



# Air Service Development Incentive Program

## **PROGRAM OBJECTIVE**

The objective of the A. B. Won Pat International Airport Authority, Guam's (GIAA) Air Service Development Incentive Program is to:

- 1) Stimulate international and domestic passenger air service to the Guam International Airport
- 2) Increase aeronautical and non-aeronautical revenue streams
- 3) Reduce costs per enplaned passenger at the Guam International Airport

## **PROGRAM COMPONENTS AND ELIGIBILITY**

The GIAA Air Service Development Incentive Program is destination based and applies to all unserved and under-served city destinations in the Asia-Pacific Region and the US West Coast for direct scheduled air service or scheduled on-demand air service to Guam.

The GIAA Air Service Development Incentive Program is open to all U.S. and foreign-based airlines that possess all governmental authorizations. Tour wholesalers and agencies are ineligible to receive the GIAA incentive but may factor such incentive in their negotiations with an airline operator.

All program components, incentives and program terms will be administered in compliance with federal and local law, federal grant assurances and Federal Aviation Administration (FAA) policy concerning the 1)use of airport revenue and 2)air carrier incentive program.

## **AIR SERVICE INCENTIVES AND PROGRAM TERMS**

### **New Air Service:**

Incentives may be applied to unserved or under-served direct (non-stop) routes with a minimum commitment for one (1) year. The incentive may be applied up to a maximum of two (2) years for an unserved or under-served destination.

### **New Seasonal Air Service:**

Incentives may be applied to year- round or new seasonal service on unserved or under-served routes operated cumulatively, for less than 7 months, per calendar year. The incentive is applicable to the first calendar year and may be applicable for a maximum of three (3) consecutive years thereafter.

### **Increased Capacity:**

Incentives may be applied to carrier operations resulting in a significant net increase in capacity over the carrier's pre-existing service, per destination. The incentive is applicable to one (1) calendar year.

## **MINIMUM WEEKLY FREQUENCY**

### **Non-Stop Short - Medium Haul Flights (<6 hours)**

Incentives apply to eligible air service with not less than one (1) flight per week for short – medium haul flights.

### **Non-Stop Long Haul Flights (>6 hours)**

Incentives apply to eligible air service with not less than one (1) flight per week for longhaul flights.

## **RATES AND CHARGES DISCOUNT**

Incentives apply to operational rates and charges published in the Airport Tariff Schedule in effect at the time of inaugural service and limited to the Airfield Use (Landing) fee, Loading Bridge Use, Immigration Inspection, Arrivals and Departure Fees only. Additional incentives may be provided based on a case-by-case basis subject to review by the Federal Aviation Administration to include marketing support, fuel flowage fees, and terminal rents.

### **Non - Stop Short - Medium Haul Flights (<6 hours):**

- The cumulative percentage discount of up to 50% for the first year of operations is applicable to the operational rates and factors including, but not limited to, aircraft capacity, non-peak operational schedule, and load factors. Airfield Use (Landing) fee may be eligible for a discount of up to 75% of the operational rate in effect.
- For air carriers that are eligible to execute a Signatory Airline Lease and Operating Agreement for up to two (2) years, the cumulative discount for the first year is up to 50% and may be eligible for additional discounts of up to 75% for the second year of operations.

### **Non-Stop Long Haul Flights (>6 hours):**

- The cumulative percentage discount of up to 100% for the first year of operations is applicable to the operational rates and factors including, but not limited to, aircraft capacity, non-peak operational schedule, and load factors.
- For air carriers that are eligible to execute a Signatory Airline Lease and Operating Agreement for up to two (2) years, the cumulative discount for the first year is up to 100% and may be eligible for additional discount(s) of up to 75% for the second year of operations.

### **Other:**

- For existing GIAA signatory airlines, incentive(s) for existing routes may be provided on a case-by-case basis and discount(s) of up to 50% may be applicable subject to negotiations.
- Additional incentives may be provided on a case-by-case basis subject to review by the Federal Aviation Administration to include marketing support, fuel flowage fees, and terminal rents.
- The incentive will be computed and applied on an annual basis pursuant to airline budgeted projections and actual operational activity reports for the prior year.

## **APPLICATION REQUIREMENT AND PROGRAM FUNDING**

### **Application Requirement:**

Airlines seeking to participate in any of the Incentive Programs, ("Applicant Airline") must complete the GIAA Air Carrier Incentive Program Application Form within forty-five (45) days of commencement of the qualifying air service. The Applicant Airline will be advised in writing by the GIAA within fifteen (15) days of receipt of the Application if the Application has been approved for the requested incentives.

## **Program Funding:**

Airport sponsored funding may be limited to the first carrier to establish service to specific destination(s). Incentives may not be transferred from one carrier to another. Incentives cannot be transferred between routes.

If the eligible air carrier does not meet the minimum service requirements, then all operational credits provided to the air carrier shall be refunded to the GIAA.

The GIAA Air Service Development Incentive Program is subject to change; any changes will be posted at least 30 days in advance of the implementation of such changes.

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*The above Air Service Development Incentive Program was adopted by the GIAA Board of Directors, effective February 27, 2014, and amended on August 2, 2016, March 7, 2024 and October 18, 2024, to attract new air links 1)from an unserved or under-served city destination(s) or 2)new entrant carriers into existing markets on a case-by-case basis in the Asia Pacific region and the U.S. West Coast, and in collaboration with the Guam Visitors Bureau's proposed initiatives to stimulate air service.*

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