

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT
AIR CARRIER INCENTIVE
PROGRAM

EFFECTIVE [JULY 1, 2023] TO [JUNE 30, 2026]



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1. AIR CARRIER INCENTIVE PROGRAM OVERVIEW

The City of Burlington (City), as owner and operator of the Patrick Leahy Burlington International Airport (the Airport) is pleased to offer this Air Carrier Incentive Program (ACIP). The ACIP supports the strategies and objectives of the City's air service development efforts by encouraging [incumbent and new entrant air carriers] to consider new market opportunities and expansion at the Airport. The ACIP is a Two (2) Year program effective on [date] and ending on [date]. The incentives offered in this ACIP are subject to the terms and provisions of this ACIP and subject to entering into a mutually satisfactory agreement between the City and an air carrier in furtherance of the ACIP.

It is the intent of the City to offer an ACIP to enhance air carrier service and to further create opportunities to increase airline and passenger traffic to support long-term growth at the Airport. The intent of the City is supported by the following ACIP objectives:

- Stimulate international passenger air service
- Stimulate domestic passenger air service
- Promote competition
- Increase non-aeronautical revenues through increased passenger demand

2. PRIMARY COMPONENTS OF THE ACIP PROGRAM

There are three components that make up the Airport's ACIP program:

- [Component 1 – for example, Landing and/or Terminal Fee Incentives]
- [Component 2 – for example, Marketing Incentive]
- [Component 3 – for example, Additional Support]

In order to maintain competitiveness with airports around the United States, the Director of Aviation may make adjustments or modifications to this program, as necessary. Incentives shall be offered by the City on a reasonable, not unjustly discriminatory basis to all airlines, taking into consideration all relevant factors. A waiver of any rate, fee, or charge shall apply only for the qualifying category of service. Air carriers that transfer routes to/from their regional affiliated air carriers and sell such routes under their brand shall not qualify for the credit. A transfer of a flight from one airport to another airport within the same metropolitan statistical area does not qualify.

The air carrier incentive program will be available from [date] to [date], for a total period of [number] years. Each eligible air carrier is limited to a one or two-year incentive period, and no air carrier may participate in the incentive program after [date].

Air carriers seeking to participate in the ACIP must submit a completed air carrier incentive program application. The City will review the application and provide a response to the application with [number] business days.

2.1 [LANDING AND/OR TERMINAL FEE INCENTIVES]

2.1.1 NEW SERVICE TO UNSERVED DESTINATIONS

This incentive is available to new entrant carriers and incumbent carriers. Air carriers who establish new direct flights from the Airport to a destination currently not being served shall be eligible for the incentive program. To qualify as a new service route, the air carrier shall not have served that market for a period of [twelve] months prior to the inauguration of the service.

The air carrier shall receive on qualifying flights a [100] percent discount on landing fees for a period of no more than 24 months.

2.1.2 NEW ENTRANT CARRIER

Air carriers who do not currently service the Airport and have not provided service for a period of [12] months prior shall be considered new entrant carriers and may be eligible for the incentive program. The new entrant carrier must provide no less than [one] scheduled non-stop round trip qualifying flights per week to be eligible for the incentive program.

The eligible new entrant carrier shall receive a [100] percent discount on landing fees and terminal rentals for a period not to exceed two years.

2.2 MARKETING INCENTIVE

As part of the marketing incentive, the City will implement an aggressive advertising and public awareness program. A marketing investment of up to [\$50,000] for the first year of service for [define new service] will be offered.

Also, as part of the marketing incentive, the City, which maintains a strong and close relationship with its community, will work to promote new service via the following:

- [Announcement of new service via newspaper, television, and radio outlets]
- [Coordinating inaugural flight festivities in coordination with the air carrier]
- [In-terminal advertising such as banners may be displayed, as well as up to two customizable back-lit signs, to promote the new service for up to three months]

2.3 ADDITIONAL SUPPORT

The successful launch of new service by an air carrier at the Airport is as important to the City and the region as it is to the air carrier. In addition to the marketing support and fee incentives identified above, the City also offers additional assistance to help set the stage for success in the BTV market.

[Potential to include social media, Airport website, and community engagement.]

3. ELIGIBILITY REQUIREMENT

To be eligible to participate in this ACIP, an air carrier must be or become a party to the City's Airport Agreement and Lease of Premises or non-signatory agreement and must execute an Air Carrier Incentive Agreement satisfactory to the City and the air carrier. To receive marketing support or a [waiver/reduction] of fees under this ACIP, an air carrier must not be in default under any agreement between the air carrier and the City.

4. AIR CARRIER COMMITMENTS

The air carrier must also commit to the following:

[Additional potential commitments include a letter of credit or other form of surety for the estimated amount of marketing support or reporting changes to the frequency of aircraft type and/or service]

5. MARKETING SUPPORT INITIATIVES

There will be no direct reimbursement to the air carrier for marketing support provided by the City. The City's marketing support will be paid directly to the agreed upon media or advertising sources pursuant to the City's standard invoicing, procurement, and payment process for such services. The marketing plan must be jointly developed between the air carrier and the City, including marketing to be provided by the air carrier, and must be approved by the Director of Aviation prior to implementation. Marketing support must be spent during the applicable period of service, e.g., 12 months, and cannot be carried over or combined with Airport marketing support for a successive period of service. The joint marketing and advertising plan will promote the air carrier, the Airport, and the air carrier's service at the Airport.

6. TERMINATION

This ACIP will terminate on [date], or earlier date by written notice from the Director of Aviation to signatory and non-signatory air carriers (the "Termination Date"). Termination of this ACIP will not terminate the waiver of fees or marketing support to be provided pursuant to an executed Air Carrier Incentive Agreement between the City and air carrier that is effective prior to the Termination Date.

If the Federal Aviation Administration or the City determines that the ACIP and/or applicable agreement violates federal law, rules or regulations, or the City's federal grant agreements, then the City may immediately terminate this ACIP and any fee incentives or further marketing support provided under this ACIP and the applicable agreement, effective upon written notice from the Director of Aviation to signatory and non-signatory air carriers then participating.

7. RESERVATION OF RIGHTS

The City reserves the right to modify, amend, or substitute this ACIP during the term of this ACIP, provided that any modification, amendment, or substitution will not impact any existing agreement under this ACIP. This ACIP does not constitute an offer unless and until an Air Carrier Incentive Agreement between an air carrier and the City has been executed. Consistent with FAA guidance, this ACIP does not apply to repeated seasonal service to the same market.

8. AIR CARRIER COMPLIANCE

The Director of Aviation's interpretation of this ACIP is final and binding in all respects and on all parties. The City may conduct a periodic review and audit of air carrier's compliance with the terms of this program during the incentive period.