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| Subject: | Call for tenders for enhanced air connectivity of Slovenia – **Q&A** |

**Question 1: When is the required start of operations?**

**Answer:**

If an air carrier applies for a co-financing period of 2 years, the route must become operational no later than at the start of the 2023 winter flight season.

If an air carrier was planning to begin to operate after the start of the 2023 winter flight season it will not be eligible for 2-year support but a relatively shorter period, as granted support can only be given until 31 October 2025 at the latest.

**Question 2: Is the maximum period of support 2 years?**

**Answer:**

Yes. Two years is the maximum co-financing period of support if the air carrier provides that the route becomes operational no later than at the start of the 2023 winter flight season. If the operations begin later on, an air carrier will be eligible for support for a relatively shorter period, but only until 31 October 2025 at the latest.

**Question 3: Do routes designated for support must operate year-round to receive the 50% discount, or is it possible to operate routes on a seasonal basis and still receive the 50% discount?**

**Answer:**

Air carriers can apply and, if selected, be granted the 50% of the value of airport charges (as defined in European Commission´s Guidelines on State aid to airports and airlines) even if they plan to operate for only one flight season (not year-round) or a certain period.

We would like to clarify that the beneficiary will not receive 50% "discount" but will be reimbursed with 50% of airport charges levied at the Slovenian airport in respect of the route. The beneficiary shall prove the eligibility of the costs with invoices issued by the airport operator during the previous three months.

**Question 4: With the eligible costs for the aid, would it cover 50% of the full cost, or 50% of the discounted cost (after new route incentive is applied)?**

**Answer:**

The beneficiary will be reimbursed with 50% of airport charges levied at the Slovenian airport in respect of the particular route and shall prove the eligibility of the costs with invoices issued by the airport operator for the specific route.

**Question 5: What exactly must be included in the business plan?**

**Answer:**

One of the conditions under which aid may be granted is to submit a business plan showing that the route for which the air carrier would receive the aid will become profitable after the financing period when the air carrier no longer has public financing. A business plan must include details of the new route, specifications on the flight schedule, information on the estimated number of passengers, information on profitability at the end of the public financing period and data on the operating period after the end of public financing. It must also include information regarding marketing of the new route in order to ensure the profitability target by the end of the public financing period.

Any additional information that an air carrier wishes to include into this plan depends entirely on its decision as long as the business plan consists of all elements listed above and outlines all the projected revenues and costs of the business decision of operating the particular route.

**Question 6: How flexible are we regarding changing the flight schedule (days of operation)?**

**Answer:**

The business plan must include details of the new route, specifying the flight schedule. Therefore, an air carrier should operate the route according to the business plan submitted.

If the beneficiary is not selected based on the criterion on flight schedules (i.e. no multiple applicants), it can change the flight schedule only if the planned number of frequencies is kept. The beneficiary must inform the Ministry of the objective circumstances that led to its decision.

**Question 7: What is the subject of the criterion “flying in a time block”?**

**Answer:**

The criterion refers to departure from an airport in the territory of the Republic of Slovenia from 6:00 to 9:00 in the morning and to arrival at an airport in the territory of the Republic of Slovenia from 19:00 to 23:00 in the evening.

The sum of all departures and arrivals within the indicated interval must exceed 50 % of all offered arrivals and departures in order to obtain points

Please note that evaluation based on this criterion is relevant only if minimum two air carriers apply for the same route. If an air carrier cannot schedule the preferable morning departure and the preferable evening arrival, it will not receive the additional points.

As stated in answer on question 6, if the beneficiary is not selected based on the criterion on flying in a time block (i.e. no multiple applicants), it can change the hours so far the planned number of frequencies are kept. The beneficiary must inform the Ministry of the objective circumstances that led to its decision.

**Question 8: Which fare should we submit and how is it assessed? Maximum, average, lowest, and is it in year 1 or in the years following?**

**Answer:**

The lowest maximum possible price for a one-way economy class ticket, excluding the flexibility allowance, airport taxes and checked baggage during the period for which an air carrier is applying for aid.

The maximum possible fare is the only criterion that can be unambiguously determined in advance and its implementation can be verified. Therefore, an air carrier must state the highest possible fare for the proposed route. As mentioned above, evaluation based on this criterion is relevant only if minimum two air carriers apply for the same route. , if the beneficiary is not selected based on the criterion on flying in a time block (i.e. no multiple applicants).

**Question 9: If one airport falls into the same catchment area as another airport (100 km or 60 min journey time) and under comparable conditions, in particular in terms of journey time, the route is not eligible for co-financing.** **Would it mean that if SKP is supported, PRN is instantly not eligible?**

**Answer:**

In general, both conditions (air distance between airports and journey time) should be met/demonstrated except in special cases subject to additional detailed justification and case by case evaluation by the European Commission. (For reference, please see two EC decisions hereafter: [Heringsdorf decision (SA.41635)](https://ec.europa.eu/competition/state_aid/cases/258231/258231_1777940_193_5.pdf)and [Comiso decision (SA.41815)](https://competition-cases.ec.europa.eu/cases/SA.41815)

**Question 10: Can a route support be combined with aid from another country as well?**

**Answer:**

According to Act on aid to ensure enhanced air connectivity, Art 5.1 (3), the cumulation of aid refers to the route itself and not overall costs. Therefore in order to be eligible for aid granted by the Republic of Slovenia a route should not be financed by other State at the same time.

**Question 11: If for unknown reasons, we would have to cancel the route, would we be obliged to return the support?**

**Answer:**

If an air carrier provides a business plan, it must operate the route for the period for which it applied for aid and for which the aid was granted.

If an air carrier does not provide a business plan which shows that the route for which it would receive aid will become profitable without public financing after the financing period to its application, it must provide a written declaration. This declaration of irrevocable commitment to the airport must declare that the route will continue to operate for a period at least as long as the period for which the air carrier is applying for subsidies.

If an air carrier ceases to operate the route, infringing the conditions for granting an aid, it would have to repay the aid received. This means that if the decision of cancelling the route is a result of non-compliance with the conditions for the granting aid, aid is considered to be unlawfully granted and paid to a beneficiary and should therefore be reimbursed in full. The conditions are set in point 6 of the Call for tenders for enhanced air connectivity of Slovenia.

**Question 12: Do we submit one application for each route proposed, or jointly?**

**Answer:**

An air carrier should submit one application for each route.

**Question 13: Do we need to translate all docs to Slovenian, then, sign, or we can provide a translation of the signed documents? Is there a possibility to not translate and use English?**

**Answer:**

According to para 1 of the Article 62 of the General administrative procedure Act the application for aid and Annexes must be filled in and submitted in the official language of the Republic of Slovenia, namely Slovenian. The tender dossier is available in Slovenian on the following link: <https://www.gov.si/zbirke/javne-objave/javni-razpis-za-vecjo-letalsko-povezljivost-slovenije-3-rok/>.

The tender dossier is also available in English on the following link:

<https://www.gov.si/en/news/2023-10-27-call-for-tenders-for-enhanced-air-connectivity-of-slovenia-3rd-deadline/> but only as an information aid for foreign air carriers on completing the application.

The business plan can however be submitted in English.

**Question 14: Do we need to authorise a natural or legal person with a business address or residence in the Republic of Slovenia to receive documents even if we do not have a branch established in the Republic of Slovenia?**

**Answer:**

The authorisation to receive documents given to a natural or legal person with a business address or residence in the Republic of Slovenia is only needed in case you submit an application for aid in physical form. As stated in Article 18 of the Act on aid to ensure enhanced air connectivity, documents can be served electronically if an air carrier provide us with the email address. If an application is submitted in electronic form we will serve all the documents electronically via email from which the application was sent.

**Question 15: Do you already know the date for the Call for tenders for 2024 and beyond?**

**Answer:**

No. That depends on whether all the funds also foreseen for 2024 and 2025 are allocated in 2023.