**PURPOSE:** To establish an Air Service Incentive Program (ASIP) that allows the Authority to actively recruit both passenger and cargo airlines to offer new service to domestic and international destinations.

**LEGAL CONSIDERATION:** Section 2(8)(a)-(d) of the Hillsborough County Aviation Authority Act (Act) states, in pertinent part, that the proper operation of the publicly owned or operated airports in the County is essential to the welfare of the people of the Tampa Bay area and the state; establishes a vital transportation link and enables the state to enjoy and provide the benefits of an international tourist and commercial center; the economic validity and stability of such airports is a matter of statewide importance; and the policy of this state is to promote the development of commerce and tourism. Section 2(9) of the Act states, in pertinent part, that in managing its facilities, the Authority shall promote the development of commerce and tourism by securing a diversity of airport services, allocating limited airport resources to promote commerce and tourism, and foster Florida’s image as a commercial and tourist center. Finally, Section 6(2)(xx) of the Act states the Authority has the power to do all acts and things necessary for the promotion of its business.

**POLICY:** The Authority will be very active in recruiting both passenger and cargo airlines to offer new service to important domestic and international destinations. To this end, the ASIP is established as follows to enable the Authority to better attract new air carriers, to encourage new domestic and international air service, and to enhance its global network:

1. Term and Funding:

The ASIP will begin on November 3, 2016 and will expire at the end of a Qualifying Period that begins on September 30, 2025. An Applicant Carrier commencing new scheduled air service pursuant to the ASIP on or after November 3, 2016 and on or before September 30, 2025 will be afforded the benefits of the ASIP for the applicable time period; provided, however, that the Authority reserves the right to amend, modify, alter or terminate the ASIP at any time without notice, and, if the ASIP is so amended, modified, altered or terminated, no Qualifying Airline will have any continuing property right or other vested interest in the ASIP in force prior to such amendment, modification, alteration or termination. The ASIP will be funded solely through Authority financial reserves. As a result, any incentive received by a Qualifying Airline will be revenue neutral to all other tenant airlines.

1. Affected Air Service Areas:
	1. New International Passenger Air Service

a. New International Market

Eligibility Requirements

Any Airline meeting all of the following criteria will be eligible for the incentives listed below:

i. Adding new round-trip non-stop international passenger service at TPA to a destination new to Tampa for that carrier at least once a week for a minimum of six (6) months within each twelve (12) month period, which may include service with a Blind Sector or Technical Stop, and

ii. Scheduled and operated for a minimum of six (6) months within each twelve (12) month period, and

iii. Neither the Applicant Carrier nor an Affiliate Airline has served the market from TPA within the past twenty-four (24) months.

**New International Market Incentives**

|  |  |
| --- | --- |
| Category | Benefit |
| New Entrant Carrier Presence Marketing | Up to a maximum of $250,000 reimbursed in accordance with this Policy for 7x per week service in Year 1. New Entrant Carrier Presence Marketing incentive will be prorated for less than 7x per week and/or seasonal service.  |
| New Market Launch Marketing  | Up to a maximum of $250,000 reimbursed in accordance with this Policy for 7x per week service in Year 1 and up to a maximum of $250,000 reimbursed in accordance with this Policy for 7x per week service in Year 2. Marketing incentive will be prorated for less than 7x per week and/or seasonal service. |
| Landing Fees | Waiver of Landing Fees Paid in Years 1 and 2. |
| Ticket Counter Fees or Equivalent Terminal Rent | Waiver of Ticket Counter Fees or Equivalent Terminal Rent Paid in Years 1 and 2. |
| Gate Use Fees or Equivalent Terminal Rent | Waiver of Gate Use Fees or Equivalent Terminal Rent Paid in Years 1 and 2. |
| International Club Facility Fees | Waiver of International Club Facility Fees for First/Business Class Passengers Paid in Years 1 and 2. |
| FIS Fees | Waiver of FIS Fees Paid in Years 1 and 2. |
| Joint Use Fees-Terminal | Waiver of Joint Use Fees-Terminal Paid in Years 1 and 2. |
| Joint Use Fees-Airside | Waiver of Joint Use Fees-Airside Paid in Years 1 and 2. |
| Passenger TransferSystem (PTS) Fee | Waiver of Passenger Transfer System (PTS) Fee Paid in Years 1 and 2. |
| Bag Handling SystemFee | Waiver of Bag Handling System Fee Paid in Years 1 and 2. |
| Terminal Support Fee (HCAA) | Waiver of Terminal Support Fee (HCAA) Paid in Years 1 and 2. |
| Aircraft Parking Fees | Waiver of Aircraft Parking Fees Paid in Years 1 and 2. |
| Cap | $3 million per route, not to exceed $6 million per Carrier per annum.  |

b. Service Increase for Incumbent Carrier Serving International Market

Eligibility Requirements

Any Airline serving a market meeting all of the following criteria will be eligible for the incentives listed below:

i. Increasing the frequency of round-trip non-stop service in an international passenger market already served by the Airline by at least one (1) flight per week, and

ii. The incremental services must be scheduled and operated for a minimum of six (6) months within a twelve (12) month period from the date of the first flight, and

iii. Applicant may not reduce frequency to a level below the baseline schedule for at least twelve (12) months after inaugurating the incremental services, and

iv. Market must not presently qualify for incentive under any other ASIP provision.

The Baseline Schedule for determining incremental service is the published operating schedule for the six (6) most recent months of the flight’s operation in the preceding year prior to the introduction of the incremental services. The Airline’s operations in the increased market during the Operating Period must average at least 1 additional weekly flight versus the Baseline Schedule.

If the Airline has previously qualified for incentives in the market under this provision, the frequency levels in the prior Qualifying Period will become the Baseline Schedule frequency levels for additional weekly services up to 7x per week frequency.

**Service Increase for Incumbent Carrier Serving International Market Incentives**

|  |  |
| --- | --- |
| Category | Benefit |
| Marketing | Up to a maximum of $250,000 reimbursed in accordance with this Policy for 7x per week service in Year 1. Marketing incentive will be prorated for less than 7x per week and/or seasonal service. |
| Landing Fees | Waiver of Landing Fees Paid for Increased Frequencies up to 12 Months. |
| Ticket Counter Fees or Equivalent Terminal Rent | Waiver of Ticket Counter Fees or Equivalent Terminal Rent Paid for Increased Frequencies up to 12 Months. |
| Gate Use Fees or Equivalent Terminal Rent | Waiver of Gate Use Fees or Equivalent Terminal Rent Paid for Increased Frequencies up to 12 Months. |
| International Club Facility Fees | Waiver of International Club Facility Fees Paid for Increased Frequencies up to 12 Months. |
| FIS Fee | Waiver of FIS Fees Paid for Increased Frequencies up to 12 Months. |
| Joint Use Fees-Terminal | Waiver of Joint Use Fees-Terminal Paid for Increased Frequencies up to 12 Months. |
| Joint Use Fees-Airside | Waiver of Joint Use Fees-Airside Paid for Increased Frequencies up to 12 Months |
| Passenger TransferSystem (PTS) Fee | Waiver of Passenger Transfer System (PTS) Fee Paid for Increased Frequencies up to 12 Months. |
| Bag Handling SystemFee | Waiver of Bag Handling System Fee Paid for Increased Frequencies up to 12 Months. |
| Terminal Support Fee (HCAA) | Waiver of Terminal Support Fee (HCAA) Paid for Increased Frequencies up to 12 Months. |
| Aircraft Parking Fees | Waiver of Aircraft Parking Fees for Increased Frequencies in Year 1. |
| Cap | $3 million per route, not to exceed $6 million carrier per annum. |

 2. New Domestic Passenger Air Service

Eligibility Requirements

Any Airline meeting all of the following criteria will be eligible for the incentives listed below:

a. Adding new round-trip non-stop domestic passenger service at TPA to a destination new to TPA for that carrier at least once a week for a minimum of six (6) months within each twelve (12) month period, and

b. Scheduled and operated for a minimum of six (6) months within each twelve (12) month period, and

c. Neither the Applicant Carrier nor an Affiliate Airline has served the market from TPA within the past twenty-four (24) months.

**New Domestic Passenger Air Service Incentives**

|  |  |
| --- | --- |
| Category | Benefit |
| New Entrant Carrier Presence Marketing  | Up to a maximum of $125,000 reimbursed in accordance with this Policy for 7x per week service in Year 1. New Entrant Carrier Presence Marketing incentive will be prorated for less than 7x per week and/or seasonal service. |
| New Market Launch Marketing  | Up to a maximum of $125,000 reimbursed in accordance with this Policy for 7x per week service in Year 1 and up to a maximum of $125,000 reimbursed in accordance with this Policy for 7x per week service in Year 2. Marketing incentive will be prorated for less than 7x per week and/or seasonal service. |
| Landing Fees | Waiver of landing fees Paid in Years 1 and 2.  |
| Ticket Counter Fees or Equivalent Terminal Rent | Waiver of Ticket Counter Fees or Equivalent Terminal Rent Paid in Years 1 and 2. |
| Gate Use Fees or Equivalent Terminal Rent | Waiver of Gate Use Fees or Equivalent Terminal Rent Paid in Years 1 and 2. |
| Joint Use Fees-Terminal | Waiver of Joint Use Fees-Terminal Paid in Years 1 and 2. |
| Joint Use Fees-Airside | Waiver of Joint Use Fees-Airside Paid in Years 1 and 2. |
| Passenger TransferSystem (PTS) Fee | Waiver of Passenger Transfer System (PTS) Fee Paid in Years 1 and 2. |
| Bag Handling SystemFee | Waiver of Bag Handling System Fee Paid in Years 1 and 2. |
| Terminal Support Fee (HCAA) | Waiver of Terminal Support Fee (HCAA) Paid in Years 1 and 2. |
| Aircraft Parking Fees  | Waiver of Aircraft Parking Fees Paid in Years 1 and 2. |
| Cap | $2 million per route, not to exceed $4 million per Carrier per annum. |

3. New All Cargo Air Service

Eligibility Requirements

Any Airline meeting all of the following criteria will be eligible for the incentives listed below:

a. Adding new All Cargo Air Service at TPA (note: a route change to the same final destination does not constitute new All Cargo Air Service), and

b. Scheduled and to be operated for at least a consecutive twenty-four (24) month period, and

c. Operating a minimum of one (1) weekly frequency, and

d. Neither the Applicant Carrier nor an Affiliate Airline has served the market from TPA within the past twenty-four (24) months.

**New All Cargo Air Service Incentives**

|  |  |
| --- | --- |
| Category | Benefit |
| New Entrant Carrier Presence Marketing | Up to a maximum of $125,000 reimbursed in accordance with this Policy for 7x per week service in Years 1 and 2. New Entrant Carrier Presence Marketing Incentive will be prorated for less than 7x per week and/or seasonal service. |
| New Market Launch Marketing  | Up to a maximum of $125,000 reimbursed in accordance with this Policy for 7x per week service in Years 1 and 2. Marketing incentive will be prorated for less than 7x per week and/or seasonal service.  |
| Landing Fees | Waiver of Landing Fees Paid in Years 1 and 2 up to a maximum of 7 scheduled weekly frequencies per Carrier.  |
| Cargo Aircraft Parking Fees  | Waiver of Cargo Aircraft Parking Fees for Years 1 and 2. |
| Cap | $2 million per Carrier per annum.  |

*Note: The amounts specified in the previous tables reflect the maximum amount of funding available under the ASIP. This is not a guaranteed amount and is subject to approval by the Chief Executive Officer or designee, whose approval will not be granted or withheld in an unjustly discriminatory manner.*

C. ASIP Guidelines:

1. Guidelines for Waived Fees and Charges

A Qualifying Airline must meet the specific guidelines and program requirements outlined below to receive ASIP incentives related to waived fees, and charges:

* 1. Each Applicant Carrier will submit an Application to the Chief Executive Officer or designee specifying and committing to levels of service and the markets to be served, as well as accepting the terms and conditions of the ASIP and agreeing to comply with them as a condition of participation.

b. An Applicant Carrier will also include in the Application:

i. The days of the week on which the service is to be operated and the starting date for such new service;

ii. Proof of publication if passenger service is proposed;

iii. Planned operations per month by equipment type and seat configuration;

iv. The number of seats on the aircraft if passenger service is proposed; and

v. Contact information for a person representing the Applicant Carrier.

1. The Chief Executive Officer or designee may request additional information as may be deemed necessary for the proper, non-discriminatory application of the ASIP. The Application must be approved by the Chief Executive Officer or designee.

d. Landing Fees, Ticket Counter Fees, Gate Use Fees, International Club Facility Fees, FIS Fees, Common Use Fees, and Aircraft Parking Fees (as applicable) will be waived during the qualifying period in accordance with paragraphs A and B above.

e. An Airline will not be considered a Qualifying Airline if it is not actually operating the aircraft and providing the new air service that would otherwise qualify for the financial incentives provided under the ASIP.

f. For the duration of time in which the Qualifying Airline receives incentives under the ASIP, the Qualifying Airline, on a confidential basis to the extent allowed by Florida law, will make available to the Chief Executive Officer or designee daily passenger counts on a monthly basis showing passenger enplanements and deplanements by passenger service class and by flight number.

2. Guidelines for Marketing Incentives

A Qualifying Airline must meet the specific guidelines and program requirements outlined below to receive ASIP incentives related to marketing incentives:

1. As part of the Application submitted to the Chief Executive Officer or designee, an Applicant Carrier must submit a marketing plan that will identify:

i. The service to be promoted;

ii. The proposed timeline of planned promotional activities;

iii. The medium to be used in the promotion (note requirement in Subparagraph C(2)(d) below);

iv. The proposed budget for the promotion; and

v. Contact information for the person representing the Applicant Carrier.

1. The Chief Executive Officer or designee may request additional information as may be necessary for the proper, non-discriminatory application of the ASIP. The marketing plan must be approved by the Chief Executive Officer or designee.
2. Marketing activities that may be supported under the ASIP include, but are not limited to:

i. Promotional events,

ii. Print advertisements, collateral materials, direct mail and other forms of print marketing,

iii. Multimedia advertising, such as TV, radio, digital, web, and social media.

iv. Banners and signage.

1. Marketing activities eligible for incentives under the ASIP will prominently and exclusively promote service between TPA and a specific market.
2. To be eligible under the ASIP, advertisements and/or other promotional material(s) must feature the service to TPA prominently in the copy. Any specific identification of Tampa International Airport must be consistent with the Authority’s current marketing or image strategy, as determined by the Chief Executive Officer or designee. The content of all eligible marketing materials and activities will be subject to the prior written approval of the Chief Executive Officer or designee. Use of Tampa International Airport trademarks will be subject to approval by the Chief Executive Officer or designee.
3. Approved marketing efforts will be funded on a reimbursement basis with the Qualifying Airline funding the implementation of the marketing plan and the Authority reimbursing the Qualifying Airline after execution, not to exceed the amounts specified in the ASIP.
4. All ASIP copy and creative material will be furnished at the sole cost of the Qualifying Airline (subject to reimbursement of eligible costs) and will comply with the specifications of the Authority. The Chief Executive Officer or designee will review all copy and creative material prior to their approval, installation or placement in order to ensure compliance with the terms of the ASIP.
5. The Chief Executive Officer or designee must review and approve all marketing materials and expenditures before they will be qualified for reimbursement under the ASIP. The Qualifying Airline must provide proof of all expenditures itemized by each route to be reimbursed.
6. The Authority will reimburse a Qualifying Airline only after the completion of the marketing effort. Any expenses that were incurred without Authority approval prior to the expenditure will be ineligible for reimbursement. Reimbursement for Marketing or New Entrant Carrier Marketing will not exceed the Qualifying Airline’s actual out of pocket cost of eligible marketing expenditures, as documented to the satisfaction of the Chief Executive Officer or designee. Under no circumstances will a Qualifying Airline be entitled to reimbursement above the amounts specified in the ASIP. The Authority will have the right, at any time during a Qualifying Airline’s reasonable business hours, to audit all marketing incentives reimbursed to the Qualifying Airline under the ASIP. By accepting any such reimbursement from the Authority, a Qualifying Airline agrees to cooperate with the Authority and its representatives in the performance of this audit.
7. Each Applicant Carrier will be responsible for obtaining all necessary permits, licenses, leases, and/or approvals relating to its use and/or occupancy of TPA and the service sought to be promoted, before qualifying for ASIP benefits.
8. During the Qualifying Period, by the tenth day of each month, Airline must sign and submit to the Director of Air Service Development or designee the Authority’s ASIP Activity Report that summarizes operations and passenger volume by day of the previous month for the eligible flight. If Airline fails to provide the ASIP Activity Report, the Authority may utilize internal records to estimate flight and passenger activity levels; however, Airline will waive its ability to dispute flight and passenger volumes used to determine ASIP benefit calculations if it fails to submit the ASIP Activity Report by the required deadline.
9. The ASIP’s marketing incentives are intended to support the launch phase of new services. The supported marketing activity may precede and/or follow the commencement of the new qualified service but will in no event continue more than twenty-four (24) months following commencement of the service, as a Qualifying Airline establishes its service presence at TPA and in the new destination.

D. Program Requirements:

1. Each Applicant Carrier must complete and submit the required Application documents.
2. Each Qualifying Airline must meet all ASIP guidelines.
3. Should an Applicant Carrier that was determined to be a Qualifying Airline fail to satisfy the eligibility requirements set forth above and/or otherwise fail to comply fully with all the terms, conditions, and requirements of the ASIP, the Authority will no longer be obligated to provide any incentives to the Applicant Carrier under the ASIP.
4. Each Applicant Carrier must be current in all its financial and/or other obligations with and to the Authority to be considered a Qualifying Airline and be eligible for ASIP incentives, and each Qualifying Airline must continue for the full term of its eligibility under the ASIP to perform and meet all of its obligations pursuant to any agreements that such Qualifying Airline may have with the Authority and/or under the Authority’s Schedule of Charges and/or under the Authority’s Rules and Regulations, including, but not limited to, paying all rates, fees, and charges in a timely manner. At any time a Qualifying Airline fails to stay current in its obligations with or to the Authority, such Qualifying Airline will be determined to no longer be a Qualifying Airline and the Authority will not be obligated to provide any incentives to said Qualifying Airline under the ASIP unless and until such Qualifying Airline cures such failure within a period of forty-five (45) days after notice of such failure. If such former Qualifying Airline fails to cure such failure within forty-five (45) days after notice of such failure, the Authority will no longer be obligated to provide any incentives to the Applicant Carrier under the ASIP.

E. Definitions:

Affiliate Airline

Any corporation or other entity that is (1) operating at TPA under another Airline’s trade name, or (2) operating aircraft on behalf of a Carrier Service Provider for scheduled charter flights.

Aircraft Parking Fees

Aircraft Parking charges as specified in the annual TPA Schedule of Charges.

Airline or Carrier

A certified air transportation company engaged in the commercial business of transporting persons, cargo, mail, and/or other property by air.

All Cargo Service or All Cargo

Air service for the sole purpose of transporting freight and mail by air.

Applicant Carrier

An Airline applying for ASIP incentives.

Bag Handling System Fee

Bag Handling System charges as specified in the annual TPA Schedule of Charges.

Baseline Schedule

The published operating schedule for the six (6) month period immediately prior to the introduction of any incremental flights.

Blind Sector

A domestic sector inside the United States operated by a foreign flag Airline linking TPA with a gateway airport inside the United States. Additional passengers may board at the gateway airport, but pursuant to DOT restrictions, the Airline may not sell the domestic sector as a local flight.

Cargo Aircraft Parking Fees

Cargo Aircraft Parking charges as specified in the annual TPA Schedule of Charges.

Carrier Service Provider

A scheduled-charter flight operator who sells tickets directly and/or indirectly to passengers and contracts with an operating airline to operate flights. For new service by a Carrier Service Provider to qualify for incentive payments, the operating airline must apply and agree to be bound by the terms and conditions of the ASIP, and shall be responsible for coordinating all Marketing Incentives with the Carrier Service Provider. All marketing funds and fee waivers shall be paid to the Applicant Carrier for qualifying service. If the Carrier Service Provider elects to change operating airlines during the Qualifying Period, the Authority may elect to waive its right to repayment under Section D.4 of this Policy.

Domestic Passenger Service

Air service for the purpose of transporting travelers to a market within the United States (consisting of all 50 states, the District of Columbia and Puerto Rico).

Equivalent Terminal Rent

An amount equal to the applicable Ticket Counter and Gate Use Fees for International Passenger Service or Domestic Passenger Service, as set forth in the Tampa International Airport Schedule of Charges, for a Qualifying Airline’s new air service pursuant to the ASIP.

FIS Fees

Federal Inspection Service (FIS) charges as specified in the annual TPA Schedule of Charges.

Gate Use Fees

Gate Use charges as specified in the annual TPA Schedule of Charges.

Incumbent Airline

Any Airline already operating regularly scheduled flights at TPA.

International Club Facility Fees

International Club Facility charges as specified in the annual TPA Schedule of Charges.

International Passenger Air Service

Air service to a market outside the United States (i.e., other than all 50 states, the District of Columbia and Puerto Rico).

Joint Use Fees-Airside

Airside joint use charges as specified in the annual TPA Schedule of Charges.

Joint Use Fees-Terminal

Terminal joint use charges as specified in the annual TPA Schedule of Charges.

Landing Fees

Landing charges as specified in the annual TPA Schedule of Charges.

New Entrant Carrier

Any Airline that commences scheduled air service at TPA that has not served TPA in at least the last twenty-four (24) months with scheduled service.

New Entrant Carrier Presence Marketing

Marketing by a New Entrant Carrier to establish its presence at TPA.

New Market Launch Marketing

Marketing by a New Entrant Carrier or Incumbent Airline to launch a new market.

Passenger Transfer System (PTS) Fees

Passenger Transfer System (PTS) charges as specified in the annual TPA Schedule of Charges.

Qualifying Airline

An Airline that meets the ASIP eligibility requirements.

Qualifying Period

The duration of time under which a Qualifying Airline may be eligible to receive ASIP benefits.

Schedule of Charges

The TPA Schedule of Charges, as may be changed, modified and/or amended from time to time.

Technical Stop

A stop between TPA and the market served to re-fuel or service the aircraft.

Terminal Support Fee

Terminal Support charges as specific in the annual TPA Schedule of Charges.

Ticket Counter Fees

Ticket Counter charges as specified in the annual TPA Schedule of Charges.