

**MINUTES OF THE MEETING OF THE EASA MANAGEMENT BOARD
HELD ON
14 JUNE 2005
MB MEETING No. 02-2005**

0. LIST OF ATTENDEES

The members, or alternate members present on that day were the following:

AUSTRIA	Mr	Karl	PRACHNER
BELGIUM	Mr	Erik	VAN NUFFEL
CZECH REPUBLIC	Mr	Jindrich	PLOCH
DENMARK	Mr	Kurt	LYKSTOFT LARSEN
ESTONIA	Mr	Koit	KASKEL
FINLAND	Mr	Kim	SALONEN
FRANCE	Mr	Maxime	COFFIN
GERMANY	Mr	Thilo	SCHMIDT
GREECE	Mr	Evangelos	VASSILAKOS
ICELAND*	Mr	Pétur	MAACK
ITALY	Mr	Salvatore	SCIACCHITANO
LITHUANIA	Mr	Alvydas	SUMSKAS
LUXEMBOURG	Mr	Henri	KLEIN
MALTA	Mr	Joseph	SULTANA
NETHERLANDS	Mr	Sijbrand	VEENSTRA
NORWAY*	Mr	Otto	LAGHARUS
POLAND	Mr	Kryztof	KAPIS
PORTUGAL	Mr	Luis	FONSECA DE ALMEIDA
SLOVAK REPUBLIC	Mr	Maros	JANCULA
SWEDEN	Mr	Nils Gunnar	BILLINGER
UNITED KINGDOM	Mr	Michael	SMETHERS
EUROPEAN COMMISSION	Mr	Roberto	SALVARANI

* Norway and Iceland 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 incorporate the Basic Regulation and its implementing rules into Annex XIII to the EEA Agreement.

1. ADOPTION OF AGENDA

The agenda dated 31 May 2005 was unanimously adopted subject to the following modifications:

- Item 15 was moved up the agenda in order that it could be covered prior to the departure of the Czech member.
- It was noted that a correction was necessary to item 3: Switzerland is in fact not part of the EEA and its participation in the Agency is subject to separate provisions.

2. ADOPTION OF MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were adopted unchanged.

3. COMPOSITION OF THE MANAGEMENT BOARD

The Chair introduced new Board Members as follows:

By virtue of decisions of the EEA Joint Committee, Norway and Iceland now participate in the activities of the Agency and as a corollary to this, are able to nominate members of the Management Board. Norway has nominated its Board Member (Mr Otto Lagharus), whilst Iceland will do so shortly.

The Swiss member informed the Board that Switzerland is continuing with its own process to participate fully in the Agency through the EC/CH air transport agreement; this is planned to take place in June next year.

The Chair welcomed Romania as an observer to the Board as a result of with the signature of its accession to the European Union. Romania will be represented by Mr Catalin Cutrut, Director-General of the Romanian CAA. Today Mr Catrut was represented by Mr Ion Alexandru Tanasescu, Airworthiness Director.

4. REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director provided a full report on the main Agency activities and events occurring since the last meeting of the Management Board. At the Board's request this shall be circulated again to Members who had not received it prior to the meeting.

Following the presentation, the French member requested clarification on the call for experts providing services in support of the execution of the rulemaking activities and whether NAAs were also the target of such a call. The Rulemaking Director explained that the Agency was seeking independent experts with this call and that NAAs could find themselves in a conflict of interest given their statutory role.

The Chair requested that the issue of the Agency's emerging training policy be put on the agenda of the next meeting of the Management Board.

The United Kingdom member requested an update on the issue of dissemination of airworthiness directives, to which the Certification Director responded that a specialist in this area was being recruited, which would allow the Agency to put in place a system which met the expectations of all users.

The UK also asked on what basis the Agency was able to continue with the standardisation programme, to which the Quality and Standardisation Director responded by giving details of the working arrangement between the JAA and the Agency which allowed the activities to continue uninterrupted.

Regarding the question of ICAO audits, the Chair stressed the need for close cooperation between the Agency and NAAs when the latter are the subject of such audits. The Executive Director explained all the steps that were taken by the Agency in co-operation with national co-ordinators to prepare for the audits, including the answering to the lengthy ICAO questionnaire. He also clarified that the Agency's audit was subject to the conclusion of a Memorandum between ICAO and the Agency, which was currently under discussion. On this basis the Agency's audit is planned for the end of the year. The Commission also reminded the Board of Member States' obligations to inform ICAO of the transfer of certain of their responsibilities to the Agency and stressed that so far, few Member States had complied with this requirement. The Board and the Agency noted the UK member's offer of political support from the upcoming UK Presidency of the Council in order to make progress on this issue if necessary.

5. EASA/NAA CERTIFICATION TRANSITION WORKING GROUP

The co-Chair of the group, Michael Smethers, presented the work of the group over the previous couple of months and the reports which were circulated to the Board.

The reports gave rise to a number of reactions from other Members.

Members generally supported the conclusions and recommendations included in the documentation provided. In particular, members supported the principle of proximity tasks being performed as close as possible to industry, in the interests of efficiency and visibility. Whilst the need for uniform service was regarded as essential, if properly carried out, proximity tasks could be performed in a way that ensured that industry continued to receive a satisfactory service from EASA. Several

members also stressed the importance of 'critical mass', particularly for smaller authorities. If proximity tasks are not allocated to NAAs, then the smaller ones may no longer have the skills necessary for their Annex II obligations. The Commission supported the recommendations with the caveat that the Agency retains sole legal liability and responsibility for all certification work – uniformity of application of the rules is paramount.

The Executive Director explained that the Agency's experience with the outsourcing contracts showed a lack of awareness on the scale of the tasks carried out by NAAs and that consultation with NAAs on the subject was a good idea. However, monitoring the execution of this task was a bilateral idea rather than an issue of concern for the group as a whole.

The Management Board adopted the report's recommendations, subject to the clarification mentioned by the Commission relating to the Agency's role and confirmation that the working group's remit would specifically focus on the maintenance of the manpower risk register.

6. 2004 ACTIVITY REPORT

The Board adopted the Activity Report subject to some minor editorial changes suggested by France, the Netherlands, the Commission and Sweden.

7. 2005 REVISED BUDGET

The Board discussed the issue of the financing of the Agency at some length.

The Executive Director presented the issue as follows:

The Agency believes it is necessary to secure from the Commission an increase in its subsidy from the Community budget in order to fulfil its working capital requirements. Under the Agency's financial regulation, the Agency is only able to commit funds for outsourced certification tasks against cash. It is not possible to commit against invoices sent to applicants for Agency certificates and approvals. This means that at any one time there is a gap, since whilst the Agency has to commit money at the start of work (for outsourced projects), the income will only be received some time after the respective invoice has been sent to the applicant. The problem is one of working capital and not of the budget *per se*, since the budget is in balance over the course of the calendar year, in compliance with the financial regulation.

The Agency has asked the Commission about the feasibility of an increase in the subsidy (the formal request would have to come from the Board) and received a response from the Director-General of DG TREN in response, indicating that for the time being it was not possible to agree

to this request, due to a lack of proper justification and insufficient funds available under the general budget heading for agencies.

The Executive Director estimated that the shortfall is due in part to the larger than expected work estimates presented by NAAs just before the 1 June deadline, meaning the scale of the problem was not apparent beforehand.

The Chair stated that it would have been helpful to have this information beforehand and the Board agreed that it was not possible to perform the necessary level of financial oversight with the information currently available to the Board. Again the Executive Director emphasised that the issue was not one of the budget being unbalanced, but rather a lack of working capital at the start of Agency operations.

Regarding the Financial Regulation, the Executive Director once more pointed out that a change was also necessary in the financial regulation to ensure that a reserve could be used to cater for changes in workload from year to year, although this was a separate issue to the one currently under discussion.

The Commission regretted that the issue concerning the interpretation of the financial regulation had not been submitted earlier on to the Commission. Furthermore it pointed to the fact that further information was needed on the level of commitments necessary for outsourcing before any increase in the subsidy could be entertained. The Commission also stated that the use of qualified entities for certification tasks, which is foreseen in the Basic Regulation, could contribute to the lowering of the Agency's outsourcing costs. In this connection the Commission stated that the Management Board decision on guidelines for the allocation of certification tasks to the NAAs and qualified entities should be amended to bring it fully in line with the Basic Regulation. The Commission stated that this could be done at the next meeting of the Board.

In conclusion, the Executive Director undertook to present further, detailed information on the financial situation in good time for the next meeting and to keep the Board updated with the latest developments.

8. IMPLEMENTING RULES TO THE FINANCIAL REGULATION

These were adopted by the Board.

9. AGENCY ACCOUNTS FOR 2004

These were presented for information. The Administrative Director explained that the formal opinion of the Board shall be sought following the report of the European Court of Auditors, which is awaited by the Agency.

10. ELECTION OF THE CHAIRPERSON OF THE BOARD

The Chairperson and his Deputy (Mr Thilo Schmidt and Mr Michael Smethers respectively) were re-elected unanimously by the Board.

11. PREPARATION OF MEETING WITH THE ADVISORY BOARD

The Board briefly reviewed the list of topics to be discussed with the Advisory Board.

12. MEETING WITH THE ADVISORY BOARD

The Board held a useful meeting with the Advisory Board, which addressed the following topics:

The Advisory Board stated its wish to learn more about the future vision of EASA and, in particular, the future division of responsibilities between the Agency and NAAs. Key concerns for interested parties are standardisation, the promotion of safety systems and the development of the Agency's safety oversight and analysis functions. To this end, the Advisory Board supported the principle of proximity activities both in terms of service to industry and in retention of regulatory expertise and hoped they could play a part in moving that principle forward.

The value of a joint approach between the Agency and industry was also underlined and the recent experience of the joint working groups to define the Agency's work programme and budget are a useful start in this direction. Stakeholders are also supportive to the future extension of Agency competences and for this reason urges the Agency to adopt a "watching brief" on these issues.

Concerning the financing of the Agency, the Advisory Board has a number of concerns. Firstly it is anxious that fee-financed activities are ring-fenced and points out that new regulatory responsibilities will need to be financed by increases in the subsidy from the EC budget. It also stresses the need for further information and guidance material on the fees and charges system to be provided for applicants and offered to assist the Agency with this task. Lastly the Advisory Board supports efforts made to explore ways to streamline the administrative payment processes in order to avoid delays in releasing aircraft, for example. Most importantly, the Advisory Board called on EASA to make the necessary arrangements for the formal review of the Fees and Charges Regulation.

Lastly, the Advisory Board stated that it hopes that it will soon be possible for EASA to issue its own Maintenance Organisation Approvals and Air Operators Certificates at the EU level.

Responding to these comments, the Chair pointed to the work of the certification transition working group, which has as its brief to ensure that no disruption occurs to the service provided to industry. It also sets out a vision for the future sharing of work between the Agency and NAAs with respect to activities falling in the Agency's field of competence. The Board will be pleased to provide the Advisory Board with these reports discussed earlier.

The Quality and Standardisation Director informed the Advisory Board of the status of EASA standardisation activities and the Commission informed the group that it was aiming for adoption of the necessary Regulation in early autumn.

With regard to the possibility of EASA AOCs and MOA, the Commission indicated that this may be a possibility to be included in forthcoming proposals with regard to the Agency's role.

13. 2006 DRAFT WORK PROGRAMME

The Executive Director presented the Agency's draft work programme for the following year, which was the result of the work done by the joint Agency-Management Board-Advisory Board working group.

Reactions to the programme are summarised as follows:

Several members stated that in general terms, the programme should in future be linked more directly to the Agency's safety objectives, rather than the administrative structure of the Agency. Several specific clarifications were also sought on different items in the programme, relating to the definition of large or proximity tasks, Agency languages, detail on responsibilities vis-à-vis the external evaluation of the Agency, and specific certification tasks with respect to the transfer of TCs to EASA responsibility in 2007. A further comment was made that the programme should not be too broad with respect to possible future extensions on the Agency's scope of competence, given that these were not yet a *fait accompli*. The Commission indicated that it would submit its comments/proposed improvements in writing.

Subject to these comments, the draft work programme was approved by the Management Board.

14. SELECTION OF THE CHAIRPERSON AND MEMBERS OF THE BOARD OF APPEAL

The Commission presented the procedure followed with respect to the preselection of suitable candidates for these positions. Full details of all the candidates were provided to the Board earlier in the day in order to allow them to make a judgement on the quality of the individual

candidates. The Commission also presented its list of preferred candidates. After having identified an order of preference for the chairs and members of the Appeal Board, the Board decided unanimously to make its final choice on the lists of preferred candidates identified. 19 full members being present or represented by proxy and the quorum being 17, this vote is valid. The result of the vote is as follows:

Members:

Chair	DYRBERG Peter
Members	AXELSSON Arne KOPLIN Klaus

[This selection attracted 18 votes out of 19 cast]

Alternate members

Chair	MARGELLOS Théophile
Members	DIDSZUHN Wolfgang FRANTZEN Claude

[This selection attracted 19 votes out of 19 cast]

These persons were thus selected to serve on the Agency's Board of Appeal.

15. COMPOSITION OF THE ADVISORY BOARD (MEMBERSHIP REQUEST)

The Board noted that a request for membership of the Advisory Board had been received from ALV, the Association of the Aviation Manufacturers in the Czech Republic. This application was supported by a letter from the Czech Member. The Board recalled that up to now national associations were not present in the Advisory Board and the Board did not wish to change this situation at present. However, ALV and ASD were encouraged to work more closely together to ensure that Czech manufacturers are well represented in the Board via its existing members.

16. ANY OTHER BUSINESS

- The Board agreed that it will next meet on 27 September 2005.
- Mr Sijbrand Veenstra informed the Board that this would be his last Management Board as he was leaving his current post. The Chairman warmly thanked Mr Veenstra for all his work and involvement in the activities of the Management Board since the very start of the Agency's activities.