

# ATTACHMENT A

## WAYNE COUNTY AIRPORT AUTHORITY AIR SERVICE INCENTIVE PROGRAM DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

The purpose of the Wayne County Airport Authority (“WCAA”) Air Service Incentive Program (the “Incentive Program”) is to encourage new non-stop air service at Detroit Metropolitan Wayne County Airport (the “Airport”), and thus increase airport revenues through both additional airline revenues and ancillary revenues (such as parking and concessions), with the result being an overall lower cost per enplaned passenger at the Airport.

The Incentive Program is offered to all scheduled airlines. The program and structure for incentives is presented on the [www.metroairport.com](http://www.metroairport.com) website. A qualification questionnaire also is available on the website to be completed by airlines desiring to receive the incentive benefits.

The WCAA will administer the Incentive Program so as not to increase the fees and charges of the air carriers operating at the Airport that do not participate in the program.

### **Incentive Program Requirements—Passenger Airlines**

In order for a passenger airline to qualify for participation in the Incentive Program, the following requirements apply:

1. The airline must provide new air service from the Airport to a destination that the airline has not served non-stop from the Airport within the 36 calendar month period immediately preceding the date of commencement of the new service.
2. For new destinations within the United States, the aircraft used by the airline for the new service must be capable of accommodating at least 76 passengers.
3. The new service must be “scheduled service”. The WCAA will determine service type and whether service has been available within the past 36 months using the Official Airline Guide (the “OAG”).
4. The airline must maintain the new service to which the incentive benefits apply for a period of not less than 12 consecutive months.
5. The service must be scheduled to operate with a minimum of 52 operations during the incentive period and with flights operating in each of the 12 months during the incentive period.

6. Service shifts between destination airports within 50 miles of each other are not eligible for the incentive. Any reduction in scheduled service during the incentive period to a destination within 50 miles of the new incentive destination as compared to the prior 12 month period will render the new destination ineligible for the incentive. For example, if Airline A added new service from the Airport to Ontario, CA with one daily non-stop flight, but reduced service from the Airport to Los Angeles, CA from four (4) roundtrips to three (3) roundtrips according to OAG, the Ontario, CA service would not be considered “new”, and would be ineligible for the incentive.
7. For the purposes of determining eligibility, affiliated airlines, joint venture partners and predecessor and successor airlines in an airline merger or acquisition are treated as a single carrier. For example, if Airline A and Airline B marketed joint service to a destination non-stop and the aircraft operating the flight switched from an Airline A aircraft to an Airline B aircraft, the Airline B service would not be considered “new”, and would be ineligible for the incentive. Similarly, if an Airline A marketed flight to a destination was operated by Airline A (or another affiliate) and then transitioned to a flight operated by Airline B, the Airline B service would not be considered “new”, and would be ineligible for the incentive.
8. The airline must declare its eligibility for the Incentive Program at least 30 days prior to initiating the new air service, by submitting the standard form qualification questionnaire available at [www.metroairport.com](http://www.metroairport.com). The WCAA will notify the airline in writing within 15 days of receipt of the questionnaire whether it deems the service described on the questionnaire eligible for the Incentive Program.

### **Program Incentive Benefits for Passenger Carriers**

1. The incentive benefits described below will be available for the first 12 months of new service meeting the above requirements.
2. The WCAA will pay for advertising and promotional activities associated with the new service, in an amount up to but not exceeding \$1.00 multiplied by the aggregate amount of Approved Maximum Landing Weight of the aircraft used for the new service, in units of one thousand pounds, during the 12-month incentive period. The WCAA will reimburse the airline for funds spent by the airline for these advertising and promotional activities through a credit applied against the airline’s Activity Fees at the end of the 12-month incentive period (the “Marketing Credit”).
3. The WCAA must approve in advance all advertising and promotional activities associated with the new service for which the airline desires to

receive the Marketing Credit. All advertising and marketing must meet Federal Aviation Administration (“FAA”) guidelines for the use of airport revenue for such purpose, including promoting the Airport and the new route. The airline will place all advertising directly following receipt of written approval of such advertising from the WCAA.

- 4.. At least 50% of the eligible marketing/advertising funds must be spent in the Detroit metropolitan market, with the remaining portion spent in the metropolitan area of the destination receiving new service under the program. All marketing/advertising must exclusively promote service to and from Detroit Metropolitan Airport and appropriately highlight routes eligible under the program.
5. In addition, the airline will receive the benefit described in either (a) or (b) below. The WCAA will have the sole discretion to determine whether (a) or (b) shall apply:
  - (a) The Activity Fee payable by the airline for the landing at the Airport of aircraft operating the new service will be discounted to \$1.00 per thousand pounds of the maximum landing weight approved by the FAA for landing of the aircraft used for such service (the “Approved Maximum Landing Weight”). The discount applies only to flights from the qualifying origination/destination point. The discounted Activity Fee will be received through a credit applied against the airline’s Activity Fees at the end of the 12-month incentive period. That is, the airline will pay the WCAA’s normally applicable Activity Fee rate for the qualifying flight during the incentive period and will receive the discount through a credit at the end of the period; or
  - (b) The WCAA will pay for additional advertising and promotional activities associated with the new service, in an amount up to but not exceeding the amount of the Activity Fee discount that otherwise could be available to the airline pursuant to subparagraph (a) above for the 12-month incentive period. The WCAA will reimburse the airline for funds spent by the airline for these advertising and promotional activities through an additional Marketing Credit at the end of the 12-month incentive period. The provisions of paragraphs 3 and 4 above also shall apply to the advertising and promotional activities under this paragraph 5(b).
6. If a participating carrier does not provide the new service for the full 12 consecutive months, it will forfeit all benefits associated with the Incentive Program and will not receive the credits described above.

## Incentive Program Requirements--Cargo Carriers

In order for a cargo carrier to qualify for participation in the Incentive Program, the following requirements apply:

1. The air carrier must provide new year-round cargo service to a destination greater than 2,200 miles from the Airport and which the air carrier has not served non-stop from the Airport within the 36 calendar month period immediately preceding the date of commencement of the new service.
2. For the purposes of determining eligibility, affiliated airlines, joint venture partners and predecessor and successor airlines in an airline merger or acquisition are treated as a single carrier. For example, if Airline A and Airline B marketed joint service to a destination non-stop and the aircraft operating the flight switched from an Airline A aircraft to an Airline B aircraft, the Airline B service would not be considered "new", and would be ineligible for the incentive. Similarly, if an Airline A marketed flight to a destination was operated by Airline A (or another affiliate) and then transitioned to a flight operated by Airline B, the Airline B service would not be considered "new", and would be ineligible for the incentive.
3. The service must be scheduled to operate with a minimum of 52 operations during the incentive period and with flights operating in each of the 12 months during the incentive period.
4. Service shifts between destination airports within 50 miles of each other are not eligible for the incentive. Any reduction in scheduled service during the incentive period to a destination within 50 miles of the new incentive destination as compared to the prior 12 month period will render the new destination ineligible for the incentive. For example, if Airline A added new service from the Airport to Ontario, CA with one daily non-stop flight, but reduced service from the Airport to Los Angeles, CA from four (4) roundtrips to three (3) roundtrips according to OAG, the Ontario, CA service would not be considered "new", and would be ineligible for the incentive.
5. The airline must declare its eligibility for the Incentive Program at least 30 days prior to initiating the new air service, by submitting the standard form qualification questionnaire available at [www.metroairport.com](http://www.metroairport.com). The WCAA will notify the airline in writing within 15 days of receipt of the questionnaire whether it deems the service described on the questionnaire eligible for the Incentive Program.

## **Program Incentive Benefits for Cargo Carriers**

1. The incentive will be available for the first 12 months of new service meeting the above requirements.
2. The airline will receive the benefit described in either (a) or (b) below. The WCAA will have the sole discretion to determine whether (a) or (b) shall apply:
  - (a) The Activity Fee payable by the carrier for the landing of aircraft operating the new service will be discounted by 50%. The discount applies only to flights from the qualifying origination/destination point. The discounted Activity Fee will be received through a credit applied against the airline's Activity Fees at the end of the 12 month incentive period. That is, the airline will pay the WCAA's normally applicable Activity Fee for the qualifying flight during the incentive period and will receive the discount through a credit; or
  - (b) The WCAA will pay for advertising and promotional activities associated with the new service, in an amount up to but not exceeding the amount of the Activity Fee discount that otherwise could be available to the airline pursuant to subparagraph (a) above for the 12-month incentive period. The WCAA will reimburse the airline for funds spent by the airline for these advertising and promotional activities through a credit applied against the airline's Activity Fees at the end of the 12-month incentive period. The provisions of paragraphs 3 and 4 under "Program Incentive Benefits for Passenger Carriers" above shall apply to the advertising and promotional activities under this paragraph 2(b).
3. If a participating carrier does not provide the new service for the full 12 consecutive months, it will forfeit all benefits associated with the Incentive Program and will not receive the credit described above.