Imposition of public service obligations on airline services within Italy

(2004/C 306/03)

Pursuant to Article 4(1)(a) of Council Regulation (EEC) No 2408/92 of 23 July 1992, regarding access for air carriers to intra-Community air routes, and in accordance with the proposal put forward by the Autonomous Region of Sardinia, the Italian Government has decided to impose public service obligations on airline services with respect to certain routes between the Sardinian airports and the main national airports.

The insularity of Sardinia significantly limits its opportunities for connections, thereby attributing to air transport a fundamental and irreplaceable role for which there are no valid and comparable alternatives. Consequently, airline services are considered to be services having a public interest, which are vital for the economic and social development of the Island of Sardinia, both to guarantee the right to reside and travel freely within Italy and the freedom of movement of persons within the European Union.

1. **AFFECTED ROUTES**

1.1 The routes affected by the imposition of public service obligations are the following:

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<th>Route</th>
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1.2 In accordance with Article 9 of Regulation (EEC) No 95/93 of 18 January 1993, as amended by Regulation (EC) No 793/2004, relating to common rules for the allocation of slots at Community airports, the competent authorities may reserve certain slots for domestic scheduled services on routes where public service obligations have been imposed under Community legislation.

1.3 All eighteen routes indicated above and the public service obligations imposed upon them constitute a single package which must be accepted completely and entirely by the interested carriers without any compensation regardless of nature or origin.

(1) The destination Milan is understood in accordance with the Decree of the Minister of Transportation of 5 January 2001 as amended and supplemented.
1.4 The carriers accepting the present public service obligations which do not autonomously dispose of the technical and organisational capacity necessary to service the routes affected by the present public service obligations shall provide at the moment of acceptance any other agreements entered into with other carriers for the purpose of servicing the affected routes. Such agreements shall specify the operative details so that the competent authorities can evaluate whether the means and the organisation are sufficient to meet the public service obligations. In any event, each single carrier or each leading carrier, which accepts the public service obligations, remains fully liable for their punctual performance.

1.5 Each single carrier (or leading carrier) which accepts the public service obligations shall provide a performance security for the purpose of guaranteeing the correct execution and continuation of the service. Said security shall amount to at least EUR 15 million and shall be guaranteed by a bank surety to be activated upon the first request for at least EUR 5 million and by an insurance surety for the remaining amount in favour of Ente Nazionale dell’Aviazione Civile (ENAC), which will use the security to guarantee the performance of the public service obligations.

1.6 The Infrastructure and Transportation Minister and ENAC, acting in concert with the Autonomous Region of Sardinia, will verify whether the carriers which accept the public service obligations possess the minimum requirements and the means necessary for access to the affected routes in order to determine whether the objectives pursued by the imposition of the public service obligations will be satisfied. At the conclusion of the verification, the carriers which are considered to be qualified to service the affected routes will be admitted to service the affected routes.

1.7 Each carrier which accepts the above mentioned public service obligations imposed on the affected routes must meet the following minimum requirements:

- must be a Community air carrier in possession of the AOC and the required license in accordance with Regulation (EEC) No 2407/92,
- dispose of a sufficient number of aircraft capable of satisfying the prescribed public service obligations,
- employ on the affected routes personnel who correctly and fluently speak the Italian language,
- distribute and sell tickets with at least one of the principal CRS (Amadeus, Galileo, Sabre, World Span) by internet, by telephone, at airport ticket counters, and through the travel agency system,
- self-certify of having obtained during the period from 1 January 2003 to 30 September 2004 a total regularity coefficient equal to at least 98 % and an on-time coefficient of at least 80 % within 20 minutes,
- provide the performance security as described in Point 1.5.

1.8 In order to guarantee the objectives of continuity, reliability, punctuality and security of service, the carriers which intend to accept the public service obligations imposed on the affected routes shall provide ENAC with the appropriate documents (in the Italian language or in the English language) attesting to be in possession of the abovementioned minimum requirements as well as the organisational, technical, and financial resources to be allocated to the service.

1.9 The carriers which accept the present public service obligations undertake to observe and respect the law of the Member States, international law and Community law with regard to the protection of passengers, in cases of physical damage, overbooking, late flights, cancelled flights, lost baggage, late arrived baggage, and damaged baggage. Such carriers also undertake beginning on 1 January 2005 to comply with the new Community rules set forth in Regulation (EC) No 261/2004 concerning overbooking, cancelled flights and late flights, and in particularly regarding the rights of disabled passengers and passengers having a reduced mobility. Contemporaneously with the acceptance of the present public service obligations, the carriers commit themselves to conform their behaviour toward air passengers and consumers to the principles contained in the Charter of European and Italian Passengers’ Rights.
2. **PUBLIC SERVICE OBLIGATIONS**

2.1 The public service obligations are organised taking into consideration the peculiar conditions created by Sardinia’s insularity. The public service obligations with respect to the number of minimum frequency (that is understood to be guaranteed by direct flights), of flight times, and of offered capacity are as follows:

2.1.1 On the **Alghero/Rome** route:

(a) **Daily minimum frequency**

On the Alghero/Rome route, at least three to four (*) return flights shall be guaranteed from 1 October to 31 May, and at least five return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(b) **Flight times**

On the Alghero/Rome route, there shall be guaranteed at least

1 flight between 06:45 and 07:45
1 flight between 13:30 and 15:30
1 flight between 19:30 and 22:30.

On the Rome/Alghero route, there shall be guaranteed at least

1 flight between 07:00 and 08:30
1 flight between 13:30 and 15:30
1 flight between 19:30 and 22:30.

(c) **Offered capacity**

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

The daily minimum capacity offered during the period from 1 October to 31 May shall be 450 seats on the Alghero/Rome route and 450 seats on the Rome Alghero route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 750 seats on the Alghero/Rome route and 750 seats on the Rome/Alghero route.

2.1.2 On the **Alghero/Milan** route:

(a) **Daily minimum frequency**

On the Alghero/Milan route, at least three to four (*) return flights shall be guaranteed from 1 October to 31 May, and at least four return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(*) The number of scheduled flights indicated by the asterisk (*) may vary within the season according to the period and day of the week. The flight schedule organised by period and days of the week shall be arranged in advance by the companies which have accepted the public service obligations. Such flight schedules shall have the objective of guaranteeing the full satisfaction of the demand and shall be deposited by the carriers which have accepted the public service obligations at least 15 days prior to the beginning of each aeronautical season with ENAC and shall also be communicated to the Autonomous Region of Sardinia, which reserves the right to ask for adjustments where it finds insufficiencies.
(b) **Flight times**

On the Alghero/Milan route, there shall be guaranteed at least
1 flight between 06:45 and 07:45
1 flight between 13:30 and 15:30
1 flight between 19:30 and 22:30.

On the Milan/Alghero route, there shall be guaranteed at least
1 flight between 07:00 and 08:30
1 flight between 13:30 and 15:30
1 flight between 19:30 and 22:30.

(c) **Offered capacity**

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

The daily minimum capacity offered during the period from 1 October to 31 May shall be 450 seats on the Alghero/Milan route and 450 seats on the Milan Alghero route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 600 seats on the Alghero/Milan route and 600 seats on the Rome/Milan route.

2.1.3 On the **Alghero/Bologna** route:

(a) **Daily minimum frequency**

On the Alghero/Bologna route, at least one return flight shall be guaranteed during the entire year.

(b) **Flight times**

The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take into account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) **Offered capacity**

The daily minimum capacity offered during the entire year shall be 130 seats on the Alghero/Bologna route and 130 seats on the Bologna/Alghero route.

2.1.4 On the **Alghero/Turin** route:

(a) **Daily minimum frequency**

On the Alghero/Turin route, at least one return flight shall be guaranteed during the entire year.

(b) **Flight times**

The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take into account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) **Offered capacity**

The daily minimum capacity offered during the entire year shall be 35 seats on the Alghero/Turin route and 35 seats on the Turin/Alghero route.
2.1.5 On the Alghero/Pisa route:

(a) **Daily minimum frequency**

On the Alghero/Pisa route, at least one return flight shall be guaranteed during the entire year.

(b) **Flight times**

The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take into account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) **Offered capacity**

The daily minimum capacity offered during the entire year shall be 130 seats on the Alghero/Pisa route and 130 seats on the Pisa/Alghero route.

2.1.6 On the Cagliari/Rome route:

(a) **Daily minimum frequency**

On the Cagliari/Rome route, at least eight return flights shall be guaranteed from 1 October to 31 May, and at least 11 to 13 (\(^\d\) return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(b) **Flight times**

On the Cagliari/Rome route, there shall be guaranteed at least

- 3 flights between 06:30 and 09:30
- 1 flight between 13:00 and 15:30
- 2 flights between 19:30 and 22:30.

On the Rome/Cagliari route, there shall be guaranteed at least

- 2 flights between 06:30 and 09:30
- 1 flight between 13:30 and 15:30
- 1 flight between 19:30 and 22:30.

(c) **Offered capacity**

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

\(^\d\) The number of scheduled flights indicated by the asterisk (*) may vary within the season according to the period and day of the week. The flight schedule organised by period and days of the week shall be arranged in advance by the companies which have accepted the public service obligations. Such flight schedules shall have the objective of guaranteeing the full satisfaction of the demand and shall be deposited by the carriers which have accepted the public service obligations at least 15 days prior to the beginning of each aeronautical season with ENAC and shall also be communicated to the Autonomous Region of Sardinia, which reserves the right to ask for adjustments where it finds insufficiencies.
The daily minimum capacity offered during the period from 1 October to 31 May shall be 1 200 seats on the Cagliari/Rome route and 1 200 seats on the Rome/Cagliari route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 1 500 seats on the Cagliari/Rome route and 1 500 seats on the Rome/Cagliari route.

2.1.7 On the Cagliari/Milan route:

(a) Daily minimum frequency

On the Cagliari/Milan route, at least five return flights shall be guaranteed from 1 October to 31 May, and at least five to eight (*) return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(b) Flight times

On the Cagliari/Milan route, there shall be guaranteed at least
2 flights between 06:30 and 08:30
1 flight between 13:00 and 15:30
2 flights between 19:30 and 22:30.

On the Milan/Cagliari route, there shall be guaranteed at least
2 flights between 07:00 and 09:00
1 flight between 13:30 and 15:30
2 flights between 19:30 and 22:30.

(c) Offered capacity

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

The daily minimum capacity offered during the period from 1 October to 31 May shall be 750 seats on the Cagliari/Milan route and 750 seats on the Milan/Cagliari route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 750 seats on the Cagliari/Milan route and 750 seats on the Milan/Cagliari route.

2.1.8 On the Cagliari/Bologna route:

(a) Daily minimum frequency

On the Cagliari/Bologna route, at least one to two (*) return flights shall be guaranteed from 1 October to 31 May, and at least two return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(b) Flight times

With regard to connections characterised by a single daily frequency (or at the most by a double daily frequency), the carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take into account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(*) The number of scheduled flights indicated by the asterisk (*) may vary within the season according to the period and day of the week. The flight schedule organised by period and days of the week shall be arranged in advance by the companies which have accepted the public service obligations. Such flight schedules shall have the objective of guaranteeing the full satisfaction of the demand and shall be deposited by the carriers which have accepted the public service obligations at least 15 days prior to the beginning of each aeronautical season with ENAC and shall also be communicated to the Autonomous Region of Sardinia, which reserves the right to ask for adjustments where it finds insufficiencies.
Offered capacity
The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

The daily minimum capacity offered during the period from 1 October to 31 May shall be 150 seats on the Cagliari/Bologna route and 150 seats on the Bologna/Cagliari route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 300 seats on the Cagliari/Bologna and 300 seats on the Bologna/Cagliari route.

2.1.9 On the Cagliari/Turin route:

(a) Daily minimum frequency
On the Cagliari/Turin route, at least one return flight shall be guaranteed during the entire year.

(b) Flight times
The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take in account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) Offered capacity
The daily minimum capacity offered during the entire year shall be 150 seats on the Cagliari/Turin route and 150 seats on the Turin/Cagliari route.

2.1.10 On the Cagliari/Pisa route:

(a) Daily minimum frequency
On the Cagliari/Pisa route, at least one return flight shall be guaranteed during the entire year.

(b) Flight times
The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take in account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) Offered capacity
The daily minimum capacity offered during the entire year shall be 130 seats on the Cagliari/Pisa route and 130 seats on the Pisa/Cagliari route.

2.1.11 On the Cagliari/Verona route:

(a) Daily minimum frequency
On the Cagliari/Verona route, at least one return flight shall be guaranteed from 1 October to 31 May, and at least two return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(b) Flight times
With regard to connections characterised by a single daily frequency (or at the most by a double daily frequency), the carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take in account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.
Offered capacity

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

The daily minimum capacity offered during the period from 1 October to 31 May shall be 150 seats on the Cagliari/Verona route and 150 seats on the Verona/Cagliari route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 300 seats on the Cagliari/Verona and 300 seats on the Verona/Cagliari route.

2.1.12 On the Cagliari/Naples route:

(a) Daily minimum frequency

On the Cagliari/Naples route, at least one return flight shall be guaranteed during the entire year.

(b) Flight times

The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take in account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) Offered capacity

The daily minimum capacity offered during the entire year shall be 130 seats on the Cagliari/Naples route and 130 seats on the Naples/Cagliari route.

2.1.13 On the Cagliari/Palermo route:

(a) Daily minimum frequency

On the Cagliari/Palermo route, at least one return flight shall be guaranteed during the entire year.

(b) Flight times

The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take in account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) Offered capacity

The daily minimum capacity offered during the entire year shall be 35 seats on the Cagliari/Palermo route and 35 seats on the Palermo/Cagliari route.

2.1.14 On the Olbia/Rome route:

(a) Daily minimum frequency

On the Olbia/Rome route, at least three return flights shall be guaranteed from 1 October to 31 May, and at least six to nine (*) return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(*) The number of scheduled flights indicated by the asterisk (*) may vary within the season according to the period and day of the week. The flight schedule organised by period and days of the week shall be arranged in advance by the companies which have accepted the public service obligations. Such flight schedules shall have the objective of guaranteeing the full satisfaction of the demand and shall be deposited by the carriers which have accepted the public service obligations at least 15 days prior to the beginning of each aeronautical season with ENAC and shall also be communicated to the Autonomous Region of Sardinia, which reserves the right to ask for adjustments where it finds insufficiencies.
(b) **Flight times**

On the Olbia/Rome route, there shall be guaranteed at least

- 1 flight between 06:45 and 07:45
- 1 flight between 13:30 and 15:30
- 1 flight between 19:30 and 22:30.

On the Rome/Olbia route, there shall be guaranteed at least

- 1 flight between 07:00 and 08:30
- 1 flight between 13:30 and 15:30
- 1 flight between 19:30 and 22:30.

(c) **Offered capacity**

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

The daily minimum capacity offered during the period from 1 October to 31 May shall be 450 seats on the Olbia/Rome route and 450 seats on the Rome/Olbia route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 900 seats on the Olbia/Rome route and 900 seats on the Rome/Olbia route.

2.1.15 On the Olbia/Milan route:

(a) **Daily minimum frequency**

On the Olbia/Milan route, at least two to three (*) return flights shall be guaranteed from 1 October to 31 May, and at least 7 to 13(*) return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(b) **Flight times**

On the Olbia/Milan route, there shall be guaranteed at least

- 1 flight between 06:45 and 07:45
- 1 flight between 13:30 and 15:30 (only in the event of 3 daily flights during the period from 1 October to 31 May)
- 1 flight between 19:30 and 22:30.

On the Milan/Olbia route, there shall be guaranteed at least

- 1 flight between 07:00 and 08:30
- 1 flight between 13:30 and 15:30 (only in the event of three daily flights during the period from 1 October to 31 May)
- 1 flight between 19:30 and 22:30.

(c) **Offered capacity**

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

(*) The number of scheduled flights indicated by the asterisk (*) may vary within the season according to the period and day of the week. The flight schedule organised by period and days of the week shall be arranged in advance by the companies which have accepted the public service obligations. Such flight schedules shall have the objective of guaranteeing the full satisfaction of the demand and shall be deposited by the carriers which have accepted the public service obligations at least 15 days prior to the beginning of each aeronautical season with ENAC and shall also be communicated to the Autonomous Region of Sardinia, which reserves the right to ask for adjustments where it finds insufficiencies.
The daily minimum capacity offered during the period from 1 October to 31 May shall be 300 seats on the Olbia/Milan route and 300 seats on the Milan/Olbia route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 1,050 seats on the Olbia/Milan route and 1,050 seats on the Milan/Olbia route.

2.1.16 On the Olbia/Bologna route:

(a) **Daily minimum frequency**

On the Olbia/Bologna route, at least one return flight shall be guaranteed during the entire year.

(b) **Flight times**

The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take into account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) **Offered capacity**

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

The daily minimum capacity offered during the period from 1 October to 31 May shall be 150 seats on the Olbia/Bologna route and 150 seats on the Bologna/Olbia route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 300 seats on the Olbia/Bologna and 300 seats on the Bologna/Olbia route.

2.1.17 On the Olbia/Turin route:

(a) **Daily minimum frequency**

On the Olbia/Turin route, at least one return flight shall be guaranteed during the entire year.

(b) **Flight times**

The carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take into account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.

(c) **Offered capacity**

The daily minimum capacity offered during the entire year shall be 150 seats on the Olbia/Turin route and 150 seats on the Turin/Olbia route.

2.1.18 On the Olbia/Verona route:

(a) **Daily minimum frequency**

On the Olbia/Verona route, at least one return flight shall be guaranteed from 1 October to 31 May, and at least two return flights shall be guaranteed from 1 June to 30 September (including the Christmas and Easter periods).

(b) **Flight times**

With regard to connections characterized by a single daily frequency (or at the most by a double daily frequency), the carriers which accept the public service obligations may determine the flight schedule. However, such carriers shall take into account the necessity to guarantee the return flight during the day in Sardinia and a significant stay at each destination.
(c) **Offered capacity**

The daily offered capacity is determined taking into consideration the different frequencies provided during the two periods as described in the public service obligations.

The daily minimum capacity offered during the period from 1 October to 31 May shall be 150 seats on the Olbia/Verona route and 150 seats on the Verona/Olbia route.

The daily minimum capacity offered during the period from 1 June to 30 September (including the Christmas and Easter periods) shall be 300 seats on the Olbia/Verona and 300 seats on the Verona/Olbia route.

3. **AIRCRAFT TO BE USED**

The aircraft to be used on the routes

- Alghero/Rome/Alghero
- Alghero/Milan/Alghero
- Cagliari/Rome/Cagliari
- Cagliari/Milan/Cagliari
- Cagliari/Bologna/Cagliari
- Cagliari/Turin/Cagliari
- Cagliari/Verona/Cagliari
- Olbia/Rome/Olbia
- Olbia/Milan/Olbia
- Olbia/Bologna/Olbia
- Olbia/Turin/Olbia
- Olbia/Verona/Olbia

shall each have a minimum capacity of 150 seats.

The aircraft to be used on the routes

- Alghero/Bologna/Alghero
- Alghero/Pisa/Alghero
- Cagliari/Pisa/Cagliari
- Cagliari/Naples/Cagliari

shall each have a minimum capacity of 130 seats.

The aircraft to be used on the routes

- Alghero/Turin/Alghero
- Cagliari/Palermo/Cagliari

shall each have a minimum capacity of 35 seats.

3.1 The entire capacity of each aircraft to be used, even if it exceeds the minimum limit provided above, shall be offered for sale for each flight in accordance with the imposed public service obligations without any seating restrictions for residents and/or non-residents.

3.2 Any practices designed to surreptitiously avoid such prescription, and in particular the refusal to issue tickets at a favoured fare notwithstanding the seating availability on the aircraft, shall be considered a serious breach of the imposed public service obligations, and said breach shall be subject to sanctions.
### FARES

#### 4.1
The fare structure for all the affected routes must include:

- a maximum favoured fare which is that maximum price applicable to passengers who belong to a favoured category as described herein,

- a maximum non-favoured fare which is that maximum price applicable to all passengers who do not belong to a favoured category.

The carriers which accept the public service obligations undertake to structure the fares according to the different groups so as to guarantee the sale of an adequate number of special and discount tickets that results in an average sales price significantly lower than the maximum non-favoured fare.

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<th>Affected route</th>
<th>Maximum favoured fare</th>
<th>Maximum non-favoured fare</th>
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<td>Olbia/Rome</td>
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<td>100.00</td>
</tr>
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<td>57.00</td>
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</tr>
<tr>
<td>Olbia/Verona</td>
<td>57.00</td>
<td>140.00</td>
</tr>
</tbody>
</table>

#### 4.2
All the indicated fares shall include VAT and shall be net of airport taxes and charges and of the crisis surcharge of which the maximum amount is EUR 6. Whenever the conditions which brought about the levying of the crisis surcharge diminish or are re-evaluated, such crisis surcharge shall be eliminated or proportionately reduced. No other charges of whatever kind regardless of their denomination shall be applied to the fares described herein.

#### 4.3
The favoured fare is not subject to limitations. No restriction shall apply to the favoured fare, such as a penalty for changing the date, time, or ticket, nor any penalty for a refund, provided that the changes or the refund request are made prior to 48 hours of departure. Subsequent to such term and until the time of departure, such changes and such refund shall carry a lump-sum penalty of EUR 10.

#### 4.4
A ticket sale and distribution system shall be provided which is completely free and does not involve any extra financial charge for the passenger.

#### 4.5
Every year, beginning on 1 January 2006, the competent authorities shall review the fare structure described herein with respect to the inflation rate from the preceding year as calculated according to the Italian statistical index for families, workers and employees (ISTAT/FOI index) for consumer prices. The revision shall be communicated to all the carriers which operate on the affected routes applying the fare structure described herein and shall be communicated to the European Commission for publication in the *Official Journal of the European Union*. 
4.6 In the event of notice that the average fuel cost beginning in the second semester of 2004 sustains percentage variations greater than 5%, the fares shall be revised with respect to such percentage variations and in proportion to the fuel cost's effect on the carrier's performance costs. Any possible adjustment shall be decided on a semester basis by the Minister of Infrastructure and Transportation in agreement with the President of the Autonomous Region of Sardinia on the basis of an investigation conducted by a joint technical committee comprised of a representative nominated by the Minister of Infrastructure and Transportation, a representative nominated by ENAC and by a representative nominated by the Autonomous Region of Sardinia. In the event of an increase in excess of the indicated percentage, the said joint technical committee shall initiate proceedings to decide an adjustment upon receiving notice from the carriers operating on the affected routes. In the event of a decrease, the said joint technical committee may autonomously initiate proceedings to decide an adjustment without receiving any notice from the carriers. During the course of the investigation, the joint technical committee must hear the carriers operating on the affected routes. Any possible fare adjustment shall become effective beginning with the semester following the semester in which the joint technical committee received notice or acted autonomously on the basis of its own notice.

4.7 Any fare increases of whatever amount and of whatever denomination which are determined outside the proceedings described herein are considered unlawful.

4.8 The carriers operating on the affected routes are legally bound to apply the favoured fares, according to the above specified rates, to at least the following groups of passengers:

- residents of Sardinia,
- people born in Sardinia even if they do not reside in Sardinia,
- spouses and children of people born in Sardinia,
- disabled people (1);
- young people from 2 to 21 years old (1),
- elderly people more than 70 years of age (1),
- university students until they reach 27 years of age (1).

Children younger than two years old travel free if they do not occupy a seat.

5. SERVICE CONTINUITY

In accordance with Article 4(1) (c) of Regulation (EEC) No 2408/92, the carrier which accepts the public service obligations shall guarantee service for a period of at least 36 consecutive months and shall not suspend such service without giving a six-month prior notice to ENAC and the Autonomous Region of Sardinia.

5.1 In order to guarantee the flights' continuity, regularity, and punctuality, the carriers which accept the public service obligations:

- undertake each year to fly 98% of their scheduled flights, with a maximum margin of cancellation equal to 2%,
- undertake to pay to the regulating authority as a penalty EUR 5 000 for each cancelled flight exceeding the annual cancellation percentage of 2%; such sums paid shall be credited to the account for financing the territorial continuity of Sardinia,
- undertake each year to fly punctually 85% of its flights within 20 minutes of the scheduled flight times,
- undertake to compensate each passenger for every delay more than 20 minutes a credit of EUR 15 to used for the purchase of another ticket.

5.2 The above described rules shall not apply to cancelled flights and delayed flights due to weather conditions, strikes or events beyond the control and/or responsibility of the carrier.

(1) Without any discrimination with regard to place of birth, residence and nationality.
6. **SANCTIONS**

The suspension of service without prior notice or with prior notice but inconsistent with the rules described above is subject to administrative and pecuniary sanctions, the amounts of which will take into account the damage caused to the Public Administration and the damage caused to the collectivity of the passengers.

6.1 In order to guarantee the punctual observance by the carriers which accept the present public service obligations, a joint monitoring committee is established with the Councillor of Transportation of the Autonomous Region of Sardinia to monitor the performance of the public service obligations (the Joint Monitoring Committee). The Joint Monitoring Committee is composed of one member nominated by the Regional Councillor of Transportation, one member nominated by the Minister of Infrastructure and Transportation, one member nominated by ENAC, and one member nominated by each carrier which has accepted the public service obligations.

6.2 The Joint Monitoring Committee:

is presided over by the Regional Councillor of Transportation and ordinarily meets once every three months, except in case of emergency to be evaluated by its President,

considers the information collected by the Administration of the Airport Districts of Sardinia, by the airport managing companies, by individual citizens or by consumer groups with respect to performance of the public service obligations,

finds possible breaches of public service obligations, documents such breaches, and proposes to ENAC the adoption of such measure to restore the regularity of service and, if appropriate, impose sanctions suggesting the type and the amount of such sanctions.

7. **EFFECTIVE DATE**

The public service obligations contained in the present enclosure shall become obligatory beginning on 1 January 2005 and shall expire on 31 December 2007.

8. **PRESENTATION — ACCEPTANCE**

The carriers which intend to accept the public service obligations contained in the present enclosure shall present, within 15 days of publication in the *Official Journal of the European Union* of the communication of the Commission relating to the imposition of said obligations, a formal acceptance of the entire contents of the present enclosure to ENAC, *Ente Nazionale per l’Aviazione Civile*, via del Castro Pretorio 118, I–00185 Roma.