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Imposition of a public service obligation in respect of air services on the routes Helsinki-Joensuu, Helsinki-Jyväskylä, Helsinki-Kajaani and Helsinki-Kemi-Kokkola

Authority

Finnish Transport and Communications Agency, Traficom (hereinafter 'Traficom')

Background

In late winter and early spring 2020, the Covid-19 pandemic had a significant impact on international and national air travel. As a result of the imposed travel restrictions and other consequences of the pandemic, the operation of flights on market-based terms was discontinued on the routes Helsinki-Joensuu, Helsinki-Jyväskylä, Helsinki-Kajaani, Helsinki-Kemi and Helsinki-Kokkola. Over the course of spring 2020, it also became clear that the airline that had operated the routes in question on market-based terms would not continue their operation after the pandemic subsides. The Minister of Transport and Communications, Timo Harakka, set up a working group to investigate the matter. Having completed its work, the group proposed that the Government purchase and finance the flights to the airports in question during a nine-month period from early April 2021 until the end of that year. The public service obligation was continued until August 2022 by a decision adopted on 10 December 2021. Correspondingly, Traficom decided to exercise the Buyer's option included in the Purchased Services Agreements and extended the validity of the agreements with a period that ends on 14 August 2022.

Additional appropriations were granted to scheduled flights in the first amendment to the supplementary budget in 2022. According to the Budget Statement, the additional funds are allocated because of the need to ensure regional air connectivity.

According to the amendment to the supplementary budget, EUR 17,000,000 is reserved for flight connections included in the purchased air services launched in 2021 for a maximum of 9 months. The competitive tendering procedure will be initiated as soon as possible to keep the disruption to the services as short as possible.

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 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'. The Agency may impose restrictions in accordance with the Air Services Regulation on a route falling within the scope of the public service obligation if the restrictions are necessary for ensuring services on the route.

In accordance with Article 16(1) of the 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

With the issuance of 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 and Helsinki–Kemi–Kokkola.

Entry into force of the obligation

The obligation shall remain in force from 31 October 2022 to 30 July 2023.

Grounds for the decision

According to the first amendment to the supplementary budget issued in 2022, an additional appropriation of EUR 17,000,00 is allocated to item 31.20.55.06 'Purchase of air transport services' in the administrative branch of the Ministry of Transport and Communications. According to the explanation and context of the budget proposal, the additional appropriations will be used to continue the purchased services agreement concerning air services between regional airports and Helsinki Airport.

Travel times with means of transport other than flying exceed three hours on all of the aforementioned routes. In 2020, Traficom commissioned a report, which indicated 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 route either directly or via a possible intermediate stop-over 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 route 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 and Helsinki–Kemi–Kokkola are as follows:

Minimum number of flights

Pursuant to Article 16(2), the minimum number of flights between Helsinki and Joensuu, Helsinki and Jyväskylä, Helsinki and Kajaani, and Helsinki and Kemi and Kokkola shall be 6 round-trip services per week.

Number of seats and baggage

Capacity on the flights shall be as follows:

Helsinki–Joensuu, a minimum of 42 seats per direction

Helsinki–Jyväskylä, a minimum of 21 seats per direction

Helsinki–Kajaani, a minimum of 42 seats per direction

Helsinki–Kemi–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, and Helsinki and Kemi and Kokkola shall not cost more than

EUR 250 and a two-way ticket no more than EUR 350, inclusive of all taxes and charges. Cheaper ticket categories shall be available, and they shall account for at least 40% of all tickets. The price shall be inclusive of all charges imposed on the air carrier by the Finnish Civil Aviation Authority, Helsinki Airport and the destination airports, but exclusive of charges collected by the authorities directly from air passengers departing from these airports.

The tenderer must have an agreement, letter of intent or other reliable statement in place, for the route covered by the public service obligation, with an airline whose partner or Alliance offers weekly connecting flights from Helsinki-Vantaa to at least two European destinations, which are stated in the invitation to tender.

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 terms and conditions with any other interested air carriers. Traficom has the right to obtain from the carrier such information on interline agreements and their terms and conditions that are necessary for oversight purposes.

The air carrier shall have an international reservations and ticketing system operation in Finland and an IATA interline agreement with through-pricing and baggage-handling arrangements. Information concerning ticket prices and timetables shall be included in the international reservation and ticketing system.

Flights shall be sold through at least one computerised reservation system.

Requirements set 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.

Airport Approach Requirements (ICAO Performance Based Navigation):

The use of RNAV STAR or RNAV SID procedures requires RNAV 1 capability. GNSS is the only sensor supported. DME/DME function is possible only at Helsinki Airport RNAV STAR procedures.

All approach procedures in a PBN based operational environment require RNP APCH capability, including ILS and LOC procedures, because in them the initial, intermediate and missed approach are based on the utilisation of the RNP functionality. In addition, APV Baro-VNAV approach to LNAV/VNAV minima requires APV Baro-VNAV capability. APV SBAS approach to LPV minima requires SBAS receiver and qualification.

The following Finnish airports covered by this decision only have a PBN based operational environment, i.e. no conventional instrument procedures are available.

Flight operations to and from these airports require at least RNP APCH capability and qualification.

EFJO, Joensuu

EFKI, Kajaani

EFKE, Kemi-Tornio 2021

Finland's preliminary national PBN implementation plan proposes the following changes aimed at moving exclusively to the PBN operating environment:

EFKK, Kokkola-Pietarsaari 2022

EFJY, Jyväskylä 2022

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

Continuity of service

The operation of air services on one of the routes in question without regard to the above-mentioned public service obligations may result in administrative 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

This decision may be appealed by requesting for an administrative review. Instructions on how to request review are appended to this decision.

This document has been signed electronically. Finnish Transport and Communications Agency (Traficom) 22.6.2022. The authenticity of the signature can be verified using a reader programme that supports electronic signatures or from

Traficom's registry.

Jarkko Saarimäki

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Ministry of Transport and Communications

Finavia Plc

ANS Finland Oy

Helsinki Slot Coordination

Cities of Joensuu, Jyväskylä, Kajaani, Kemi and Kokkola

Appendix

Instructions for requesting an administrative review