

Air Service Incentive Program (ASIP21)

The San Diego County Regional Airport Authority is pleased to offer this Air Service Incentive Program to support the expansion of new air service from San Diego International Airport. Qualifying carriers are invited to submit an incentive application for qualifying new service under one of the six following tracks: New Domestic, New North America, New Trans-Oceanic, Domestic Return to Service, North America Return to Service, and Trans-Oceanic Return to Service. Details on each program's eligibility requirements and incentives are below.

Definition of Terms:

- **Authority** or **SDCRAA** – The San Diego County Regional Airport Authority
- **Incentive Period** – The period of time airline qualifies to receive incentives
- **SAN** - San Diego International Airport
- **SAN ASIP21** or **Program** – The Air Service Incentive Program detailed herein
- **Unserved Airport** – An airport not currently served nonstop from SAN

Objectives:

- Increase SAN's network of nonstop destinations, providing enhanced air transportation services to the region and ease of access to and from the world
- Enhance passenger air service at SAN and increase airport revenue
- Enable fair access for new entrants and promote competition
- Restart impacted air service due to the COVID-19 pandemic

Program Validity Period:

- The SAN ASIP21 shall be effective upon approval by the SDCRAA Board of Directors unless cancelled or amended.
- Regions currently open for program participation are listed in Table 2: Regions Currently Open for Incentives. The program participation table may be periodically amended by the Vice President of Revenue, Marketing and Innovation based on air service priorities. The most recent table is available upon request.

Program Administration:

- The SAN ASIP21 shall be carried out in accordance with Federal statutes (49 U.S.C. § 47107(1)) and the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed. Reg. 7696, February 16, 1999) (Revenue Use Policy). The Authority shall have the ability to modify or amend, in consultation with the FAA if necessary, any of the Program Components set forth herein in order to comply with all applicable federal laws and regulations.
- Airlines wishing to participate in this program must submit an application outlining the proposed service and receive Authority confirmation and approval.

- Airlines must report to the Authority monthly enplanement numbers and/or frequencies for each participating route in the incentive program(s) at the same time the carrier submits the monthly air traffic report to the Authority.
- Operational credits will be issued quarterly.
- Should service be suspended prematurely, the Authority shall be reimbursed for all marketing funds expended.
- Should frequencies be materially less than stated on the SAN ASIP application on file (discrepancy greater than 25%), airline shall be responsible for a pro-rated reimbursement of any marketing funds received per the Authority's sole discretion and determination.
- Airlines currently participating in a new destination incentive program may not apply for the COVID-19 Return to Service program for the same route
- Airlines currently participating in prior incentive programs shall be eligible to complete their existing incentive program.

Program Components:

- Operational Credit – Airlines will receive a dollar per enplaned passenger fee credit, not to exceed the total SAN operating costs of the proposed new route. The operational credits by type of service are outlined below.
- Marketing Support – Airlines may qualify for marketing expense reimbursements. The marketing incentive must be utilized solely for the purpose of promoting the new San Diego route, must be pre-approved in writing by SDCRAA prior to publication, and will be subject to editorial oversight by SDCRAA. Marketing reimbursements will only be given upon substantiated invoices from the air carrier.

New Air Service Programs Eligibility:

- Airline must be in good financial standing with the Authority.
- Airline must submit and receive confirmation of an approved SAN ASIP application.
- Not operated by the airline, its affiliates, or alliance partner within the last 18 months
- Must be regularly scheduled non-stop service to an unserved airport
- Must operate the route for a minimum of one year beyond the incentivized period
- First airline to commence operations on the new route. Should two (2) or more airlines commence the same qualifying service within a three-month period of the qualifying carrier, all will be eligible for credit
- For domestic service, not transferred from one airport to another airport within the same metropolitan area as defined by standard census metropolitan statistical areas (MSA) or core-based statistical areas (CBSA)¹. For international service, not transferred from one airport to another airport within 100 miles / 160 km.

¹ Metropolitan Areas of New York City and Washington, DC exempt.

- Airline only eligible to receive marketing incentives if Airline, its affiliate or its alliance partner did not operate the route in the last five years
- No more than five (5) new trans-oceanic services (destinations in Africa, Asia, Central America, Europe, Oceania, and South America) can qualify in each year.

COVID-19 Return to Service Programs Eligibility

- Airline must be in good financial standing with the Authority and have fulfilled all prior incentive requirements
- Airline must submit and receive confirmation of an approved SAN ASIP application
- Airline must have flown the route non-stop from San Diego in Calendar Year 2019 but did not operate between July 1, 2020 and December 31, 2020
- Must be regularly scheduled, non-stop service to an unserved airport
- Service must commence by December 31, 2021
- Must operate the route for a minimum of one year beyond the incentivized period
- First airline to commence operations on the new route. Should two (2) or more airlines commence the same qualifying service within a three-month period of the qualifying carrier, all will be eligible for credit

I. New Domestic

- A. Incentive Period: The incentive period commences on the first day of operation of the new service and lasts for one year
- B. Incentive Components:
 - Operational Credit - \$5 credit per enplaned passenger at SAN for one (1) year, not to exceed total airport charges
 - Marketing Support - up to \$35,000 in pre-approved reimbursable marketing expenses, pro-rated for less than year-round daily service.

II. New North America (Destinations in Canada, Mexico or the Caribbean)

- A. Incentive Period: The incentive period commences on the first day of operation and lasts for two years.
- B. Incentive Components:
 - Operational Credit - \$7.50 per enplaned passenger in SAN for year one, \$5 credit per enplaned passenger in SAN for year two
 - Marketing Support - up to \$100,000, pro-rated for less than year-round daily service.

III. New Trans-Oceanic (Destinations in Africa, Asia, Central America, Europe, Oceania, or South America)

- A. Incentive Period: The incentive period commences on the first day of operation and lasts for two years.
- B. Incentive Components:

- Operational Credit - \$30 per enplaned passenger in SAN for year one, \$20 credit per enplaned passenger in SAN for year two
- Marketing Support - up to \$750,000 for year one, \$250,000 for year two pro-rated for less than year-round daily service.

IV. COVID-19 Return to Service Program: Domestic

- A. Incentive Period: The incentive period commences on the first day of operation of the new service and lasts for one year
- B. Incentive Components:
- Operational Credit - \$2.50 credit per enplaned passenger at SAN for one (1) year, not to exceed total airport charges

V. COVID-19 Return To Service Program: North America

- A. Incentive Period: The incentive period commences on the first day of operation and lasts for one year.
- B. Incentive Components:
- Operational Credit - \$5.00 per enplaned passenger in SAN for one year
 - Marketing Support – Up to \$10,000, pro-rated for less than daily year-round service.

VI. COVID-19 Return To Service Program: Trans-Oceanic

- A. Incentive Period: The incentive period commences on the first day of operation and lasts for one year.
- B. Incentive Components:
- Operational Credit - \$20 per enplaned passenger in SAN for one year
 - Marketing Support – Up to \$100,000, pro-rated for less than daily year-round service.

Table 1: Incentive Program Summary

	Operating Cost Credit	Marketing Support
Domestic (New Destination)	\$5 Per Enp – Year 1	Up to \$35K
Domestic (Return to Service)	\$2.50 Per Enp – Year 1	N/A
North America (New Destination)	\$7.50 Per Enp – Year 1 \$5 Per Enp – Year 2	Up to \$100K –Year 1
North America (Return to Service)	\$5 Per Enp – Year 1	Up to \$10K
Trans-Oceanic (New Destination)	\$30 Per Enp – Year 1 \$20 Per Enp – Year 2	Up to \$750K – Year 1 Up to \$250K – Year 2
Trans-Oceanic (Return to Service)	\$20 Per Enp – Year 1	Up to \$100K

Table 2: Regions Currently Open for Incentives as of January 1, 2021

Status	
Domestic	Open
Africa	Open
Asia	Open
Canada	Open
Caribbean	Open
Central America	Open
Europe	Open
Mexico	Open
Oceania	Open
South America	Open