

**WAYNE COUNTY AIRPORT AUTHORITY  
SUPPLEMENTAL AIR SERVICE INCENTIVE PROGRAM  
DETROIT METROPOLITAN WAYNE COUNTY AIRPORT  
AUGUST 2017**

The purpose of the Wayne County Airport Authority (“WCAA”) Supplemental Air Service Incentive Program (the “Incentive Program”) is to encourage new non-stop air service at Detroit Metropolitan Wayne County Airport (the “Airport”) in the area beyond the 48 contiguous U.S. States, and thus increase airport revenues through both additional airline revenues and ancillary revenues (such as parking and concessions), with the result being an overall lower cost per enplaned passenger at the Airport.

The Incentive Program is offered to all scheduled passenger airlines. The program and structure for incentives is presented on the [www.metroairport.com](http://www.metroairport.com) website. A qualification questionnaire also is available on the website to be completed by airlines desiring to receive the incentive benefits.

**1 YEAR PROGRAM QUALIFICATION**

In order for a passenger airline to qualify for participation in the Supplemental Incentive Program that will be available for a one (1) year period (the “1 Year Program”), the following requirements apply:

1. The passenger airline must provide new air service from the Airport to a destination outside the 48 contiguous U.S. States that the airline has not served non-stop from the Airport within the 36 calendar month period immediately preceding the date of commencement of the new service.
2. The new service must be “scheduled service”. The WCAA will use the Official Airline Guide (the “OAG”) to determine service type and whether the airline has provided such service from the Airport within the past 36 months.
3. The airline must maintain the new service to which the incentive benefits apply for at least the first 13 consecutive weeks of the 1 Year Incentive Period (defined under “1 Year Program Benefits”, paragraph 1 below).
4. The new service must be scheduled to start and operate with a minimum of one (1) operation each calendar week for 13 consecutive weeks. If the airline has met the foregoing requirement during the first 13 weeks of the 1 Year Incentive Period, the airline may suspend the service and resume qualification inside the 1 Year Incentive Period by a) resuming scheduled operation of the service at least once per calendar week and b) resuming the scheduled service for a minimum of 13 more consecutive weeks during the 1 Year Incentive Period. Any gaps in service during the 1 Year

Incentive Period do not extend the program beyond 1 Year from the initial start of service.

5. Service shifts between destination airports within 50 miles of each other are not eligible for the incentive. Any reduction in scheduled service during the incentive period to a destination within 50 miles of the new incentive destination as compared to the prior 12 month period will render the new destination ineligible for the incentive. For example, if Airline A added new service from the Airport to Ontario, CA with one daily non-stop flight, but reduced service from the Airport to Los Angeles, CA from four (4) roundtrips to three (3) roundtrips according to OAG, the Ontario, CA service would not be considered “new”, and would be ineligible for the incentive.
6. For the purposes of determining eligibility, affiliated airlines, joint venture partners and predecessor and successor airlines in an airline merger or acquisition are treated as a single carrier. For example, if Airline A and Airline B marketed joint service to a destination non-stop and the aircraft operating the flight switched from an Airline A aircraft to an Airline B aircraft, the Airline B service would not be considered “new”, and would be ineligible for the incentive. Similarly, if an Airline A marketed flight to a destination was operated by Airline A (or another affiliate) and then transitioned to a flight operated by Airline B, the Airline B service would not be considered “new”, and would be ineligible for the incentive.
7. The airline must declare its intent to apply for the Incentive Program at least 30 days prior to initiating the new air service, by submitting the standard form qualification questionnaire available at [www.metroairport.com](http://www.metroairport.com). The WCAA will notify the airline in writing within 15 days of receipt of the questionnaire whether it deems the service described on the questionnaire eligible for the Incentive Program.

## **1 YEAR PROGRAM BENEFITS**

1. The incentive benefits described below will be available for the first 12 months of new service meeting the above requirements (the “1 Year Incentive Period”).
2. The WCAA will pay for advertising and promotional activities associated with the new service, in an amount up to but not exceeding an amount equal to \$0.0015 multiplied by the Available Seat Miles of the new flight. An Available Seat Mile is equal to the statute miles from Detroit Metro Airport to the non-stop destination of the new flight multiplied by the passenger seats on the airplane as defined by the Official Airline Guide. The airline will pay the WCAA’s normally applicable WCAA levied fees and charges for the qualifying flight during the 1 Year Incentive Period.

The WCAA will reimburse the airline for funds spent by the airline for these advertising and promotional activities through a credit applied against the airline's WCAA levied fees and charges at the end of each three-month period during the 1 Year Incentive Period (the "Marketing Credit"). This program is offered with the full knowledge that the Supplemental Air Service Incentive Program is potentially in addition to the Air Service Incentive Program.

3. The WCAA must approve in advance all advertising and promotional activities associated with the new service for which the airline desires to receive the Marketing Credit. All advertising and marketing must meet Federal Aviation Administration ("FAA") guidelines for the use of airport revenue for such purpose, including promoting the Airport and the new route. The airline will place all advertising directly following receipt of written approval of such advertising from the WCAA.
4. All marketing/advertising must exclusively promote service to and from Detroit Metropolitan Airport and appropriately highlight routes eligible under the Incentive Program.

#### **LIMITATIONS ON PROGRAM INCENTIVE BENEFITS**

In any fiscal year of the WCAA (currently October 1 to September 30), the total amount of incentive benefits provided by the WCAA under the Supplemental Air Service Incentive Program shall not exceed \$5,000,000, and shall be available on a "first come, first served" basis.

Any incentive offered under this Program is subordinate to WCAA's federal obligations, including without limitation grant assurances made by WCAA to the Federal Aviation Administration, and WCAA may amend or terminate this Program to comply with those obligations.

## **SUNSET PROVISION**

The Incentive Program shall not continue in effect after August 31, 2020, unless the WCAA Board approves an extension of the Incentive Program; provided that if an air carrier has declared its intent to apply for the Incentive Program in accordance with the Incentive Program requirements and initiated the new service prior to August 31, 2020, the Incentive Program provisions shall apply to such new service and the air carrier shall be entitled to the incentive benefits described above if it meets the applicable requirements set forth above.

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