Brownsville
South Padre Island
International Airport

Let the journey
take flight

Air Service Incentive Program

Brownsville South Padre Island International Airport

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Program Purpose

The Brownsville South Padre International Airport (BRO) is committed to enhancing both domestic and international air service growth. This program is intended to complement the strategies and objectives of the airport's air service development efforts in recruiting new carriers while encouraging incumbent carriers to consider expansion and new market development.

Program Objectives

- Grow domestic and international passenger air service at BRO.
- Increase revenue at BRO while ensuring utilization of BRO facilities.
- Reduce the initial cost of operation and start-up risk for new routes and new air carriers.
- Enhance tourism and economic development within the community through increased air service.
- Provide a wide range of support options depending upon the frequency of new service and whether the carrier is a new entrant to BRO.

Support Categories

BRO provides the following support categories for new domestic and international air service. In addition to the following support program and independent of the airport, members of the Brownsville and larger Rio Grande Valley community are committed to enhancing air service and reducing start-up risk through additional marketing support and minimum revenue guarantees (MRGs).

Category #1: Daily Frequency for a New Destination with a New Entrant Carrier

Components

- 24 months of waived landing fees.
- 24 months of waived terminal rent.
- Cooperative marketing support for first twelve months of up to $50,000.
- 24 months of waived Federal Inspection Service (FIS) fees (for new international destinations).

Requirements

- Service must be operated for at least 24 consecutive months. Should the service be cancelled after some incentives have been received but before the full 24 months, the air carrier will be required to reimburse BRO for all incentive dollars.
- An air carrier/operator will not be eligible for the matching advertising incentive if it had service to a listed destination and cancelled that service within the last two years of applying for the matching advertising incentive to the destination that was previously cancelled. The air carrier/operator may be eligible to apply for the matching advertising incentive for the previously cancelled destination two years after the cancellation of the service, provided that the program is still available.
- An air carrier/operator is required to match the Authority's advertising incentive on an equal basis. BRO will require proof of payment, subject to audit, prior to receipt of BRO's advertising incentive.
- Fifty percent of eligible marketing incentive dollars may be paid after six months of service and the remaining fifty percent at the end of the twelve-month period.

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Category #2: Daily Frequency for a New Destination with an Incumbent Carrier

Components

- 12 months of waived landing fees and 50% Year 2 (on fees only incurred on the new service) for domestic destinations.
- 24 months of 100% waived landing fees (on fees only incurred on the new service) for international destinations.
- 12 months of 50% waiver of incremental exclusive use space for signatory carriers.
- Cooperative marketing support for new service for first twelve months of $50,000.
- 24 months of waived Federal Inspection Service (FIS) fees (for new international destinations).

Requirements

- Service must be operated for at least 24 consecutive months. Should the service be cancelled after some incentives have been received but before the full 24 months, the air carrier will be required to reimburse BRO for all incentive dollars.
- An air carrier/operator will not be eligible for the matching advertising incentive if it had service to a listed destination and cancelled that service within the last two years of applying for the matching advertising incentive to the destination that was previously cancelled. The air carrier/operator may be eligible to apply for the matching advertising incentive for the previously cancelled destination two years after the cancellation of the service, provided that the program is still available.
- An air carrier/operator is required to match the Authority's advertising incentive on an equal basis. BRO will require proof of payment, subject to audit, prior to receipt of BRO's advertising incentive.
- Fifty percent of eligible incentive dollars may be paid after six months of service and the remaining fifty percent at the end of the twelve-month period.

Category #3: Non-Daily Frequency for a New Destination with a New Entrant Carrier

Components

- 24 months of waived landing fees.
- 24 months of waived terminal rent for exclusive space for new signatories.
- Cooperative marketing support for new service for first twelve months of $50,000.
- 24 months of waived Federal Inspection Service (FIS) fees (for new international destinations).

Requirements

- Service must be operated for at least 24 consecutive months. Should the service be cancelled after some incentives have been received but before the full 24 months, the air carrier will be required to reimburse BRO for all incentive dollars.
- An air carrier is not considered a new entrant and is not eligible for incentives if it had service at BRO within the two years (24 months) preceding applying for any incentives.
- An air carrier/operator is required to match the Authority's advertising incentive on an equal basis. BRO will require proof of payment, subject to audit, prior to receipt of BRO's advertising incentive.
- Fifty percent of eligible incentive dollars may be paid after six months of service and the remaining fifty percent at the end of the twelve-month period.

Category #4: Non-Daily Frequency for a New Destination with an Incumbent Carrier

<u>Components</u>

- 12 months of waived landing fees (on fees only incurred on the new service).
- 12 months of 50% waiver of incremental exclusive use space for signatory carriers.
- Cooperative marketing support for new service for first twelve months of $50,000.
- 12 months of waived Federal Inspection Service (FIS) fees (for new international destinations).

<u>Requirements</u>

- Service must be operated for at least 12 consecutive months. Should the service be cancelled after some incentives have been received but before the full 12 months, the air carrier will be required to reimburse BRO for all incentive dollars.
- An air carrier/operator will not be eligible for the matching advertising incentive if it had service to a listed destination and cancelled that service within the last two years of applying for the matching advertising incentive to the destination that was previously cancelled. The air carrier/operator may be eligible to apply for the matching advertising incentive for the previously cancelled destination two years after the cancellation of the service, provided that the program is still available.
- An air carrier/operator is required to match the Authority's advertising incentive on an equal basis. BRO will require proof of payment, subject to audit, prior to receipt of BRO's advertising incentive.
- Fifty percent of eligible incentive dollars may be paid after six months of service and the remaining fifty percent at the end of the twelve-month period.

Category #5: Seasonal Service to a New Destination with a New Entrant Carrier

Components

- Waived landing fees for up to 3 seasons, at least 3 months and up to 7 months each.
- Waived terminal rent for exclusive space for new signatories for up to 3 seasons, at least 3 months and up to 7 months each.
- Waived Federal Inspection Service (FIS) fees (for new international destinations) for up to 3 seasons, at least 3 months and up to 7 months each.
- Cooperative marketing support for new service for first season of $20,000.

Requirements

- Service must be operated for at least three consecutive months. Should the service be cancelled after some incentives have been received but before the full agreed-upon service period, the air carrier will be required to reimburse BRO for all incentive dollars.
- An air carrier/operator will not be eligible for the matching advertising incentive if it had service to a listed destination and cancelled that service within the last two years of applying for the matching advertising incentive to the destination that was previously cancelled. The air carrier/operator may be eligible to apply for the matching advertising incentive for the previously cancelled destination two years after the cancellation of the service, provided that the program is still available.
- An air carrier/operator is required to match the Authority's advertising incentive on an equal basis. BRO will require proof of payment, subject to audit, prior to receipt of BRO's advertising incentive.
- Fifty percent of eligible incentive dollars may be paid after two months of service and the remaining fifty percent at the end of the first season.

Category #6: Seasonal Service to a New Destination with an Incumbent Carrier

Components

- Waived landing fees for up to 3 seasons, at least 3 months and up to 7 months each.
- Waived terminal rent for exclusive space (applies to any new space rental) for up to 3 seasons, at least 3 months and up to 7 months each.
- Waived Federal Inspection Service (FIS) fees (for new international destinations) for up to 3 seasons, at least 3 months and up to 7 months each.
- Cooperative marketing support for new service for first season of $20,000.

Requirements

- Service must be operated for at least three consecutive months. Should the service be cancelled after some incentives have been received but before the full agreed-upon service period, the air carrier will be required to reimburse BRO for all incentive dollars.
- An air carrier/operator will not be eligible for the matching advertising incentive if it had service to a listed destination and cancelled that service within the last two years of applying for the matching advertising incentive to the destination that was previously cancelled. The air carrier/operator may be eligible to apply for the matching advertising incentive for the previously cancelled destination two years after the cancellation of the service, provided that the program is still available.
- An air carrier/operator is required to match the Authority's advertising incentive on an equal basis. BRO will require proof of payment, subject to audit, prior to receipt of BRO's advertising incentive.
- Fifty percent of eligible incentive dollars may be paid after two months of service and the remaining fifty percent at the end of the four-month period.

Category #7: Increased net seat capacity to an Existing Destination with an Incumbent Carrier

Components

- Waived landing fees for up to 12 months (only available on the net new capacity).
- Waived Federal Inspection Service (FIS) fees (only available on the net new capacity) for up to 12 months on international service.
- Cooperative marketing support for the increased service for the first year of $20,000.

Requirements

- Net new increased service must be operated for at least twelve consecutive months. Should the service be cancelled after some incentives have been received but before the full agreed-upon service period, the air carrier will be required to reimburse BRO for all incentive dollars.
- To be eligible, an incumbent carrier must increase seat capacity by at least 30%. The increase in seat capacity must be a net increase after any corresponding reductions in capacity or frequency.
- An air carrier/operator is required to match the Authority's advertising incentive on an equal basis. BRO will require proof of payment, subject to audit, prior to receipt of BRO's advertising incentive.
- Fifty percent of eligible incentive dollars may be paid after six months of service and the remaining fifty percent at the end of the twelve-month period.

Definitions of Key Terms

- New Destination: An airport destination without nonstop service from BRO in the past six months. Each airport in a metropolitan airport served by multiple airports is a separate destination.
- New Entrant Carrier: An air carrier who had not served BRO in the past two years preceding applying for an incentive.
- Incumbent Carrier: An air carrier who is currently serving BRO prior to applying for an incentive.
- Seasonal Service: Airport destination with scheduled nonstop service for at least 3 consecutive months but fewer than 7 consecutive months within a 12-month period.
- Air Carrier: For the purposes of this incentive program, an air carrier is defined as the carrier making scheduling, pricing, and commercial decisions related to the route subject to incentives. Carriers operating on behalf of another carrier (commonly referred to as "Express" or "Connection" carriers) are not independently eligible for incentives, but the primary Marketing Carrier

Terms and Conditions

- This incentive program is effective immediately and may be amended by Brownsville South Padre Island International Airport at any time.
- This air service incentive program will be administered in compliance with federal law, the Airport Improvement Program Grand Assurances, and FAA policy, including the *Policy and Procedures Concerning the Use of Airport Revenue* (1999) and the *FAA Policy Regarding Air Carrier Incentive Programs* (2023).
- Participation in this program requires an incentive agreement between the Brownsville South Padre Island International Airport and an air carrier. The airport reserves the right, based on budget availability, to limit an incentive on a specific route to the first air carrier to establish service, defined as the first carrier to sign an incentive agreement.
- 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.
- To qualify for this incentive program, a carrier must be current on payment of rates and charges.
- 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.
- Incentives may not be transferred from one carrier to another. Incentives cannot be transferred between routes.