



Seattle-Tacoma International Airport New Air Service Incentive Program (Proposed)

Revised: June 2016

Summary:

The Port of Seattle, operator of Seattle-Tacoma International Airport (“Airport”) has adopted the following incentive program for eligible new air services. The program is designed to attract and promote new air services and help mitigate the inherent risks of a new operation.

The incentive program for new air service will be reviewed by the Port of Seattle regularly to ensure that it meets the air service development objectives of the Airport. The program is consistent with guidance published by the FAA in September 2010, titled *Air Carrier Incentive Program Guidebook: A Reference for Airport Sponsors* in accordance with Federal statutes.

The Airport offers incentives for new international passenger services, new domestic passenger services, and new international freighter services:

- International Passenger Service Incentives (Categories A, B, and C)
- Domestic & Short-haul International Passenger Service Incentives (Categories D and E)
- International Freightier Service Incentives (Categories F and G)

NEW INTERNATIONAL PASSENGER SERVICE INCENTIVES

Program Category	Description	Int’l Arrivals Facility Fee Waiver	Landing Fee Waiver	Joint Promotional Funds
Category A Unserviced Long-haul International Markets	International nonstop air service of at least 4,000 miles to an unserved city	100% for two years	100% for two years	\$500,000 over two years *
Category B Unserviced Medium-haul International Markets	International nonstop air service of between 2,000 and 4,000 miles to an unserved city	100% for one year	100% for one year	\$300,000 over two years *
Category C Competitive Medium- and Long-haul International Markets	International nonstop air service of at least 2,000 miles to a destination with existing service on a different carrier	n/a	n/a	\$200,000 over one year *

**Joint Promotional Funds for Categories A and B must be used within two years (not to exceed three calendar years). Funds for Category C must be used within one year (not to exceed two calendar years).*

International Passenger Service Incentive Eligibility:

To be eligible as a new international passenger service for Categories A, B, or C, the route must be:

- A nonstop service to an eligible market;
- A minimum of two scheduled round trips each week;
- Year-round scheduled service sold to the public;
- Not previously served by the same carrier or a subcontract partner carrier within 36 months;
- Not considered a replacement service of another service previously served by a profit-sharing Joint Venture agreement carrier on the same city pair

NEW DOMESTIC AND SHORT-HAUL INTERNATIONAL PASSENGER SERVICE INCENTIVES

Program Category	Description	Landing Fee Waiver¹	Common-use Gate and Ticket Counter Fee Waivers^{1,2}	Joint Promotional Funds¹
Category D Small Community Air Service	New air service to unserved destinations in Washington, Oregon, or Idaho	100% for two years	100% for two years	\$25,000 over two years
Category E Unserved Domestic & Short-haul International Markets	Unserved city in the U.S. -or- Unserved city <2,000 miles ³	n/a	n/a	\$25,000 over two years

¹ The second year of eligibility for domestic air service incentives is contingent upon the air carrier meeting a minimum of 75% of their projected operations in the first year of the program
² Fee waivers for gate and ticket counters applicable only for common-use facilities
³ Includes short-haul flights to Canada and Mexico. Excludes destinations eligible for incentives under Categories B or D

Domestic Passenger Service Incentive Eligibility:

To be eligible as a new domestic air service for Categories D or E, the route must be:

- A nonstop service to an eligible market;
- A minimum of five scheduled round trips each week via any aircraft type;
- Year-round scheduled service sold to the public;
- Not previously served by the same carrier or a subcontract partner carrier within 18 months;
- Not considered a replacement service of another service previously served by profit-sharing Joint Venture agreement carrier on the same city pair.

INTERNATIONAL FREIGHTER SERVICE INCENTIVES

Program Category	Description	Landing Fee Waiver	Joint Promotional Funds
Category F Unserviced International Freighter Markets	New, direct freighter service to an international market with no existing freighter service	100% for two years	up to \$100,000 over two years
Category G Competitive International Freighter Markets	New, direct cargo service to an international market with existing freighter service	n/a	up to \$25,000 over one year

International Freighter Service Incentive Eligibility:

To be eligible as a new international freighter service for Categories F or G, the route must be:

- A direct service to an eligible market;
- A minimum of two scheduled departures each week;
- Year-round commercially-available scheduled service;
- Not previously served by the same carrier or a subcontract partner carrier within 36 months;
- Not considered a replacement service of another service previously served by a profit-sharing Joint Venture agreement carrier on the route

Joint Promotional Program

The Airport offers the Joint Promotional Program to carriers with eligible services. The available fund is not a cash subsidy to the air carrier, but is intended for collaborative promotion of the new air service. The program is designed to be utilized in partnership with the Airport for the purpose of benefiting its business and to raise public and industry awareness of airport facilities and services in conjunction with the new air service.

In order to utilize the funds, the carriers must 1) follow the requirement in the *Seattle-Tacoma International Airport Joint Airline Promotional Program Guidelines* provided by the Airport; and 2) submit a qualifying proposal that is reviewed and approved by the Airport as required.

Program Limitations:

- To be eligible for this incentive program, the new air service must be announced and become publicly available prior to the termination of the current Signatory Lease and Operating Agreement (SLOA). However, a carrier does not have to be a signatory carrier to be eligible for the incentive benefit.
- If a new air service which has received fee waivers terminates operations prior to completing at least 24 consecutive months of operations, the Port of Seattle reserves the right to recoup the waived landing fees and terminal facility charges.
- If a carrier defaults in any of its financial obligations to the Port of Seattle, the incentive benefit privilege will be terminated.
- The Port of Seattle reserves the right to determine a carrier's eligibility for the incentive program, including (but not limited to) cases in which a service is announced within a reasonably close time frame from another carrier's earlier announcement to serve the same destination.
- Note that all destination airports serving a particular city are considered to be the same market. For example, if service exists to London-Heathrow, any new service to London (regardless of the particular airport) would be considered service to an existing market (Category C).