

05/ZDP/VE/2024 Date: 11 March 2024

In accordance with articles 2, 14.2, 35, 36 of Law no. 03/L-051 on Civil Aviation, amended by Law no. 08/L-063 on amending and supplementing the laws related to the rationalization and establishment of accountability lines of the independent agencies, Article 24 of Law No. 06/L-113 on the Organization and Function of State Administration and Independent Agencies, the Agreement for Regular Air Services between the Government of the Republic of Kosovo and the Federal Council of Switzerland, dated 30 November 2010 and the Memorandum of Understanding for the air services agreement dated 29 April 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 ensuring good services at competitive prices for the air services,

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

DECISION

- 1. To announcement the Public Call for air operators that can offer flight plans and capacities with scheduled flight, to acquire the right to fly through designation to destinations between the Republic of Kosovo and the Confederation of Switzerland, and vice versa.
- 2. The criteria to be nominated as a designated air operator to exercise the rights from point 1, are attached as an Annex to this Decision.
- 3. All interested parties can submit their expression of interest to CAA until 25th of March 2024.
- 4. The decision enters into force on the day of the signature.

Alban Ramabaja Acting Director General

The decision is sent to:

- Minister of MMPHI;

CAA Archive.



Public call for expressions of interest

Public call for air operators that can offer flight plans and capacities with scheduled flight plan to obtain the traffic rights through designation to destinations between the Republic of Kosova and the Confederation of Switzerland.

Authorization for 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 Kosova and Switzerland of 2009, the two parties have agreed that they can designate an unlimited number of domestic air operators to operate between the two countries. Since Kosova does not have a domestic airline, Switzerland has agreed in the Bilateral Agreement that Kosova can designate an EU or Swiss air operator.

The purpose and the entire 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 for the passengers from a foreign air operator with operational and financial sustainability.

For Kosova, Switzerland is the largest market in terms of the number of passengers (36% in 2023) and ticket prices are traditionally very high, especially from Zurich, which is after Basel the second most served destination from Prishtina. Kosova's designation of an Air Operator that provides fair competition in the market will contribute the public interest by offering regular air services at reasonable prices.

Usually, states 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 reciprocity. Statistical data show that five (5) Swiss-flagged air operators have been appointed from Switzerland for air services between Kosova and Switzerland, while Kosova can appoint/designate only one (1) foreign air operator.

In the bilateral Agreement between Kosova and Switzerland, the designation is determined by Article 5 of the Agreement and Article 2 of the MOU, which specifies the criteria based on which Switzerland, in the absence of an operator with an AOC of Kosova, agrees to provide no more than one (1) operation authorization for foreign companies designated by Kosova.

Criteria for Designated Air Operators from Kosova to Switzerland for air services

Air Operators (airlines) that express interest to obtain the designation from the Republic of Kosova for the provision of round-trip air services between Kosova-Switzerland, must meet the conditions described as following.

1. Business operation

1.1 Business registration in Kosova (business certificate).

1.2 Air Operation Certificate (COA) from an EU member state or Switzerland.

1.3 The air operator main business place must be from the country that issued the COA.

1.4 Must be and continue to be directly or majority owned by Kosova, Switzerland, or member states of the European Community, and/or citizens of Kosova, Switzerland, or member states of the European Community.

1.5 It is not in partnership with, or partially or fully owned by air operators and/or their owners who hold a COA and Operating License (LO) from Switzerland and authorized to perform air services from the state of Switzerland to Kosova and vice versa.

1.6 Provide evidence that it has operated with a positive financial balance at least in the last two years to prove financial stability.

1.7 To submit a bank guarantee on behalf of the Civil Aviation Authority of Kosova in the amount of EUR 100,000 which will be executed in case of non-fulfilment of the obligations. (To be submitted no later than one-month prior start of the operations)

2. Performance criteria for the operational capacities and services of the air operator

2.1. To have available for air operation at least 3 airplanes for air services from Kosova to Switzerland (round-trip flights) with capacity of at least 150 seats.

2.2. No later than the end of the summer flight season (IATA SS 2024) at least 2 airplanes with at least 150 seats capacity should be based in Prishtina.

*In case there is a need to use airplanes with smaller seating capacity, the minimum number of 150 seats must be compensated with a higher number of flights to compensate or exceed the minimum number of 150 passengers for each airplane as per minimum number of flights required on a weekly basis for each destination (according to 3.1, 3.2, 3.3).

2.3. To ensure that maintenance services are available for aircrafts used at PIA "Adem Jashari" for any required intervention.

2.4. To prove the sufficient aircraft fleet and crew capacity, or a contractual agreement with other air operators to bring in/replace aircraft and/or crew in the event of aircraft breakdown or any other problem requiring the replacement of aircraft or flight crew.

2.5. Air operators who have operated with positive performance with at least 100,000 passengers to/from PIA "Adem Jashari" during the previous year (2023).

2.6. Offering and selling air services to the consumer in Switzerland and Kosova through direct channels/services.

2.7. Starting the regular round-trip air services from Prishtina to Zurich, Geneva, and Basel no later than June 1, 2024.

2.8. Provide instructions on board the plane in the Albanian language, and at least one crew member who speaks the Albanian language to assist passengers in need at latest end of year 2024.

2.9. To present an education and employment plan for citizens of Kosova, for pilots and other personnel of the crew and support services in the operation of airplanes, which starts no later than in the second year of operation.

3. Frequency of flights

To offer as many frequencies as possible of regular daily, weekly and annual round-trip flights from Prishtina to Switzerland, but not less than:

3.1. Seven (7) times a week throughout the year air services (round-trip flights) between Prishtina and Zurich, not only on weekends. The return flight must be no later than 48 hours from the previous flight.

3.2. Three (3) times a week throughout the year air services (round-trip flights) between Prishtina and Geneva and not only on weekends. The return flight must be no later than 72 hours from the previous flight.

3.3 Ten (10) times a week throughout the year air services (round-trip flights) between Prishtina and Basel and not only on weekends. The return flight must be no later than 48 hours from the previous flight.

3.4 Within the entire calendar year, no less than 1000 (one thousand) flights (round-trip flights) shall be made, with the average full capacity of the plane (load factor) no less than 90%.

3.5 Air operators that meet the aforementioned criteria can present the plan and the offer with the required minimum flight frequencies during the year for round-trip air services for each destination between Kosova and Switzerland or offer as many as possible scheduled flights frequencies.

3.6 The Air Operator must fulfill at least 90% of its obligations regarding the flight frequencies in the designated destinations and the aircraft capacity usage (load factor) and submit it to the CAA the detailed report on the activity for the previous IATA season no later than three (3) weeks from the start of the new flight season according to IATA.

TIME LIMIT - PERIOD OF APPOINTMENT/DESIGNATION

• The designation will be granted for a period of three (3) years with the possibility of continuation after the annual positive assessment by CAA for the fulfillment of at least 90% of the mandatory and committed criteria regarding the frequencies in certain destinations and the utilization capacity of aircraft (load factor), through the detailed report on previous activity for each IATA season, unless the criteria and other conditions imposed by the circumstances are changed.

• The designation will be withdrawn in case of the start of operation of a Kosovar airline, or in case of non-fulfillment of the committed obligations.

SUBMISSION OF THE DOCUMENTATION, DEADLINES AND CONSULTATIONS

• Documents can be submitted via e-mail to <u>infocaa@caa-ks.org</u> or physical copies directly to the AACK offices through the protocol service at the address: Rr. Zejnel Salihu No. 22, 10000 Prishtina, Republic of Kosova.

• The deadline for submitting documentation is until March 25, 2024, at 16:00 o'clock.

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