

Air Service Marketing Program

February 2023

INTRODUCTION

The purpose of the Air Service Marketing Program (the "Program") of the Wayne County Airport Authority ("WCAA") is to promote 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-enplanedpassenger.

The Program is offered to all scheduled passenger airlines for a designated period ("Marketing Period") as described under Program Requirements below. The Program and qualification questionnaire are available on the <u>www.metroairport.com</u> website.

PROGRAM REQUIREMENTS

- Benefits under the Program are available to (1) any airline providing new scheduled non-stop service from the Airport to an airport destination not served non-stop from the Airport on the date the airline publicly announces the new service or (2) a New Entrant Airline (as defined below) providing new scheduled non-stop service from the Airport to an airport destination already served non-stop from the Airport by an Incumbent Airline (as defined below) or (3) any airline providing new non-stop service from the Airport to a destination that the airline had not served non-stop from the Airport during the prior 24 months. If an airline qualifies for the Program under (1) above, the length of the Marketing Period will be two (2) years from the date the airline initiates new scheduled non-stop service from the Airport. If an airline qualifies for the Program under (2) or (3) above, the length of the Marketing Period will be one (1) year from the date the airline initiates the service.
 - "New Entrant Airline" means an airline that was not previously providing any air service from the Airport.
 - "Incumbent Airline" means an airline already providing air service from the Airport.
- 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 Marketing Period, the airline may suspend the service and resume qualification for the Program benefits inside the Marketing 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) at least 13 weeks prior to the last day of the Marketing Period resuming the scheduled service for a minimum of 13 additional consecutive weeks during the Marketing 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 Marketing 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.
- The airline must declare its intent to apply for the Program prior to initiating the new nonstop service by submitting the standard form qualification questionnaire available at <u>www.metroairport.com/business/development/air-service</u>. 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 fees and charges attributed to the new non-stop service and payable by the airline during the Marketing Period. Reimbursement will occur as described in the example below.
 - Example: During the Marketing Period applicable to an airline's flight qualifying for the Program, the airline will pay the WCAA's normally applicable fees and charges 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 fees and charges commencing in the calendar month immediately following the initiation of service. If the amount to be credited exceeds the airline's applicable fees and charges for any such month, any remaining credit will be applied to the airline's fees and charges 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. If the airline fails to fulfill the required 13 weeks of continuous service, the fees and charges credit/s will be canceled and full payment of fees and charges will be required, including the fees and charges to which a credit previously had been applied.

- 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 the WCAA's federal obligations, including without limitation grant assurances made by the WCAA to the FAA, and the WCAA may periodically review, amend or terminate the Program to comply with those obligations if applicable to the Program.

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