

## SAN DIEGO INTERNATIONAL (TRANS-OCEANIC) AIR SERVICE INCENTIVE PROGRAM

### STRATEGIC OBJECTIVES

The International Air Service Incentive Program is consistent with the mission of the SDCRAA to:

- *Provide air transportation services to the region:* In the end, the incentive program's intent is to help San Diego travelers reach their destination in a more direct and efficient way.
- *Promote the region's prosperity:* New international routes will only add to San Diego's prosperity by making the region more competitive in international business, conventions and tourism. New international routes to and from San Diego will result in a profound annual economic impact (estimated in excess of \$100 million per annum). The San Diego region would see direct and indirect impacts from economic stimulus of new visitors.

### SCOPE OF PROGRAM

1. **Program Requirements:** In order to qualify for participation in the Program, the following conditions apply:

- The international airport of destination in Europe, Central / South America, Asia, Oceania or Africa is un-served from SDIA.
- Service to Europe, Central or South America must be nonstop or triangular (e.g. Dublin – San Diego – San Francisco – Dublin). Triangular operations are permitted so long as one directional sector to/from San Diego and target continent is operated nonstop.
- Service to Asia, Africa or Oceania must be nonstop, triangular or single-same plane direct (one-stop). Triangular operations (e.g. Seoul – San Diego – Las Vegas – Seoul) are permitted so long as one directional sector to/from San Diego and target continent is operated nonstop. In the case of one-stop (direct) operations to Asia, Africa, or Oceania, aircraft registration number and flight number must remain the same on all sectors and first stop must be outside the USA (e.g. Vancouver, Papeete etc.).
- The service is operated with a minimum of two scheduled roundtrips each week and provides consistent year-round service.
- Service is operational for a minimum of one year.
- The airline, its subcontract, partner or alliance airline, has not served the same route or destination city within the past 18 months.
- No more than five (5) new services can qualify for the Incentive Program in each year.

2. **Program Qualifications:** The International Air Service Incentive Program has been developed to be competitive with other airport programs and balances the interests of existing carriers and potential carriers. The program is available to all airlines currently at the airport or those wishing to start service at the airport. The program contains three parts.

- ***A Temporary Landing Fee Waiver*** – The landed weight for qualified new trans-oceanic / international flights shall be waived 100% for the first 12 months and reduced by 50% in the second 12 month period of operation at SDIA. Airlines qualifying for this incentive shall be responsible for filing a monthly landing fee report (at current rates) with fees based on the Minimum Landed Weight (MLW) of the aircraft utilized. The landing fees remitted to the Authority will be refunded to the airline semi-annually upon the airline meeting all Incentive Program requirements.
- ***A Temporary Exclusive-Use Rent Rebate*** The exclusive rental rates for new trans-Oceanic service shall be waived 100% for the first 12 months and reduced by 50% in the second 12 month period of operation at SDIA. For incumbent airlines, exclusive terminal rents shall be discounted proportionately based on the number of enplaned passengers using the new service as compared to the number of passengers using all of its other flights. Airlines shall remit all rental fees to the Authority, which will be refunded semi-annually upon the airline meeting all Incentive Program requirements. All airlines participating in the Incentive Program, however, shall remain responsible for payment of terminal joint-use and security charges.
- ***Marketing Program*** – The participating airlines that wish to market the San Diego service may qualify for up to \$500,000 marketing assistance in the first year of new service and up to \$250,000 in the second year of service. Marketing assistance will be subject to editorial oversight by the SDCRAA and all funds utilized for this purpose will be pre-approved by the SDCRAA and advertise service specific to San Diego. Should service be suspended prematurely, airline shall be responsible for reimbursement of all marketing funds spent.

***Program Qualifications – Trans-Oceanic Service***

QUALIFICATIONS	REQUIREMENTS
Qualifying Airlines:	All Airlines (incumbent and new entrant)
Route Qualifications: <i>for service between SAN and Europe, Central* or South America</i>	<i>Nonstop or triangular route</i>
<i>for service between SAN and Asia, Oceania or Africa</i>	<i>Nonstop, triangular or single-plane one-stop**</i>

\* - Central America does not include Mexico or the Caribbean.

\*\* - for single-plane one-stop service to qualify, service must be offered with the same flight number and all sectors must operate with the same aircraft registration number and aircraft type in each direction. For single-plane one-stop service, first stop must be outside of the United States (e.g. Vancouver, Canada; Papeete, Tahiti etc.).