THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
NEW YORK STEWART INTERNATIONAL AIRPORT

AIR CARRIER INCENTIVE PROGRAM

I. BACKGROUND

The Port Authority of New York & New Jersey ("**Port Authority**") operates a system of four commercial airports in the bi-state region including New York Stewart International Airport ("**SWF**"). Acquired by the Port Authority in 2007, SWF is a key gateway to the mid-Hudson region and alternate access-point for travelers in the populous New York City metro-area. The airport can accommodate regional, domestic, and international service. In support of the Port Authority's vision for SWF's growth, it has developed this Air Carrier Incentive Program ("**Program**").

II. GOAL

The goal of the Program is to grow non-stop air service at SWF by incentivizing Incumbent Carriers[1] and New Entrant Carrier[2]. By offering increased marketing support for new international service, the Program supports the Port Authority's Five-Point Plan for SWF's growth and recent completion of a state-of-the-art Federal Inspection Station. This Program has been developed in the best interest of SWF, the Port Authority, and the traveling public.

III. ELIGIBILITY

a. A New Entrant Carrier or Incumbent Carrier ("**Carrier**") is eligible to receive incentives for the remaining duration of the Program Term as outlined in Section V herein if the Carrier:

   1. commences new scheduled non-stop service between SWF and any domestic or international airport[3] not Currently[4] served from SWF,

   2. commences new scheduled non-stop Seasonal Service[5] between SWF and any domestic or international airport not Currently served from SWF, or

[1] For the purposes of this policy, "**Incumbent Carrier**" means an air carrier Currently providing air service to SWF.
[2] For the purposes of this policy, "**New Entrant Carrier**" means an air carrier that is not Currently providing any air service to SWF.
[3] For the purposes of this policy, new service between SWF and each separate domestic or international airport destination in the same metropolitan area will be eligible for incentives.
Example: Carrier A may be eligible for the Program on new non-stop service to Chicago-Midway International Airport if Carrier B Currently operates non-stop service to Chicago-O'Hare International Airport.
[4] For the purposes of this policy, "**Currently**" means the time immediately prior to the signing of an incentive agreement.
[5] For the purposes of this policy, "**Seasonal Service**" is defined as service operating for a minimum of 8 weeks, up to a maximum of 7 months maximum per year. Seasonal Service to a destination not Currently served will be eligible for incentives for 3 seasons of service, up to 3 consecutive years from the start of the incentive.

3. commences new non-stop service between SWF and any domestic or international airport not Currently served from SWF.

b. A New Entrant Carrier is eligible to receive up to 12 months of incentives as outlined herein if the Carrier:

1. commences new scheduled non-stop service between SWF and a domestic or international airport Currently served from SWF.

New non-stop service is not eligible for incentives if a New Entrant Carrier or Incumbent Carrier:

1. increases frequencies on Preexisting Service[6], or
2. discontinues the same service within the last 12 months or received incentives for the same service during the Program Term as outlined in Section V herein.

IV. INCENTIVE PROGRAM STRUCTURE

Carriers offering service meeting the eligibility criteria shall receive the following incentives:

a. **Airport Fee Waivers**

New Entrant Carriers or Incumbent Carriers offering service meeting the criteria in Section III shall receive a waiver of the following Port Authority airport fees:

- Public Landing Area Charges
- Public Passenger Ramp and Apron Area Charges
- Public Aircraft Parking and Storage Area Charge
- International Flight Charges
- Passenger Terminal Charges
- Terminal Rental Charges, for new terminal space leased to support new service
- Shared Use Passenger Processing System Charges
- Gate and Remote Parking Charges, prorated to a proportionate share of new service
- Security Fees
- Fuel Flowage Fees

1. Carriers offering service meeting the criteria listed in Section III(a.1) are eligible for a full (100%) waiver of the listed airport charges associated with each new service for the first consecutive 24 months of the new service.

2. Carriers offering service meeting the criteria listed in Section III (a.2) are eligible for a full (100%) waiver of the listed airport charges associated with each new

[6] For the purposes of this policy, "**Preexisting Service**" is defined as service to any airport destination that is Currently served non-stop from SWF. An airport destination served non-stop only in one season is considered not Currently served non-stop during the offseason.

Seasonal Service for the first 3 seasons, not to exceed consecutive 36 months of the new service.

3. Carriers offering service meeting the criteria listed in Section III (b.1) are eligible for a full (100%) waiver of the listed airport charges associated with the new service for the first consecutive 12 months of the new service.

All fee waivers will be applied by the Port Authority monthly and may not exceed a consecutive 24-month period for any route, except for fee waivers applied during periods of Seasonal Service which will be applied over a consecutive 36-month period for a seasonal route. When a Carrier operates new service on multiple routes eligible for incentives, said Carrier will receive the corresponding airport fee waivers for each route.

b. Marketing Support

New Entrant Carriers or Incumbent Carriers offering service meeting the criteria in Section III may receive the following marketing support funds for marketing campaigns that run between service announcement and the end of the first consecutive 12 or 24 months of the new service as outlined in this Section.

A Carrier may be eligible to receive reimbursement for marketing:

1. new non-stop domestic service, up to $150,000 in months 1-12 and up to $75,000 in months 13-24 depending on the frequency of service as outlined in Table 1 below,

2. new non-stop international service, up to $250,000 in months 1-12 and up to $150,000 in months 13-24 depending on the frequency of service as outlined in Table 1 below,

3. new non-stop domestic Seasonal Service, up to $30,000 in months 1-36 depending on the frequency of service as outlined in Table 1 below, or

4. new non-stop international Seasonal Service, up to $40,000 in months 1-36 depending on the frequency of service as outlined in Table 1 below.

New Entrant Carrier & Incumbent Carrier Incentives	Table 1. Marketing Fund Incentive					
Year-Round Service Weekly Frequency	**International**			**Domestic**		
	Months 1-12	**Months 13-24**	**Months 25-36**	**Months 1-12**	**Months 13-24**	**Months 25-36**
≥ 6	$ 250,000	$ 150,000	-	$ 150,000	$ 75,000	-
5	$ 195,000	$ 150,000	-	$ 140,000	$ 75,000	-
4	$ 160,000	$ 150,000	-	$ 115,000	$ 75,000	-
3	$ 120,000	$ 120,000	-	$ 85,000	$ 75,000	-
2	$ 80,000	$ 80,000	-	$ 55,000	$ 55,000	-
1	$ 40,000	$ 40,000	-	$ 30,000	$ 30,000	-
Seasonal Service Weekly Frequency	**International**			**Domestic**		
	Months 1-12	**Months 13-24**	**Months 25-36**	**Months 1-12**	**Months 13-24**	**Months 25-36**
≥3	$ 40,000	$ 40,000	$ 40,000	$ 30,000	$ 30,000	$ 30,000
<3	$ 30,000	$ 30,000	$ 30,000	$ 20,000	$ 20,000	$ 20,000

Marketing funds will be awarded on a per-route basis. Marketing funds will only be made available to promote the Carrier's air service marketing materials that prominently feature SWF. Total marketing fund incentives for any Carrier shall not exceed $500,000 in one consecutive 12-month period when calculated using the eligibility criteria outlined in Table 1. Marketing funds are subject to availability in the Port Authority budget. Each fiscal year, the Aviation Department will review and potentially modify total available marketing funds to ensure they reflect the air service goals and available budget funds for that fiscal year. Limited marketing funds may only be awarded to the first Carrier that establishes new service although more incentives may be available in any given fiscal year.

Eligible marketing fund incentives will be awarded by one of the following methods, at the sole discretion of the Port Authority:

1. Port Authority marketing of new route(s), up to the eligible incentive fund amount during the incentive period, or

2. Port Authority reimbursement payment to the Carrier for marketing expenses paid by the Carrier to a third-party marketing service provider, upon Port Authority receipt and approval of a qualifying invoice and proof of payment for incentive-

related marketing with supporting documentation of marketing, up to the eligible incentive fund amount during the incentive period.

Eligible marketing fund incentives will be clearly communicated with the Carrier and will be tracked by the Port Authority. All related marketing must prominently feature SWF and the new routes. Should a Carrier receive marketing fund incentives but not commence the new service as scheduled, eligibility for further marketing fund incentives within a consecutive 36-month period will be pro-rated based on the amount previously received.[7]

V. PROGRAM DURATION

The Program will start on February 5, 2024 and end on December 31, 2030 ("**Program Term**"). Carriers meeting the eligibility criteria specified in Section III above may opt-in to the Program between February 5, 2024 and December 31, 2027 ("**Eligibility Period**"). Lists of specific incentive agreements will be published periodically by the Port Authority. The Program and Program Term will be reevaluated at or before the end of the Eligibility Period and its structure and applicability may be amended at any time by the Port Authority.

[7] *Example: Carrier A announces new non-stop service in 2024 and receives $100,000 in marketing fund incentives after service announcement, but delays the service until 2025. The Carrier will only be eligible to receive further marketing incentive funds up to the eligible amount minus $100,000 already awarded for the new service.*