

SGEI report for Finland**ANNEX 1****Ministry of Transport and Communications****5) compensation not exceeding an annual amount of EUR 15 million for the provision of services of general economic interest in other areas (Article 2(1)(a))****1) Ensuring waterways services of the Finnish government for a specific period – Meritaito Oy**

Clear and comprehensive description of how the respective services are organized in your Member State¹	
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.	<p>Meritaito Oy had been charged with the task of ensuring the availability of waterways services required by the State for the duration of the transition period connected with the opening of the waterways services market until the end of 2012, by which time hydrographic surveying and waterways maintenance services and the services covering the maintenance and operations of canals were gradually being opened to competition.</p> <p>Meritaito Oy's task was to provide hydrographic surveying services, waterway maintenance services and services covering the maintenance and operations of canals on a temporary basis. This obligation is laid down in the Act on ensuring government waterways services for a specific period (1239/2010) and the</p>

¹ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

	Order issued by the Finnish Transport Agency in connection with the Act. The Act was in force until 31 December 2012.
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.	The Finnish Transport Agency is responsible for waterways. Waterway maintenance services and the services covering the maintenance and operations of canals were previously the responsibility of an internal state department. The year 2010 saw the start of the gradual opening up to competition of these services with the Act on ensuring government waterways services for a specific period (1239/2010). Under section 2(2) of the Act, the Finnish Transport Agency had to subject the services referred to in subsection 1 to competitive tendering so that in 2011 one third were subjected to competitive tendering, and in 2012 a maximum of two-thirds were subjected to competitive tendering, as calculated on the basis of the contract prices of the services.
Explanation of the (typical) duration of the entrustment and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	The entrustment was temporary and covered the years 2011 and 2012.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	Meritaito Oy had an exclusive right to the provision of services, which was gradually withdrawn in 2011 (1/3 opened to competition) and 2012 (2/3 opened to competition).
Explanation of the (typical) compensation mechanism as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	Compensation was paid in the form of a direct subsidy based on cost.
Explanation of the (typical) arrangements for avoiding and repaying any	The amount of aid was reviewed at the end of the year and Meritaito had to repay any

overcompensation.	overcompensation the following year.
Amount of aid granted	
Total amount of aid granted. ² <u>This includes all aid paid in your territory, including aid paid by regional and local authorities.</u>	2012: MEUR 15.325 (More detailed breakdown in the enclosed statement)
Other quantitative information ³	

Annex 1 is part of the section in the Ministry of Transport and Communications report entitled

1) Ensuring waterways services of the Finnish government for a specific period – Meritaito Oy

² As stipulated in Article 9 b) of the SGEI Decision and Para. 62 b) of the SGEI Framework. Please provide a breakdown by calendar year.

³ The Commission would welcome data that you might have on aid granted under the SGEI Decision and the SGEI Framework, for example number of beneficiaries per sector, average amount of aid, amount per aid instrument (direct subsidy, guarantee, etc.), size of the undertakings, etc. Should such other quantitative information data not be readily available in a Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

2) Pilotage in the Saimaa waterways system – Finnpilot Pilotage Oy

Clear and comprehensive description of how the respective services are organized in your Member State⁴

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

Finnpilot Pilotage Oy is a state-owned enterprise with responsibility for pilotage in the Saimaa Canal and the Saimaa waterways. The company mainly operates in sea areas but, exceptionally, also in the vast inland area covered by the Saimaa waterways system. Pilotage allows vessels to pass from the Saimaa waterways to the sea. Owing to the geographical conditions, the charges would be higher than for maritime traffic. The piloted distances in Saimaa are considerably longer than for maritime traffic. The pilotage fee charged in Saimaa is 74 % lower than the basic pilotage fee.

In the Saimaa Canal and the Saimaa waterways, a fee based on a reduced unit price is charged. Finnpilot Pilotage Oy is compensated for the loss of income incurred by means of an appropriation included in the state budget for this purpose. As a result of the price support, Saimaa traffic pays the same pilotage fees as maritime traffic in relation to volumes transported.

⁴ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.	The costs for pilotage in the inland waterways would be higher per transported tonne than for marine transport.
Explanation of the (typical) duration of the entrustment and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	This concerns the granting of case-specific aid to the state-owned company Finnpiilot Pilotage Oy, which is a monopoly. A permanent entrustment was granted when the old Commission SGEI Decision (842/2005) was in force.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	Finnpiilot Pilotage Oy's exclusive right is based on the Finnish Act on transforming the State Pilotage Enterprise into a limited liability company (1008/2010). The provision of pilotage services and the associated tasks and responsibilities are laid down in the Finnish Pilotage Act (940/2003). Finnish Government Decree 246/2011 provides for the obligation to use a pilot in Saimaa.
Explanation of the (typical) compensation mechanism as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	It is a direct annual subsidy in the form of price support, which may be no greater in value than the deficit.
Explanation of the (typical) arrangements for avoiding and repaying any overcompensation .	Overcompensation is evened out once a year. Finnpiilot Pilotage Oy keeps separate accounts of the costs and revenue for the region. The subsidy/cost ratio is monitored once a year and any overcompensation has to be returned to the state.

Amount of aid granted	
Total amount of aid granted. ⁵ <u>This includes all aid paid in your territory, including aid paid by regional and local authorities.</u>	2012: MEUR 4.002 2013: MEUR 3.89
Other quantitative information ⁶	

⁵ As stipulated in Article 9 b) of the SGEI Decision and Para. 62 b) of the SGEI Framework. Please provide a breakdown by calendar year.

⁶ The Commission would welcome data that you might have on aid granted under the SGEI Decision and the SGEI Framework, for example number of beneficiaries per sector, average amount of aid, amount per aid instrument (direct subsidy, guarantee, etc.), size of the undertakings, etc. Should such other quantitative information data not be readily available in a Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.