



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

Air Service Incentive Program

INTRODUCTION

The purpose of the Air Service Incentive Program (the “Program”) of the Wayne County Airport Authority (“WCAA”) is to encourage new non-stop air service at Detroit Metropolitan Wayne County Airport (the “Airport”) in order to generate additional airline revenues and non-airline revenues (such as parking and concessions revenues) resulting in a lower cost-per-enplaned-passenger.

The Program is offered to all scheduled passenger airlines for a period of one (1) year or two (2) years (the “Incentive Period”), as described under Program Requirements below. The Program and qualification questionnaire are available on the www.metroairport.com website.

PROGRAM REQUIREMENTS

- To qualify for a benefit under the Program, an airline must provide new non-stop service from the Airport to a destination that the airline had not served non-stop from the Airport during Calendar Year 2019. If the airline initiates new non-stop service from the Airport to a market that already is served from the Airport by an incumbent air carrier **or** was served by another air carrier during Calendar Year 2019, the length of the Incentive Period will be one (1) year from the date that the airline initiates the service. If the airline initiates new non-stop service from the Airport to a market that no other airline served non-stop from the Airport during Calendar Year 2019 **and** no other airline is serving that market at the time the airline initiates the service, the length of the Incentive Period will be two (2) years from the date the airline initiates the service.
- The new service must be “scheduled non-stop service” which is defined as:
 - *For United States markets:* At least 2x weekly non-stop service for 13 weeks of continuous service between two markets in the United States.
 - *For International markets:* At least 1x weekly non-stop service for 13 weeks of continuous service between a market in the United States and a market beyond the United States.
- If the airline has met the foregoing requirement during the first 13 weeks of the Incentive Period, the airline may suspend the service and resume qualification for the Program benefits inside the Incentive Period by a) resuming scheduled operation of the service at least 1x per calendar week for international flights and 2x per calendar week for flights within the United States, and b) resuming the scheduled service for a minimum of 13 additional consecutive weeks during the Incentive Period.
- Service shifts between destination airports within 50 miles of each other are not eligible for the Program.

- Any reduction in scheduled service during the Incentive Period to a destination within 50 miles of the new non-stop service destination as compared to the prior 12-month period will render the new non-stop service destination ineligible for the Program.
 - *Example:* If Airline A added new non-stop 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, the Ontario, CA service would not be considered “new”, and would be ineligible for the Program.
- 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.
 - *Example A:* If Airline A and Airline B marketed joint service from the Airport 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 new non-stop service would not be considered “new”, and would be ineligible for the Program.
 - *Example B:* If Airline A marketed flight to a destination from the Airport was operated by Airline A (or another affiliate) and then transitioned to a flight operated by Airline B, the Airline B new non-stop service would not be considered “new” and would be ineligible for the Program.
- The airline must declare its intent to apply for the Program prior to initiating the new non-stop service by submitting the standard form qualification questionnaire available at www.metroairport.com/business/development/air-service. 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 Program. The determination of eligibility is at the sole discretion of the WCAA.

PROGRAM BENEFITS

- The WCAA will reimburse an airline for costs incurred by the airline for advertising and promotional activities associated with the airline’s new non-stop service from the Airport qualifying for the Program as described under this “PROGRAM BENEFITS” section, in an amount up to, but not exceeding, the total amount of the airline’s Activity Fees attributed to the new non-stop service and payable by the airline during the Incentive Period. Reimbursement will occur as described in the example below.
 - *Example:* During the Incentive Period applicable to an airline’s flight qualifying for the Program, the airline will pay the WCAA’s normally applicable Activity Fees for the qualifying service. The airline will submit to the WCAA, for written approval,

the airline's applicable receipts for the costs of the advertising and promotional activities incurred by the airline. If approved, the WCAA will reimburse the airline for the approved costs through a credit applied against the airline's Activity Fees commencing in the calendar month immediately following the fulfillment of the required 13 weeks of service described under Program Requirements above. If the amount to be credited exceeds the airline's applicable Activity Fees for any such month, any remaining credit will be applied to the airline's Activity Fees for the subsequent month(s). Any credit balance outstanding at the end of the Incentive Period will not be applied past the end of the Incentive Period, and no further reimbursement will be made.

- All advertising and promotional activities must exclusively promote service to and from the Airport and appropriately highlight routes eligible under the Program.
- The WCAA must approve all advertising and promotional activities associated with the new non-stop service in advance of the airline moving forward with a marketing program. All advertising and marketing must meet Federal Aviation Administration ("FAA") guidelines for the use of Airport revenues for such purpose, including promoting the Airport and the new non-stop service. The airline will place all advertising directly following receipt of written approval of such advertising from the WCAA.

LIMITATIONS ON BENEFITS

In any Fiscal Year of the WCAA, the total amount of the Program benefits provided by the WCAA shall not exceed \$2,000,000, and are only available on a "first come, first served" basis.

Any incentive offered under the Program is subordinate to WCAA's federal obligations, including without limitation grant assurances made by WCAA to the FAA, and WCAA may amend or terminate the Program to comply with those obligations if applicable to the Program.

PROGRAM TERM

The Program shall begin on July 1, 2021 and will be in effect until June 30, 2024, unless the WCAA Board approves an extension of the Program. In the event that an air carrier has declared its intent to apply for the Program in accordance with the Program requirements and initiated the new service prior to June 30, 2024, the Program provisions shall apply to such new service and the air carrier shall be entitled to the Program benefits described above if it meets the applicable requirements set forth above.

For assistance with any matters related to the Program, please contact AirService@wcaa.us