



**FISCAL YEAR 2023-2025  
AIR SERVICE INCENTIVE PROGRAM  
(ASIP-2)**

**PROGRAM OVERVIEW AND GUIDANCE  
DOCUMENT**

**JULY 2022**

**MANCHESTER-BOSTON REGIONAL AIRPORT  
MANCHESTER, NEW HAMPSHIRE**

## **TABLE OF CONTENTS**

1

SECTION I – DESCRIPTION OF PROGRAM.....	3
1.1 Program Introduction.....	3
1.2 Program Objectives.....	3
1.3 Program Components.....	3
1.4 Program Termination .....	4
1.5 Definitions .....	4
1.6 Incentive Plans.....	6
SECTION II –INCENTIVE PLANS .....	8
2.1 Plan A: New Entrant .....	8
2.2 Plan B: New Market .....	9
2.3 Plan C: Underserved Qualifying Market.....	11
2.4 Plan D: New Service to Premium Domestic Market.....	13
2.5 Plan E: New Service to Premium International Market.....	16
2.6 Plan F: Cargo Carrier Incentive Program .....	18
SECTION III –TERMS AND CONDITIONS .....	19
3.1 Plan Duration.....	19
3.2 Suspension of ASIP.....	19
3.3 Airline Rates and Charges.....	19
3.4 Application.....	19
3.5 Marketing Incentives .....	19
3.6 Waiver Periods Defined .....	22
3.7 Landing Fee Waivers .....	22
3.8 Terminal Rental Waivers .....	26
3.9 Additional Leased Facilities.....	30
3.10 Waivers Only Applicable to Airport Leased Facilities .....	30
3.11 Other Fees.....	30
APPENDIX A: LIST OF QUALIFYING MARKETS FOR PLAN C, D, AND E.....	32
APPENDIX B: PROGRAM APPLICATION .....	36
APPENDIX C: AIR CARRIER INCENTIVE AGREEMENT .....	38

## 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 **relevance** 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 2023 through 2025 (July 1, 2022 through June 30, 2025).

#### **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 \$90,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$100,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$110,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$120,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$150,000 for the first 12 consecutive months of daily service.

The marketing incentives provided under Plan A can be coupled with the marketing incentives available under Plan B, Plan C, Plan D, and Plan E.

**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.<sup>1</sup>
- 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-2 PROGRAM.<sup>2</sup>**

## **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.

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

<sup>2</sup> 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 \$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.

The marketing incentives provided under Plan B can be coupled with the marketing incentives available under Plan A, Plan C, Plan D, and Plan E.

**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.<sup>3</sup>

- 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-2 PROGRAM.<sup>4</sup>**

### **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.**

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

<sup>4</sup> 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 \$20,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$30,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$40,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$50,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$60,000 for the first 12 consecutive months of daily service.

The marketing incentives provided under Plan C can be coupled with the marketing incentives available under Plan A or Plan B.<sup>5</sup> 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 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

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<sup>5</sup> 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.



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.<sup>6</sup>
- 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-2 PROGRAM.<sup>7</sup>**

## **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

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

<sup>7</sup> 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.

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 \$120,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$140,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$160,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$180,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$200,000 for the first 12 consecutive months of 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.<sup>8</sup>
- 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-2 PROGRAM.<sup>9</sup>**

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

<sup>9</sup> 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.

## 2.5 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 \$90,000 for the first 12 consecutive months of less than daily service.
- 2) **3x weekly service:** A total of \$100,000 for the first 12 consecutive months of less than daily service.
- 3) **4x weekly service:** A total of \$110,000 for the first 12 consecutive months of less than daily service.
- 4) **5x weekly service:** A total of \$120,000 for the first 12 consecutive months of less than daily service.
- 5) **1x daily service:** A total of \$150,000 for the first 12 consecutive months of 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 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.<sup>10</sup>
- 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.

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

**ANY ADDITION TO MARKET-SPECIFIC FREQUENCIES INCLUDED IN THE AGREEMENT WILL NOT BE ELIGIBLE FOR ADDITIONAL INCENTIVES UNDER THE ASIP-2 PROGRAM.<sup>11</sup>**

## **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.

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<sup>11</sup> 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, 2025, to cover any AGREEMENTS executed prior to June 30, 2025. 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 their 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.<sup>12</sup>

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.

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<sup>12</sup> 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	YE Q3 2022 T-100 Onboards	YE Q3 2022 T-100 Non-Stop Departing Seats	YE Q3 2022 Catchment Area Demand Leaking to Other Airports
<b>Tampa International Airport (TPA)</b>	18,121	24,771	126,031
<b>Washington-Reagan National Airport (DCA)</b>	55,602	72,621	138,013
<b>Chicago O'Hare International Airport (ORD)/Chicago Midway International Airport (MDW)</b>	74,183	97,175	204,170

**Sources:**

*T-100 Summary Report from Cirium*  
*CMT Canopy Database*

**TABLE A.2**

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

Airport Name	CYE2022 Catchment Area Demand Using MHT (PYEWs)	CYE2022 Catchment Area Demand Leaking to Other Airports (PYEWs)
<b>Denver International Airport (DEN)</b>	11,211	121,037
<b>Fort Lauderdale-Hollywood International Airport (FLL)</b>	35,659	201,224
<b>Hartsfield-Jackson Atlanta International Airport (ATL)</b>	7,595	166,723
<b>Detroit International Airport (DTW)</b>	3,028	70,514
<b>Nashville International Airport (BNA)</b>	9,014	74,391
<b>Las Vegas-McCarran International Airport (LAS)</b>	7,409	86,481
<b>Miami International Airport (MIA)</b>	3,677	110,645
<b>Metro Regions:</b>		
Dallas-Fort Worth (DFW or DAL)	9,733	114,480
Los Angeles (LAX, BUR, SNA, or ONT)	5,897	216,119
San Francisco (SFO, SJC, or OAK)	3,775	165,792
Phoenix (PHX or AZA)	9,188	74,675

**Sources:**

*O&D Summary Report from Cirium*  
*CMT Canopy Database*

**TABLE A.3**

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

Airport Name	Q3 2022 Catchment Area Demand Using MHT	CYE2022 Catchment Area Demand Leaking to Other Airports
<b>Calgary International Airport (YYC)</b>	46	567
<b>Halifax International Airport (YHZ)</b>		28
<b>Dublin Airport (DUB)</b>	29	2,784
<b>Edmonton International Airport (YEG)</b>		42
<b>L.F. Wade International Airport (BDA)</b>	32	2,845
<b>Lynden Pindling International Airport (NAS)</b>	161	3,152
<b>Montreal-Trudeau International Airport (YUL)</b>		69
<b>Queen Beatrix International Airport (AUA)</b>	68	8,458
<b>Shannon Airport (SNN)</b>		80
<b>Toronto-Pearson International Airport (YYZ)</b>	104	3,969
<b>Vancouver International Airport (YVR)</b>	36	1,482

**Source:**  
*CMT Canopy Database*



## Air Service Incentive Plan Application: ASIP-2

Applicant Information		Incentives Requested (check all that apply)
Air Carrier Name:	<input type="text"/>	<input type="checkbox"/> Plan A
IATA/ICAO Codes:	<input type="text"/>	<input type="checkbox"/> Plan B
Name of Individual:	<input type="text"/>	<input type="checkbox"/> Plan C
Title:	<input type="text"/>	<input type="checkbox"/> Plan D
Phone Number:	<input type="text"/>	<input type="checkbox"/> Plan E
Email:	<input type="text"/>	<input type="checkbox"/> Plan F
Mailing Address:	<input type="text"/>	
City/State/Zip	<input type="text"/>	
Authorizing Signature	<input type="text"/>	

Proposed Service Profile							
City Pair		Proposed Aircraft Type	Certificated Max Landing Weight (000s)	Number of Seats	Weekly Frequencies	Projected Enplanements	Projected Deplanements
Origin	Destination						
MHT						0	0
MHT						0	0
MHT						0	0
MHT						0	0
MHT						0	0
Net New Capacity:			0.00	0			
ADJUSTED ANNUAL CAPACITY:			0.00	0			

FOR AIRPORT USE ONLY:	
Evaluated By:	Approved: <input type="text"/>
Title:	Rejected: <input type="text"/>
Evaluation Date:	Returned: <input type="text"/>
Comments: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
Signed By:	
Airport Director	Date



## **APPENDIX C: AIR CARRIER INCENTIVE AGREEMENT**



# **AIR SERVICE INCENTIVE AGREEMENT**

**Between**

**Manchester-Boston Regional Airport**

*And*

**[ENTER AIRLINE NAME]**

**[DATE]**

Airport Contract Number **[CONTRACT NUMBER]**

## ARTICLE I – PARTIES

### 1.1 Address

THIS AGREEMENT by and between the City of Manchester, acting by and through its Department of Aviation at the Manchester-Boston Regional Airport (hereinafter "AIRPORT"), a municipal corporation of the State of New Hampshire (hereinafter "CITY") and [ENTER AIRLINE NAME], a corporation organized under the laws of the [ENTER STATE OF INCORPORATION], and authorized to do business in the state of New Hampshire (hereinafter "CONSULTANT") is effective as of the date of countersignature by the Director of the AIRPORT (hereinafter "AGREEMENT").

The addresses of the parties, unless and until changed by written notice to the other party, are as follows:

#### City

#### Airline

Mr. Theodore Kitchens, A.A.E.  
Airport Director  
Manchester-Boston Regional Airport  
1 Airport Road, Suite 300  
Manchester, New Hampshire 03101

The Parties agree as follows:

### 1.2 Table of Contents

The AGREEMENT includes the following parts:

## TABLE OF CONTENTS

ARTICLE I – PARTIES .....	2
1.1    Address .....	2
1.2    Table of Contents .....	2
1.3    Parts Incorporated .....	4
1.4    Controlling Parts.....	4
1.5    Legal Authority .....	4
ARTICLE II – DEFINITIONS.....	5
ARTICLE III – SUMMARY OF INCENTIVIZED AIR SERVICE .....	7
ARTICLE IV – SUMMARY OF INCENTIVES PROVIDED.....	8
4.1    Marketing Incentives .....	8
4.2    Landing Fee Waivers .....	8
4.3    Terminal Rental Waivers .....	9
4.4    Annual Reconciliation Required.....	10
ARTICLE V – TERMS AND CONDITIONS.....	11
5.1    Program Eligibility.....	11
5.2    Transfer of Incentives .....	11
5.3    Right to Audit.....	11
5.4    Default.....	11
5.5    Subordination of Agreement .....	12
5.6    Governing Jurisdiction .....	12
5.7    Compliance with Title VI .....	12
EXHIBIT A – EXAMPLE AIR SERVICE SUMMARY TABLE.....	14

### **1.3 Parts Incorporated**

All the above-described sections and **Exhibits** are incorporated into this AGREEMENT.

### **1.4 Controlling Parts**

If a conflict among the **Articles** and **Exhibits** occurs, the articles control over the exhibits.

### **1.5 Legal Authority**

The PARTIES have executed this AGREEMENT in multiple copies, each of which is an original. Each person signing this AGREEMENT represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this AGREEMENT. Each PARTY represents and warrants to the other that the execution and delivery of this AGREEMENT and the performance of such PARTY'S obligations hereunder have been duly authorized and that the AGREEMENT is a valid and legal agreement binding on such PARTY and enforceable in accordance with its terms.

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## ARTICLE II – DEFINITIONS

As used in this AGREEMENT, the following terms have the meanings set out below:

- 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 and has an Airline Operating Agreement with the AIRPORT.
- 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.
- d) **Airport** – The Manchester-Boston Regional Airport, which is a business-like unit of the City of Manchester, New Hampshire.
- e) **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 in effect at the time the AGREEMENT is executed.
- f) **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.
- g) **Airport Director** – City of Manchester’s designated administrator of the Manchester-Boston Regional Airport (“MHT”) and the PROGRAM.
- h) **Eligible Square Footage** – The square footage leased by an Air Carrier *less* common use area, as defined in the Airline Operating Agreement, that is shared among the signatory Air Carriers on a per-enplanement or per-deplanement basis.
- i) **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.
- j) **Marketing Incentives** – AIRPORT paid advertising and promotion of a qualifying route that meets any plan included in the PROGRAM.
- k) **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 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.

- l) **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 either a) total landed weight or 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 either a) the incremental increase in landed weight associated with the incentivized market(s) or b) a proportionate amount of Eligible Square Footage based on the increase in departing seats made available to the Manchester market.
- m) **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.
- n) **Waiver Eligible Square Footage** – The amount of terminal rental space leased by an Air Carrier that is eligible for waivers under the PROGRAM.
- o) **Waived Rents and Fees Budget** – A fiscal year annual budget for waived rents and fees that is developed as part of the budget process.

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### ARTICLE III – SUMMARY OF INCENTIVIZED AIR SERVICE

The PARTIES agree that the service profile below will be used in all fee waiver calculations under the PROGRAM. An example of a completed Summary can be found in Exhibit A to this AGREEMENT.

	DEST 1	DEST 2	DEST 3	DEST 4	DEST 5
<b>Annual Frequencies</b>					
Annual Departures					
ACFT TYPE 1					
ACFT TYPE 2					
ACFT TYPE 3					
<b>Landing Weight Calculation</b>					
ACFT TYPE 1					
ACFT TYPE 2					
ACFT TYPE 3					
<b>Departing Seat Calculation</b>					
ACFT TYPE 1					
ACFT TYPE 2					
ACFT TYPE 3					
<b>Adjusted Annual Capacity for Waiver Determination</b>					
Adjusted Landing Weight (000s)					
Adjusted Departing Seats					



## ARTICLE IV – SUMMARY OF INCENTIVES PROVIDED

The application of the incentives provided under the PROGRAM and included in this AGREEMENT will use the following incentive periods:

- a) Primary Incentive Period: 100%, provided that the Net New Capacity supplied by the Air Carrier and summarized in Section \_\_\_\_ above is maintained throughout the entire Primary Incentive Period; and,
- b) Secondary Incentive Period: 50%, provided that the Net New Capacity supplied by the Air Carrier and summarized in Section \_\_\_\_ above is maintained throughout the entire Secondary Incentive Period.

The AIRPORT will analyze actual capacity flown during each of the incentive periods above and compare to the Adjusted Annual Capacity to determine if the Air Carrier receives the entirety of the available incentives contained in this AGREEMENT.

The service profile summarized in Article III of this AGREEMENT makes available the following incentive(s) to the Air Carrier subject to the terms and conditions of the PROGRAM:

### 4.1 Marketing Incentives

The new non-stop service that Air Carrier is offering between the Manchester-Boston Regional Airport is eligible for marketing incentives in the not to exceed amount of:

**[ENTER VALUE IN DOLLARS USING NUMBERS AND WORDS]**

The Airline agrees that all marketing incentive funds shall be utilized solely for the purpose of promoting the new Manchester route in marketing campaigns. All marketing materials and/or promotions funded by the PROGRAM shall be pre-approved prior to publication in writing by the Airport Director or their designee. Airline logos, marks, or other intellectual property used in all marketing materials to be paid for by the AIRPORT shall be subject to the airline's review and final approval.

### 4.2 Landing Fee Waivers

Landing fees owed to the Airport for the qualifying flight(s) in Section \_\_\_\_ of this AGREEMENT will be waived on a monthly basis in accordance with provisions of the PROGRAM for a period of 730-days from initiation of service with the following provisions:

- a) Primary Incentive Period: Should the Net New Capacity provided by the Air Carrier during the Primary Incentive Period be greater than or equal to the Adjusted Annual Capacity in Article II of this AGREEMENT, then:

**100% waiver**

of the **[NOTE: if by an incumbent carrier, then enter "incremental"]** landed weight will be applied

Based on the Adjusted Annual Capacity in Article II, this waiver is valued at:

**[ENTER VALUE IN DOLLARS USING NUMBERS AND WORDS]**

Should the Net New Capacity, expressed in terms of landed weight to Qualifying Market(s), be less than the Adjusted Annual Capacity in Article II, then the waiver above will be reduced proportionate to the variance between the actual Net New Capacity and the Adjusted Annual Capacity. Furthermore, the waiver available to the Air Carrier during the Secondary Incentive Period shall not be made available to the Air Carrier.

- b) Secondary Incentive Period: Should the Net New Capacity provided by the Air Carrier during the Primary Incentive Period be greater than or equal to the Adjusted Annual Capacity in Article II of this AGREEMENT, then the following waiver during the Secondary Incentive Period shall be available to the Air Carrier:

**50% waiver**  
of the [NOTE: if by an incumbent carrier, then enter “incremental”] landed weight  
will be applied

Based on the Adjusted Annual Capacity in Article II, this waiver is valued at:  
**[ENTER VALUE IN DOLLARS USING NUMBERS AND WORDS]**

Should the Net New Capacity, expressed in terms of landed weight to Qualifying Market(s), be less than the Adjusted Annual Capacity in Article II, then the waiver above will be reduced proportionate to the variance between the actual Net New Capacity and the Adjusted Annual Capacity.

#### **4.3 Terminal Rental Waivers**

Terminal rentals and fees owed to the Airport for the qualifying flight(s) in Article II of this AGREEMENT will be waived on a monthly basis in accordance with provisions of the PROGRAM for a period of 730-days from initiation of service with the following provisions:

- a) Primary Incentive Period: Should the Net New Capacity provided by the Air Carrier during the Primary Incentive Period be greater than or equal to the Adjusted Annual Capacity in Article II of this AGREEMENT, then:

**100% waiver**  
of the [NOTE: if by an incumbent carrier, then enter “incremental”] terminal rental  
fees will be applied

Based on the Adjusted Annual Capacity in Article II, this waiver is valued at:  
**[ENTER VALUE IN DOLLARS USING NUMBERS AND WORDS]**

Should the Net New Capacity, expressed in terms of departing seats to Qualifying Market(s), be less than the Adjusted Annual Capacity in Article II, then the waiver above will be reduced proportionate to the variance between the actual Net New Capacity and the Adjusted Annual Capacity. Furthermore, the waiver available to the Air Carrier during the Secondary Incentive Period shall not be made available to the Air Carrier.

- b) Secondary Incentive Period: Should the Net New Capacity provided by the Air Carrier during the Primary Incentive Period be greater than or equal to the Adjusted Annual Capacity in Article II of this AGREEMENT, then the following waiver during the Secondary Incentive Period shall be available to the Air Carrier:

**50% waiver**  
of the [NOTE: if by an incumbent carrier, then enter “incremental”] terminal rental  
fees will be applied

Based on the Adjusted Annual Capacity in Article II, this waiver is valued at:  
[ENTER VALUE IN DOLLARS USING NUMBERS AND WORDS]

Should the Net New Capacity, expressed in terms of landed weight, expressed in terms of departing seats to Qualifying Market(s), then the waiver above will be reduced proportionate to the variance between the actual Net New Capacity and the Adjusted Annual Capacity.

#### **4.4 Annual Reconciliation Required**

At the end of both Incentive Periods, and as data becomes available to the AIRPORT, the AIRPORT will reconcile actual total landed weight and actual departing seats provided by the Air Carrier for each Qualifying Route against the Adjusted Annual Capacity in Article II. The Air Carrier agrees to reimburse the AIRPORT for any waiver amount due during the Incentive Periods.



## ARTICLE V – TERMS AND CONDITIONS

Air Carrier acknowledges and agrees that the incentives offered by City pursuant to this Agreement are subject to Air Carrier's strict compliance with all the terms and conditions of the PROGRAM. Violation of any provision of the PROGRAM will be considered a default under this AGREEMENT and will result in termination of all incentives hereunder.

### 5.1 Program Eligibility

To be eligible to participate in the PROGRAM, the Air Carrier must:

- a) Be current in its financial or other obligations with and to AIRPORT; and,
- b) Remain current in all its financial and other obligations with and to the AIRPORT.

### 5.2 Transfer of Incentives

Incentives under the PROGRAM may not be transferred or assigned to another air carrier, except a carrier that succeeds to substantially all of Air Carrier's assets by merger or acquisition.

### 5.3 Right to Audit

The AIRPORT shall have the right, at any time during reasonable business hours, to audit all funds paid by the AIRPORT to third parties on behalf of the Air Carrier and any reports submitted by the Air Carrier as part of PROGRAM and this AGREEMENT. Airline agrees to cooperate with the AIRPORT and its representatives in the performance of this audit and to make all the relevant books, correspondence, and records available to the AIRPORT.

### 5.4 Default

Each of the following shall be a default by Air Carrier and a material breach of the AGREEMENT:

- a) Failure to cure any deficiencies in its financial obligations with and to the AIRPORT within thirty (30) days after notice of such failure;
- b) Failure to satisfy the eligibility requirements set forth in the PROGRAM or otherwise fully comply with all the terms, conditions, and requirements of the PROGRAM;
- c) Failure to keep, perform, or observe any term or condition of the PROGRAM or failure to cure such failure within ten (10) days after receipt of written notice from the AIRPORT specifying the failure;
- d) Failure to timely initiate service on a new route; and,
- e) For a New Entrant Air Carrier, the cessation of flight operations from the AIRPORT sooner than one year after commencement.

Any event of default by Air Carrier shall result in the termination of this AGREEMENT and immediate cessation of any incentives made available to the Air Carrier under the PROGRAM.

#### **5.5 Subordination of Agreement**

The Air Carrier understands that the PROGRAM is subject and subordinate to all applicable laws, statutes, rules, and regulations (including, but not limited to Federal Aviation Regulations set forth in Title 14 United States Code of Federal Regulations), and the provisions of any agreement between the City and the United States of America concerning all existing and future agreements between the City and the United States of America relative to the operation, maintenance, or development of the AIRPORT, the execution of which may be required as a condition precedent to the expenditure of funds for the development of the AIRPORT, or any part thereof.

The Air Carrier further understands that, in the event the Federal Aviation Administration or its successor requires modifications or changes in the PROGRAM or to this AGREEMENT, the Air Carrier consents to any and all such modifications and changes as may be required; and the Air Carrier agrees to execute an amendment to this AGREEMENT with the AIRPORT reflecting such modifications or changes.

#### **5.6 Governing Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of New Hampshire. The obligations of the parties to this Agreement shall be performable in Manchester, Hillsborough County, New Hampshire, and if legal action, such as civil litigation, is necessary in connection therewith, exclusive venue shall lie in Hillsborough County, New Hampshire.

#### **5.7 Compliance with Title VI**

Air Carrier further agrees to comply with the Title VI List of Pertinent Nondiscrimination Statutes and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract. The Air Carrier shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age, or disability, unless exempted by state or federal law, or as otherwise established herein.

IN WITNESS WHEREOF, the Manchester-Boston Regional Airport and the Air Carrier have caused this Memorandum of Agreement to be executed by their duly authorized officers, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**MANCHESTER-BOSTON  
REGIONAL AIRPORT**

**[ENTER AIRLINE NAME]**

\_\_\_\_\_  
Mr. Theodore Kitchens, A.A.E.  
Airport Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
[Name]  
[Title]

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attest

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attest

\_\_\_\_\_  
Date

**EXHIBIT A – EXAMPLE AIR SERVICE SUMMARY TABLE**

	MCO	TPA	FLL	RSW	LAS
<b>Annual Frequencies</b>					
Annual Departures	365	365	365	208	156
A320	104	0	104	104	156
A319	261	365	261	104	0
---	---	---	---	---	---
<b>Landing Weight Calculation</b>					
A320 @ 142.195 lbs.	14,788.28	0.00	14,788.28	14,788.28	22,182.42
A319 @ 138.000 lbs	36,018.00	50,370.00	36,018.00	14,352.00	0.00
---	---	---	---	---	---
<b>Departing Seat Calculation</b>					
A320 @ 182 seats	18,928	0	18,928	18,928	28,392
A319 @ 142 seats	37,845	51,830	37,845	14,768	0
---	---	---	---	---	---
<b>Adjusted Annual Capacity for Waiver Determination</b>					
Adjusted Landing Weight (000s)	49,790.15	49,362.6	49,790.15	28,557.47	21,738.77
Adjusted Departing Seats	55,638	50,793	55,638	33,022	27,824