



Air Service Support Program Changes

City Council, September 25, 2018

Item 6.1

Support Program Background



- To encourage and support new commercial airline service to SJC
- Launched by Council in 2006, last modified in December 2015
- Recognizes significant airline investment in starting or expanding high priority routes
 - *Fee waivers help mitigate initial costs*
 - *Dedicated marketing funds for increasing awareness of San Jose and each specific route*
- Similar programs are widespread across U.S. and have received guidance and support from FAA

Overview of Program Changes



- **Maintain overall support program in the face of continued competitive pressures;**
- **Reduce exposure to fee waivers under current airport facility constraints and related terminal expansion project;**
- **Update marketing levels for domestic long-haul and new North American routes;**
- **Allow program benefits for multiple low-frequency new routes introduced within a 12-month period**

Current Support Program



Service	Landing Fee Waiver	Ticket Counter/ Gate Fees Waiver	Marketing Funds
New Short-Haul Domestic*	100% for 12 Months	n/a	Up to \$25,000
New or Added Long-Haul Domestic	100% for 18 Months	n/a	Up to \$50,000
New International Within North America	100% for 18 Months	n/a	Up to \$50,000
New International Outside North America	100% for First 18 Months, 50% for Next 12 Months	n/a	Up to \$500,000
New Entrant Carrier	As Above	Same Duration as Landing Fee Waiver	As Above + Up to \$100,000

Recommended Program



Service	Landing Fee Waiver	Ticket Counter/ Gate Fees Waiver	Marketing Funds
New Short-Haul Domestic*	100% for 12 Months	n/a	Up to \$25,000
New or Added Long-Haul Domestic	100% for 18 Months	n/a	Up to \$50,000 → \$75,000
New International Within North America	100% for 18 Months	n/a	Up to \$50,000 → \$100,000
New International Outside North America	100% for 18 Months (ONLY)	n/a	Up to \$500,000
New Entrant Carrier	As Above	Same Duration as Landing Fee Waiver	As Above + Up to \$100,000



THANK YOU