases.

The Commission representative stressed once again that the proposed 2002 budget did not constitute a commitment from the Commission side that it could indeed reach commitment of all or a major part of it before the end of the year. Commission procedures were lengthy and only one month was left; therefore although it could try its best there was a major risk of losing significant parts of the 2002 budget.

With these comments in mind, the Board:

- adopted unanimously the EASA 2002 budget and the EASA 2002 establishment plan contained in the attached document EASA MB/2/2002 dated 15 November 2002 final.
- decided unanimously to request the Director General of DG TREN to commit expenditure and make payments as authorising officer of the budget line dedicated to EASA budget for 2002, on the basis of the above mentioned 2002 budget.

6. ADOPTION OF A DECISION ON THE COMPOSITION OF ADVISORY GROUP OF INTERESTED PARTIES (EASA/MB/2/2002 OF 7 NOVEMBER 2002)

The Management Board examined article by article the document EASA MB/2/2002 dated 7 November 2002 and introduced few changes; it felt in particular that the ABIP should be self sufficient in terms of logistics and administrative support. It thereafter adopted the revised version dated 15 November final, and invited the Board's secretariat to address a copy of it to the associations concerned.

7. CONFIRMATION OF NEXT MEETINGS

The following next meetings have been agreed:

- 3 December
- 17 December

A tentative date has been taken for the first meeting of 2003 which is the 29th January 2003.

8. STATE OF PLAY FOR THE APPOINTMENT OF THE EXECUTIVE DIRECTOR

The Commission informed the Board about the state of play on the matter. Close date for applications has been extended to 15th of November 2002 due to the limited number of applications received by the end of October.

Several delegations expressed their clear preference for a list of persons and highlighted risks inherent to a possible Commission proposal containing only a name. The Commission representative took note of this discussion.

9. FIRST DISCUSSION ON THE RULE-MAKING PROCESS

The relevant part of the Deloitte & Touche study has been the subject of a first exchange of views. The consultant has based its proposals on the relevant Canadian and Australian models taking into account the peculiarities of the European environment.

The general feeling was that the document constituted a good working basis for the EASA rule-making process. Some delegations would like to wait appointment of the Executive Director before adopting it. However, it has been agreed that this procedure deserved a high priority and therefore preparatory work should start immediately. In view of the complexity of the matter it was very likely that when the process was ready for adoption the Executive Director would have been nominated.

The following course of action has therefore been agreed:

- During a first phase agreement should be sought on the principles underlying the rule-making process. The relevant part of the Deloitte & Touche report should be sent by the Board secretariat to the ABIP for consultation.
- Once principles are agreed a formal decision will be drafted for discussion and adoption by the Board.

10. FIRST DISCUSSION ON THE STRUCTURE OF THE AGENCY

The relevant part of the Deloitte & Touche study has been the subject of a first exchange of views. Letters from interested parties offering ideas and requesting their consultation on this point have been distributed to the Board members.

The general feeling in the Board was that this part of the study did not offer the same level of maturity as the previously discussed item. Ideally the structure should be decided when the Executive Director was in place. However this decision was on the critical path for making the Agency operational quickly and progress needed to be made in the meantime.

In view of the above, the Board decided to separate the questions that were linked to choices that should be left to the Executive Director (like for instance the Agency's establishment plan) from the more political choices (for instance centralised versus decentralised structure).

The latter aspects would be discussed during its next meeting on the basis of a paper to be prepared by the Board's secretariat (a list of points would be offered by the Dutch delegation). Consultation of interested parties, and the basis for it, will be discussed at the same time.

11. A.O.B.

11.1. Third countries' participation

The Commission representative informed the Management Board about the difficulties encountered in the discussions with EFTA States. The Board asked the secretariat to prepare a decision for its next meeting outlining the conditions of informal participation of EFTA States at the Board's meetings pending the conclusion of a formal agreement.

11.2. Access to the Board documents

Due to a high number of requests received so far, the Board agreed to make publicly available its composition (list of members and alternates) as well as the agendas and reports of its meetings. They will be published in the web site of the Agency.

11.3. Agenda of next meeting

The following outline of a draft agenda has been agreed for next meeting:

- (1) Election of chairperson
- (2) Process of selection of the Executive Director
- (3) Implementation of 2002 budget
- (4) Participation of non EU states
- (5) Structure of the Agency.

European Aviation Safety Agency

2002 Budget and establishment plan

For EASA to be able to handle in an independent way its budget, it is necessary to have:

- the Executive Director appointed,
- the financial regulation adopted,
- the budget and establishment plan adopted.

Pending the nomination of the EASA Executive Director, the authorising officer of the competent Directorate General (in this case the Director General of DG TREN) can implement the budget line under the following conditions:

- the financial regulation in force for the general budget of the European Communities applies,
- the Management Board has adopted the budget and establishment plan for the year in question,
- the Management Board requests the Commission to execute the budget for a certain period of time.

This document has been prepared with the view to implement these principles for 2002.

It therefore illustrates the budgetary requests and the personnel needs for the period November to December 2002. This is a period in which the Agency is planning, recruiting and putting in place the requirements of the founding Regulation 1592/2002¹ hereafter called "EASA founding regulation".

Most of the activities relate to the establishment phase of the Agency, although some will carry on and develop through subsequent years.

¹ Official Journal L 240, 7. 9. 2002, p1

Pending appointment of the Executive Director, no recruitment of permanent or temporary staff should be done. In order to cover the needs of this first phase, staff to be recruited under the Agency's budget will be on contracts of limited duration. Their main tasks are of an administrative and legal nature and are further detailed in the attachment to this document.

Decision to be taken by the Management Board

The Management Board is asked to decide that:

- it adopts the EASA 2002 budget and the EASA 2002 establishment plan outlined in the attached document,
- it requests the Director General of DG TREN to commit expenditure and make payments as authorising officer of the budget line dedicated to EASA budget for 2002, on the basis of the above mentioned 2002 budget.

I. OVERALL POLICY OBJECTIVES

The EASA founding regulation foresees in its article 56 that the Agency shall undertake the certification tasks incumbent upon it as from 28 September 2003.

In order to make the Agency operational the Management Board must adopt a number of acts that fall within its competence (cf. Annex 1). Pending the nomination of the Executive Director who is the Appointing Authority of the Agency, the Management Board must be given the necessary support in order to proceed with the adoption of relevant material. Some logistics has also to be put in place to provide for a first establishment and prepare for the next steps in 2003.

In view of this, the short term Objectives for 2002 are as follows:

- prepare and adopt the acts that fall within the competence of the Management Board in accordance with the priorities defined in Annex 1;
- to recruit personnel on short term contracts to provide support to the Management Board and prepare the agency's logistics (further detailed in paragraph III of the present document);
- to secure adequate budget management;
- to ensure, in line with the requirements of the Regulation, through collaboration with the Commission, and, as necessary, the other Community Institutions and key stakeholders, that the work of the Agency can proceed without undue delay.

II. BUDGET

Estimates 2002 in €	Credits on the line
Expenses for Personnel (Title 1)	140.000
Building, equipment and miscellaneous operating expenditure (Title 2)	735.000
<u>Total:</u>	<u>875.000</u>
Operating expenditure (Title 3)	0.000
<u>Total:</u>	<u>875.000</u>
<u>Staff on the EASA budget at year end (auxiliary)</u>	
<u>A</u>	<u>15</u>
<u>B</u>	<u>0</u>
<u>C</u>	<u>3</u>
<u>Total:</u>	<u>18</u>

It has to be underlined that the length of public procurement procedures may not allow commitments to be done before the end of the year, even if the Commission services will do their utmost to go as quickly as possible.

If appropriations are not entirely committed before the end of the year 2002, the Commission will examine the possibility of a carry over of the non-utilised credits to 2003. Criteria in the financial regulation are relatively strict and no guarantee can be given that such carry over will be authorised. If not, there is a risk that significant part of the 2002 budget can be lost.

Furthermore even if the authorisation for carry over is accepted, all commitments must be done before end of March 2003.

Expenses for personnel (Title 1)

This appropriation should allow the Agency to hire the human resources necessary for providing support to the Management Board, preparing its logistics, including preparation of consultation on draft regulatory material and of contractual arrangements for the execution of certification tasks as further detailed in section III of this document. Pending appointment of the Executive Director, no recruitment of permanent or temporary staff shall be done, as reflected in the establishment plan given in Annex 2².

The expenditure foreseen under this title covers therefore recruitment of 18 auxiliary staff (15 researchers (category A staff), 3 secretaries (category C staff)) and costs related to Executive Director and auxiliary staff recruitment (travel expenses of candidates, consultancy services).

The Agency may also have recourse to detached national experts if it proves more easy, within the limit of expenses foreseen under title 1.

An indicative repartition inside Title 1 is given in Annex 3. Flexibility must be kept for moving expenditure from one chapter to another within the title 1.

Building, equipment and miscellaneous operating expenditure (Title 2)

This appropriation should enable the Agency to cover administrative and IT needs for the first months of its existence. It covers:

- The rental of an EASA building for about six months,

² Only permanent officials or temporary staff agents are considered as staff holding a post provided in the list of posts and are therefore included in the establishment plan. Auxiliary or detached national experts are considered as "other staff" and do not enter in the establishment plan.

- The purchase of IT equipment including printers, faxes, photocopiers as well as associated supporting IT services,
- The purchase of furniture,
- Consumables,
- Postal charges and telecommunications,
- Expenditure on meetings.

An indicative repartition inside Title 2 is given in Annex 3. Flexibility must be kept for moving expenditure from one chapter to another within the title 2.

III. ESTABLISHMENT PLAN

In view of the extent of tasks to be achieved the team currently in charge of this file in the Commission is not able to respond alone to the needs. Therefore there is a need to assign additional human resources.

Pending nomination of the Executive Director, the Management Board requests the Director General of DG TREN to proceed to the recruitment under Commission's contracts of 15 researchers and 3 secretaries. The contracts should be of limited duration, with the first set of contracts ending at 31.03.2003. The action of this team will be initially co-ordinated by the Commission and then by the Executive Director as from his appointment.

The tasks to be executed for the first establishment of the Agency are of an administrative/legal nature and consist mainly in:

- providing secretariat support to the Management Board on the points connected with the constitution of the Agency and in following up of the related files,
- putting in place progressively the logistic needed by the staff for executing their tasks, including the preparation of the regulatory logistic needed for the execution of the tasks of the Agency,

as further detailed hereunder.

At this stage, it would be premature to engage technical experts, taking into account that high quality people would not accept the precarity of the offered jobs. It is difficult to specify the volume of work connected with the activities defined above and one must take account of the fact that engaged persons will probably not have major technical authority in the fields concerned. Taking into account the number of tasks to be carried out and the need to provide the secretariat necessary for the team, it is proposed to hire 15 researchers at an A grade and 3 secretaries at a C grade.

Overall management and planning activities

The day-to-day management of activities linked with the setting up of the Agency, including adequate planning and programming. Support to the Executive Director, the Management Board and the Advisory Body of Interested Parties, ensuring that the relevant elements of the Regulation establishing the Agency are implemented in the correct sequence to arrive at an operational Agency.

Preparation of input to the Management Board

To prepare on time relevant material and support for decision by the Management Board in the following areas:

- Procedures for rule-making (Article 43)
- Procedures for taking individual decisions (Articles 44 and 45)
- Structure of the Agency (article 24.2.m)
- Staffing policy (Articles 20 and 24.2.m)
- Fees and charges (Article 24.2.i and Article 53)
- Financial regulation and budget of the Agency (article 24.2.c and f and Articles 48, 49 and 52)
- External communication (Articles 11 and 47)
- Externalisation of certification tasks (Article 24.2.d)
- Inspection of the national administrations (Article 45)
- Establishment of the Board of Appeal (Article 32)

Administrative and support activities

To provide administrative and support functions in the following areas:

- Legal: To provide legal advice to the Agency on the implementation of the Regulation, and of other regulations relevant to the establishment of the European Aviation Safety Agency. To prepare legal documents as required and legal guidance and support to the Executive Director and any other sector.
- Information Technology: To develop an Information Technology strategy and implement each element to ensure that the Agency is able to function with adequate internal and external communication and technology equipment and networks. To build a web-site. To ensure that equipment needs are identified and met. To support the establishment of other functions within the organisation with the timely provision of state of the art IT systems. To provide technical and operational assistance and training to computer system users.
- Communication: To develop a communication function within the overall framework of the remit of the Agency. To build publication capability for the Agency's reports, opinions and other information. To ensure that press relations are dealt with

adequately. To plan communication activities during the establishment of the Agency to ensure that these are adequate during the difference phases. To develop relations with key stakeholders.

- Human Resources: To provide a minimal Human Resource service to the Agency, including selection, recruitment and grading, personnel policy, taking account of the on-going reform process as applied to Community agencies, career development and training. To advise the Executive Director on the application of the Staff regulation applicable to staff employed by the Agency.
- Finance: To assure effective planning and management of the annual budget and accounts of the Agency. To provide assistance to the development of financial and budget management policy, as well as the establishment of the annual and multi-annual work programme. To monitor and advise on the progress of the implementation of the budget of the Agency and advise the Executive Director. To establish and maintain the necessary links with the Commission, the Budgetary Authority and other Institutions and Bodies.
- Regulatory logistics. To prepare procedures for the consultation of interested parties and the organisation of appropriate co-ordinations with national administrations of Member States and third countries, on the regulatory material to be developed by the Agency; to prepare subcontracting arrangements with national administrations of Member States for the execution of Agency's certification tasks, as appropriate.

Annex 1 – List of points to be decided by the Management Board by order of priority

1st priority (before end of 2002)

- Internal rules of the Board (art. 24.2.j of EASA Regulation)
- Appointment of the Executive Director (art. 30)
- The 2002 budget (art. 48) and the 2002 Establishment plan
- Establishment of the Advisory Body of Interested Parties (art. 24.4)
- Procedure for the development of opinions, certification specifications and guidance material (art. 24.2.e and 43)
- Structure of the Agency (art. 24.2.m)
- Staffing policy (art. 24.2.m)
- The 2003 budget

2nd priority (1st trimester 2003)

- The financial regulation (art. 52)
- Linguistic arrangements for the Agency (art. 24.2.k)
- Guidelines for the allocation of certification tasks to national aviation authorities or qualified entities (art. 24.2.d)

3rd priority (2nd trimester 2003)

- Appointment of Boards of appeal (art. 24.2.g and 32)
- Publication policy (art. 24.2.l and 23.1)
- Procedures for taking decisions (art. 24.2.e and 44)
- Public access to documentation and external communication (art. 47)
- Standardisation inspections of national aviation authorities (art. 16.1 and 45)
- Technical investigations (market surveillance) (art. 16.2)
- Procedures for implementing the flexibility provisions (art. 10 and 16.3)
- Fees and charges (art. 24.2.i and 53.1)

Annex 2 – Establishment Plan 2002

Category and Grade	Permanent posts	Temporary posts
A2	-	-
A3/LA3	-	-
A4/LA4	-	-
A5/LA5	-	-
A6/LA6	-	-
A7/LA7	-	-
A8/LA8	-	-
TOTAL A/LA	0	0
B1	-	-
B2	-	-
B3	-	-
B4	-	-
B5	-	-
TOTAL B	0	0
C1	-	-
C2	-	-
C3	-	-
C4	-	-
C5	-	-
TOTAL C	0	0
D1	-	-
D2	-	-
D3	-	-
TOTAL D	0	0
TOTAL POSTS	0	0

Annex 3 - Indicative repartition

Article	Item	2002 BUDGET	
	TITLE 1		TOTAL
	Chapter 11	Staff in active employment	
		Total chapter 11	139.000
	Chapter 13	Missions and duty travel	
		Total chapter 13	0
	Chapter 14	Socio-medical infrastructure	
		Total chapter 14	0
	Chapter 15	Exchange of officers and experts	
		Total chapter 15	p.m.
	Chapter 16	Social welfare	
		Total chapter 16	0
	Chapter 17	Entertainment and representation	
		Total chapter 17	1.000
	TITLE 1	TOTAL TITLE 1	140.000
	TITLE 2		TOTAL
	Chapter 20	Rental of buildings and associated costs	
		Total chapter 20	400.000
	Chapter 21	Expenditure on data processing	
		Total chapter 21	265.000
	Chapter 22	Movable property and associated costs	
		Total chapter 22	57.000
	Chapter 23	Current administrative expenditure	
		Total chapter 23	5.000
	Chapter 24	Postal charges and telecommunications	
		Total chapter 24	5.000
	Chapter 25	Expenditure on meetings	
		Total chapter 25	3.000
	TITLE 2	TOTAL TITLE 2	735.000
	TITLE 3	TOTAL TITLE 3	0
	TOTAL		875.000