La Crosse Regional Airport
Airline Incentive Program
Amended by the Aviation Board April 17, 2017

The purpose of the La Crosse Regional Airport (“LSE”) Air Service Incentive Program (“Program”) is to encourage new non-stop air service at the La Crosse Regional Airport. The Program will provide for a landing fee credit, joint use terminal fee credit, and advertising funds.

This Program is offered to all scheduled airlines. Airline inquiries can be submitted to the Airport Director, 2850 Airport Road, La Crosse WI 54603.

LSE reviews this incentive program from time-to-time and reserves the right to amend, supplement, or cancel the Program at any time. The costs associated with this Program will not be included in the airlines rates and charges and the Program will be carried out in accordance and is subordinate to applicable Federal Aviation Administration rules, regulations, and assurances.

This program is authorized by Council Resolution 2012-10-029. The Airport Director is authorized to approve and oversee airline incentive agreements, awards, and disbursements in accordance with this incentive policy when funds are available in associated airport accounts.

The previous program adopted January 17, 2017 is hereby cancelled effective April 30, 2017.

1. Scope of Program

The Program has two distinct objectives:

a. Program A - Promote new scheduled destinations which the airport does not currently serve.

b. Program B – Expand existing service or promote new scheduled destinations ineligible for Program A

The Program has two distinct components:

a. An advertising incentive (“Incentive”) to promote new destinations or expanded service from LSE.

b. A landing fee, fuel flowage fee, and joint use terminal fee credit (“Credit”) to encourage new destination markets from LSE.

Program will be in effect from May 1, 2017. New service must be initiated prior to December 31, 2018 to be eligible for Program Credit and Incentive. All airlines are eligible for this Program.

The airline and LSE will execute a Letter of Agreement (“LOA”) for participation in this Program that memorializes the terms and conditions set forth within this Program. LOA will define which existing flights airline operates which are subject to the terms outlined in Section 2 for determining eligibility for this Program.

2. Program A - Program Promoting New Scheduled Destinations

a. Incentive Program Requirements-Passenger Airlines

The following requirements apply to any passenger airline participating in this LSE Program A:

i. Airline must provide new, non-stop, air service from LSE to a destination that the airline or another airline has not served non-stop from LSE within the past twenty four (24) calendar month period preceding the date of commencement of the new service.
ii. New air service must be “scheduled service”. LSE will review all applications to determine if service has been available within the past 24 calendar months.
iii. Only new destinations qualify for the Program. Existing destinations including MSP and ORD are not eligible if served within the past 24 months.
iv. Only one Credit and Incentive exists per each new destination.
v. The first airline to commence operations on a new destination from LSE will be the qualifying airline. Should two (2) or more

airlines commence the same qualifying service within a three-month period of the qualifying carrier, the single Credit and Incentive shall be equally divided among the airlines commencing service and continuing the new service for one year.

vi. Airline must operate the new service route for a minimum of twelve (12) consecutive months in order to receive Program benefits unless otherwise approved.

vii. Airline must maintain existing service during the Program's period to retain Program Credit and Incentive. Any reduction in scheduled service during the Program period as compared to the prior twelve (12) month period will render the new destination ineligible for the Credit and Incentive. (For example, if air carrier currently has three (3) daily flights and added new daily service to Orlando but reduced a daily service to Chicago from three (3) daily flights to two (2) daily flights, service would not be considered "new" as airline would still have three (3) daily flights and therefore would be ineligible for the incentive). The new destination would however be eligible for Program B.

viii. A maximum of fourteen (14) weekly frequencies are eligible for Program per destination. Additional subsequent frequencies are not eligible.

ix. Each airline must have a minimum of two (2) weekly departures to the destination in order to qualify for Program.

x. Only two (2) Program Incentives and Credits are available during the program term for all airlines.

xi. For the purposes of determining eligibility, partners, predecessors, joint ventures, affiliated airlines, and successor airlines are treated as a single carrier. (For example, if Airline A serves a destination and Airline B, an affiliate, begins service at a new destination but Airline A reduces a flight to an existing destination, Airline B's flight would not be considered new service)

xii. Airline must declare its eligibility for this Program at least forty five (45) days prior to initiating the new air service. The Airport will notify airline within (30) days of receipt of airline declaration whether it deems the service eligible for the Program.

b. **Advertising Incentive**
   i. New air service meeting and maintaining all of the eligibility criteria in Section (a) is eligible for an advertising Incentive under the Program up to $100,000 as follows:
      1. Seasonal Service - $100,000 prorated by months of service
         a. Example: service provided January through June is eligible for 50% of the $100,000 incentive, or $50,000
      2. Year-Round Service - $100,000
      3. Year-Round Service to expanded credit cities listed within (c)(i)(1) - $150,000 for first year and an additional $50,000 for the second year (this special incentive is only available one-time for a single destination)
   ii. Advertising incentive will be utilized for promoting the new LSE route via TV, radio, print, internet, digital marketing campaigns, and other similar advertising outlets.
   iii. All advertising materials must contain LSE specific advertising material or be placed within a manner that benefits the LSE service and be pre-approved by LSE and must be in accordance with Federal Aviation Administration guidelines for the use of airport revenue for such purposes.
   iv. All bills associated with the advertising campaign will be paid directly to advertising agencies by LSE up to the defined Incentive limits unless otherwise agreed to in the LOA.
   v. All advertising funds will be expended within the LSE market area or as otherwise agreed within the LOA.
   vi. The term limit for advertising Incentives under this Program for all participants is $300,000.

c. **Landing Fee Credit**
   i. Program allows for a total landing fee Credit of 100% not to exceed twelve (12) calendar months for new service to a destination not currently served as specified in Section (a). Credit applies to new flights only; existing flights do not receive Credit. The following destinations are eligible for an expanded Credit of an additional twelve (12) calendar months for a total of twenty four (24) calendar months:
      1. Expanded credit eligible destinations

            a. Dallas/Ft. Worth
            b. Denver
            c. Las Vegas
            d. Florida Destinations
            e. Phoenix
   ii. Credit will be applied to monthly billings as long as airline maintains compliance with this Program.

d. Fuel Flowage Fee Credit

   i. Program allows for a fuel flowage fee Credit of 100% not to exceed twenty four (24) calendar months for new service to the destinations listed below and not currently served as specified in Section (a). Credit applies to new flight only; existing flights do not receive Credit.
      1. Eligible destinations
         a. Las Vegas
         b. Florida Destinations
         c. Phoenix
   ii. Credit will be applied to monthly billings as long as airline maintains compliance with this Program.

e. Joint Use Terminal Fee Credit

   i. Program allows for a joint use terminal fee Credit of up to $270.00 per daily flight completed up to a limit of $2,500 per month not to exceed twenty-four (24) calendar months for new service to a destination listed below and not currently served as specified in Section (a). Credit applies to new flights only; existing flights do not receive Credit.
      1. Eligible destinations for expanded credit:
         a. Las Vegas
         b. Florida Destinations
         c. Phoenix
   ii. Credit will be applied to monthly billings as long as airline maintains compliance with this Program.

3. **Program B - Program Promoting Expanding Service or New Service Ineligible for Program A**

a. Incentive Program Requirements-Passenger Airlines

The following requirements apply to any passenger airline participating in this LSE Program B:

i. Airline must provide new or expanded non-stop air service from LSE.
ii. New air service must be "scheduled service" with at least one (1) monthly frequency.
iii. New or existing destinations qualify for the Program.
iv. Airline must not have operated new flight within the past twenty four (24) consecutive months. (For example, if air carrier had four (4) daily flights to Chicago and reduced their schedule to three (3) daily flights ten (10) months prior, they would not be eligible for incentive for another eight (8) months.)
v. Airline must operate the new service route for a minimum of twelve (12) consecutive months in order to receive Program benefits unless otherwise approved.
vi. A maximum of fourteen (14) weekly frequencies are eligible for Program per destination. Additional subsequent frequencies are not eligible.
vii. Expanded air service, defined as an additional 6-months or more frequency per year from current operations, would be eligible for a pro-rated Credit for the additional time that the service if offered. For example, if an airline offers seasonal service to DTW six (6) months out of the year and expands service to year-round the airline would be eligible for up to six (6) months of Credits per this section for the additional service.
viii. For the purposes of determining eligibility, partners, predecessors, joint ventures, affiliated airlines, and successor airlines are treated as a single carrier. (For example, if Airline A serves a destination and Airline B, an affiliate, begins service at a new destination but Airline A reduces a flight to an existing destination, Airline B's flight would not be considered new service)

ix. Airline must declare its eligibility for this Program at least forty five (45) days prior to initiating the new air service. The Airport will notify airline within (30) days of receipt of airline declaration whether it deems the service eligible for the Program.

b. Advertising Incentive

i. New or expanded air service meeting and maintaining all of the eligibility criteria in Section (a) is eligible for an advertising Incentive under the Program up to $50,000 as follows:
   1. 1-3 monthly frequencies - $20,000
   2. 1-4 weekly frequencies - $25,000
   3. 5-7 weekly frequencies - $30,000
   4. 8-14 weekly frequencies - $50,000

ii. Advertising incentive will be utilized for promoting the new LSE route via TV, radio, print, internet, digital marketing campaigns, and other similar advertising outlets.

iii. All advertising materials must contain LSE specific advertising material or be placed within a manner that benefits the LSE service and be pre-approved by LSE and must be in accordance with Federal Aviation Administration guidelines for the use of airport revenue for such purposes.

iv. All bills associated with the advertising campaign will be paid directly to advertising agencies by LSE up to the defined Incentive limits unless otherwise agreed to in the LOA.

v. All advertising funds will be expended within the LSE market area or as otherwise agreed within the LOA.

vi. The term limit for advertising Incentives under this Program for all participants is $100,000.

c. Landing Fee Credit

i. Program allows for a total landing fee Credit of 100% not to exceed six (6) calendar months for new or expanded service as specified in Section (a). Credit applies to new flights only; existing flights do not receive Credit.
   1. If airline expands existing seasonal service to year-round service landing fee Credit would apply to new service and would not apply to existing service. (Example: airline

operates DTW flight from June-December and expands service from January-May then airline would receive Credit on all flights completed within the January-May timeframe)

ii. Credit will be applied to monthly billings as long as airline maintains compliance with this Program.

d. Fuel Flowage Fee Credit

i. Program allows for a fuel flowage fee Credit of 100% not to exceed six (6) calendar months for new service to the destinations listed below. Credit applies to new flight only; existing flights do not receive Credit.
   1. Eligible destinations
      a. Las Vegas
      b. Florida Destinations
      c. Phoenix

ii. Credit will be applied to monthly billings as long as airline maintains compliance with this Program.

e. Joint Use Terminal Fee Credit

i. Program allows for a joint use terminal fee Credit of up to $100.00 per daily flight not to exceed six (6) calendar months and a limit of $2,500 per month for new service as specified in Section (a). Credit applies to new flights only; existing flights do not receive Credit.
   1. If airline expands existing seasonal service to year-round service landing fee Credit would apply to new service and would not apply to existing service. (Example: airline operates DTW flight from June-December and expands service from January-May then airline would receive Credit on all flights completed within the January-May timeframe)

ii. Credit will be applied to monthly billings as long as airline maintains compliance with this Program.