



Air Service Incentive Program (ASIP) San Antonio Airport System

Goal:

To increase nonstop scheduled air service and passenger traffic at San Antonio International Airport, and to sustain this service over the long-term.

Program Details:

- Promotional benefits offered to any air carrier *announcing* qualifying scheduled passenger service during a one-year period commencing on October 1.
- The amount of available incentive funds is subject to the approval of the Aviation Department budget each fiscal year and may expire at any time during the one-year period.
- The program will be renewed annually each fiscal year through the approval of the Aviation Department budget.

Promotional Period:

The promotional period is defined as the first consecutive 12 or 24 months immediately following the initiation of eligible new service.

Qualifying Criteria:

- Carrier must offer nonstop scheduled passenger service from San Antonio International Airport (SAT) to the eligible market; if service is less than daily, the marketing incentive benefit will be tiered as outlined in the table (fee waivers are not prorated as they are based on actuals)
- The carrier must provide the service for 12 or 24 consecutive months; seasonal service is also eligible:
 - Seasonal service may qualify for the full incentive amount if service is offered at a minimum of 4 weekly flights over a 90-day period, or the equivalent number of departures (48). If seasonal service does not meet the above criteria, the incentive funds will be prorated based on the proposed schedule.
 - The 12-month period applies to new unserved nonstop domestic markets and new entrant domestic carriers.
 - The 24-month period applies to new unserved targeted domestic markets, all international markets, and focus city qualified operations.





Air Service Incentive Program (ASIP) San Antonio Airport System

- Charter operations, including operators under Parts 121, 135, and 380 are not eligible with the exception being those that offer regular, consistent scheduled service from the terminal building.
- All conditions for receiving the benefits will be documented in an executed application between the San Antonio International Airport (SAT) and the qualifying carrier which is subject to final approval by the appropriate officials.

The promotional incentive includes an operational incentive and marketing incentive; incentive amounts are outlined in Exhibit A. As part of the Aviation Department budget process each fiscal year, Air Service Division will review and potentially modify the ASIP prerequisites, marketing incentive levels, and fee waivers to ensure the levels reflect the air service goals and available budget funds for that fiscal year.

Operational Incentive:

The Aviation Department will administer the operational incentives.

- Operational incentives are administered through credits.
- Operational incentive available to carriers:
 - Waived landing fees based on actual operations.
 - Waived rental fees based on either a per turn basis, or total if leased.
 - Waived Federal Inspection Station (FIS) fees, if applicable
 - Waived RON fees, if applicable

Marketing Incentive:

The air carrier will have the choice to internally utilize the marketing funds and invoice the Aviation Department for this up to the incentive amount OR utilize the Aviation Department's marketing firm.

Any marketing campaign will be approved by the Aviation Department Director and must promote public and industry awareness of the new service(s) offered by the carrier at San Antonio International Airport (SAT) and will promote travel to/from San Antonio International Airport (SAT).

An initial draft of the marketing plan must be submitted to the Aviation Department within 60 business days of an airline's notification to the Aviation Department that the carrier intends to take the marketing incentive, if the carrier does not provide a draft marketing





**Air Service Incentive Program (ASIP)
San Antonio Airport System**

plan within this timeframe, the Aviation Department reserves the right to cancel the incentive.

Eligible Markets:

Domestic: both targeted unserved and unserved

Domestic markets without scheduled passenger service are eligible (unserved by scheduled service as of Oct. 1 of the current fiscal year)

Domestic markets that are unserved from SAT but had nonstop scheduled service from SAT within the one year prior *by the same carrier* (and received incentives) announcing the new service are not eligible.

Domestic markets that fall under the federally subsidized Essential Air Service (EAS) program are not eligible.

A new carrier (new entrant) can receive a marketing incentive even if the service they are providing is to a market that is currently served nonstop from SAT; note that the new carrier incentive, if it is to a market that is currently served, is only eligible for an incentive for a period of one year (12 months).

Each fiscal year as part of the annual budget process, the Aviation Department will review and update the list of targeted markets as needed.

Targeted Domestic Markets	
Sacramento (SMF)	Pittsburgh (PIT)
Raleigh-Durham (RDU)	Bay Area (SJC or OAK)
Portland (PDX)	Jacksonville (JAX)
Indianapolis (IND)	LA Basin (LGB, SNA, or ONT)
Honolulu (HNL)	Milwaukee (MKE)
Norfolk (ORF)	Albuquerque (ABQ)
Columbus (CMH or LCK)	Colorado Springs (COS)
Cleveland (CAK or CLE)	Cincinnati (CVG)





**Air Service Incentive Program (ASIP)
San Antonio Airport System**

International: Both targeted unserved and unserved

All unserved international markets are eligible for an incentive for a period of two years (24 months)

The carrier adding new service must not have operated service to the market over the preceding 12-month period.

Targeted International Markets	
North America, Central America, Caribbean, & U.S. Territories	
Toronto (YYZ)	Panama City (PTY)
San Jose del Cabo (SJD)	Puerto Vallarta (PVR)
Costa Rica (LIR or SJO)	Calgary (YYC)
Montreal (YUL)	Vancouver (YVR)
Europe, South America, Asia, Middle East, India, & Africa	
London (LHR or LGW)	Frankfurt (FRA)
Bogota (BOG)	Madrid (MAD)
Paris (CDG)	Amsterdam (AMS)
Reykjavik (KEF)	Dublin (DUB)
Tokyo (HND or NRT)	Seoul (ICN)

Minimum Service Level

The carrier may adjust its frequency of service during the term of the agreement; however, the carrier shall not decrease the frequency of service to less than fifty percent (50%) of the initial amount of the announced published service, the calculation of which will be averaged over the course of a year. If the level of service falls below 100% of the initially published schedule, but above 50%, the incentives will be adjusted to an appropriate tier in the incentive table. If the level of service falls below 50%, the incentive program will be terminated.





Air Service Incentive Program (ASIP) San Antonio Airport System

Primary Carrier

The primary carrier is defined as the marketing carrier for the new service.

The Aviation Department will enter into incentive agreements only with the primary carrier.

Notice of Intent to Enter into an Incentive Agreement

A carrier eligible for an incentive must notify the Aviation Department in writing within 60 business days of service announcement of the intention to take advantage of the incentive.

Signed Agreement Requirement

A carrier eligible for an incentive must sign the agreement within 45 business days of receipt from the Aviation Department. If the carrier does not sign the agreement within 45 business days, the Aviation Department reserves the right to end the negotiations.





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Exhibit A

Incentive Category		Prerequisites	Marketing Funds		Eligible Fees Waived	
			2 - 4x Weekly	5 - 7x Weekly +		
Domestic	Unserviced	Initiation of air service on any UNSERVICED U.S. domestic route	Year One: \$100,000.00	Year One: \$150,000.00	Year One: 100%	
	Targeted Unserviced	Initiation of air service on any UNSERVICED TARGETED U.S. domestic route	Year One: \$150,000.00 Year Two: \$75,000.00	Year One: \$300,000.00 Year Two: \$150,000.00	Year One: 100% Year Two: 50%	
International	North America, Central America, Caribbean, & U.S. Territories	Unserviced	Year One: \$200,000.00 Year Two: \$100,000.00	Year One: \$300,000.00 Year Two: \$150,000.00	Year One: 100% Year Two: 100%	
		Targeted Unserviced	Year One: \$250,000.00 Year Two: \$150,000.00	Year One: \$350,000.00 Year Two: \$200,000.00	Year One: 100% Year Two: 100%	
	Europe, South America, Asia, Middle East, India, & Africa	Unserviced	Year One: \$300,000.00 Year Two: \$150,000.00	Year One: \$500,000.00 Year Two: \$250,000.00	Year One: 100% Year Two: 100%	
		Targeted Unserviced	Year One: \$400,000.00 Year Two: \$300,000.00	Year One: \$600,000.00 Year Two: \$400,000.00	Year One: 100% Year Two: 100%	
	New Entrant Carrier	Domestic	One-time marketing incentive to promote services offered by new entrant domestic air carrier.	Year One: \$100,000.00		Year One: 100%
		International	One-time marketing incentive to promote services offered by new entrant international air carrier.	Year One: \$200,000.00		Year One: 100%

