



Grand Junction Regional Airport Air Service Incentive Program

Background

The Grand Junction Regional Airport Authority has developed the following air service incentive program to increase access and affordability of commercial air service at GJT in accordance with applicable Federal Aviation Administration (FAA) rules and guidance.

Goals of the Program

The goals of the Grand Junction Regional Airport Air Service Incentive Program are:

1. Increase access to affordable air service at GJT through new passenger service to unserved destinations with an emphasis on in-demand, target markets.
2. Stimulate incremental service on existing routes through additional frequencies or upgauging.
3. Assist in the recovery of air service lost during the COVID-19 pandemic by reducing the risk and financial burden to air carriers.

Definition of Key Terms

1. Unserved Destination – Airport destination without nonstop service in the past six months
2. New Service – Nonstop service connecting GJT with an unserved destination
3. Additional Service – Nonstop service from an air carrier to a destination not currently served by that air carrier from GJT
4. Seasonal Service – Airport destination with scheduled nonstop service for between 12 consecutive weeks and 50 consecutive weeks in a 12-month period

Targeted Airport Destinations

Through rigorous analysis and conversations with community stakeholders, GJT has identified the following target markets and airport destinations for new air service:

Table 1: GJT Target Airport Destinations

<u>Target Market</u>	<u>Target Airport Destinations</u>
New York Area	LGA, JFK, EWR, and SWF
Washington D.C.	DCA, BWI, and IAD
Chicago	ORD and MDW
Los Angeles	LAX, ONT, LGB, BUR, and SNA
San Francisco	SFO, OAK, and SJC
Seattle	SEA and PAE
Houston	IAH and HOU
Atlanta	ATL
Minneapolis-St. Paul	MSP
Charlotte	CLT
Detroit	DTW
Dallas	DAL
Portland	PDX
Philadelphia	PHL
San Diego	SAN



Incentive Categories

New Service to a Targeted Unserved Destination

Eligibility: Any passenger air carrier establishing new service to a Targeted Destination as outlined in Table 1. The Targeted Destination must be an Unserved Destination from GJT at the time service is initiated.

1. **Year-round, daily service to a Targeted, Unserved Destination:** An air carrier is eligible for a 100% landing fee waiver for 24 months, 100% waiver of common use space rent for the first 12 months and a 50% waiver in Year 2; \$50,000 in marketing support for new service to be used during the first 24 months of service.
2. **Year-round, less than daily service to a Targeted, Unserved Destination:** An air carrier is eligible for a 100% landing fee waiver for 24 months, 100% waiver of common use space rent for the first 12 months and a 50% waiver in Year 2; \$25,000 in marketing support for new service to be used during the first 24 months of service.
3. **Seasonal service to a Targeted, Unserved Destination:** An air carrier is eligible for a 100% landing fee waiver for 24 months, 100% waiver of common use space rent for the first 12 months and a 50% waiver in Year 2; \$25,000 in marketing support for new service scheduled to operate at least twice a week to be used during the first 24 months of service.

New Service to an Unserved, Non-Target Destination

Eligibility: Any passenger air carrier establishing service to a new destination not included in Table 1.

1. **New service to an Unserved, non-targeted Destination:** An air carrier is eligible for a 100% landing fee waiver for 12 months.

Expanded or Restored Service to an Existing Destination

Eligibility: Any passenger air carrier establishing service to a destination currently served or suspended within the past 12 months.

1. **Additional Service to an existing destination:** A air carrier is eligible for a 100% landing fee waiver for 12 months.
2. **Additional frequency or increase of gauge by incumbent carrier to existing destination:** An air carrier is eligible for a 100% landing fee waiver for 12 months on new frequencies or flights operated with larger aircraft.
3. **Restoration of service suspended within last 12 months:** An air carrier is eligible for a 100% landing fee waiver for 12 months on flights that operated within the last 12 months and were in service for at least 6 consecutive months prior to suspension. To qualify, service must not have been suspended within the past 60 days.

New Entrant Incentive

Eligibility: Any passenger air carrier that did not serve GJT during 2020. The new entrant incentive is able to be combined with any of the new service categories listed above.

1. **New entrant carrier:** A new entrant air carrier is eligible for a 100% waiver of preferential use space rent for the first 12 months and a 50% waiver in Year 2.



Terms and Conditions

1. This incentive program is effective immediately and may be amended by the Grand Junction Airport Authority at any time.
2. This incentive program will be administered in compliance with federal law, the Airport Improvement Program Grant Assurances, and FAA policy, including the *Policy and Procedures Concerning the Use of Airport Revenue* (1999) and the *Air Carrier Incentive Program Guidebook* (2010).
3. Participation in this program requires an incentive agreement between the Grand Junction Airport Authority and an air carrier. The Airport Authority reserves the right, based on budget availability, to limit an incentive on a specific route to the first air carrier to sign an incentive agreement.
4. To qualify for incentives, a seasonal route must be operated for a minimum of 12 consecutive weeks.
5. An air carrier may only qualify for an incentive for a particular route one time. Seasonal service may not receive an incentive each time it returns for a new season.
6. To qualify for incentives, a carrier must be current on payment of rates and charges.
7. Air carriers must operate service throughout duration of the promotional period at the level specified.
8. Air carriers must use the passenger terminal in order to qualify for incentives.
9. Air carriers may choose to forgo some or all fee waivers and rent abatements for an increased marketing incentive of equal value based upon service schedule and aircraft gauge committed at the time of entering into an incentive agreement with GJT. If the airline changes its frequency or gauge over the incentive period, the amount of the marketing incentive will be increased or reduced accordingly.
10. Incentives may not be transferred from one carrier to another. Incentives cannot be transferred between routes.
11. Additional incentives including marketing support and minimum revenue guarantees (MRG) may be available through Grand Junction Regional Air Service Alliance.