

## DECISION

Date

26 October 2023

Diary no.

TRAFICOM/526598/05.00.29.00/2023

Reference

### **Imposition of a public service obligation regarding the operation of air services on the routes Helsinki–Joensuu, Helsinki–Jyväskylä, Helsinki–Kajaani, Helsinki–Kemi and Helsinki–Kokkola**

#### **Authority**

Finnish Transport and Communications Agency Traficom (hereinafter Traficom)

#### **Background**

The operation of market-based flight services to the airports of Joensuu, Jyväskylä, Kajaani, Kemi and Kokkola was discontinued in spring 2020. As a result, the first public service obligation regarding the operation of air services on these routes was imposed on 15 December 2020. The public service obligation was continued until August 2022 by a decision issued on 10 December 2021. Correspondingly, the option period of the Purchased Services Agreements was exercised. This option period also ended on 14 August 2022.

A new public service obligation decision was imposed from 31 October 2022 onwards. The option period for the current air services will end on 28 April 2024.

#### **Competence and relevant legislation**

Pursuant to section 172 of the Act on Transport Services (320/2017), the Finnish Transport and Communications Agency has the authority to issue decisions regarding the public service obligations referred to in Article 16 of the Air Services Regulation. The Agency may impose restrictions on routes covered by the public service obligation in accordance with the Air Services Regulation, if such restrictions are necessary in order to ensure the provision of air services on the concerned routes.

According to the government proposal 41/2023, air services may be purchased for locations with a travel time of more than three hours from Helsinki by train. Finnish domestic air services are developed primarily on market terms, but the purchase of scheduled air services helps secure connections that are important to the security of supply, the export industry, and tourism. Local and regional operators are also supporting the maintenance of these connections financially. Launched in 2021, the temporary purchased air services between Helsinki Airport and the airports of Joensuu, Jyväskylä, Kajaani, Kemi-Tornio and Kokkola-Pietarsaari have been tendered until 28 April 2024.

In accordance with Article 16(1) of Regulation (EC) No 1008/2008 of the European Parliament and of the Council on common rules for the operation of air services in the Community, hereinafter "Air Services Regulation," a Member State, following consultations with the other Member States concerned and after having informed the Commission, the airports concerned and air carriers operating on the route, may impose a public service obligation in respect of scheduled air services between an airport in the Community and an airport serving a peripheral or development region in its territory or on a thin route to any airport on its territory any such route being considered vital for the economic and social development of the region which the airport serves.

That obligation shall be imposed only to the extent necessary to ensure on that route the minimum provision of scheduled air services satisfying fixed standards of continuity, regularity, pricing or minimum capacity, which air carriers would not assume if they were solely considering their commercial interest.

Under Article 16(3), the necessity and the adequacy of an envisaged public service obligation shall be assessed by the Member State(s) having regard to

(a) the proportionality between the envisaged obligation and the economic development needs of the region concerned;

(b) the possibility of having recourse to other modes of transport and the ability of such modes to meet the transport needs under consideration, in particular when existing rail services serve the envisaged route with a travel time of less than three hours and with sufficient frequencies, connections and suitable timings;

(c) the air fares and conditions which can be quoted to users;

(d) the combined effect of all air carriers operating or intending to operate on the route.

## **Decision**

By issuing this Decision, Traficom imposes a public service obligation in accordance with Article 16 of the Air Services Regulation on the routes Helsinki–Joensuu, Helsinki–Jyväskylä, Helsinki–Kajaani, Helsinki–Kemi and Helsinki–Kokkola.

## **Entry into force of the obligation**

The obligation is in force from 29 April 2024 to 28 March 2026.

## **Grounds for the Decision**

The Finnish Government has decided the following at the September 2023 government budget session: The Government is developing Finnish domestic air services primarily on market terms, while also securing connections that are important to the security of supply, the export industry, and tourism.

The Government shall secure regional flights by providing purchased air services until the end of March 2026. The purchased air services will be continued on the route to the following airports: Joensuu, Jyväskylä, Kajaani, Kemi-Tornio and Kokkola-Pietarsaari. The State reserves funding for the provision of air services on the route to Pori in 2025, in line with the Savonlinna model, in connection with a potential new

tender competition. The Government reserves EUR 38 million for the entire period.

Travel times with means of transport other than flying exceed three hours on all of the aforementioned routes. In 2020, Traficom commissioned a report indicating that all of the concerned locations fulfil the requirements set out in the Air Services Regulation.

The report shows that air services play a significant role in the economic life and social development of the concerned regions. Furthermore, the routes can be considered essential with regard to access to the concerned regions.

If no air carrier has, within two months or 61 days of the publication of the public service obligation in the Official Journal of the European Union, demonstrated that it is about to commence sustainable scheduled air services on the routes either directly or via a possible intermediate stopover point between the airports in accordance with the imposed public service obligation, the Finnish Government may limit access to the scheduled air services on the routes to only one Community air carrier for the period defined in this obligation, after which the situation shall be reviewed.

## **Content of the public service obligation**

The requirements of the public service obligation concerning the routes Helsinki–Joensuu, Helsinki–Jyväskylä, Helsinki–Kajaani, Helsinki–Kemi and Helsinki–Kokkola are as follows:

### ***Minimum number of flights***

Pursuant to Article 16(2), the minimum number of flights between Helsinki and Joensuu, Jyväskylä, Kajaani, Kemi and Kokkola shall be **ten** rotations per week.

### ***Number of seats and baggage***

Capacity on the flights shall be as follows:

Helsinki–Joensuu, a minimum of 50 seats per direction

Helsinki–Jyväskylä, a minimum of 29 seats per direction

Helsinki–Kajaani, a minimum of 50 seats per direction

Helsinki–Kemi, a minimum of 50 seats per direction

Helsinki–Kokkola, a minimum of 42 seats per direction

Regardless of the duration of the journey, each passenger shall be allowed to bring 20 kg of checked baggage and 8 kg of cabin baggage.

### ***Ticket prices and sales***

A single one-way ticket between Helsinki and Joensuu, Helsinki and Jyväskylä, Helsinki and Kajaani, Helsinki and Kemi, and Helsinki and Kokkola shall not cost more than EUR 300, inclusive of all taxes and charges. A round-trip ticket shall cost no more than EUR 400, inclusive of all taxes and charges.

Cheaper ticket categories must be available and account for at least 40% of all tickets. The prices shall be inclusive of all charges imposed on the air carrier by the Finnish Civil Aviation Authority, Helsinki Airport and Joensuu, Jyväskylä, Kajaani, Kemi and Kokkola airports and other actors, but exclusive of charges collected by the authorities directly from air passengers departing from these airports.

The air carrier shall agree on an interline arrangement for the route covered by the public service obligation with at least one air carrier that offers weekly connecting flights from Helsinki Airport to at least two destinations in Europe either itself or through a partner, as specified in the call for tenders.

The interline agreement shall be on the same or equivalent terms and conditions and shall follow, with regard to fares on the route, the pro rata system in accordance with international rules. The air carrier shall conclude interline agreements with the same or equivalent conditions with any other interested air carriers.

The air carrier shall provide the Finnish Transport and Communications Agency Traficom with any information it needs for the purpose of supervising the interline agreements and their contents.

The air carrier shall have an international reservation and ticketing system operation in Finland and an IATA interline agreement with through-pricing and baggage-handling arrangements.

Information concerning prices and timetables shall be included in the international reservations and ticketing system.

At least one computer-based reservations system must be used.

### ***Requirements set out by the airport operator Finavia Plc***

The air carrier shall accept and agree to all terms and conditions of service defined by the airport operator Finavia Plc no later than 30 days before the start of operations.

### **Airports' approach requirements (ICAO Performance-Based Navigation)**

Using the RNAV STAR or RNAV SID procedures requires RNAV 1 approval, and only the GNSS sensor is supported. In the terminal control area of Helsinki Airport, there is also support for DME/DME in RNAV STAR procedures.

All approach procedures in the PBN operating environment require RNP APCH approval.

This includes the ILS and LOC procedures, as they base the initial, intermediate and missed approach on the utilisation of RNP. APV Baro-VNAV approach to LNAV/VNAV minima additionally requires APV Baro-VNAV approval. APV SBAS approach to the LPV minimum requires an SBAS receiver and approval.

The following airports concerned by this Decision only have the PBN operating environment, and conventional instrument procedures are thus unavailable.

Operating from the airports requires, at a minimum, an RNP APCH capability and approval.

EFJO, Joensuu

EFKI, Kajaani

EFKE, Kemi-Tornio

EFKK, Kokkola-Pietarsaari

EFJY, Jyväskylä

Further information: <https://www.ais.fi/ais/aip/en/index.htm>

### **Continuity of service**

Disregarding the aforementioned requirements of the public service obligation in operating services on the routes in question may result in administrative and/or legal sanctions.

### **Passenger service**

The air carrier shall ensure that the provisions of Regulation (EC) **No 261/2004** of the European Parliament and of the Council are complied with. The Regulation establishes common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights.

### **Accessibility for persons with reduced mobility**

The air carrier shall ensure that the provisions of Regulation (EC) No 1107/2006 of the European Parliament and of the Council concerning the rights of disabled persons and persons with reduced mobility when travelling by air are complied with in the provision of air services.

### **Provisions applied**

1. Regulation (EC) No 1008/2008 of the European Parliament and of the Council on common rules for the operation of air services in the Community, Article 16
2. Act on Transport Services (320/2017), section 172.

### **Appeal**

If you are unhappy with this Decision, you may file a claim for a revised decision. The relevant instructions and conditions are provided in the annex to this document.

This document has been signed electronically. Finnish Transport and Communications Agency (Traficom) xx.xx.xxxx. The authenticity of the signature can be verified by using document reader software that supports electronic signatures or by contacting the Traficom Registry.

C.C.

Names and titles of the signatories

Ministry of Transport and Communications

Finavia Plc

ANS Finland Oy

Helsinki Slot Coordination

Cities of Joensuu, Jyväskylä, Kajaani, Kemi and Kokkola

Annex

Instructions for filing a claim for a revised decision