



# Air Service Incentive Program

JANUARY 1, 2022 - DECEMBER 31, 2025





## CVG Air Service Incentive Program

The CVG Airport Authority (Authority), operator of the Cincinnati/Northern Kentucky International Airport (CVG) is pleased to offer the Air Service Incentive Program (ASIP). The ASIP supports the strategies and objectives of the Authority's air service development efforts by encouraging incumbent and new entrant passenger carriers to consider new market opportunities and expansion at CVG. The ASIP is a four-year program effective on January 1, 2022 and ending on December 31, 2025. The incentives offered in this ASIP are subject to all the terms and provisions of this ASIP and subject to entering into a mutually satisfactory agreement between the Authority and the air carrier.

### ASIP Objectives:

The ASIP was developed to support the following objectives:

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

### PRIMARY COMPONENTS OF THE ASIP PROGRAM:

The ASIP has seven distinct components:

- Marketing Support
- Landing Fee Waivers
- Airline Gate Area Fee Waivers
- Ticket Counter Fee Waivers
- Joint Use Fee Waivers
- FIS Facility Fee Waivers
- Additional Support

## ABOUT CVG

CVG is the hometown airport for over 6.5 million residents within a 90-minute drive of the airport including Southwest Ohio, Northern Kentucky, and Southeastern Indiana. The reach of CVG expands to 11 million residents within 120 miles of CVG.

In 2019, CVG served over 9.1 million passengers with the services of 9 different airlines and 21 different operating carriers. CVG has been recognized with the SkyTrax award for Best Regional Airport in North America for eight of the last 10 years through 2021. CVG is one of three global super-hubs for DHL, and home to Amazon Prime's primary hub. CVG is a top 10 cargo airport in North America.

### NEW ENTRANT INCENTIVES:

- The Authority will provide up to \$75,000 for marketing support to a new entrant air carrier for the first 12 consecutive months of daily non-stop, round-trip passenger service.
- If the new entrant carrier simultaneously starts daily passenger service at CVG to two markets, the Authority will provide up to \$150,000 for marketing support for the first 12 consecutive months of daily service.
- If the new entrant carrier simultaneously starts daily passenger service at CVG to three or more markets, the Authority will provide up to \$175,000 for marketing support for the first 12 consecutive months of daily service.
- The Authority will waive all landing, Airline Gate Area, Ticket Counter, Joint Use, and Federal Inspection Service (FIS facility) fees for the first 12 consecutive months of new entrant passenger service.
- New entrant incentives may be combined with other market incentives listed below as applicable.
- Carriers are not eligible for this incentive if the carrier provided scheduled air service from CVG during the previous 60 months.

### NORTH AMERICA – UNSERVED MARKET INCENTIVES:

- The Authority will provide up to \$50,000 for marketing support to an air carrier for the first 12 consecutive months of daily non-stop, round-trip passenger service to an unserved North American market.
- An unserved market means any market not served non-stop from CVG by any carrier in the previous 36-month period.
- The Authority will waive all landing, Airline Gate Area, Ticket Counter, and Joint Use fees for the first 12 consecutive months of new service to an unserved North American market.
- Carriers are not eligible for this incentive if the market was served by the carrier during the previous 60 months.

### HAWAII INCENTIVES:

- The Authority will provide up to \$175,000 for marketing support to an air carrier for the first 12 consecutive months of non-stop, round-trip passenger service to an unserved Hawaiian market.
- A minimum of 2 departures per week or at least 104 annual departing flights are required.
- Should the air carrier continue passenger service for a second 12 consecutive month period, the Authority will provide up to an additional \$50,000 for marketing support. A minimum of 2 departures per week or at least 104 annual departing flights are required during the second 12 consecutive month period.
- The Authority will waive all landing, Airline Gate Area, Ticket Counter, and Joint Use fees during the incentive period, up to 24 consecutive months.
- Carriers are not eligible for this incentive if the market was served by the carrier during the previous 60 months.

## TRANS-ATLANTIC MARKET INCENTIVES (EXCLUDING ICELAND):

- The Authority will provide up to \$400,000 for marketing support to an air carrier for the first 12 consecutive months of non-stop, round-trip passenger service to an unserved Trans-Atlantic market.
- An unserved market means any market not served non-stop from CVG by any carrier in the previous 36-month period.
- A minimum of 3 departures per week or at least 156 annual departing flights are required.
- Should the air carrier continue passenger service for a second 12 consecutive month period, the Authority will provide up to an additional \$300,000 for marketing support. A minimum of 3 departures per week or at least 156 annual departing flights are required during the second 12 consecutive month period.
- The Authority will waive all landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees during the incentive period, up to 24 consecutive months.
- The Authority will provide up to \$150,000 for marketing support to a carrier providing seasonal passenger service (2 departures per week for a minimum of 16 consecutive weeks) to an unserved Trans-Atlantic market plus the Authority will waive landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees for up to 8 consecutive months.
- Except for the increase in air service described below, Carriers are not eligible for this incentive if the market was served by the carrier during the previous 60 months.
- For any passenger air carrier increasing the number of seats or total number of departures, without a reduction in seats, to a Trans-Atlantic market by 25% or more over the previous calendar year, and maintaining the service for at least 16 consecutive weeks, the Authority will provide up to \$75,000 for marketing support to the air carrier and waive the landing, gate use, ticket counter use, and FIS facility fees attributable to the increased service for up to 12 consecutive months of the increased non-stop, round-trip passenger service to the market.

## ICELAND MARKET INCENTIVES:

- The Authority will provide up to \$200,000 for marketing support to an air carrier for the first 12 consecutive months of non-stop, round-trip passenger service to an unserved Icelandic market.
- An unserved market means any market not served non-stop from CVG by any carrier in the previous 36-month period.
- A minimum of 3 departures per week or at least 156 annual departing flights are required.
- Should the air carrier continue passenger service for a second 12 consecutive month period, the Authority will provide up to an additional \$100,000 for marketing support. A minimum of 3 departures per week or at least 156 annual departing flights are required during the second 12 consecutive month period.
- The Authority will waive all landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees during the incentive period, up to 24 consecutive months.
- The Authority will provide up to \$75,000 for marketing support to a carrier providing seasonal passenger service (2 departures per week for a minimum of 16 consecutive weeks) to an unserved Icelandic market plus the Authority will waive landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees for up to 8 consecutive months.
- Carriers are not eligible for this incentive if the market was served by the carrier during the previous 60 months.

## TRANS-PACIFIC MARKET INCENTIVES:

- The Authority will provide up to \$400,000 for marketing support to an air carrier for the first 12 consecutive months of non-stop, round-trip passenger service to an unserved Trans-Pacific market.
- An unserved market means any market not served non-stop from CVG by any carrier in the previous 36-month period.
- A minimum of 3 departures per week or at least 156 annual departing flights are required.
- Should the air carrier continue passenger service for a second 12 consecutive month period, the Authority will provide up to an additional \$300,000 for marketing support. A minimum of 3 departures per week or at least 156 annual departing flights are required during the second 12 consecutive month period.
- The Authority will waive all landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees during the incentive period, up to 24 consecutive months.
- The Authority will provide up to \$150,000 for marketing support to a carrier providing seasonal passenger service (2 departures per week for a minimum of 16 weeks) to an unserved Trans-Pacific market plus the Authority will waive landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees for up to 8 consecutive months.
- Carriers are not eligible for this incentive if the market was served by the carrier during the previous 60 months.

## CENTRAL AMERICA / MEXICO MARKET INCENTIVES:

- The Authority will provide up to \$150,000 for marketing support to an air carrier for the first 12 consecutive months of non-stop, round-trip passenger service to an unserved Mexico or Central America market.
- An unserved market means any market not served non-stop from CVG by any carrier in the previous 36-month period.
- A minimum of 3 departures per week or at least 156 annual departing flights are required.
- Should the air carrier continue passenger service for a second 12 consecutive month period, the Authority will provide up to an additional \$75,000 for marketing support. A minimum of 3 departures per week or at least 156 annual departing flights are required during the second 12 consecutive month period.
- The Authority will waive all landing fees, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees during the incentive period, up to 24 consecutive months.
- The Authority will provide up to \$50,000 for marketing support to a carrier providing seasonal passenger service (2 departures per week for a minimum of 6 Months) to an unserved Mexico or Central America market plus the Authority will waive landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees for up to 6 consecutive months.
- Carriers are not eligible for this incentive if the market was served by the carrier during the previous 60 months.

## SOUTH AMERICA INCENTIVES:

- The Authority will provide up to \$300,000 for marketing support to an air carrier for the first 12 consecutive months of non-stop, round-trip passenger service to an unserved South America market.
- An unserved market means any market not served non-stop from CVG by any carrier in the previous 36-month period.
- A minimum of 3 departures per week or at least 156 annual departing flights are required.
- Should the air carrier continue passenger service for a second 12 consecutive month period, the Authority will provide up to an additional \$200,000 for marketing support. A minimum of 3 departures per week or at least 156 annual departing flights are required during the second 12 consecutive month period.
- The Authority will waive all landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees during the incentive period, up to 24 consecutive months.
- The Authority will provide up to \$50,000 for marketing support to a carrier providing seasonal passenger service (2 departures per week for a minimum of 6 Months) to an unserved South America market plus the Authority will waive landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees for up to 6 consecutive months.
- Carriers are not eligible for this incentive if the market was served by the carrier during the previous 60 months.

## CARIBBEAN & U.S. VIRGIN ISLAND MARKET INCENTIVES:

- The Authority will provide up to \$75,000 of marketing support to an air carrier for the first 12 consecutive months of non-stop, round-trip passenger service to an unserved Caribbean Market.
- An unserved market means any market not served non-stop from CVG by any carrier in the previous 36-month period.
- A minimum of 4 departures per week or at least 208 annual departing flights are required.
- The Authority will waive all landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees during the incentive period, up to 12 consecutive months.
- The Authority will provide up to \$50,000 of marketing support to a carrier providing seasonal passenger service (2 departures per week for a minimum of 6 Months) to an unserved Caribbean market plus the Authority will waive landing, Airline Gate Area, Ticket Counter, Joint Use, and FIS facility fees for up to 6 consecutive months.
- Carriers are not eligible for this incentive if the market was served by the carrier during the previous 60 months.

## ADDITIONAL SUPPORT

The successful launch of new service or a new air carrier at CVG is as important to the Authority and the Greater Cincinnati, Northern Kentucky, and Southeast Indiana Region as it is to the air carrier. In addition to the marketing support and fee waivers identified above, the Authority also offers additional assistance to help set the stage for success in the market.

## COMMUNITY ENGAGEMENT

The Air Service Development Team at CVG maintains close relationships with local business leaders, economic development professionals, convention and visitor bureau staff, and the corporate business managers at the top local companies to understand their current and future air service needs. With nine Fortune 500 companies based in the region, the travel managers are a valuable resource to not only understand the travel needs of the local market but also the global needs of their associates around the globe. The Authority is happy to help facilitate meetings between the air carrier and these key business partners; provided that, if any such organization provides a subsidy incentive, per FAA requirements, the Authority cannot be involved in negotiating, implementing, recording keeping, or monitoring of any such subsidy incentive.

## LOCAL PRESS RELEASE

The Authority has an exceptionally strong relationship with the local media and effectively utilizes the available communication tools to broadcast the latest news through these media outlets. Press releases are carefully crafted and released at the appropriate time to maximize the potential for earned media value.

## INAUGURAL SUPPORT

The Authority has developed a proven track record of successful inaugural events over multiple years. From initial ideation to press release to inaugural event, the Authority will partner with the air carrier to facilitate a successful event that receives maximum coverage from news media and participation from local political and business leaders.

## CVGAIRPORT.COM

CVGAIRPORT.COM is an award-winning website designed to enhance the traveling public's airport experience. The website features an air carrier section which gives carriers additional exposure to the CVG passenger.

## AIRPORT NEWSLETTER

New entrant carriers and/or new service announcements will be prominently featured in CVG's monthly newsletter. Flight Lines is electronically distributed monthly to 95,000 individuals who signed up on the award winning CVGAirport.com website.

## SOCIAL MEDIA

The Authority actively engages passengers and potential customers on a regular basis through Twitter and Facebook. These platforms will be utilized to announce the new service and are also available for an air carrier to leverage should it wish to engage in the development of a promotion or contest.

## IN-AIRPORT DESTINATION ANNOUNCEMENTS

The state-of-the-art flight information display system (FIDS) at CVG includes additional flat panel monitors adjacent to the FIDS monitors utilized for visual paging and airport promotion. The displays are prominently located throughout the terminal and concourse buildings. The Authority will develop graphics for each new market or air carrier for display on these monitors.

## PROGRAM GUIDELINES

### ELIGIBILITY REQUIREMENT

To be eligible to participate in this ASIP an air carrier must be or become a party to the Authority's Airport-Use Agreement or Non-Signatory Agreement and must execute an Air Service Incentive Agreement satisfactory to the Authority and the air carrier. To receive marketing support or a waiver of fees under this ASIP, an air carrier must not be in default under any agreement between the air carrier and the Authority.

### AIR CARRIER COMMITMENTS

The air carrier must also commit to the following:

- ◆ Operate the qualifying flight(s) throughout the applicable 24-month, 12-month, 6-month, or seasonal period ("Incentive Period") plus an additional number of months equal to the number of months which the air carrier received incentives under this ASIP.
- ◆ Provide the Authority with a letter of credit, bond, or other form of surety satisfactory to the Authority to secure an amount equal to the estimated annual amount of Authority provided marketing support should air carrier fail to maintain each qualifying flight through the Incentive Period.
- ◆ Report any changes to the number of frequency of aircraft type and/or service at least 30 days in advance of any changes during the Incentive Period.
- ◆ Any incentives for incumbents already serving markets must only be for new scheduled service to that market without any loss in previously scheduled service to the same market.



## **REFUND FOR FAILURE TO MEET PROGRAM REQUIREMENTS**

The duration of service under each of the incentive programs identified above must be operated at or above the specified frequencies or total departures during the Incentive Period plus an additional number of months equal to the number of months which either marketing support was provided or fees were waived under this ASIP, whichever is longer (“Service Requirement”). If the carrier suspends or terminates the service prior to the end of the Service Requirement the carrier must reimburse the Authority for all marketing support and all waived fees and charges from the date of the initiation of the service until the date of suspension or termination of the service. The carrier must pay the reimbursement amount to the Authority within 30 days of suspension or termination of service. If the air carrier fails to pay as required, the Authority may deduct the amount from any security deposit, letter of credit, or guarantee posted by the air carrier for operations at CVG or from any money owed to the air carrier by the Authority.

## **MARKETING SUPPORT INITIATIVES**

There will be no direct reimbursement to the air carrier for marketing support provided by the Authority. The Authority's marketing support will be paid directly to the agreed upon media or advertising sources pursuant to the Authority's standard invoicing, procurement, and payment process for such services. The marketing plan must be jointly developed between the air carrier and the Authority, including marketing to be provided by the air carrier, and must be approved by the CEO 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 marketing support for a successive period of service. The joint marketing and advertising plan will promote the air carrier, CVG, and the air carrier's service at CVG.

## **TERMINATION**

This ASIP will terminate on December 31, 2025, or earlier date by written notice from the Authority's CEO to signatory and non-signatory air carriers (the “Termination Date”). Termination of this ASIP will not terminate the waiver of fees or marketing support to be provided pursuant to an executed Air Service Incentive Agreement between the Authority and air carrier that is effective prior to the Termination Date.

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

## **RESERVATION OF RIGHTS**

The Authority reserves the right to modify, amend, or substitute this ASIP during the term of this ASIP, provided that any modification, amendment, or substitution will not impact any existing agreement under this ASIP. This ASIP does not constitute an offer unless and until an Air Service Incentive Agreement between an air carrier and the Authority has been executed. Consistent

with FAA guidance, this ASIP does not apply to repeated seasonal service to the same market.

#### **AIR CARRIER COMPLIANCE**

The Authority CEO's interpretation of this ASIP is final and binding in all respects and on all parties. The Authority may conduct a periodic review and audit of air carrier's compliance with the terms of this program during the Incentive Period.

Service Type	Service Requirement	Marketing Dollars	Minimum Service	Landing Fee Waiver	Gate Use Fee Waiver	Ticket Counter Fee Waiver	FIS Facility Fee Waiver
New Entrant*	Daily (Minimum of 5x)	\$75,000	12 Consecutive Months	Yes	Yes	Yes	Yes (If Applicable)
New Entrant* (2 Routes)	Daily (Minimum of 5x each)	\$150,000	12 Consecutive Months Each	Yes	Yes	Yes	Yes (If Applicable)
New Entrant* (3 Routes)	Daily (Minimum of 5x each)	\$175,000	12 Consecutive Months Each	Yes	Yes	Yes	Yes (If Applicable)
North American Unserved Markets	Daily (Minimum of 5x)	\$50,000	12 Consecutive Months	Yes	Yes	Yes	Yes (If Applicable)
Trans-Atlantic* (Excluding Iceland)	3x weekly (Minimum 150 Annual Departures)	\$400,000 – Year 1 \$300,000 – Year 2	1 Year or 2 Year Commitment	Yes	Yes	Yes	Yes
	Seasonal – 2x weekly (Minimum 32 Departures)	\$150,000 – Seasonal	Seasonal – 16 Weeks	Yes	Yes	Yes	Yes
	Increased Service – 25% increase in seats or departures)	\$75,000	16 Consecutive Weeks	Yes (only for added service)	Yes (only for added service)	Yes (only for added service)	Yes (only for added service)
Iceland*	3x weekly (Minimum 156 Annual Departures)	\$200,000 – Year 1 \$100,000 – Year 2	1 Year or 2 Year Commitment				
	Seasonal – 2x weekly (Minimum 32 Departures)	\$75,000 – Seasonal	Seasonal – 16 Weeks	Yes	Yes	Yes	Yes



Service Type	Service Requirement	Marketing Dollars	Minimum Service	Landing Fee Waiver	Gate Use Fee Waiver	Ticket Counter Fee Waiver	FIS Facility Fee Waiver
Trans-Pacific*	3x weekly (Minimum 156 Annual Departures)  Seasonal – 2x weekly (Minimum 32 Departures)	\$400,000 – Year 1 \$300,000 – Year 2  \$150,000 – Seasonal	1 Year or 2 Year Commitment  Seasonal – 16 Weeks	Yes	Yes	Yes	Yes
Central America / Mexico*	3x weekly (Minimum 156 Annual Departures)  Seasonal – 2x weekly (Minimum of 52 Annual Departures)	\$150,000 – Year 1 \$75,000 – Year 2  \$50,000 – Seasonal	1 Year or 2 Year Commitment  Seasonal – 6 Months	Yes	Yes	Yes	Yes
South America*	3x weekly (Minimum 156 Annual Departures)  Seasonal – 2x weekly (Minimum of 52 Annual Departures)	\$300,000 – Year 1 \$200,000 – Year 2  \$50,000 – Seasonal	1 Year or 2 Year Commitment  Seasonal – 6 Months	Yes	Yes	Yes	Yes
Caribbean Market & U.S. Virgin Island*	4x Weekly (Minimum 208 Annual Departures)  2x weekly (Minimum of 52 Annual Departures)	\$75,000  \$50,000	12 Months  6 Months	Yes	Yes	Yes	Yes (If Applicable)
Hawaii	2x weekly (Minimum 104 Annual Departures)	\$175,000 -Year 1 \$50,000 – Year 2	1 Year or 2 Year Commitment	Yes	Yes	Yes	N/A