Richmond International Airport
Air Carrier Incentive Program (ACIP)

The goal of the Air Carrier Incentive Program (ACIP) of the Capital Region Airport Commission (Commission) is to increase scheduled nonstop air service and passenger traffic at Richmond International Airport (RIC), encourage scheduled service to new destinations, attract new air carriers, and promote meaningful airline competition. The program provides structured, time-limited promotional incentives to any air carrier announcing qualifying new or substantially expanded passenger service.

- RIC's ACIP program consists of two types of incentives compliant with Federal Aviation Administration (FAA) policy: Marketing Assistance to support route launches and Operational Incentives to provide temporary, time-limited relief from airport fees.
- ACIP Marketing Assistance and Operational Incentives (credits) funding and the Incentive Factor used in this available seat mile (ASM)-based program are subject to Commission approval via its budget process each fiscal year.
- Budgeted ACIP funds may be used and depleted at any time during the fiscal year.

1. Definitions

A. **Airport Destination**: The airport as identified by a unique IATA code receiving new scheduled nonstop passenger service from the Origin Airport. Each airport within a metropolitan area may be defined as a separate Airport Destination for the purposes of this policy.

B. **Current or Currently**: The point in time immediately prior to the signing of an incentive agreement.

C. **Incentive Factor**: A Commission-approved rate set during the annual budget process, universally applied to average weekly available seat miles (ASMs) for qualifying New Service to determine the level of Marketing Assistance for all qualifying ACIP agreements executed during that fiscal year. Examples of the application of an Incentive Factor are shown below.

D. **Incumbent Carrier**: An air carrier currently providing scheduled nonstop passenger service to the Origin Airport.

E. **New Entrant Carrier**: An air carrier that is not currently providing scheduled passenger service to the Origin Airport.

F. **New Service**:
   i. The addition of scheduled air carrier flights to an Unserved Airport Destination from RIC.
   ii. New air service by a New Entrant Carrier to an Unserved or Preexisting Airport Destination.

iii. A Significant Capacity Increase to a Preexisting Airport Destination.

G. **Operational Fees**: All fees and charges, exclusive of shared facility fees, assessed by RIC in order for an airline to serve a route including but not limited to landing fees, aircraft parking rental fees, aircraft parking position turn fees, aircraft parking overnight fees, incremental terminal rental rates, incremental joint use charges, common use fees, and FIS charges.

H. **Origin Airport**: RIC, the airport providing incentives under this ACIP. For the purposes of this policy, RIC is the airport sponsor.

I. **Preexisting Airport Destination**: Scheduled passenger service to any Airport Destination that is currently served nonstop from the Origin Airport. An Airport Destination served nonstop only in one season is considered not currently served nonstop during the offseason.

J. **Primary Carrier**: The marketing carrier for the New Service. The Commission will enter into incentive agreements with only the Primary Carrier.

K. **Seasonal Service**: Scheduled nonstop passenger service that is offered for at least twelve (12) consecutive weeks but less than a total of seven (7) months of a calendar year.

L. **Significant Capacity Increase to a Preexisting Airport Destination**: For the purposes of this program, a Significant Capacity Increase (SCI) is defined as a 50% or more increase in average ASMs by an Incumbent Carrier for at least sixteen (16) consecutive weeks from RIC to a Preexisting Airport Destination.

M. **Unserved Airport Destination**: An Airport Destination, international or domestic, to which there is no current scheduled nonstop passenger service from RIC.

N. **Year-Round Service**: Scheduled nonstop service that is offered for seven (7) or more months of a calendar year.

2. General Eligibility

- A carrier providing New Service to an Unserved Airport Destination, meeting the definition of New Entrant Carrier, or adding a Significant Capacity Increase to a Preexisting Airport Destination is eligible for consideration of RIC ACIP benefits.
- New Service by a carrier to an Unserved Airport Destination to which that carrier provided nonstop scheduled service from the airport during the previous eighteen (18) months is not eligible for Marketing Assistance or Operational Incentives under the ACIP.
- The Commission will determine eligibility for all Marketing Assistance and Operational Incentives under this program and will provide the airline with a letter of acceptance if the airline's New Service meets ACIP criteria.

- Charter operations, including operators under Parts 121, 135, and 380, and federally subsidized Essential Air Service (EAS) routes are not eligible for ACIP benefits.
- A carrier seeking RIC incentives must notify the Commission at least two (2) months prior to the inauguration of service of the carrier's interest in receiving ACIP benefits.

3. Qualifying Criteria

- Airlines wishing to participate in RIC's ACIP must submit a written statement before announcing service and commencing operations, outlining the proposed service, including destination(s), start date, equipment type, and schedule including intent to provide Year-Round or Seasonal Service.
- To qualify for Unserved Airport Destination Marketing Assistance and the related Operational Incentive, an air carrier must offer New Service from RIC to an Unserved Airport Destination.
- The level of Marketing Assistance will be determined by an average weekly ASM calculation adjusted by an annually determined Incentive Factor.
- The maximum duration of ACIP benefits related to New Service to an Unserved Airport Destination is two (2) years for Year-Round Service or three (3) years for Seasonal Service.
- The average weekly ASMs determination for New Service to an Unserved Airport Destination will use inputs including seat counts (per aircraft type deployed), trip frequency, and nonstop one-way route distance using the airline's proposed schedule as follows:
  - Year 1: Seats x Stage Length x Avg Weekly Frequency x Incentive Factor.
  - Year 2: Seats x Stage Length x Avg Weekly Frequency x Incentive Factor/2.
  - Year 3: Same calculation as Year 2, Seasonal Service only.
- Year-Round or Seasonal Service Marketing Assistance for qualifying routes may be recalculated for Year 2 and Year 3 based on review of the inputs (seats, stage length, average weekly frequency, and Commission-approved incentive factor).
- To be eligible for maximum Unserved Airport Destination Marketing Assistance, an air carrier must conduct qualifying Year-Round Service for two (2) years.
- Seasonal Service to a qualifying Unserved Airport Destination is also eligible for Unserved Airport Destination Marketing Assistance and Operational Incentives but must be maintained at a minimum of twice-weekly service for at least twelve (12) consecutive weeks in the initial year and meet this minimum service threshold to receive the next year's benefits.
- Operational Incentives are based on actual qualifying airport operations and are not pro-rated.
- In the event more than one airline announces service to the same Unserved Airport Destination, the eligible carrier will be the first to announce, schedule service, and sell tickets between RIC and the new destination. If the start date for the first eligible carrier is delayed, the Commission, within its sole and exclusive discretion, may offer an ACIP agreement to the second eligible carrier to serve as a replacement for the first eligible carrier.

4. Operational Incentives

The Commission will administer Operational Incentives.

- Operational Incentives are administered through credits and may include:
  - Credits for Operational Fees as defined above.
  - Waivers of Reimbursable Services Program (RSP) fees for international arrivals.
  - Operational Fees do not include charges for Passenger Facility Charges (PFCs) or other non-Commission fees or charges that may be directly assessed by federal agencies such as U.S. Customs and Border Protection (CBP) to the air carrier.
- Operational Incentive credits may not exceed the carrier's eligible Operational Fees incurred at RIC during the applicable incentive period.
- Air carriers will remain responsible for shared facility fees.

5. Marketing Assistance

The Commission will administer Marketing Assistance.

- Available Seat Mile (ASM) Marketing Assistance Formula: Marketing Assistance is calculated to route capacity and distance using an Incentive Factor per average weekly ASMs in Year 1 and a calculation of Incentive Factor/2 per average weekly ASMs in Year 2 (Year-Round or Seasonal Service) and Year 3 (for Seasonal Service only).
- The carrier will develop a marketing plan for review and approval by the Commission's president and CEO or his/her designee.
- The marketing plan will promote public and travel industry awareness of the New Service offered by the carrier at RIC and will promote travel to/from/through the airport.
- The Commission will only support advertising costs under this program where (i) RIC is featured prominently in a manner consistent with the airport's branding guidelines, (ii) the marketing plan and assets are submitted to the Commission in advance for its review and written approval, and (iii) there is clear reference to the new destination prompting Marketing Assistance.
- Support awarded under this Program shall not exceed the budgeted amount for this Program in any given fiscal year.
- The Commission's president and CEO or designee is responsible for approving the marketing plan in cooperation with the carrier.
- Following approval of the marketing plan proposal by the president and CEO or designee, the air carrier may (a) elect to perform marketing activities directly or through its agency partner/s or (2) request such services be performed by RIC's agency. The air carrier may not mark up marketing costs or invoice the Commission for internal agency or creative team time.
- With an approved marketing plan, if the air carrier elects to use its own agency or internal resources, the Commission will reimburse the air carrier for paid media placements upon the receipt from the air carrier of supporting documents satisfactory to the Commission including, but not limited to, invoices, correspondence, proof of performance, proof of payment, and similar as may be required to satisfy an FAA review or audit of all financial transactions associated with the marketing assistance from RIC's ACIP.

- The air carrier shall retain all records supporting reimbursement requests for the period required by applicable federal law, regulation, grant assurance, or Commission policy and shall make such records available to the Commission or FAA upon request.

6. New Entrant Carrier Marketing Incentive

- A New Entrant Carrier, regardless of whether the destination(s) offered are Unserved or Preexisting Airport Destinations, may also qualify for a one-time New Entrant Carrier Marketing Incentive of up to $50,000.
- At a minimum, the New Entrant Carrier must offer qualifying service at a frequency of two (2) departures per week for twelve (12) consecutive weeks.
- For the full New Entrant Carrier Marketing Incentive, the New Entrant must offer twice-weekly service on a Year-Round basis. For Seasonal Service, the New Entrant Carrier Marketing Incentive is pro-rated based on the proportion of Year-Round Service.
- The New Entrant Carrier Marketing Incentive is a reimbursement program based on the same reporting and administrative requirements as Marketing Assistance as noted earlier in this policy.
- A New Entrant Carrier may qualify for the New Entrant Carrier Marketing Incentive, as well as Marketing Assistance and Operational Incentives, under the following conditions:
  - If a New Entrant Carrier starts service to an Unserved Airport Destination, Marketing Assistance and Operational Incentives may be available for up to two (2) years for qualifying Year-Round Service or three (3) years for Seasonal Service.
  - If a New Entrant Carrier starts service to a Preexisting Airport Destination, Marketing Assistance and Operational Incentives are available for one (1) year as the carrier is considered similarly situated to an incumbent carrier after one year.

7. Incentives for Significant Capacity Increases

- To be eligible for consideration of SCI incentives, an Incumbent Carrier must schedule and operate a 50% increase or more in average ASMs versus the same period a year earlier for at least sixteen (16) consecutive weeks from RIC to a Preexisting Airport Destination.
- For qualifying SCI scenarios, the Commission offers two incentive categories:
  - Marketing Assistance: Calculated on the basis of the additional ASMs for a period of no more than one (1) year using the Year 1 formula shown above.
  - Operational Incentives in the form of landing fee waivers (credits) for additional frequencies versus the same period a year earlier.
- The total number of monthly flights offered by an Incumbent Carrier to a Preexisting Airport Destination upon request of SCI ACIP incentives must be greater than the number of flights offered by the airline to the same destination in the same month the year prior.
- Landed weight for the airline must be greater than the same month the year prior.

- If there is a reduction of service to another Airport Destination served by the same carrier, then the Commission, in its sole and exclusive judgment, may determine and declare that the carrier is ineligible to receive an incentive for the Significant Capacity Increase (SCI).

8. Eligibility Table

Service	Marketing Assistance	Operational Incentives	New Entrant Incentive
Incumbent + Unserved Destination	Up to 2 years / 3 if seasonal	Same	No
New Entrant + Unserved Destination	Up to 2 years / 3 if seasonal	Same	$50,000
New Entrant + Preexisting Destination	1 year	1 year	$50,000
Significant Capacity Increase	1 year	1 year	No

9. ACIP Transparency

The Commission will provide notification of the availability and implementation of this program to both Incumbent Carriers and prospective New Entrant Carriers. Notifications will include the incentives offered, criteria for eligibility, incentives awarded, a periodic listing of all carriers benefiting from an ACIP agreement, and identification of the incentivized service.

10. Program Administration

- The Commission's ACIP is in accordance with and incorporates new FAA guidance issued December 7, 2023, and updated as recently as August 2026, applicable federal statutes, and the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed. Reg. 7696, February 16, 1999) (Revenue Use Policy).
- The average weekly ASMs Marketing Assistance basis of this program was selected as a non-discriminatory economic method that does not differentiate between international or domestic flights or high priority versus other route development opportunities.
- The Commission shall have the ability to modify or amend, in consultation with the FAA if necessary, any of the program components set forth herein to comply with all applicable federal laws and regulations.
- No individual ACIP agreement creates an obligation of the Commission beyond the amount specifically authorized and budgeted for that agreement and fiscal year. Benefits in later fiscal years depend on new annual budget authorization.
- The Incentive Factor applicable to each fiscal year shall be the factor approved by the Commission for that fiscal year, subject to the terms and maximum benefits established in the executed incentive agreement.
- Airlines must report to the Commission monthly enplanement numbers and/or frequencies for each participating route subject to ACIP benefits at the same time the carrier submits monthly landing report/s as specified in airline use agreements.
- The Commission will determine eligibility for all Marketing Assistance and Operational Incentives under the ACIP and will provide the airline with a letter of acceptance if the

airline's new service meets ACIP criteria. Written acceptance must occur before public announcement and commencement of service.

- No Marketing Assistance or Operational Incentive shall be available for service announced, marketed, or commenced before the Commission issues its written acceptance, unless expressly approved by the Commission.
- An air carrier's receipt of benefits is subject to the terms of an executed agreement between the Commission and the qualifying air carrier which is subject to final approval by the Commission's president and CEO and its legal counsel.
- If the carrier does not provide the agreed-upon frequency of nonstop service (minimum frequency) for the full Year-Round period or for the full agreed-upon Seasonal Service period as referenced in the executed ACIP agreement, as may apply, then all Operational Incentives credited to the carrier may be voided by the Commission and all amounts paid by the Commission for Marketing Assistance may be due back to the Commission by the carrier at the Commission's sole discretion and determination. Remedies may include:
  - Prospective termination of incentives;
  - Recovery of prepaid or unearned amounts; and/or
  - Recovery of previously reimbursed costs where the carrier materially breached the agreement or supplied inaccurate information.
- Publication of this ACIP does not constitute an obligation or commitment by the Commission to provide incentives to any air carrier. All incentives are subject to eligibility, available funding, Commission approval, and execution of a written agreement.
- RIC's ACIP is funded by non-aeronautical revenues.
- The ACIP goes into effect upon approval by the Capital Region Airport Commission.