

Proposed Purdue University Airport (LAF) Air Carrier Incentive Program

Background

Purdue University Airport has developed the following air service incentive program to increase access and affordability of commercial air service at LAF in accordance with applicable Federal Aviation Administration (FAA) rules and guidance.

Goal of the Program

The goal of the Purdue University Airport Air Carrier Incentive Program is to increase access to air service at LAF through new passenger service to unserved destinations and to increase capacity in markets with existing service.

Definition of Key Terms

1. Unserved Destination – Airport destination without nonstop service in the past six months
2. New Service – Nonstop service connecting LAF with an unserved destination
3. Additional Service – Nonstop service from an air carrier to a destination not currently served by that air carrier from LAF
4. Seasonal Service – Airport destination with scheduled nonstop service for at least 8 consecutive weeks but fewer than 7 months in any calendar year.
5. Annual service – Airport destination with scheduled nonstop service for 7 months or more in any calendar year.

Incentive Categories

1. New entrant carrier with new annual service to a previously unserved destination.
 - a. 100% waiver of landing fees for 24 months
 - b. 100% waiver of terminal rents for 24 months
2. New entrant carrier providing new annual service to an already served destination.
 - a. 100% waiver of landing fees for 12 months
 - b. 100% waiver of terminal rents for 12 months
3. Existing carrier at LAF providing annual service to a new, previously unserved destination.
 - a. 100% waiver of landing fees for 24 months on new service only
 - b. 100% waiver of terminal rents for 24 months on any new space needed for increased service
4. New entrant carrier at LAF providing seasonal service to new, previously unserved destination.
 - a. 100% waiver of landing fees for the seasonal period (up to 7 months)
 - b. 100% waiver of terminal rents for the seasonal period (up to 7 months)
 - c. Incentive may be applied for up to 3 consecutive seasons (maximum of 21 months)
5. Existing carrier at LAF providing seasonal service to new, previously unserved destination.

- a. 100% waiver of landing fees for the seasonal period (up to 7 months) on new service only
 - b. 100% waiver of terminal rents for the seasonal period (up to 7 months) on any new space needed for increased service
 - c. Incentive may be applied for up to 3 consecutive seasons (maximum of 21 months)
6. Existing carrier at LAF increasing annual net seat capacity by greater than 20% on a currently served route.
- a. 100% waiver of landing fees for incremental capacity only (to be prorated by seats if necessary)
 - b. 100% waiver of terminal rents for new space driven by incremental capacity only (to be prorated by seats if necessary)
 - c. Incentive on incremental capacity is only available once per year per carrier and incremental capacity must be calculated by utilizing DOT T-100 flown seats comparing the most recent 12 month period to the same 12 month period of the prior year

Terms and Conditions

1. This incentive program is effective immediately and may be amended by Purdue University Airport 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 *FAA Policy Regarding Air Carrier Incentive Program* (2023).
3. Participation in this program requires an incentive agreement between the Purdue University Airport and an air carrier.
4. To qualify for incentives, a seasonal route must be operated for a minimum of 8 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 after the initial 3 season period as detailed above.
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. An air carrier may qualify for an incentive regardless of the type of economic and safety certificates it has sought and received from the U.S. Department of Transportation and FAA, including authorities granted under 14 C.F.R. Parts 119, 121 and Part 135, provided that the air carrier otherwise satisfies the eligibility and qualification requirements of this incentive program.
10. An air carrier may qualify for an incentive whether the air carrier operates as a signatory or non-signatory at LAF, provided that the air carrier otherwise satisfies the eligibility and qualification requirements of this incentive program.
11. Incentives may not be transferred from one carrier to another. Incentives cannot be transferred between routes.

12. Additional incentives including marketing support and minimum revenue guarantees (MRG) may be available through non-airport funds provided by organizations outside of Purdue University Airport.