

03/ZDP/VE/2024
Date: 16 FEB 2024

In support of articles 2, 14.2, 35, 36 of Law no. 03/L-051 for Civil Aviation, amended by Law No. 08/L-063 on the amendment and completion of laws related to the rationalization and establishment of accountability lines of Independent Agencies, Article 24 of Law No. 06/L-113 on the Organization and Function of the State Administration and Independent Agencies, Article 53 of Law No. 05/L-031 for the general administrative procedure, the Agreement for Regular Air Services between the Government of the Republic of Kosovo and the Federal Council of Switzerland, dated November 30, 2010 and the Memorandum of Understanding for the agreement for air services dated April 29, 2009 between of the Civil Aviation Authorities of the Republic of Kosovo and the Federal Council of Switzerland,
Acting in defense of public and state interest, with the aim of providing good services at competitive prices for dhe passengers,

The General Director of the Civil Aviation Authority (hereinafter "CAA") issues:

DECISION

1. To announce the public Call for Expressions of Interest for Air Operators that can offer flight plans and capacities for scheduled flights to acquire the traffic rights to fly through designation to destinations from the Republic of Kosova to the Federal Council of Switzerland and vice versa.
2. The criterias to be appointed as an air operator to exercise the traffic rights from point 1, are attached as an Annex to this Decision.
3. All interested parties can submit the required documentation until February 23, 2024, at 4:00 p.m., in accordance with the Annex to this Decision.
4. The decision enters into force on the day of signing.

Alban Ramabaja
Acting Director General

Copy for:

- Minister (MMPHI);
- CAA Archive.

ANNEX TO DECISION 03/ZDP/VE/2024

Public call for expressions of interest

Public call for air operators that can offer flight plans and capacities with the scheduled flights plan to acquire the traffic right to fly through designation to destinations between the Republic of Kosovo and the Federal Council of Switzerland.

Authorization for the Designation and operation of air operators

Designation is the process of appointing the air operator/s for the use of traffic rights between two countries and as a right of the signatory states of a bilateral Air Services Agreement.

In the Air Services Agreement between Kosovo and Switzerland of 2009, the two parties agreed that they can designate an unlimited number of domestic airlines to operate between the two countries. Since RKS has no domestic airline, Switzerland has agreed in the Bilateral Agreement that Kosovo can nominate/designate an EU or Swiss airline.

The purpose and the whole process of designation is always done to protect the public and state interest, with the aim of limiting the monopoly and consequently also providing good services at competitive and reasonable prices to travelers from a foreign air operator with operational and financial sustainability.

For Kosovo, Switzerland is the largest market in terms of the number of travelers (36% in 2023) and tickets are traditionally very high, especially from Zurich, which is after Basel the second most served destination from Pristina. Increased competition would lower these prices and Kosovo's designation of a company that offers fair competition in the market would contribute to the public interest by offering regular flights at reasonable prices.

The law on civil aviation has no rules for the criteria and procedures on how the Kosovo authorities may choose the air operator they have decided to designate. States usually designate their flag carrier and then, if multiple designation of their other companies is allowed, this is done in agreement with the other state, protecting the principle of public interest and the reciprocity.

In the Bilateral Agreement between Kosovo and Switzerland, the designation is determined by Article 5 of the Agreement and Article 2 of the MOU, which specifies the criteria on the basis of

which Switzerland, in the absence of an operator with an AOC from Kosovo, agrees to grant not more than one (1) operating authorization to foreign companies designated by Kosovo.

Criteria for Air Operators Appointed/Designated for air services from Kosovo to Switzerland

With the aim of ensuring the development of genuine competition between Kosovo - Switzerland market, offering regular lines at the most affordable prices, Air Operators (airlines) that express interest in granting the designation from CAA, must meet the conditions described below.

1. BASIC CRITERIA TO QUALIFY FOR THE EVALUATION PHASE

- 1.1 To have the business registration certificate issued by the Kosovo authorities;
- 1.2 To have the Certificate of Air Operation (COA) from an EU member state;
- 1.3 Have the main place of business in the country that issued the COA;
- 1.4 Be and continue to be directly owned or majority owned by the Member States of the European Union and/or citizens of the Member States of the European Union;
- 1.5 It is not owned in part or in full by airlines or their owners holding a COA and Operating License (LO) from Switzerland;
- 1.6 Provide evidence that it has operated with a positive financial balance at least in the last two years in order to prove the financial sustainability;

2. MAIN EVALUATION CRITERIA

2.1 Frequency of flights

To offer as many as possible regular daily, weekly and annual flight frequencies from Prishtina to Switzerland, but not less than:

- a) 7 times a week throughout the year on air services between Prishtina and Zurich, and not only on weekends;
- b) 3 times a week throughout the year in air services between Prishtina and Geneva and not only on weekends;
- c) 10 times a week throughout the year in air services between Prishtina and Basel and not only on weekends;
- d) At least 1000 (one thousand) flights should be made within the entire calendar year;
- e) Fulfill at least 90% of its obligations regarding frequencies, destination and submit to CAA the detailed activity report for the previous IATA season no later than 3 weeks from the start of the new IATA flight season.

f) The number of seats in flights must be at least 150;

2.2 Operational capacities and services of the air operator

a) To have available for air operation at least 4 airplanes for transporting passengers from Kosova, with at least 150 seats;

b) To base another 3 airplanes in Prishtina, at the latest until the end of the summer flight season (IATA SS 2024), which have not less than 150 seats;

c) To start regular air services from Prishtina to Zurich, Geneva and Basel at the latest 1st of June 2024;

d) To provide evidence for ensuring the maintenance services for necessary interventions in PIA "Adem Jashari";

e) To prove the capacity or contractual agreement with other operators to bring/replace an aircraft and/or crew in case of aircraft malfunction or any other problem requiring replacement of the aircraft and/or flight crew:

f) To ensure the air services in Switzerland and Kosovo through direct channels to the consumers;

g) To provide instructions on board the plane in the Albanian language and provide at least one crew member who speaks the Albanian language to assist passengers in need.

3. FAVORABLE EVALUATION CRITERIA

3.1 Preference is given to air operators with historical flights as follows:

a) Air operators that have carried at least 200,000 passengers to/from PIA "Adem Jashari", during the previous year (2023);

b) Air operators that are operating in the market of Basel Mulhouse-MLH (market in MLH part), to/from PIA "Adem Jashari", with at least 100,000 passengers from Basel/Mulhouse-MLH (market in MLH part), to/from PIA "Adem Jashari", during the last year (2023);

c) Air operators who prove that they have opened new flight destinations from Prishtina in the last two years;

d) Air operators that meet the main criteria can present the plan where during the year they will offer more capacity and scheduled flights to destinations between Kosova and Switzerland.

4. TIME LIMIT – APPOINTMENT/DESIGNATION PERIOD

a) The designation will be granted for a period of three (3) years with possibility of extending, after the positive evaluation conclusion by the CAA for the earlier review of 90% of the mandatory and committed criteria regarding connections with frequencies and destinations through the

detailed report on the earlier activity for each IATA season, unless there is a change of the criteria's and other conditions that may be imposed;

b) The designation will be withdrawn in the event of the start of operation of a Kosova airline, or in the event of non-fulfillment of the above specified conditions;

5. EVALUATION OF CRITERIAS, DEADLINES AND CONSULTATIONS

a) The evaluation of the criteria's will be done by Civil Aviation Authority professional commission;

b) Documents can be submitted via e-mail to infocaa@caa-ks.org or physical copies directly to the CAA offices through the protocol at the address: Rr. Zejnel Salihu No. 22, 10000 Prishtina, Republic of Kosovo;

c) The deadline for submitting documentation is until February 23rd 2024, at 4:00 p.m.;
The deadline for evaluation and publication of the selected air operator is March 1, 2024;

d) Contact for necessary clarifications and consultations: infocaa@caa-ks.org