La Crosse Regional
AIRPORT

Air Service Incentive Program

Approved: April XX, 2022
Program Effective: May 1, 2022
Program Expires: December 31, 2025

The purpose of the La Crosse Regional Airport (LSE) Air Service Incentive Program (Program) is two-fold. First, to encourage new non-stop air service at LSE. The second is to expand existing service to Minneapolis/St. Paul International Airport (MSP) and Chicago O'Hare International Airport (ORD). The Program will provide landing fee credits, terminal use fee credits, and advertising funds. The incentives available are enumerated below.

The Program is offered to all certificated air carriers. Air carrier inquiries can be submitted to the Director of the La Crosse Regional Airport at:

> 2850 Airport Road
> La Crosse, WI 54603

The La Crosse Aviation Board reviews this Program from time-to-time and reserves the right to amend, supplement, and/or cancel the Program at any time. The costs associated with this Program will not be included in the air carrier rates and charges and is funded with discretionary Airport revenues. The Program is carried out in accordance with, and is subordinate to, applicable Federal Aviation Administration rules, regulations, and assurances. The La Crosse Aviation Board is authorized to establish and administer this Program by City of La Crosse Common Council Resolution 2012-10-029.

A Letter of Agreement will be executed between the air carrier and LSE for participation in this Program. It shall memorialize how the air carrier's service fits within this Program and how the incentives will apply specifically to air carrier's air service. All periods of time shall be measured from the date of the first flight eligible under the Program.

OPTION 1: NEW SCHEDULED DESTINATIONS

This option under the Program seeks to attract new scheduled air carrier service to a destination not currently served non-stop from LSE. Incentives and credits available under this option are available for a maximum of 24 months, as measured from the first date of operation. Daily, less-than-daily, and seasonal service are all eligible under this option. Regardless of the frequency or type of schedule operated, no credit or incentive contained herein shall last longer than the 24 months. Specifics parameters of this option are:

Eligible Non-stop Destination Airports:

- Phoenix, AZ (PHX and IWA)
- Las Vegas, NV (LAS)
- Denver, CO (DEN)
- Dallas/Fort Worth, TX (DFW)
- Florida (all airports)
- Los Angeles, CA (all airports)
- New York City, NY (all airports)

Ineligible Destination Airports:

- Minneapolis/St. Paul International Airport (MSP)
- Chicago O'Hare International Airport (ORD)

Landing Fee Credit: A landing fee credit of 100% is offered.

Fuel Flow Fee Credit: A fuel flowage fee credit of 100% is offered.

Exclusive Use Terminal Fee Credit: A credit for exclusive use terminal space is offered up to $1,160 per month.

Joint Use Terminal Fee Credit: A credit for joint use terminal space is offered up to $375 per completed flight, with a monthly maximum credit of $10,000. No rollover of monthly unused credit shall be permitted.

Advertising Incentive: LSE shall incentivize qualifying new destination service by marketing the route and LSE, jointly. Advertising funds offered may be used disproportionately to the months earned, so long as service is offered for the total months advertising credits are allotted. Qualifying destinations shall be granted advertising funds as follows:

- Seasonal destination service totaling at least 8 flights in a single month shall qualify for up to $10,000 per month of operation.
- Year-round destination service totaling at least 8 flights each month in a twelve-month period shall qualify for $120,000.

Requirements to Qualify for Incentives and Credits:

- Air carriers must provide new, non-stop, air service from LSE to one of the identified destinations listed under this option.
- New service shall be scheduled service and shall not have been offered within the effective dates of this Air Service Incentive Program.
    - Example: Airline A enters the market with service to airport XYZ once daily. After one year, Airline A ends the service. Airline B then enters the market flying twice daily to XYZ. This service is not eligible under the program because the route already received incentives under this Program through Airline A.
- Each new destination shall be eligible for only one credit and incentive. If two air carriers initiate service to the same eligible destination, the available credit and incentive shall be split equally between the air carriers.
- In order to remain eligible, the air carrier must maintain a minimum number of flights as outlined under the advertising incentive, above. Alternative flight arrangement may be considered and will be spelled out in the Letter of Agreement.

OPTION 2: EXPANDED SERVICE DESTINATIONS

This option under the Program seeks to achieve one of two goals. First, to expand scheduled service to existing destinations served as of the approval date of this Program. Second, to initiate new scheduled service not meeting the requirements under Option 1 of this Program. LSE recognizes the challenges facing the air carrier industry and seeks to expand already existing service to previous service levels and is open to opportunities identified by the air carriers. All qualifying scheduled service must be served non-stop, beginning or ending at LSE. Incentives and credits available under this option are limited to a maximum of 12 calendar months from the initiation date of the expanded service. Specific parameters of this option are:

Eligible Non-stop Destinations Airports:

- Minneapolis/St. Paul International Airport (MSP)
- Chicago O'Hare International Airport (ORD)
- Any other reasonable destination

Ineligible Destination Airports:

- Airports identified by LSE as not viable.

Landing Fee Credit: A landing fee credit of 100% is offered.

Fuel Flow Fee Credit: A fuel flowage fee credit of 100% is offered.

Exclusive Use Terminal Fee Credit: None.

Joint Use Terminal Fee Credit: A credit for joint use terminal space is offered up to $375 per completed flight, with a monthly maximum credit of $6,000. No rollover of monthly unused credit shall be permitted.

Advertising Incentive: LSE shall incentivize qualifying expanded destination service by marketing the route and LSE, jointly. Advertising funds offered may be used disproportionately to the months earned, so long as service is offered for the total months advertising credits are allotted. Qualifying destinations shall be granted advertising funds as follows:

- Year-round destination service totaling at least 8 flights each month in a twelve-month period shall qualify for $50,000.
- Seasonal service, operating at least two flights weekly, for not less than 12 consecutive weeks shall qualify for $25,000.

Requirements to Qualify for Incentives and Credits:

- Expanded service under this option must be non-stop to or from LSE.
- The expanded service must be scheduled service.
- Expanded service to MSP shall be considered the third and any subsequent flight after that.

- Expanded service to ORD shall be considered the third and any subsequent flight after that.
- Service provided under this option must be operated for a minimum of twelve (12) consecutive months, or as agreed to for seasonal service.
- Expanded service under this option shall only be eligible one time under this program.
    - Example: Airline A operates two flights per day to airport ABC. Airline B enters the market and begins two flights per day to ABC with an incentive under this Program, but ceases this route after one year. Airline A then adds a third flight each day to ABC. This third flight to ABC by Airline A is ineligible under this program because the third flight already received an incentive with Airline B.
- Incentives and credits shall not apply above fourteen (14) flights per week, per destination. Additional, subsequent destinations are not eligible. Alternative flight arrangements may be considered and will be spelled out in the Letter of Agreement.

RESTRICTIONS APPLICABLE TO THIS AIR SERVICE INCENTIVE PROGRAM

- For the purposes of determining eligibility, partners, predecessors, joint ventures, affiliated airlines, and successor airlines are treated as a single air carrier.
- Air carriers must declare its intention to provide service qualifying under this Program sixty (60) days prior to initiating service to the new destination. LSE will notify the air carrier within thirty (30) days of receipt of the air carrier's declaration as to whether it deems the service eligible under one of the options in this Program.
- All advertising funds will be expended within the LSE market area, or as otherwise agreed within the applicable Letter of Agreement.
- Advertising bills associated with the advertising campaign will be paid directly by LSE to the agency conducting the advertising.
- Advertising materials shall prominently display LSE, the service being provided, and be pre-approved by both the air carrier and LSE.
- All expenditures of airport funds must follow Federal Aviation Administration guidelines on the use of airport revenue.
- To be eligible for service under this Program, all air service must commence prior to the expiration date of this Program, listed herein.
- The limit on all advertising funds expended under this Program shall not exceed $250,000.