

**MINUTES OF THE MEETING OF THE EASA MANAGEMENT BOARD HELD  
ON 26 APRIL 2006  
AND SUMMARY OF DECISIONS TAKEN DURING  
MB MEETING No. 02-2006**

**O. LIST OF ATTENDEES**

The following full members or respective alternates were present:

AUSTRIA	MR	KARL	PRACHNER
BELGIUM	MR	BENOÎT	VAN NOTEN
CZECH REPUBLIC	MR	PAVEL	MATOUSEK
DENMARK	MR	KURT	LYKSTOFT LARSEN
ESTONIA	MR	REIN	PORRO
FINLAND	MR	KIM	SALONEN
FRANCE	MR	MAXIME	COFFIN
GERMANY	MR	THILO	SCHMIDT
GREECE	MR	IOANNIS	ANDRIANOPOULOS
HUNGARY	MR	ZOLTÁN	SZEKELY
IRELAND	MR	ROBIN	MCKAY
ITALY	MR	SALAVATORE	SCIACHITANO
LITHUANIA	MR	ALVYDAS	SUMSKAS
LUXEMBOURG	MR	HENRI	KLEIN
MALTA	MR	ANTHONY	GATT
NETHERLANDS	MR	JULES	KNEEPKENS
NORWAY*	MR	OTTO	LAGARHUS
POLAND	MR	RYSZARD	JAXA-MAŁACHOWSKI
PORTUGAL	MR	LUIS	COIMBRA
SWEDEN	MR	NILS GUNNAR	BILLINGER
UNITED KINGDOM	MR	MICHAEL	SMETHERS
EUROPEAN COMMISSION	MR	ZOLTÁN	KAZATSAY

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\* Norway, Iceland and Liechtenstein participate in the Agency (and are hence members of the Management Board without voting rights) under article 55 of Regulation 1592/2002 as a result of Decisions No 179/2004, No 15/2005 and 16/2005 of the EEA Joint Committee which incorporates the Basic Regulation and its implementing rules into Annex XIII to the EEA Agreement.

## **SUMMARY OF DECISIONS**

At its meeting held on 26 April 2006, the Management Board:

- adopted the agenda (document MB 02-2006 WP01);
- adopted the minutes of the meeting 01-2006 held on 16 March 2006 (document MB 02-2006 WP02);
- adopted the study submitted by Deloitte on management and financial procedures relating to certification activities;
- delivered its opinion to the Commission on the proposed modification of the Fees and Charges Regulation, EC Regulation 488/2005
- Appointed M. Philippe Fraipont as an interim accountant.

## **1. ADOPTION OF THE AGENDA**

The following agenda was proposed:

1. Adoption of the Agenda
2. Adoption of the minutes of meeting 02-2006
3. Report of the Executive Director
4. Discussion on the final report on external evaluation of management of EASA certification activities
5. Article 51 external evaluation of 1592/2002 – report from the steering group
6. Amendment to the fees and charges regulation
7. Any Other Business:
  - a. Nomination of the interim Accounting Officer
  - b. EASA/NAA partnership

It was adopted subject to the following modification:

- it was agreed to briefly discuss under “Any Other Businesses” the use of written procedures for Management Board decisions, as well as the state-of-play of relationships between the Agency and Eurocontrol

## **2. ADOPTION OF MINUTES OF PREVIOUS MEETING**

The members of the Management Board agreed to send in writing to the Agency their comments on the minutes of the last meeting, in order to dedicate the meeting to the core subjects.

Still, it was requested that the Agency clarify the wording relating to the adoption of the modified 2006 budget, and to include a mention to the fact that an executive summary of the DG TREN audit of the Agency was distributed during the meeting.

## **3. REPORT OF THE EXECUTIVE DIRECTOR**

The report of the Executive Director was relatively short, as the previous meeting was held only four weeks before.

He emphasised the main events and progresses in the Agency : such as the meeting with Accident Investigation Bodies, the launch of the online database of airworthiness directives, the transfer of MRB activities from the JAA to the Agency, AGNA and SSCC meetings, preparation of the NPA on airports, finalisation of the service contract with Norway.

Progress of on-going issues was also highlighted: standardisation activities, accreditation of Member States, extension of the remits of the Agency, work on the BASA, revision of the fees and charges regulation, follow up of the FAA Audit.

Significant progress was also made for the 2006 recruitment campaign as 118 out of 128 of the new posts have published, and some of the 2007 posts, notably referring to Operations and Licensing will be published soon. Analytical accounting activities were launched.

The Executive Director also announced that quality standards of the Agency will be submitted to the Management Board at its next meeting

#### **4. DISCUSSION ON THE FINAL REPORT ON EXTERNAL EVALUATION OF MANAGEMENT OF EASA CERTIFICATION ACTIVITIES**

Following the presentation by the consultant of their report on 16 March, the Management Board requested to discuss more thoroughly the content of the report and a related preliminary draft action plan submitted afterwards by the Agency.

It was noted that the report had been drawn up in a very short period of time. Therefore, it has some drawbacks, but it constitutes a valuable tool for further work. For instance, the Agency agrees on the overall analysis which is made by the consultant, as it matches analysis already undertaken in the Agency. As such, the general outcome of the study does not constitute a real surprise. The report emphasises the need for the Agency to get over its initial start up period and to automate some processes. Still, some of the figures provided by the consultant could be further discussed.

The Management Board believes that the study is compliant with the terms of reference, and that some of the recommendations issued are more indicative than directional.

The report was hence accepted and will be followed up.

In that perspective, the Agency had prepared a preliminary draft action plan, which was presented during the meeting. This plan has been drawn up on the basis of reflections undertaken in 2005, and earlier on in the

Agency and on the basis of further comments or recommendations from Deloitte and DG TREN after their respective audits of the Agency.

*The project monitoring of certification processes could be automated*

The most strategic action to be implemented relates to the monitoring of certification projects, from the application to the delivery of the certificate, notably through an automation of the process.

The necessity for such a system had been already envisaged by the Agency but further implementation was slowed down by several factors :

- the necessity to have a mature certification processes
- the necessity to know what would be the final charging scheme
- the necessity to migrate Agency's databases and financial systems to ORACLE beforehand
- the necessity to have the human resource available to support the project,

The Agency fully supports this recommendation by Deloitte, and some elements to move towards that system have been put in place earlier on. The project would encompass the creation of a general monitoring system, including an improvement of time recording. It is recalled that this is an important step towards deeper professionalisation of work. Still careful attention will be paid to defining the level of automation to the extent necessary. The project could be implemented by the end of 2007, including design of the system and customisation of the software, with some 400 man-days of work (mostly external consultants).

The Management Board also noted the necessity of such a system, and that it would constitute a noticeable improvement for the industry and for the Agency. One member indicated that the system could improve the linkage between the NAAs and the Agency for daily work data exchange.

The Agency committed itself to provide an estimate of the costs of the feasibility study for this project.

*Local antennas and proximity work*

The Deloitte report gave rise to a number of discussions within the Board on the necessity for the Agency to establish local antennas.

The exact role of these antennas appears unclear: should they be used as relays between the Agency and the industry (to convey messages) should they be used in order to promote Agency's work, or should they be used in order to perform the so-called "proximity work"?

In so far, the issue had been dealt with from a different perspective.

The Agency is responsible for certification tasks, and some of these tasks are performed by the NAAs under the responsibility and supervision of the Agency. Still, and in line with the principle of subsidiarity, there is no reason for the Agency to perform tasks which would be better dealt with at local level. The should hence perform the role of "antennas", echoing information from industry to the Agency, and transmitting information from the Agency to the industry stakeholders.

With the growth of the Agency, and the shortage of expert staff in the NAAs the system seems to have reached its own limits, and requests for improving governance between Agency and industry have been received. The cost of such antennas is largely dependent upon the tasks they are entrusted to carry out, their localisation etc.

Regarding proximity work the Agency reminded that it had committed itself to discuss on the subject with each and every Member States, but the complexity of the issue is such that it is unlikely to be completed for the next meeting. In the meantime some internal processes are being improved, notably to give to each applicant one single contact person in the Agency and to inform each of them on a regular basis.

The Board acknowledges the necessity of giving a "human face" to the Agency for small industry, and recalls the necessity of making good use of Agency's funds.

It was agreed that the debate will be continued at later meetings, notably taking into account a financial estimate of establishing such antennas, and the contributions from other delegations

#### Other improvements

The other recommendations from the Deloitte report have also been examined, as well as Agency's proposal for follow up, and most of them had already been taken into account :

- time recording is included in the project monitoring of certification process
- appointment of PCM was already done, a new item to be introduced though is a workload indicator in order to safeguard the quality of the work of PCMs
- A revision of the Fees and Charges Regulation has been introduced in order to introduce a simplification of administrative procedures and increasing of tariffs
- The division of work between the programme, the products and the organisation department was introduced.
- A PCM manual has been produced
- The optimisation of the linkage between the programme department and the finance department is on its way and will be done with the help pf some IT external consultancy

Follow up on the visit from DG TREN

The Board also received an update on the follow-up actions proposed by the Agency after DGTREN audit of the Agency. Most recommendations match Deloitte report, and the remainder relates to the improvement of financial and administrative processes.

The Management Board entrusted the Agency to directly coordinate the answers with the Commission.

The Members of the Management Board were invited to submit any further comment to the Agency in writing for the next meeting, and a general action plan will be presented at moment.

**5. ARTICLE 51 EXTERNAL EVALUATION OF REGULATION 1592/2002 –  
REPORT FROM THE STEERING GROUP**

The Article 51 Steering Committee presented an update on their work, including a preliminary proposal for the scope of the study.

It was agreed that the study ought to encompass:

- The proper implementation of the instruments defined by the Regulation, such as certification tasks of the Agency, inspections of Member States and of undertakings, recognition of agreements of, and cooperation with third countries.
- The achievement of the objectives of the Regulation as set out in its Article 2, including the way in which the implementation of the instruments mentioned in point 1 and actions have contributed to that achievement.
- The impact of the regulation and of the tasks and activities of the Agency on the industry, the Member States and the Commission.
- The costs of the new system and the cost-effectiveness of the Agency's activities compared with the cost-level and the level of services previously provided in the Member States, or currently provided in third countries like Canada, the USA and Japan.

It was noted that the cost of such studies is quite high, and that the 100.000€ provisioned in the 2006 budget are unlikely to be sufficient. The Management Board requested the Agency to modify 2007 budget in order to transfer the 2006 appropriations related to the study, and to identify additional 200.000€. The Board also requested the Agency to undertake the necessary procurement procedure, together with the Steering Committee. It was agreed that the selection of the successful supplier will be carried out in 2006, subject to the signature of the contract early in 2007, and start of the work early in 2007.

## **6. AMENDMENT TO THE FEES AND CHARGES REGULATION**

It had been agreed at previous meeting that the current fees and charges regulation does not provide the Agency with sufficient revenue to guarantee the appropriate funding of certification tasks. The Commission therefore proposed a revision of the regulation. This revision encompasses:

- a modification of Article 12 in order to simplify the existing procedures : a quote estimating the cost to be borne by the applicant would be sent only if the applicant requests it or if the Agency decides to send it. This ought to protect both parties, and in the same time allow for more rapid procedures when necessary
- an increase of some of the tariffs, targeting mostly big industry, which gave their agreement on it;
- a decrease of some of the tariffs, which have proven to be unfair and damaging to some sectors.

More specifically the annexed tables of the Regulation are modified.

- table 1 will now allow for charging MRB activities
- Table 2 : creation of new STC categories
- Table 5 : fees for large aircraft are increased in order to generate some 3.5 millions€
- Table 6 : fees are modified in order to generate some 2.5 millions €
- Table 10 and 13 : fees for large organisations are diminished, and increased for small organisation

The Board thanked the Commission for having provided such a proposal, and discussed it extensively.

It has been recognised by the Board that the Agency had launched an informal consultation of the industry on the subject early in January this year. The Advisory Board provided a number of comments, which have been taken into account, to a large extent, by the Commission. Other major industry stakeholders were consulted and accepted in writing the proposed modification.

Therefore, the Management Board unanimously agreed on the proposed text, and will comment in that direction to their respective administrations. Still, the Management Board is very well conscious of some drawbacks in the text, which, in spite of all efforts, will affect some very specific industries. At the specific request of the Czech delegation, it was agreed that the envisaged, long-term amendment to the Fees and Charges Regulation, intended to enter into force in 2007, would give due consideration to potential impacts on SMEs..



The text will be submitted via written procedure to the EASA Committee, for an adoption and publication before 1<sup>st</sup> June 2006.

All members of the Board also insisted on initiating at their next meeting the reflection on the fee structure in the next revision of the Regulation.

## **7. ANY OTHER BUSINESS**

### **a. Nomination of the interim Accounting Officer**

Following the resignation of the Agency's accounting officer, the Executive Director submitted to the Management Board the candidature of M. Philippe FRAIPONT, as an interim accounting officer. On the ground of his qualification and professional experience, M. Fraipont was appointed by the Board, pending the selection of a candidate for the post, and the presentation to the Management Board

### **b. EASA/NAA partnership**

Some delegations had submitted a working paper in order to initiate the reflection amongst the Management board on the possibilities to enhance coordination of activities between the Agency and the NAAs. Notwithstanding the role of AGNA, it was felt that some national authorities could sometimes support the Agency, make it benefit from their experience and expertise.

The Commission reminded that the role of such a group of authorities could only be informal, as the Basic Regulation does not provide for any such formal consultation group.

The Executive Director, acknowledging the positive spirit of the submission made by the MB members, and noting the point raised by the Commission, offered to host a first, informal meeting in June to discuss the matter further and find a mutually acceptable way forward.

### **c. Relationship between the Agency and Eurocontrol**

The Agency was requested to present an update on relation with Eurocontrol at a forthcoming meeting

### **d. Decisions taken under written procedures by the Management Board**

One delegation requested that the adoption of texts under the written procedure could be documented with a summary of the text, and taken, when time allows, in a more formal manner.

*e.* Next meeting

The Management board agreed to hold its next meeting in Cologne on 2<sup>nd</sup> June.