



WILL ROGERS WORLD AIRPORT

The Will Rogers World Airport Air Service Incentive Program July 2022

OBJECTIVE

In order to better serve the traveling public and local businesses in Oklahoma City (“OKC”) and the surrounding areas, and to assist in advancing economic development in the region, the Oklahoma City Airport Trust (“Trust”) is committed to the continued growth of air service at Will Rogers World Airport (“WRWA or Airport”) by increasing the number of nonstop routes from OKC to unserved destinations and attracting and supporting new Air Carriers. To support this objective, the Trust has created this Air Service Incentive Program (“Program”) to provide a combination of marketing and operational incentives for New Entrant and Incumbent Air Carriers. The incentives offered in this Program are consistent with Federal Aviation Administration’s (“FAA”) Air Carrier Incentive Program guidelines and other rules and regulations set forth by the FAA.

DEFINITIONS

For the purposes of this Program, the following definitions shall apply:

Air Carrier – Any commercial airline company that provides regularly scheduled passenger air service from the main terminal at WRWA.

Disqualified Air Carrier – An Air Carrier that is qualified for incentives but fails to meet the criteria set forth in the Program and/or becomes deficient in any of its financial obligations to the Trust.

Incumbent Air Carrier – Any Air Carrier who is not a New Entrant Air Carrier that currently operates regularly scheduled air service into and out of WRWA.

Incentive Period – Incentive Period commences on the date the Trust approves any incentive for a route and will end two years following the approval.

Landing Fee - Landing Fee is an amount calculated per 1,000 pounds of landed aircraft weight applicable to all commercial Air Carriers and established each fiscal year by the Trust. The Landing Fees for each fiscal year are calculated by the Director of Airports for the Trust on July 1 of each year.

Marketing Support -Marketing Support is defined as marketing tools used to promote an Unserved Route, New Entrant Carrier, and the Airport, and includes, but is not limited to, paid

advertising, promotions, banners, billboards, events, social media awareness, and other similar marketing products.

New Entrant Air Carrier – Any Air Carrier that, currently and during the last 24 months, has not operated regularly scheduled air service into and out of the main terminal at WRWA.

New Nonstop Service – New regularly scheduled nonstop service to an Unserved Route from WRWA by an Air Carrier. The Air Carrier seeking incentives cannot have flown the Unserved Route on a regularly scheduled or seasonal basis in the two (2) years prior to the proposed commencement date of the regularly scheduled New Nonstop Service.

Seasonal Service – Air service that is initiated for short-term peak travel periods in any given year and must operate for two (2) consecutive months.

Unserved Route – This is any route between WRWA and another airport that is not currently served on a nonstop basis by a commercial passenger Air Carrier nor have future schedules been filed and/or opened for sale to the public.

TYPES OF SERVICE THAT QUALIFY UNDER THIS PROGRAM

This Program offers a mix of incentives including marketing incentives, landing fees credits, and departure gate credits for the periods listed for each type of incentive. Air Carriers are encouraged to make an Incentive Application with the Airport as soon as possible. The incentives under this Program are only available for:

- *New Nonstop Service* by an Incumbent Air Carrier or New Entrant Air Carrier on an Unserved Route.
- *New Entrant Air Carrier* that begins service at WRWA.

Only an Air Carrier who has an approved signatory or non-signatory operations agreement with the Trust may participate in the incentive program.

MARKETING INCENTIVES

The amount of Marketing Support available to an Air Carrier providing New Nonstop Service is dependent upon frequency and/or seasonality of the service and if the Air Carrier is an Incumbent or New Entrant. The breakdown criteria are shown in the table below:

	Unserved route – Year-round (4 or more times weekly)	Unserved Rout – Year-round (3 or less times weekly)	Unserved Route – Seasonal (2 or more times weekly)	New Entrant – Year-round	New Entrant – Seasonal
Marketing Support	\$50,000	\$25,000	\$25,000	\$50,000	\$20,000

- An Air Carrier (whether a New Entrant or Incumbent) providing New Nonstop Service to multiple Unserved Routes may only qualify for a maximum marketing incentive of \$100,000 for all Unserved Routes (whether Seasonal Service or regularly scheduled year around service) over the two-year Incentive Period.
- A New Entrant Air Carrier is entitled to a one-time marketing incentive of either \$50,000 for year-round service or \$20,000 for Seasonal Service, but not both, during the two-year Incentive Period.
- In the event two or more Air Carriers apply for marketing incentives with WRWA on the same Unserved Route, marketing incentives under this Program will be offered to the first Air Carrier to publicly announce the new service and/or file schedules for sale to the public.
- Should the Air Carrier decrease the frequency of the route below levels indicated in the Incentive Application, any remaining, unspent Marketing Support funds may be reduced or cease to be available.
- If the Air Carrier leaves the WRWA market prematurely or discontinues the new nonstop route during the Incentive Period, the remaining marketing funds will cease to be available or may be subject to repayment in accordance with this program.
- If an Air Carrier is a New Entrant, it may receive the applicable Unserved Route incentive in addition to the New Entrant incentive.
- If more than one Unserved Route is announced by the Air Carrier and the routes qualify for different marketing incentives or will exceed the maximum marketing incentive when combined, the Trust in its sole discretion may determine what amount each route may receive.

Because the Air Carriers are more in-tune with their own marketing strategies and can more quickly adapt to fare changes or other route specific details, the Trust will reimburse the Air Carrier's out-of-house media or marketing entity or the Air Carrier's in-house agency, when marketing incentive funds are used to develop and implement a media/marketing plan that promotes the new Oklahoma City service. Reimbursement is contingent upon the following:

- Marketing Support and media content shall be developed in such a manner that it promotes the New Nonstop Service and includes the airport logo or airport name and Oklahoma City in any advertisements.
- All media and marketing plans must have prior written approval from the Director of Airports or his designee prior to any execution of the plans.

- The qualifying Air Carrier will be eligible for reimbursement six (6) months following the commencement of the qualifying air service. Payment will be made within 45 days of receipt of a complete itemized invoice that includes all media sources utilized and detailed breakdown of monies spent. The qualifying Air Carrier will submit additional requests for reimbursement every six (6) months up the allowed limit.

The Air Carrier may also choose to have the Airport's Marketing staff or an outside advertising firm of the Trust, develop the marketing plan, provide design services as needed, make media buys, and procure promotional items, not to exceed the specified dollar amount, per the marketing criteria specified. The marketing plan and Marketing Support will specifically promote Will Rogers World Airport, the eligible Air Carrier's brand, and the new route between Oklahoma City and the new nonstop destination. The Air Carrier will indicate which option they prefer in the application.

OPERATIONAL CREDITS

Because there are significant operational costs associated with starting New Nonstop Service to an Unserved Route and for a new Air Carrier to start service in a new market, Landing Fee Credits and Departure Gate credits may be given. The Trust will not issue checks for credited landing fees or departure gate fees and credits are non-transferable.

Landing Fee Credit(s):

- A New Entrant Air Carrier will be given a six (6) month Landing Fees credit for all route(s) served.
- An Air Carrier (whether a New Entrant or an Incumbent) providing New Nonstop Service to an Unserved Route will be given a Landing Fee Credit for an 18-month period for all aircraft utilized on the Unserved Route during the 18-month period beginning on the date the new route commences. If a New Entrant Air Carrier begins a New Nonstop Service to an Unserved Route(s) at the time the carrier commences service in OKC, the 18-month Unserved Route Landing Fee Credit(s) will commence following the expiration of the 6-month New Entrant Air Carrier Landing Fee Credit.
- Landing Fee Credits are based on actual Landing Fee amount(s) that should have been paid to the Trust during the incentivized period by the New Entrant or for the Unserved Route. Landing Fee Credits are not available for Seasonal Service.
- Air Carriers initiating New Nonstop Service shall provide the Airport's Accounting Department a separate monthly landing report for each Unserved Route for the Incentivized Period, as well as the monthly statistical report that includes all services provided at WRWA and all other landing and statistical reports required in the Air Carrier's written operating agreement with the Trust.

- If a New Entrant Air Carrier suspends service or if an incentivized New Nonstop Service route is suspended during the applicable incentive period, the Landing Fee Credit will no longer be available.

Departure Gate Credit:

- The Departure Gate Credit is a 6-month rental credit towards the rental fees for the leasing, of a departure gate and accompanying holding room and Apron space, by a New Entrant Air Carrier. This incentive cannot be applied towards any Combined Per Turn (as defined in a non-signatory operations agreement) gate usage fees.
- Departure Gate Credit is only for the months actual service is provided during the 6-month period.

The breakdown criteria for Landing Fee and Departure Gate Credits are shown in the table below.

	Unserved Route	New Entrant
Landing Fee Credit	75% for 18 months	100% for 6 months
Departure Gate Credit		100% for 6 months

DISQUALIFICATION

As reasonably determined by the Trust, an Air Carrier may be disqualified or dismissed from the Program (both marketing incentives and operational credits) upon any of the following events:

- Failure to cure any deficiency in any of its financial or other obligations with and to the Trust within thirty (30) days after notice of such failure.
- Failure to satisfy the eligibility requirements set forth herein, discontinuing an incentivized route before the expiration of the Incentive Period, or failure to fully comply with all the terms, conditions, and requirements of the Program.

REPAYMENT OF INCENTIVES BY AIR CARRIER

In the event the Air Carrier reduces the frequency or cancels an incentivized route(s) during the Incentive Period and such change would have resulted in the reduction in the amount of an incentive previously given, the Director in the Director’s sole and reasonable discretion, may require the Air Carrier to promptly repay the full amount, or a partial amount, of all funds received under the Program and the Trust shall no longer be obligated to provide any Program incentives for the reduced or canceled route.

AUDIT

The Trust shall have the right to audit, examine, copy, or extract from any records pertaining to this Program. The qualifying Air Carrier agrees to make such records available for audit to the

Trust at any time requested by the Trust, whether during or after completion of the Program. Such records shall be made available at WRWA to the Trust or its authorized representative within five (5) business days of written notice to audit.

If the audit identifies any overpayment in reimbursements or credits applied under the terms of this Program, the qualifying Air Carrier will be responsible for reimbursing the Trust for such overpayment. Any payments due to the Trust, as a result of the audit, will be made within sixty (60) days of notification.

INCENTIVE APPLICATION PROCESS

Any Incumbent Air Carrier or New Entrant Air Carrier wishing to participate in the WRWA Air Service Incentive Program will be required to submit an Incentive Application (Exhibit A) to the Director of Airports or his designee for approval. Each applicant must:

- Have a fully executed and approved signatory or non-signatory Air Carrier agreement with the Trust to receive any incentives.
- Be current in its financial or other obligations with the Trust to be considered for incentives.
- Complete the application form with all information regarding the qualifying route and/or New Entrant Air Carrier, including effective service date, aircraft type and landing weight, number of seats per aircraft, weekly frequencies, and flight schedule. If Seasonal Service, the application must additionally include start date and end date of the service.

ADDITIONAL REQUIREMENTS

1. In no event will any incentive period exceed two years for each qualifying Air Carrier.
2. The Trust reserves the discretion to terminate or modify the Program at any time subject to the fulfillment of any previously approved Incentive Applications prior to the termination or modification date unless the legality of any such commitment is in violation of any local, federal or state statute, rule or regulation.
3. The costs associated with this Program will not be included in the rate base for airlines operating at WRWA.
4. The WRWA Air Service Incentive Program will be available to all similarly situated Air Carriers whether operating at WRWA as a signatory or non-signatory airline, provided that the Air Carrier has a Trust approved Air Carrier operating agreement.
5. In the event of notice to the Air Carrier by the Director of Airports of the Air Carrier's default of the agreement with the Trust, the incentive may be suspended within thirty (30) days from such notice at the election of the Director of Airports, until the Air Carrier corrects the specified default.

6. All questions regarding the WRWA Air Service Incentive Program should be directed to either the Public Information and Marketing Manager for the Department of Airports or the Director of Airports, 7100 Terminal Drive, Unit 937, Oklahoma City, OK 73159-0937, 405-316-3200.

EXHIBIT "A"
WRWA Air Service Incentive Application

Air Carrier: _____ Date: _____

New Entrant? ___ Yes ___ No Date Last Operated at WRWA: _____

Individual Submitting Application: _____ Title: _____

Phone Number: _____ Email: _____

Mailing Address: _____ City/State/Zip: _____

Authorizing Signature: _____

Incentives Requested: _____

Airline Agency to Provide Marketing:

Trust to Provide Marketing:

Nonstop Destination(s): _____

Effective Date of Service*	Year Round	If Seasonal, Start and End Date of Season	Aircraft Type & Landed Weight	Number of Seats per Aircraft	Days Per Week	Arrival Flight # & Time

*Only flights meeting the terms of the WRWA Air Service Incentive Program

FOR WRWA USE

Evaluated By: _____ Date: _____

Comments: _____

Approved: _____ Rejected: _____

Signed By: _____ Date: _____

Director of Airports