



AIR SERVICE INCENTIVE PROGRAM: PROGRAM OVERVIEW AND GUIDANCE DOCUMENT

MARCH 2021
(revised April 2021)

MANCHESTER-BOSTON REGIONAL AIRPORT
MANCHESTER, NEW HAMPSHIRE

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SECTION I – DESCRIPTION OF PROGRAM

1.1 Program Introduction

The City of Manchester Department of Aviation (“AIRPORT”) has established a goal of increasing airline capacity to the AIRPORT to better serve the region’s customers, businesses, and overall economic development. As such, the AIRPORT is pleased to present a new Air Service Incentive Program (“PROGRAM”) for all Air Carriers as defined in this Program Overview document.

The PROGRAM is consistent with the established strategic objectives of the AIRPORT:

- a) Enhancing our **relevancy** to our customers by increasing the number of travel choices available to the citizens of New Hampshire;
- b) Embracing **innovative** approaches in the conduct of our business;
- c) Increasing organizational **sustainability** by retaining catchment area demand that is leaking to other airports; and,
- d) Enhancing the **engagement** of our customers with our brand by creating an attractive mix of airline business models to better meet their travel needs.

These strategic objectives make up the acronym “RISE.”

1.2 Program Objectives

The ASIP was developed to support the following objectives:

- a) Stimulate domestic passenger air service at MHT;
- b) Stimulate international passenger air service from pre-cleared points of departure to MHT;
- c) Increase non-aeronautical revenues at MHT through increased passenger demand; and,
- d) Reduce the cost per enplanement for Incumbent Air Carriers and simultaneously lower the barrier to entry for New Entrant Air Carriers.

1.3 Program Components

The PROGRAM has the following components available to all Air Carriers. These components are further defined in this Program Overview document.

- a) Marketing incentives;

- b) Landing fee waivers;
- c) Terminal rental waivers; and,
- d) Additional support

This ASIP program will be in effect for City fiscal years 2020 through 2022 (July 1, 2019, through June 30, 2022).

1.4 Program Termination

The termination of the PROGRAM will not terminate the incentives provided to an Air Carrier for any qualified service under this PROGRAM provided that:

- a) The service is memorialized in an executed agreement with the AIRPORT prior to the termination date; and,
- b) The FAA or AIRPORT’S legal counsel determines that the PROGRAM and/or any applicable agreement(s) violate federal law, rules, or regulations, or the AIRPORT’S obligations under federal grant assurances; then the AIRPORT reserves the right to immediately terminate the PROGRAM and any waivers or further Marketing incentives provided under this PROGRAM and any applicable agreement(s).

Any notification of termination of the PROGRAM shall be through and effective upon written notice by the Airport Director to signatory airlines participating in the PROGRAM at the time of the finding.

1.5 Definitions

Unless otherwise defined herein, the following words used in this Program Overview document shall have the following meanings:

- a) Adjusted Annual Capacity – The level of capacity provided by the Air Carrier into the AIRPORT adjusted for cancellations, also known as the Completion Factor. For purposes of the PROGRAM, the Completion Factor is set at 98%.
- b) Air Carrier – Any United States flag airline duly certificated under Title 14 of the Code of Federal Regulations Part 121 that is also a signatory airline to an Airline Operating Agreement with the AIRPORT or has signed an Airport Operating Permit as a non-signatory carrier.
- c) Air Carrier Incentive Agreement – A formal agreement between the AIRPORT and the Air Carrier that outlines the agreed upon incentives, performance requirements, terms and conditions, and other items as deemed necessary by the AIRPORT. As used in this Program Overview document, the Air Carrier Incentive Agreement will be referred to as the “AGREEMENT.” A copy of the AGREEMENT can be found in Appendix C.
- d) Air Service Support and Enhancement Team (“ASSET”) – a consortium of local chambers of commerce that work on behalf of and in conjunction with state and

local government to support the recruitment and development of nonstop commercial air service to key domestic and international markets from the AIRPORT.

- e) Airport – The Manchester-Boston Regional Airport, which is a business-like unit of the City of Manchester, New Hampshire.
- f) Airport Facility Rents and Fees – Airport rents and fees for use of the airfield and apron areas, terminal building space and equipment as identified in the current Airline Operating Agreement or Airport Operating Permit in effect at the time the AGREEMENT is executed.
- g) Application – The written request to participate in the PROGRAM submitted by a qualifying Air Carrier for service that meets any plan included in the PROGRAM. The Application can be found in Appendix B.
- h) Aviation Director – City of Manchester’s designated administrator of the Manchester-Boston Regional Airport (“MHT”) and the PROGRAM.
- i) Catchment Area Demand – The total number of passengers per day each way for a specific market as determined in the *2020 Catchment Area Study for Manchester-Boston Regional Airport*.
- j) Eligible Square Footage – The square footage leased by an Air Carrier *less* common use area, as defined in the Airline Operating Agreement or Airport Operating Permit, that is shared among the signatory Air Carriers on a per-enplanement or per-deplanement basis.
- k) Incumbent Air Carrier – Any Air Carrier other than a New Entrant that currently operates scheduled air service into and out of the AIRPORT.
- l) International Route(s) – Unserved non-stop route(s) flown to and from the AIRPORT to an airport outside the United States.
- m) Landing Fee – The amount calculated per 1,000 pounds of aircraft landed weight, applicable to Air Carriers and established each fiscal year by the City. The Landing Fee is established at the beginning of each fiscal year and may be adjusted from time to time during the fiscal year.
- n) Marketing Incentives – AIRPORT paid advertising and promotion of a qualifying route that meets any plan included in the PROGRAM.
- o) New Market – Any domestic or international market that has not been served at any point in time during the previous 12 consecutive months from the AIRPORT on a nonstop basis by an Air Carrier.
- p) New Entrant Air Carrier – Any Air Carrier, or their subsidiary, that a) announces and subsequently initiates service to the AIRPORT, b) executes an Airline Operating Agreement or Airport Operating Permit with the AIRPORT, and c) has not provided regularly scheduled service at the AIRPORT at any point in time during the previous 12-month period. An Air Carrier that operates at the AIRPORT solely as an affiliate of an Incumbent Air Carrier is not eligible to participate in

New Entrant Incentives. An Air Carrier retains New Entrant status only for the first year after it enters the Manchester market. After one year, the New Entrant Air Carrier is considered an Incumbent Air Carrier and no longer a New Entrant.

- q) Net New Capacity – The increase in capacity on a qualifying market provided by the Air Carrier and memorialized in the AGREEMENT. The Net New Capacity for a New Entrant will be equal to a) total landed weight and b) the total number of departing seats available to the Manchester market. The Net New Capacity for an Incumbent Air Carrier will be equal to a) the incremental increase in landed weight associated with the incentivized market(s) and b) the incremental increase in departing seats made available to the Manchester market and associated with the incentivized market(s).
- r) Qualifying Market – Any market that is served by a New Entrant or that is specifically included in this Program Overview document regardless of whether the market is served by a New Entrant Air Carrier or Incumbent Air Carrier.
- s) Seasonal Service – Air service that is initiated for short-term peak travel periods in any given year. Short-term is further defined as any period that does not exceed three (3) consecutive months.
- t) Premium Market – A special category of New Markets from the AIRPORT that demonstrate strong catchment area demand and deemed by the Airport Manager to be consistent with the expressed needs of the citizens and businesses in the Greater Manchester community.
- u) Underserved Qualifying Market – A special category of markets currently served by an Incumbent Air Carrier from the AIRPORT that demonstrate a significant shortage of departing seat capacity compared to catchment area demand.
- v) Waiver Eligible Square Footage – The amount of terminal rental space leased by an Air Carrier that is eligible for waivers under the PROGRAM.
- w) Waived Rents and Fees Budget – A fiscal year annual budget for waived rents and fees that is developed as part of the budget process.

1.6 Incentive Plans

The following incentive plans are available to Air Carriers:

- 1) Plan A: New Entrant;
- 2) Plan B: New Market;
- 3) Plan C: Underserved Qualifying Market;
- 4) Plan D: New Service to a Premium Domestic Market;
- 5) Plan E: New Service to a Premium International Market;
- 6) Plan F: Cargo Incentive Program

Marketing incentives provided in Plans C, D, and E can be combined with Marketing incentives under Plan A. Further, Marketing Incentives provided under Plans D and E can be combined with Marketing Incentives under Plan B.

Each of these plans and their respective incentives are defined in further detail in Section II of this Program Overview document.

SECTION II – INCENTIVE PLANS

2.1 Plan A: New Entrant

The following incentive plan is available to any Air Carrier, as defined in this PROGRAM, that initiates service to the Manchester market and has not provided service to the AIRPORT at any point in time over the previous 12-month period.

Marketing Incentives: The AIRPORT will provide Marketing incentives for a New Entrant Air Carrier dependent on the service profile provided by the Air Carrier for each market covered in an executed AGREEMENT:

- 1) **2x weekly service:** A total of \$50,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$60,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$70,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$80,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$100,000 for the first 12 consecutive months of daily service.
- 6) **2x or greater daily service:** A total of \$150,000 for the first 12 consecutive months of twice daily service.

Landing Fee Waivers: The AIRPORT will waive 100% of landing fees for the first 12 consecutive months of new entrant service, provided that the service profile remains at the level included in the AGREEMENT for each city-pair covered by the AGREEMENT. Should the service profile change for any city-pair included in the AGREEMENT, then the amount of the fee waiver available to the Air Carrier will be reduced proportionate to the reduction in service profile. Further, the AIRPORT will waive 50% of landing fees for a second 12-month period should the carrier continue the same service profile for each city-pair included in the AGREEMENT. Should the service profile be reduced for any city-pair during the first 12-month period from the amount included in the AGREEMENT, then no portion of the second-year fee waiver will be available to the Air Carrier.

Terminal Rental Waivers: The AIRPORT will waive 100% of terminal rental fees, including apron rental fees, RON fees, and jet-bridge rental fees for the first 12 consecutive months of new entrant service, provided that the service profile remains at the level included in the AGREEMENT for each city-pair covered by the AGREEMENT. Should the service profile change for any city-pair included in the AGREEMENT, then the amount of

the rental abatement available to the Air Carrier will be reduced proportionate to the reduction in service profile. Further, the Airport will waive 50% of terminal rental fees for a second 12-month period should the carrier continue the same service profile for each city-pair included in the AGREEMENT. Should the service profile be reduced for any city-pair during the first 12-month period from the amount included in the AGREEMENT, then no portion of the second-year rental abatement will be available to the Air Carrier.

Other Support: The AIRPORT will provide the following support initiatives:

- 1) **Community Engagement:** The AIRPORT maintains close relationships with local business leaders, chambers, and local and state economic development organizations. We will utilize resources available to the AIRPORT from these organizations in both the Manchester market and, in consultation with the destination airport, in the destination market in order to promote “both ends” of the new service to corporate travel departments and key decision makers. Additionally, the ASSET will organize a familiarization flight using corporate travel departments, travel agencies, press, and civic leaders in the Manchester and destination market.¹
- 2) **Local Press Releases:** In consultation with the Air Carrier and the destination airport, the AIRPORT will issue press releases to help promote the new service. Our Marketing and Public Relations team will work closely with your corporate communications team to carefully craft press releases and time them appropriately to drive maximum earned media value.
- 3) **Inaugural Support:** The MHT Team will provide support for a successful and memorable inaugural event utilizing our resources in the community. We will work closely with your marketing and branding teams to ensure the inaugural campaign is on-target and brand-specific.
- 4) **Social Media:** The MHT Marketing and Public Relations team regularly engages with the public, local, and state businesses to promote activity at the Airport. Multiple social media platforms will be utilized, including the AIRPORT channels for Twitter, LinkedIn, Instagram, Facebook, and YouTube.

ANY ADDITION TO MARKET-SPECIFIC FREQUENCIES INCLUDED IN THE AGREEMENT WILL NOT BE ELIGIBLE FOR ADDITIONAL INCENTIVES UNDER THE ASIP-1 PROGRAM.²

2.2 Plan B: New Market

The following incentive plan is available to any Air Carrier that initiates service to a New Market from Manchester.

¹ Pursuant to FAA’s *Airport Revenue Use Policy*, no airport revenue shall be used to pay for any cost associated with the familiarization flight.

² For example, Carrier Z enters the MHT-XYZ market at an agreed upon 3x weekly frequency. After six months of service, Carrier Z desires to increase this to a 5x weekly service profile. Under this scenario the additional Marketing incentives under the 5x frequency (\$20,000) *would not* be available to Carrier Z.

Marketing Incentives: The AIRPORT will provide Marketing incentives for new service to a New Market dependent on the level of service provided by the Air Carrier for each market covered in an executed AGREEMENT:

- 1) **2x weekly service:** A total of \$25,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$50,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$75,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$85,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$100,000 for the first 12 consecutive months of daily service.
- 6) **2x or greater daily service:** A total of \$125,000 for the first 12 consecutive months of twice daily service.

Landing Fee Waivers: The AIRPORT will waive 100% of landing fees for the first 12 consecutive months of service to a New Market, provided that the service profile remains at the level included in the AGREEMENT for each New Market covered by the AGREEMENT. Should the service profile be reduced for any New Market included in the AGREEMENT, then the amount of the fee waiver available to the Air Carrier will be reduced proportionate to the reduction in service profile. Further, the AIRPORT will waive 50% of landing fees for a second 12-month period should the carrier continue the same service profile for each New Market included in the AGREEMENT. Should the service profile be reduced for any New Market during the first 12-month period from the amount included in the AGREEMENT, then no portion of the second-year fee waiver will be available to the Air Carrier.

Terminal Rental Waivers: The AIRPORT will waive 100% of terminal rental fees, including apron rental fees, RON fees, and jet-bridge rental fees for the first 12 consecutive months of service to a New Market, provided that the service profile remains at the level included in the AGREEMENT for each New Market covered by the AGREEMENT. Should the service profile be reduced for any New Market included in the AGREEMENT, then the amount of the rental abatement available to the Air Carrier will be reduced proportionate to the reduction in service profile. Further, the AIRPORT will waive 50% of terminal rental fees for a second 12-month period should the carrier continue the same service profile for each New Market included in the initial AGREEMENT. Should the service profile be reduced for any New Market during the first 12-month period from the amount included in the AGREEMENT, then no portion of the second-year rental abatement will be available to the Air Carrier.

Other Support: The AIRPORT will provide the following support initiatives:

- 1) **Community Engagement:** The AIRPORT maintains close relationships with local business leaders, chambers, and local and state economic development organizations. We will utilize resources available to the AIRPORT from these

organizations in both the Manchester market and, in consultation with the destination airport, in the destination market in order to promote “both ends” of the new service to corporate travel departments and key decision makers. Additionally, the ASSET will organize a familiarization flight using corporate travel departments, travel agencies, press, and civic leaders in the Manchester and destination market.³

- 2) Local Press Releases: In consultation with the Air Carrier and the destination airport, the AIRPORT will issue press releases to help promote the new service. Our Marketing and Public Relations team will work closely with your corporate communications team to carefully craft press releases and time them appropriately to drive maximum earned media value.
- 3) Inaugural Support: The MHT Team will provide support for a successful and memorable inaugural event utilizing our resources in the community. We will work closely with your marketing and branding teams to ensure the inaugural campaign is on-target and brand-specific.
- 4) Social Media: The MHT Marketing and Public Relations team regularly engages with the public, local, and state businesses to promote activity at the Airport. Multiple social media platforms will be utilized, including the AIRPORT channels for Twitter, LinkedIn, Instagram, Facebook, and YouTube.

ANY ADDITION TO MARKET-SPECIFIC FREQUENCIES INCLUDED IN THE AGREEMENT WILL NOT BE ELIGIBLE FOR ADDITIONAL INCENTIVES UNDER THE ASIP-1 PROGRAM.⁴

2.3 Plan C: Underserved Qualifying Market

The following incentive plan is available to any Air Carrier that initiates service on any Underserved Qualifying Market. Based on market conditions and the Manchester community’s strategic interests, the Airport Director may amend the list of Underserved Qualifying Markets from time to time. Should air service on an Underserved Qualifying Market be provided but later discontinued, the route will again be considered a listed Underserved Qualifying Market with any interested Air Carrier subject to eligibility terms and conditions of the PROGRAM.

As of the date of this Program Overview document, the Airport Director has identified the markets in **Table A.1** in **Appendix A** as Underserved Qualifying Markets.

NOTE: AIR CARRIERS ARE ENCOURAGED TO READ THE TERMS AND CONDITIONS TO UNDERSTAND HOW NET NEW CAPACITY IS DETERMINED AND HOW IT WILL BE APPLIED TO THE AIR CARRIER.

³ Pursuant to FAA’s *Airport Revenue Use Policy*, no airport revenue shall be used to pay for any cost associated with the familiarization flight.

⁴ For example, Carrier Z enters the MHT-XYZ market at an agreed upon 3x weekly frequency. After six months of service, Carrier Z desires to increase this to a 5x weekly service profile. Under this scenario the additional Marketing incentives under the 5x frequency (\$20,000) *would not* be available to Carrier Z.

Marketing Incentives: The AIRPORT will provide Marketing incentives for new service in an Underserved Qualifying Market dependent on the level of service provided by the Air Carrier for each market covered in an executed AGREEMENT:

- 1) **2x weekly service:** A total of \$25,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$50,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$75,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$100,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$125,000 for the first 12 consecutive months of daily service.
- 6) **2x or greater daily service:** A total of \$150,000 for the first 12 consecutive months of twice daily service.

The marketing incentives provided under Plan C can be coupled with the marketing incentives available under Plan A or Plan B.⁵ Marketing incentives for all Underserved Qualifying Markets may be offered on a “first-come-first-serve” basis. Once an Underserved Qualifying Market is served, the market is no longer eligible for marketing incentives. However, should said market be served on a seasonal basis then the first Air Carrier (including the current seasonal service provider) that initiates year-round service may be eligible for Marketing Incentives.

Landing Fee Waivers: The AIRPORT will waive 100% of landing fees for any net New Capacity added to an Underserved Qualifying Market, provided that the Net New Capacity covered by the AGREEMENT is maintained throughout the first 12 consecutive months. Should the Net New Capacity be reduced on any Underserved Qualifying Market included in the AGREEMENT, then the amount of the fee waiver available to the Air Carrier will be reduced proportionate to the reduction in the Net New Capacity. Further, the AIRPORT will waive 50% of landing fees for a second 12-month period should the carrier continue to provide the same Net New Capacity in any Underserved Qualifying Market covered by the AGREEMENT. Should the Net New Capacity during the first 12-month period be reduced to a Underserved Qualifying Market covered by the AGREEMENT from the amount included in the AGREEMENT, then no portion of the second-year fee waiver will be available to the Air Carrier.

Terminal Rental Waivers: The AIRPORT will waive 100% of terminal rental fees, including apron rental fees, RON fees, and jet-bridge rental fees for any Net New Capacity added to an Underserved Qualifying Market, provided that the Net New Capacity covered

⁵ Two scenarios can help illustrate this. Scenario 1: Carrier Z is a New Entrant Air Carrier and enters the MHT-MCO market at an agreed upon once daily frequency. Marketing assistance available to Carrier Z would be \$250,000 under Plan A plus \$125,000 in Plan C. Scenario 2: Carrier Y is an Incumbent Air Carrier and enters the MHT-MCO market at an agreed upon one daily frequency. Under this scenario, the marketing assistance available to Carrier Y would be the \$125,000 available under Plan C.

by the AGREEMENT is maintained throughout the first 12 consecutive months. Should the Net New Capacity be reduced on any Underserved Qualifying Market included in the AGREEMENT, then the amount of the rental abatement available to the Air Carrier will be reduced proportionate to the reduction in the Net New Capacity. Further, the AIRPORT will waive 50% of terminal rental fees for a second 12-month period should the carrier continue to provide the same Net New Capacity on any Underserved Qualifying Market covered by the AGREEMENT. Should the Net New Capacity during the first 12-month period be reduced to a Underserved Qualifying Market covered by the AGREEMENT from the amount included in the AGREEMENT, then no portion of the second-year fee waiver will be available to the Air Carrier.

Other Support: The AIRPORT will provide the following support initiatives:

- 1) **Community Engagement:** The AIRPORT maintains close relationships with local business leaders, chambers, and local and state economic development organizations. We will utilize resources available to the AIRPORT from these organizations in both the Manchester market and, in consultation with the destination airport, in the destination market in order to promote “both ends” of the new service to corporate travel departments and key decision makers. Additionally, the ASSET will organize a familiarization flight using corporate travel departments, travel agencies, press, and civic leaders in the Manchester and destination market.⁶
- 2) **Local Press Releases:** In consultation with the Air Carrier and the destination airport, the AIRPORT will issue press releases to help promote the new service. Our Marketing and Public Relations team will work closely with your corporate communications team to carefully craft press releases and time them appropriately to drive maximum earned media value.
- 3) **Inaugural Support:** The MHT Team will provide support for a successful and memorable inaugural event utilizing our resources in the community. We will work closely with your marketing and branding teams to ensure the inaugural campaign is on-target and brand-specific.
- 4) **Social Media:** The MHT Marketing and Public Relations team regularly engages with the public, local, and state businesses to promote activity at the Airport. Multiple social media platforms will be utilized, including the AIRPORT channels for Twitter, LinkedIn, Instagram, Facebook, and YouTube.

ANY ADDITION TO MARKET-SPECIFIC FREQUENCIES INCLUDED IN THE AGREEMENT WILL NOT BE ELIGIBLE FOR ADDITIONAL INCENTIVES UNDER THE ASIP-1 PROGRAM.⁷

⁶ Pursuant to FAA’s *Airport Revenue Use Policy*, no airport revenue shall be used to pay for any cost associated with the familiarization flight.

⁷ For example, Carrier Z enters the MHT-XYZ market at an agreed upon 3x weekly frequency. After six months of service, Carrier Z desires to increase this to a 5x weekly service profile. Under this scenario the additional Marketing incentives under the 5x frequency (\$20,000) *would not* be available to Carrier Z.

2.4 Plan D: New Service to Premium Domestic Market

The following incentive plan is available to any Air Carrier that initiates service on any Premium Domestic Market. Based on market conditions and the Manchester community’s strategic interests, the Airport Director may amend the list of Premium Domestic Markets from time to time. Should air service on a Premium Domestic Market be provided but later discontinued, the route will again be considered a Premium Domestic Market with any interested Air Carrier subject to eligibility terms and conditions of the PROGRAM.

As of the date of this Program Overview document, the Airport Director has identified the markets contained in **Table A.2 in Appendix A** as Premium Domestic Markets.

NOTE: AIR CARRIERS ARE ENCOURAGED TO READ THE TERMS AND CONDITIONS TO UNDERSTAND HOW NET NEW CAPACITY IS DETERMINED AND HOW IT WILL BE APPLIED TO THE AIR CARRIER.

Marketing incentives: The AIRPORT will provide Marketing incentives for new service in a Premium Domestic Market dependent on the level of service provided by the Air Carrier for each market covered in an executed AGREEMENT:

- 1) **2x weekly service:** A total of \$25,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$50,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$75,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$100,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$125,000 for the first 12 consecutive months of daily service.
- 6) **2x or greater daily service:** A total of \$150,000 for the first 12 consecutive months of twice daily service.

The marketing incentives provided under Plan D can be coupled with the marketing incentives available under Plan A or Plan B. Marketing incentives for all Premium Domestic Markets may be offered on a “first-come-first-serve” basis. Once the Premium Domestic Market is served, these routes are no longer eligible for marketing incentives. However, should the route be served on a seasonal basis, then the first Air Carrier (including the current seasonal service provider) that initiates year-round service may be eligible for marketing incentives.

Landing Fee Waivers: The AIRPORT will waive 100% of landing fees for any new service to a Premium Domestic Market, provided that the Net New Capacity covered by the AGREEMENT is maintained throughout the first 12 consecutive months. Should Net New Capacity be reduced on any new service to a Premium Domestic Market included in the AGREEMENT, then the amount of the fee waiver available to the Air Carrier will be

reduced proportionate to the reduction in Net New Capacity. Further, the AIRPORT will waive 50% of landing fees for a second 12-month period should the Air Carrier continue to provide the same Net New Capacity to a Premium Domestic Market covered by the AGREEMENT. Should the Net New Capacity during the first 12-month period be reduced to a Premium Domestic Market covered by the AGREEMENT from the amount included in the AGREEMENT, then no portion of the second-year fee waiver will be available to the Air Carrier.

Terminal Rental Waivers: The AIRPORT will waive 100% of terminal rental fees, including apron rental fees, RON fees, and jet-bridge rental fees for any new service to a Premium Domestic Market, provided that the Net New Capacity covered by the AGREEMENT is maintained throughout the first 12 consecutive months. Should Net New Capacity be reduced on any new service to a Premium Domestic Market included in the AGREEMENT, then the amount of the rental abatement available to the Air Carrier will be reduced proportionate to the reduction in Net New Capacity. Further, the AIRPORT will waive 50% of terminal rental fees for a second 12-month period should the Air Carrier continue to provide the same Net New Capacity to a Premium Domestic Market covered by the AGREEMENT. Should the Net New Capacity during the first 12-month period be reduced to a Premium Domestic Market covered by the AGREEMENT from the amount included in the AGREEMENT, then no portion of the second-year fee waiver will be available to the Air Carrier.

Other Support: The AIRPORT will provide the following support initiatives:

- 1) **Community Engagement:** The AIRPORT maintains close relationships with local business leaders, chambers, and local and state economic development organizations. We will utilize resources available to the AIRPORT from these organizations in both the Manchester market and, in consultation with the destination airport, in the destination market in order to promote “both ends” of the new service to corporate travel departments and key decision makers. Additionally, the ASSET will organize a familiarization flight using corporate travel departments, travel agencies, press, and civic leaders in the Manchester and destination market.⁸
- 2) **Local Press Releases:** In consultation with the Air Carrier and the destination airport, the AIRPORT will issue press releases to help promote the new service. Our Marketing and Public Relations team will work closely with your corporate communications team to carefully craft press releases and time them appropriately to drive maximum earned media value.
- 3) **Inaugural Support:** The MHT Team will provide support for a successful and memorable inaugural event utilizing our resources in the community. We will work closely with your marketing and branding teams to ensure the inaugural campaign is on-target and brand-specific.
- 4) **Social Media:** The MHT Marketing and Public Relations team regularly engages with the public, local, and state businesses to promote activity at the Airport.

⁸ Pursuant to FAA’s *Airport Revenue Use Policy*, no airport revenue shall be used to pay for any cost associated with the familiarization flight.

Multiple social media platforms will be utilized, including the AIRPORT channels for Twitter, LinkedIn, Instagram, Facebook, and YouTube.

ANY ADDITION TO MARKET-SPECIFIC FREQUENCIES INCLUDED IN THE AGREEMENT WILL NOT BE ELIGIBLE FOR ADDITIONAL INCENTIVES UNDER THE ASIP-1 PROGRAM.⁹

2.5 Plan E: New Service to Premium International Market

The following incentive plan is available to any Air Carrier that initiates service to any Premium International Market. Based on market conditions and the Manchester community’s strategic interests, the Airport Director may amend the list of Premium International Markets from time to time. Should air service on a Premium International Market be provided but later discontinued, the route will again be considered a Premium International Market with any interested Air Carrier subject to eligibility terms and conditions of the PROGRAM.

As of the date of this Program Overview document, the Airport Director has identified the markets contained in **Table A.3 of Appendix A** as Premium International Markets.

NOTE: AIR CARRIERS ARE ENCOURAGED TO READ THE TERMS AND CONDITIONS TO UNDERSTAND HOW NET NEW CAPACITY IS DETERMINED AND HOW IT WILL BE APPLIED TO THE CARRIER.

Marketing incentives: The AIRPORT will provide Marketing incentives for new service to a Premium International Market dependent on the level of service provided by the Air Carrier for each market covered in an executed AGREEMENT:

- 1) **2x weekly service:** A total of \$25,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$50,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$75,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$100,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$125,000 for the first 12 consecutive months of daily service.
- 6) **2x or greater daily service:** A total of \$150,000 for the first 12 consecutive months of twice daily service.

The marketing incentives provided under Plan E can be coupled with the marketing incentives available under Plan A or Plan B. Marketing incentives for all Premium

⁹ For example, Carrier Z enters the MHT-XYZ market at an agreed upon 3x weekly frequency. After six months of service, Carrier Z desires to increase this to a 5x weekly service profile. Under this scenario the additional Marketing incentives under the 5x frequency (\$20,000) *would not* be available to Carrier Z.

International Markets may be offered on a “first-come-first-serve” basis. Once the Premium International Markets is served, the route is no longer eligible for marketing incentives. However, should the route be served on a seasonal basis, then the first Air Carrier (including the current seasonal service provider) that initiates year-round service may be eligible for marketing incentives.

Landing Fee Waivers: The AIRPORT will waive 100% of landing fees for any new service to a Premium International Market, provided that the Net New Capacity covered by the AGREEMENT is maintained throughout the first 12 consecutive months. Should Net New Capacity be reduced on service to a Premium International Market included in the AGREEMENT, then the amount of the fee waiver available to the Air Carrier will be reduced proportionate to the reduction in Net New Capacity. Further, the AIRPORT will waive 50% of landing fees for a second 12-month period should the Air Carrier continue to provide the same Net New Capacity to a Premium International Market covered by the AGREEMENT. Should the Net New Capacity during the first 12-month period be reduced to a Premium International Market covered by the AGREEMENT from the amount included in the AGREEMENT, then no portion of the second-year fee waiver will be available to the Air Carrier.

Terminal Rental Waivers: The AIRPORT will waive 100% of terminal rental fees, including apron rental fees, RON fees, and jet-bridge rental fees for any new service to a Premium International Market, provided that the Net New Capacity covered by the AGREEMENT is maintained throughout the first 12 consecutive months. Should Net New Capacity be reduced on service to a Premium International Market included in the AGREEMENT, then the amount of the terminal rent abatement available to the Air Carrier will be reduced proportionate to the reduction in Net New Capacity. Further, the AIRPORT will waive 50% of terminal rents for a second 12-month period should the Air Carrier continue to provide the same Net New Capacity to a Premium International Market covered by the AGREEMENT. Should the Net New Capacity during the first 12-month period be reduced to a Premium International Market covered by the AGREEMENT from the amount included in the AGREEMENT, then no portion of the second-year terminal rent abatement will be available to the Air Carrier.

Other Support: The AIRPORT will provide the following support initiatives:

- 1) **Community Engagement:** The AIRPORT maintains close relationships with local business leaders, chambers, and local and state economic development organizations. We will utilize resources available to the AIRPORT from these organizations in both the Manchester market and, in consultation with the destination airport, in the destination market in order to promote “both ends” of the new service to corporate travel departments and key decision makers. Additionally, the ASSET will organize a familiarization flight using corporate travel departments, travel agencies, press, and civic leaders in the Manchester and destination market.¹⁰
- 2) **Local Press Releases:** In consultation with the Air Carrier and the destination airport, the AIRPORT will issue press releases to help promote the new service. Our Marketing and Public Relations team will work closely with your corporate

¹⁰ Pursuant to FAA’s *Airport Revenue Use Policy*, no airport revenue shall be used to pay for any cost associated with the familiarization flight.

communications team to carefully craft press releases and time them appropriately to drive maximum earned media value.

- 3) Inaugural Support: The MHT Team will provide support for a successful and memorable inaugural event utilizing our resources in the community. We will work closely with your marketing and branding teams to ensure the inaugural campaign is on-target and brand-specific.
- 4) Social Media: The MHT Marketing and Public Relations team regularly engages with the public, local, and state businesses to promote activity at the Airport. Multiple social media platforms will be utilized including the AIRPORT channels for Twitter, LinkedIn, Instagram, Facebook, and YouTube.

ANY ADDITION TO MARKET-SPECIFIC FREQUENCIES INCLUDED IN THE AGREEMENT WILL NOT BE ELIGIBLE FOR ADDITIONAL INCENTIVES UNDER THE ASIP-1 PROGRAM.¹¹

2.6 Plan F: Cargo Carrier Incentive Program

The Airport will waive 50% of landing fees for a US Flag cargo carrier certified by 14 Code of Federal Regulations Part 121 that initiates new service to Manchester for the first 12 consecutive months.

¹¹ For example, Carrier Z enters the MHT-XYZ market at an agreed upon 3x weekly frequency. After six months of service, Carrier Z desires to increase this to a 5x weekly service profile. Under this scenario the additional Marketing incentives under the 5x frequency (\$20,000) *would not* be available to Carrier Z.

SECTION III – TERMS AND CONDITIONS

3.1 Plan Duration

The terms and conditions of the PROGRAM may be carried over after June 30, 2022, to cover any AGREEMENTS executed prior to June 30, 2022. AGREEMENTS will not exceed a 24-month period for each qualifying Air Carrier.

3.2 Suspension of ASIP

Funding dedicated for the waiver of Marketing Incentives, Landing Fees, and Terminal Rentals will be created annually as part of the AIRPORT’S annual budget process. Once budgeted incentive funds are fully encumbered for all eligible Applications and incentives, the ASIP will be suspended unless and until additional funds become available either during the current fiscal year or in a subsequent fiscal year.

3.3 Airline Rates and Charges

The costs associated with the PROGRAM will not be included in the rate base for airlines operating at the AIRPORT.

3.4 Application

To be eligible to participate in and receive any incentives under the PROGRAM, an Air Carrier will need to submit a fully completed Air Service Incentive Plan Application and execute the AGREEMENT.

3.5 Marketing Incentives

3.5.1 Order of Incentives

Marketing incentives for Plans B, C, D, and E will be offered on a “first-come-first-serve” basis. Once a market is served, the market is no longer eligible for Marketing Incentives. The exception would be non-stop flights provided on a seasonal basis where the first Air Carrier, including the Air Carrier providing seasonal service, that initiates year-round service may be eligible for Marketing Incentives.

3.5.2 Multiple Air Carriers

In the event that the AIRPORT simultaneously receives two or more Applications from two or more Air Carriers for the same Qualifying Market included in Plans B, C, D, or E; then Marketing Incentives will be provided to the Air Carrier that has the earliest date of service initiation as stated on their Application.

3.5.4 No Increase in Incentives

Should an Air Carrier increase the frequencies to the incentivized market during the initial 12-month period, additional marketing incentive funds will not be made available.

3.5.5 Forfeiture of Incentives

If the Air Carrier leaves the market prematurely or discontinues serving the Qualifying Market during the incentivized period, such Air Carrier shall be in default, and all remaining incentives will terminate. The AIRPORT shall be under no obligation to make any payments or provide any incentives to an Air Carrier in default even if such services were provided before the event of default occurred.

3.5.6 Marketing Standards

Marketing and/or promotional material must meet the following conditions to qualify for reimbursement under the PROGRAM:

- a) All marketing materials must specifically promote the Manchester-Boston Regional Airport, the eligible air carrier’s brand, and the Qualifying Market. The primary emphasis of all marketing and promotional materials must be the air service that is the subject of the applicable incentive.
- b) All marketing and promotional materials must mention “Manchester-Boston Regional Airport” in the copy, in a manner consistent with the AIRPORT’S current brand standards and marketing strategy, as determined by the Airport Director or his designee.
- c) The content of all PROGRAM eligible marketing materials, to include radio, is subject to the prior written approval of the Airport Director or their designee. Notwithstanding the foregoing, the AIRPORT shall exercise no control over nor exercise any approval of airline fare pricing included in such marketing and promotional materials.
- d) All marketing and promotional materials (except for radio promotions) must prominently display the AIRPORT logo in a manner consistent with the AIRPORT’S approved Brand Standards in effect at the time of the approval of the marketing and promotional materials.
- e) Approved marketing efforts will be funded up to a not-to-exceed amount specified in this Program Overview document and/or in the executed AGREEMENT.
- f) The AIRPORT shall make payment for eligible Marketing Incentives in one of the three methods set out below, so long as the marketing efforts meet the requirements set forth in this Program Overview document and/or in the AGREEMENT.
 - 1) Alternative A: The eligible Air Carrier taking advantage of any Marketing Incentives may develop a customized marketing plan in collaboration with the AIRPORT’S marketing firm and AIRPORT

staff. The AIRPORT marketing firm will assist the Air Carrier and the AIRPORT in developing the marketing plan, provide creative design services, as needed, and make media purchases not to exceed a specified dollar amount, which will be detailed in the signed AGREEMENT. All costs will be directly billed to the AIRPORT and paid by the AIRPORT at no cost to the Air Carrier.

- 2) Alternative B: The eligible Air Carrier may develop a cooperative marketing plan and product in collaboration with the AIRPORT using another advertising agency, media outlet, or entity of its choosing for purposes of developing the creative product. The creative services and media purchases may be invoiced to and paid directly by the AIRPORT to the advertising agency, media outlet, or entity providing the services. All supporting documentation, third party invoices, etc. will need to be provided with each invoice sent to the AIRPORT for processing. All creative must be approved by the Airport Director prior to the Air Carrier accumulating any expenses toward development of the marketing product or receiving reimbursement payment. Any expenses incurred by the Air Carrier prior to approval of creative by the Airport Director will not be reimbursed under the PROGRAM.
- 3) Alternative C: The eligible Air Carrier may develop the marketing product with the Airport Director’s approval using the Air Carrier resources for graphic design; procurement of production and media buys; and miscellaneous associated costs. The Air Carrier will invoice the AIRPORT with enough documentation clearly detailing all expenditures to be reimbursed hereunder. All creative must be approved by the Airport Director prior to the Air Carrier accumulating any expenses toward development of the marketing product or receiving reimbursement. Prior to receiving approval by the Airport Director, the Air Carrier MUST satisfactorily demonstrate that it will:
 - a) Provide all necessary supporting documentation, third-party invoices, correspondence, etc. as needed to satisfy an FAA review of all transactions associated with the marketing product that is being reimbursed under the PROGRAM.
 - b) The Air Carrier agrees to reimburse the AIRPORT for any expenditures should the FAA determine any agreed-to expenditure between the AIRPORT and the Air Carrier is ineligible.
 - c) The Air Carrier agrees to hold the AIRPORT harmless from any claims made by any contractor, vendor, or third-party entity used by the Air Carrier for the development and/or deployment of marketing created under this PROGRAM and covered by an AGREEMENT.

- g) All parties receiving payments from the AIRPORT must complete the necessary process to become a registered vendor with the AIRPORT prior to submitting any invoice to the AIRPORT.
- h) All third-party invoices for creative services and media purchases under Alternatives B and C above must be billed to:

Manchester-Boston Regional Airport
Attention: Marketing/Public Relations Specialist
1 Airport Road, Suite 300
Manchester, New Hampshire 03103

3.6 Waiver Periods Defined

In accordance with the various plans contained in this Program Overview document, incentives will be provided for a maximum term of 730-days from the first date of service indicated in the AGREEMENT. The incentive period will be divided into two (2) 365-day incentive periods:

- a) Primary Incentive Period: This period consists of the first 365-day period from the first date of service indicated in the AGREEMENT.
- b) Secondary Incentive Period: This period consists of a second 365-day period from the end of the Primary Incentive Period and consists of day number 366 through day number 730 as measured from the first date of service indicated in the AGREEMENT.

3.7 Landing Fee Waivers

Subject to the AIRPORT'S fiscal year Waived Rents and Fees Budget, all or a portion of the following fees may be waived.

3.7.1 Initiation of Service by a New Entrant Air Carrier

Landing fees associated with new service flown by a New Entrant Carrier under Plan A, Plan B, Plan C, Plan D, or Plan E are eligible to be waived for a maximum term of 730-days from the first date of service indicated in the AGREEMENT. The amount of the waiver is based on the Net New Capacity provided by the New Entrant by using the following methodology:

- a) Primary Incentive Period
 - 1) Base Activity Level: The Base Activity Level of Landed Weight for a New Entrant to the market will be equal to zero.
 - 2) Primary Incentive Period Activity: At the conclusion of the Primary Incentive Period, and as data becomes available on the T-100 database, the AIRPORT will query a commercially available T-100 database the total number of flights completed by the New Entrant Air Carrier. Should the start date of operations occur on a date other than the first

day of the month, then the Monthly Statistical Report submitted by the Air Carrier will be used for any partial month contained in the twelve-month activity period.

The total actual landed weight will be determined by querying a commercially available T-100 database to determine the total completed flights by aircraft-type to the qualifying market(s). The completed flights by aircraft-type will then be multiplied by the FAA Certificated Maximum Landing Weight for the aircraft type(s) during the Primary Incentive Period to determine total actual landed weight.

- 3) Net New Capacity Determination: The Net New Capacity will be the difference between the Primary Incentive Period Activity minus the Base Activity Level.
- 4) Waiver Determination: Provided that the Net New Capacity during the Primary Incentive Period is greater-than-or-equal-to the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then 100% of the Landed Fee associated with flights to the qualifying market will be waived.

Should the Net New Capacity in the Primary Incentive Period be less than the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then the amount of waiver will be reduced proportionate to the difference between Net New Capacity during the Primary Incentive Period and the Adjusted Activity Level. Additionally, waivers under the Secondary Incentive Period will not be available to the Air Carrier.

b) Secondary Incentive Period

- 1) Base Activity Level: The base activity level for the Secondary Incentive Period will be equal to the base activity level used during the Primary Incentive Period.
- 2) Secondary Incentive Period Activity: At the conclusion of the Secondary Incentive Period, and as data becomes available on the T-100 database, the AIRPORT will query a commercially available T-100 database the total number of flights completed by the New Entrant Air Carrier. Should the start date of operations occur on a date other than the first day of the month, then the Monthly Statistical Report submitted by the Air Carrier will be used for any partial month contained in the twelve-month activity period.

The total actual landed weight will be determined by querying a commercially available T-100 database to determine the total completed flights by aircraft-type to the qualifying market(s) completed during the Secondary Incentive Period. The completed flights by aircraft-type will then be multiplied by the FAA Certificated Maximum Landing Weight for the aircraft type(s) during the Secondary Incentive Period to determine total actual landed weight.

- 3) Net New Capacity Determination: The Net New Capacity will be the difference between the Secondary Incentive Period Activity minus the Base Activity Level.
- 4) Waiver Determination: Provided that the Net New Capacity in the Secondary Incentive Period is greater-than-or-equal-to the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then 50% of the Landed Fee associated with flights to the qualifying market will be waived.

Should the Net New Capacity in the Secondary Incentive Period be less than the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then the amount of waiver will be reduced proportionate to the difference between Net New Capacity during the Secondary Incentive Period and the Adjusted Activity Level.

3.7.2 Initiation of Service by an Incumbent Air Carrier

Landing fees associated with new service to a Qualifying Market(s) flown by an Incumbent Air Carrier under Plan B, Plan C, Plan D, or Plan E are eligible to be waived for a maximum term of 730-days from the first date of service indicated in the AGREEMENT. The amount of the waiver is based on the Net New Capacity provided by the Incumbent Air Carrier to Qualifying Market(s) by using the following methodology:

a) Primary Incentive Period:

- 1) Base Activity Level: The base activity level, expressed in terms of 1,000-pound units, for markets contained in Plan B, D, or E, will be equal to zero. Should an Air Carrier initiate service to a Qualifying Market under Plan C that the Air Carrier does not service, then the Base Activity Level will also be equal to zero.

Should an Incumbent Air Carrier initiate additional service to a Qualifying Market under Plan C that the Incumbent Air Carrier currently serves, then the AIRPORT will determine the Base Activity Level by querying a commercially available T-100 database for the most recent twelve-month period of data available. The T-100 data shall include the number of operations by aircraft type for the incumbent Air Carrier which will then be multiplied by the FAA Certificated Maximum Landing Weight for the aircraft type(s) to determine the Base Activity Level.

- 2) Primary Incentive Period Activity: At the conclusion of the Primary Incentive Period, and as data becomes available on the T-100 database, the AIRPORT will query a commercially available T-100 database for the 12-month period to determine the total number of flights completed by the Incumbent Air Carrier by aircraft type. Should the start date of operations occur on a date other than the first day of the month, then the Monthly Statistical Report submitted by the Air Carrier will be used for any partial month contained in the twelve-month activity period.

The total actual landed weight will be determined by querying a commercially available T-100 database to determine the total completed flights by aircraft-type to the qualifying market(s) during the Primary Incentive Period. The completed flights by aircraft-type will then be multiplied by the FAA Certificated Maximum Landing Weight for the aircraft type during the Primary Incentive Period to determine total actual landed weight.

- 3) Net New Capacity Determination: The Net New Capacity will be the difference between the Primary Incentive Period Activity minus the Base Activity Level.
- 4) Waiver Determination: Provided that the Net New Capacity during the Primary Incentive Period is greater-than-or-equal-to the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then 100% of the Landed Fee associated with flights to the qualifying market will be waived.

NOTE: for an Incumbent Air Carrier, the amount of landed weight waived will be equal to a *proportionate amount* of total landed weight at the AIRPORT conducted by the Incumbent Air Carrier. Landed weight to markets not covered by an AGREEMENT will be charged at the Landing Fee contained in the annual airport budget and Rates and Charges.

Should the Net New Capacity during the Primary Incentive Period be less than the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then the amount of waiver will be reduced proportionate to the difference between Net New Capacity during the Primary Incentive Period and the Adjusted Activity Level. Additionally, waivers under the Secondary Incentive Period will not be available to the Air Carrier.

b) Secondary Incentive Period:

- 1) Base Activity Level: The base activity level for the Secondary Incentive Period will be equal to the base activity level used during the Primary Incentive Period.
- 2) Secondary Incentive Period Activity: At the conclusion of the Secondary Incentive Period, and as data becomes available on the T-100 database, the AIRPORT will query a commercially available T-100 database for the 12-month period to determine the total number of flights completed by the Incumbent Air Carrier by aircraft type.

The total actual landed weight will be determined by querying a commercially available T-100 database to determine the total completed flights by aircraft-type to the qualifying market(s) during the Secondary Incentive Period. The completed flights by aircraft-type will then be multiplied by the FAA Certificated Maximum Landing Weight for the aircraft type during the Secondary Incentive Period to determine total actual landed weight.

- 3) Net New Capacity Determination: The Net New Capacity will be the difference between the Secondary Incentive Period Activity less the Base Activity Level.
- 4) Waiver Determination: Provided that the Net New Capacity during the Secondary Incentive Period is greater-than-or-equal-to the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then 50% of the Landed Fee associated with flights to the qualifying market will be waived.

NOTE: for an Incumbent Air Carrier, the amount of landed weight waived will be equal to a *proportionate amount* of total landed weight at the AIRPORT conducted by the Incumbent Air Carrier. Landed weight to markets not covered by an AGREEMENT will be charged at the Landing Fee contained in the annual airport budget and Rates and Charges.

Should the Net New Capacity during the Secondary Incentive Period be less than the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then the amount of waiver will be reduced proportionate to the difference between Net New Capacity during the Secondary Incentive Period and the Adjusted Activity Level.

3.8 Terminal Rental Waivers

Airport Terminal Rental Waivers will be applicable for an eligible Air Carrier ticket counter and adjoining queuing area, office space, hold room, terminal gate equipment, jet bridge, aircraft apron, and Remain Over Night (RON) parking. Fee Waivers may also apply to Common Use Space as defined in the current Airline Operating Agreement or Airport Operating Permit; however, only the portion of the Common Use charge that is allocated on a per-enplanement or per-deplanement basis would be eligible for waivers and only those fees applicable to the incentivized route(s).

3.8.1 Initiation of Service by a New Entrant

Terminal Rental Waivers for a New Entrant to the AIRPORT will be applied by multiplying the waiver percentage to the total leased square footage included in the Airline Operating Agreement or Airport Operating Permit between the AIRPORT and the Air Carrier less common use space square footage (“Eligible Square Footage”). The value of the incentive will be the product of the terminal rental rate and the Eligible Square Footage. Should the terminal rental rate be adjusted during reconciliation, no adjustment (either up or down) to the value of the terminal rental incentive will be made.

The amount of the waiver applied will be determined using the following methodology:

- a) Primary Incentive Period:
 - 1) Base Activity Level: The Base Activity Level of Landed Weight for a New Entrant to the market will be equal to zero.

- 2) **Primary Incentive Period Activity:** At the conclusion of the Primary Incentive Period, and as data becomes available on the T-100 database, the AIRPORT will query a commercially available T-100 database to determine the actual number of departing seats made available to the Manchester market by the New Entrant Air Carrier for each Qualifying Market. Should the start date of operations occur on a date other than the first day of the month, then the Monthly Statistical Report submitted by the New Entrant Air Carrier will be used for any partial month contained in the twelve-month activity period.
- 3) **Net New Capacity Determination:** The Net New Capacity will be the difference between the Primary Incentive Period Activity minus the Base Activity Level.
- 4) **Waiver Determination:** Provided that the Net New Capacity during the Primary Incentive Period is greater-than-or-equal-to the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then 100% of the Eligible Square Footage leased by the New Entrant Air Carrier will be waived.

Should the Net New Capacity during the Primary Incentive Period be less than the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then the amount of waiver will be reduced proportionate to the difference between Net New Capacity during the Primary Incentive Period and the Adjusted Activity Level. Additionally, waivers under the Secondary Incentive Period will not be available to the Air Carrier.

b) **Secondary Incentive Period:**

- 1) **Base Activity Level:** The base activity level for the Secondary Incentive Period will be equal to the base activity level used during the Primary Incentive Period.
- 2) **Secondary Incentive Period Activity:** At the conclusion of the Secondary Incentive Period, and as data becomes available on the T-100 database, the AIRPORT will query a commercially available T-100 database to determine the actual number of departing seats made available to the Manchester market by the New Entrant Air Carrier for each Qualifying Market.
- 3) **Net New Capacity Determination:** The Net New Capacity will be the difference between the Secondary Incentive Period Activity minus the Base Activity Level.
- 4) **Waiver Determination:** Provided that the Net New Capacity during the Secondary Incentive Period is greater-than-or-equal-to the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then 50% of the Eligible Square Footage leased by the New Entrant Air Carrier will be waived.

Should the Net New Capacity during the Secondary Incentive Period be less than the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then the amount of waiver will be reduced proportionate to the difference between Net New Capacity during the Secondary Incentive Period and the Adjusted Activity Level.

3.8.2 Initiation of Service by an Incumbent Carrier

Terminal Rental Waivers for an Incumbent Carrier initiating service to a qualifying market will be applied by multiplying the waiver percentage to total leased square footage included in the Airline Operating Agreement or Airport Operating Permit between the AIRPORT and the Air Carrier less common use space square footage (“Eligible Square Footage”).

a) Primary Incentive Period

- 1) **Base Activity Level:** The base activity level, expressed in terms of number of departing seats available, for markets contained in Plan B, D, or E, will be equal to zero. Should an Air Carrier initiate service to a Qualifying Market under Plan C that the Air Carrier does not service, then the Base Activity Level will also be equal to zero.

Should an Incumbent Air Carrier initiate additional service to a Qualifying Market under Plan C that the Incumbent Air Carrier currently serves, then the AIRPORT will determine the Base Activity Level by querying a commercially available T-100 database for the most recent twelve-month period of data available to determine the total number of departing seats made available by the Incumbent Air Carrier to the Qualifying Market(s).

- 2) **Primary Incentive Period Activity:** At the conclusion of the Primary Incentive Period, and as data becomes available on the T-100 database, the AIRPORT will query a commercially available T-100 database to determine the actual number of departing seats made available to the Manchester market by the Incumbent Air Carrier for each Qualifying Market.

Should the start date of operations occur on a date other than the first day of the month, then the Monthly Statistical Report submitted by the Air Carrier will be used for any partial month contained in the twelve-month activity period.

- 3) **Net New Capacity Determination:** The Net New Capacity will be the difference between the Primary Incentive Period Activity less the Base Activity Level.
- 4) **Waiver Determination:** The terminal rental space that is subject to the waiver provided by the PROGRAM for Incumbent Air Carriers (the “Waiver Eligible Square Footage”) is determined by applying the percentage increase offered by the Net New Capacity during the

Primary Incentive Period to the Eligible Square Footage leased by the Incumbent Air Carrier.¹²

Provided that the Net New Capacity during the Primary Incentive Period is greater-than-or-equal-to the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then 100% of waiver will be applied to the Waiver Eligible Square Footage. Should the Net New Capacity be less than the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then the amount of waiver will be reduced proportionate to the difference between Net New Capacity during the Primary Incentive Period and the Adjusted Activity Level. Additionally, waivers under the Secondary Incentive Period will not be available to the Air Carrier.

The value of the waiver will be the product of the terminal rental rate and the Waiver Eligible Square Footage. Should the terminal rental rate be adjusted during reconciliation, no adjustment (either up or down) to the value of the incentive will be made.

Apron, jet-bridge rental, and RON fees will be determined by applying the Net New Capacity to the apron square footage, or the monthly jet-bridge rental fee, or the number of RON positions, but only to the extent the RON positions are used for terminating flights arriving from a qualified market.

b) Secondary Incentive Period

- 1) Base Activity Level: The base activity level for the Secondary Incentive Period will be equal to the base activity level used during the Primary Incentive Period.
- 2) Primary Incentive Period Activity: At the conclusion of the Secondary Incentive Period, and as data becomes available on the T-100 database, the AIRPORT will query a commercially available T-100 database to determine the actual number of departing seats made available to the Manchester market by the Incumbent Air Carrier for each Qualifying Market.
- 3) Net New Capacity Determination: The Net New Capacity will be the difference between the Secondary Incentive Period Activity minus the Base Activity Level.
- 4) Waiver Determination: Provided that the Net New Capacity during the Secondary Incentive Period is greater-than-or-equal-to the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then 50% of waiver will be applied to the Waiver Eligible Square Footage.

¹² For example, Carrier K leases 15,000-square feet of terminal space and increases total departing seats from MHT-DCA from 80,000 seats to 88,000 seats (10% increase). Under this example, the Waiver Eligible Square Footage would equal 1,500-square feet.

Should the Net New Capacity be less than the Adjusted Market Capacity indicated in the Application and formalized in an AGREEMENT, then the amount of waiver will be reduced proportionate to the difference between Net New Capacity during the Primary Incentive Period and the Adjusted Activity Level.

The value of the waiver will be the product of the terminal rental rate and the Waiver Eligible Square Footage. Should the terminal rental rate be adjusted during reconciliation, no adjustment (either up or down) to the value of the incentive will be made.

Apron, jet-bridge rental, and RON fees will be determined by applying the Net New Capacity to the apron square footage, or the monthly jet-bridge rental fee, or the number of RON positions, but only to the extent the RON positions are used for terminating flights arriving from a qualified market.

3.8.3 Required Reporting

Any Air Carrier receiving terminal rental waivers will need to provide the AIRPORT with a separate monthly activity report during the incentivized period that provides a daily listing of completed flights by aircraft type and total number of departing seats. The monthly statistical report required by the Airline Operating Agreement or Airport Operating Permit that summarizes all activity at the AIRPORT *inclusive of the incentivized activity* is still required to be submitted by the Air Carrier.

3.9 Additional Leased Facilities

Should any new service to a qualified market result in the Air Carrier needing additional leased facilities or space, the application of waivers to the new leased facility or space shall be subject to review and approval by the Airport Director following receipt of a written request from the Air Carrier.

3.10 Waivers Only Applicable to Airport Leased Facilities

For purposes of the PROGRAM, only AIRPORT-operated facilities at which the Air Carrier operates and that is under the day-to-day management and direction of the Airport Director may be eligible for incentives. Examples of costs not eligible for any incentive included in the PROGRAM includes, but is not limited to: any off-airport City-owned land or facility, any other governmental entity-owned land or facility, governmental fees, government taxes, or any land or facility leased by a third-party on the airport (i.e. MRO facility, cargo facility, FBO, etc.).

3.11 Other Fees

Expressly excluded from any ASIP incentive are PFCs, fees for employee parking cards and security identification badges, other government or third party fees (e.g., amounts paid to another Air Carrier operating at the AIRPORT for use or sublease of equipment, airport premises or facilities leased by the AIRPORT to such Air Carrier),

and other charges or taxes that an airline may incur as a result of operating at the AIRPORT.

APPENDIX A: LIST OF QUALIFYING MARKETS FOR PLAN C, D, AND E

TABLE A.1

List of Qualifying Markets for *Plan C – Underserved Qualifying Markets*

Airport Name	CYE2019 T-100 Non-Stop Departing Seats	CYE2019 Catchment Area Demand Leaking to Other Airports
Orlando International Airport (MCO)	96,377	251,437
Tampa International Airport (TPA)	66,111	118,578
Washington-Reagan National Airport (DCA)	77,163	180,271

TABLE A.2

List of Qualifying Markets for *Plan D – Premium Domestic Markets*

Airport Name	CYE2019 Catchment Area Demand Using MHT	CYE2019 Catchment Area Demand Leaking to Other Airports
Dallas-Fort Worth International Airport (DFW) OR Dallas-Love Airport (DAL)	11,278	116,826
Denver International Airport (DEN)	15,493	119,590
Fort Lauderdale-Hollywood International Airport (FLL)	13,530	162,115
Lambert-St. Louis International Airport (STL)	10,756	34,944
Las Vegas-McCarran International Airport (LAS)	10,450	81,783
Miami International Airport (MIA)	2,799	77,322
San Francisco International Airport (SFO)	3,353	172,924
Seattle-Tacoma International Airport (SEA)	4,158	75,702
Southwest Florida International Airport (RSW)	13,017	91,116

TABLE A.3

List of Qualifying Markets for *Plan E – Premium International Markets*

Airport Name	CYE2019 Catchment Area Demand Using MHT	CYE2019 Catchment Area Demand Leaking to Other Airports
Calgary International Airport (YYC)	81	2,568
Cancun International Airport (CUN)	2,093	33,435
Dublin Airport (DUB)	18	49,449
Edmonton International Airport (YEG)	0	458
L.F. Wade International Airport (BDA)	101	13,853
Lynden Pindling International Airport (NAS)	1,088	14,199
Montreal-Trudeau International Airport (YUL)	0	5,502
Queen Beatrix International Airport (AUA)	1,371	27,888
Shannon Airport (SNN)	0	8,060
Toronto-Pearson International Airport (YYZ)	1,395	50,195
Vancouver International Airport (YVR)	238	8,039

APPENDIX B: PROGRAM APPLICATION

APPENDIX C: AIR CARRIER INCENTIVE AGREEMENT