

A RESOLUTION AUTHORIZING THE MAYOR TO ESTABLISH AND IMPLEMENT AN AIR SERVICE INCENTIVE PROGRAM (“ASIP”) AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT TO PROVIDE AN INCENTIVE TO INCREASE INTERNATIONAL PASSENGER AND CARGO FLIGHTS FOR A PERIOD OF FIVE YEARS.

**Workflow List:**

Kristen M. Rectenwald	Completed	03/14/2014 11:02 AM
Miguel Southwell	Completed	03/14/2014 11:16 AM
Mayor's Office	Completed	03/14/2014 11:20 AM
Office of Research and Policy Analysis	Completed	03/19/2014 10:08 AM
Transportation Committee	Pending	
Atlanta City Council	Pending	
Mayor's Office	Pending	

Certified by Presiding Officer	Certified by Clerk
Mayor's Action <i>See Authentication Page Attachment</i>	

**A RESOLUTION AUTHORIZING THE MAYOR TO ESTABLISH AND IMPLEMENT AN AIR SERVICE INCENTIVE PROGRAM (“ASIP”) AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT TO PROVIDE AN INCENTIVE TO INCREASE INTERNATIONAL PASSENGER AND CARGO FLIGHTS FOR A PERIOD OF FIVE YEARS.**

WHEREAS, the City of Atlanta (“City”), as owner and operator of Hartsfield-Jackson Atlanta International Airport (“Airport”) desires to stimulate international air cargo and passenger growth at the Airport through the implementation of an Air Service Incentive Program, (ASIP”); and

WHEREAS, to ensure the Airport’s continued top ranking and the City’s and region’s continued economic growth, it is imperative that new international routes be developed that link the Airport to key markets with nonstop service; particularly those markets that are experiencing strong economic growth; and

WHEREAS, the City endeavors to develop the Airport as a cargo and logistics hub; and

WHEREAS, the Airport is one of the only gateway airports that does not offer an ASIP; and

WHEREAS, the ASIP will be in strict compliance with the limitations on airport marketing programs set forth in the Federal Aviation Administration Regulations and requirements; and

WHEREAS, the ASIP will provide an incentive to increase international passenger and cargo flights by temporarily waiving landing fees and providing matching promotional fees in an amount not to exceed \$2,000,000 annually; and

WHEREAS, the ASIP would be offered for a period of five years.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF ATLANTA, GEORGIA, that the Mayor is authorized to establish and implement an Air Service Incentive Program for the Airport in an amount not to exceed \$2,000,000 annually.

BE IT FINALLY RESOLVED, that the program will be for a term of five years.

**Part II: Legislative White Paper:** (This portion of the Legislative Request Form will be shared with City Council members and staff)

**A. To be completed by Legislative Counsel:**

Committee of Purview:

Caption:

Council Meeting Date:

Requesting Dept.:

FAC Confirmed by:

**B. To be completed by the department:**

**1. Please provide a summary of the purpose of this legislation (Justification Statement).**

The purpose of this project is to stimulate air service particularly routes that link Atlanta to cities located in countries that are among the world's fastest growing economies and stimulate the growth of air cargo. A key component of Hartsfield-Jackson Atlanta International Airport's ("ATL") strategy to build international routes and develop a cargo hub, is its Air Service Development Program ("ASIP"). ASIP is designed to encourage both incumbent and new air carriers to expand international and cargo air to ATL.

**2. Please provide background information regarding this legislation.**

ATL is the world's busiest passenger airport connecting the City of Atlanta ("City") and the region to more than 45 countries with nonstop passenger air Service. To ensure the Airport's continued top ranking and the City's and region's continued economic growth, it is imperative that new international routes be developed that link ATL to key markets with nonstop service; particularly those markets that are experiencing strong economic growth. Additionally, with easy access to the nation's major interstate highways and railways, Atlanta is also well positioned geographically and logistically to become a major air cargo hub.

**3. If Applicable/Known:**

(a) Contract Type (e.g. Professional Services, Construction Agreement, etc):

(b) Source Selection:

- (c) Bids/Proposals Due:
- (d) Invitations Issued:
- (e) Number of Bids:
- (f) Proposals Received:
- (g) Bidders/Proponents:
- (h) Term of Contract: Five (5) years

4. Fund Account Center (Ex. Name and number):

Fund: \_\_\_\_\_ Account: \_\_\_\_\_ Center: \_\_\_\_\_

5. Source of Funds: Example: Local Assistance Grant

6. Fiscal Impact: \$2 Million annually

Example: This legislation will result in a reduction in the amount of \_\_\_\_\_ to Fund Account Center Number \_\_\_\_\_.

7. Method of Cost Recovery:

Examples:

- a. Revenues generated from the permits required under this legislation will be used to fund the personnel needed to carry out the permitting process.
- b. Money obtained from a local assistance grant will be used to cover the costs of this Summer Food Program.

This Legislative Request Form Was Prepared By: Jason Terreri, A.A.E., ACE  
 Interim Director of Marketing  
 Hartsfield-Jackson Atlanta International Airport  
 (404) 382-2334  
 Jason.Terreri@atlanta-airport.com

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: CANDACE L. BYRD

Dept.'s Legislative Liaison: Anita Williams

Contact Number: 404-530-6600

Originating Department: Aviation

Committee(s) of Purview: Transportation

Chief of Staff Deadline: 03/07/14

Anticipated Committee Meeting Date(s): 03/26/14

Anticipated Full Council Date: 04/21/14

Legislative Counsel's Signature: Kristen Rectenwald *Kristen U. Rectenwald*

Commissioner's Signature: *[Signature]*

Chief Financial Officer: N/A

Chief Information Officer Signature (for IT Procurements) N/A

Chief Procurement Officer Signature: N/A

**CAPTION**

A RESOLUTION AUTHORIZING THE MAYOR TO ESTABLISH AND IMPLEMENT AN AIR SERVICE INCENTIVE PROGRAM ("ASIP") AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT TO PROVIDE AN INCENTIVE TO INCREASE INTERNATIONAL PASSENGER AND CARGO FLIGHTS FOR A PERIOD OF FIVE YEARS.

FINANCIAL IMPACT: (if any)

Mayor's Staff Only

Received by CPO: \_\_\_\_\_  
(date)

Received by LC from CPO: \_\_\_\_\_  
(date)

Received by Mayor's Office: 3.6.2014  
(date)

Reviewed by: *[Signature]*  
(date)

Submitted to Council: \_\_\_\_\_  
(date)

Attachment: Air Service Incentive Program Transmittal (14-R-3388 : Air Service Incentive Program)

**Legislative White Paper****Committee of Purview:** Transportation**Caption:**

**A RESOLUTION AUTHORIZING THE MAYOR TO ESTABLISH AND IMPLEMENT AN AIR SERVICE INCENTIVE PROGRAM (“ASIP”) AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT TO PROVIDE AN INCENTIVE TO INCREASE INTERNATIONAL PASSENGER AND CARGO FLIGHTS FOR A PERIOD OF FIVE YEARS.**

**Council Meeting Date:** 04/21/14**Legislation Title:** Establish and Implement an Air Service Incentive Program**Requesting Dept.:** Aviation**Contract Type:** Consulting Professional Services**Source Selection:** N/A**Bids/Proposals Due:** N/A**Invitations Issued:** N/A**Number of Bids/  
Proposals Received:** N/A**Bidders/Proponents:** N/A**Background:**

The purpose of this project is to stimulate air service particularly routes that link Atlanta to cities located in countries that are among the world's fastest growing economies and stimulate the growth of air cargo. A key component of Hartsfield-Jackson Atlanta International Airport's ("ATL") strategy to build international routes and develop a cargo hub, is its Air Service Development Program ("ASIP"). ASIP is designed to encourage both incumbent and new air carriers to expand international and cargo air to ATL.

ATL is the world's busiest passenger airport connecting the City of Atlanta ("City") and the region to more than 45 countries with nonstop passenger air Service. To ensure the Airport's continued top ranking and the City's and region's continued economic growth, it is imperative that new international routes be developed that link ATL to key markets with nonstop service; particularly those markets that are experiencing strong economic growth. Additionally, with easy access to the nation's major interstate highways and railways, Atlanta is also well positioned geographically and logistically to become a major air cargo hub.

**Source of Funds:** N/A

**Fiscal Impact:** N/A

**Term of Contract:** Five Years

**Method of Cost Recovery:** N/A

**Approvals:**

**DOF:** N/A

**DOL:** yes

**Prepared By:** Anita Williams

**Contact Number:** 404-382-2313



## Hartsfield-Jackson Atlanta International Airport Air Service Incentive Program

### INTRODUCTION

Hartsfield-Jackson Atlanta International Airport ("ATL") is the world's busiest passenger airport connecting the City of Atlanta ("City") and the region to more than 45 countries with nonstop passenger air service. To ensure the Airport's continued top ranking and the City's and region's continued economic growth, it is imperative that new international routes be developed that link ATL to key markets with nonstop service; particularly those markets that are experiencing strong economic growth. Additionally, with easy access to the nation's major interstate highways and railways, Atlanta is also well positioned geographically and logistically to become a major air cargo hub.

A key component of ATL's strategy to build international routes and develop a cargo hub, is its Air Service Development Program ("ASIP"). ASIP is designed to encourage both incumbent and new air carriers to expand international and cargo air service to ATL.

### OBJECTIVES

1. Stimulate international air service to ATL, particularly routes that link Atlanta to cities located in countries that are among the world's fastest growing economies.
2. Stimulate the growth of cargo traffic.
3. Stimulate non-aeronautical revenues.

### PROGRAM COMPONENTS

- A landing-fee-waiver incentive for new, scheduled nonstop international passenger routes presently not being served from ATL.
- A landing-fee-waiver incentive for new, nonstop international scheduled freighter service presently not being served from ATL.
- An enhanced landing-fee-waiver incentive program for both passenger and freighter service to Premium and Emerging Markets.
- A cooperative promotional program that provides matching funds to promote new international service.
- ASIP will have a five-year term.

### QUALIFYING PASSENGER FLIGHTS

1. Any carrier establishing, non-stop year round scheduled passenger service to an international destination (city and/or airport) that is not currently served from ATL by any carrier qualifies for 100% waiver of landing fees on the qualifying service for a 12 month promotional period. If required, a non-stop flight may include a technical stop.
2. Secondary airports within the same city will also be deemed a new international service and will qualify for the incentive. For example, a carrier commencing London-Gatwick service will qualify for the incentive even though ATL is already served from London-Heathrow. The service must be operated for 12 consecutive months. However, a carrier switching service from London-Heathrow to London-Gatwick would not qualify for the incentive.
3. The new service must operate a minimum of 3 times a week for a consecutive 12 months.
4. The Applicant Carrier or an Affiliate Carrier must not have operated the route within the immediate-past 12 months.
5. The qualifying new service will also qualify for 50% matching promotional funds at service commencement up to a maximum of \$25,000. To receive the promotional funds the Applicant Carrier must submit the promotional plan specific to the use of the matching promotional funds. The promotional plan should include at a minimum, the following:
  - a. The new service that will be promoted.
  - b. A schedule for such promotions.
  - c. Media delivery methods to be used in promoting the new service.
  - d. Evidence that the ad will also promote ATL.

All promotional materials must be approved in writing by the Aviation General Manager or their designee.

### INCREASED FREQUENCY – PASSENGER FLIGHTS

1. Any carrier increasing frequency to an international market qualifies for 100% waiver of landing fees for 12 months from commencement of the additional frequency. If a carrier increases its frequency during the initial 12-month period on a route that is already receiving incentives, the landing fee incentive would also apply for the additional frequency.

### QUALIFYING FREIGHTER FLIGHTS

1. Any carrier establishing, year round scheduled freighter service to an international destination (city and/or airport) that is not currently served from ATL by any carrier qualifies for 100% waiver of landing fees on the qualifying service for a 12 month promotional period.
2. While intermediate stops are permitted and may change, the origin and destination airports must not change during the 12-month incentive period. For example, a flight originating at Narita, Japan may stop in Seattle, Washington or Chicago, O'Hare on its way to ATL. A change in the route will not qualify as new service.
3. The new service must operate a minimum of 1 time a week for a consecutive 12 months.
4. The Applicant Carrier or an Affiliate Carrier must not have operated the route within the immediate-past 12 months.
5. The qualifying new service will also qualify for 100% aircraft parking fee waiver for operations in the North and South Cargo areas of H-JAIA. In the event that the Applicant Carrier operates from a leased ramp, that carrier would qualify for a credit. The credit would equal the common use ramp fee charges for the aircraft operating the route. For example, if FedEx operated a Boeing 757 from its leased facility in the north cargo building they would receive a monthly credit for the amount equal to the charges if FedEx were to park on a common use ramp.

### INCREASED FREQUENCY – FREIGHTER FLIGHTS

1. Any carrier increasing frequency to an international market qualifies for 100% waiver of landing fees for 12 months from commencement of the additional frequency. If a carrier increases its frequency during the initial 12-month period on a route that is already receiving incentives, the landing fee and aircraft parking incentives would also apply for the additional frequency.



EMERGING MARKETS

- 1. For the purpose of this ASIP an emerging market is considered to be:
  - a. Any city on the continent of Africa
  - b. Eastern European destinations located in the following countries:

Albania	Lithuania
Belarus	Macedonia
Latvia	Moldova
Bosnia and Herzegovina	Montenegro
Bulgaria	Poland
Croatia	Romania
Czech Republic	Serbia
Estonia	Slovakia
Hungary	Slovenia
Kosovo	Ukraine

- c. Southeast Asian destinations located in the following countries:

Malaysia	Thailand
Philippines	Vietnam
Singapore	

- 2. For Qualifying New Passenger Flights and Qualifying Freighter Flights to cities located in Emerging Markets, landing fee waiver will be extended from 12 to 18 months.
- 3. For Qualifying New Passenger Flights to cities located in Emerging Markets, the maximum matching Promotional Funds will increase from \$25,000 to \$35,000.
- 4. For Qualifying Freighter Flights to cities located in Emerging Markets, the Parking Fee waiver shall be extended from a 12-month period to 18 months.

PREMIUM MARKETS

- 1. For the purpose of this ASIP a Premium Market is considered to be any city in Brazil, Russia, India, Indonesia, China or South Africa (BRIICS).
- 2. For Qualifying New Passenger Flights and Qualifying Freighter Flights to cities located in Premium Markets land fee waiver will be extended to 24 months.



3. For Qualifying New Passenger Flights to cities located in Premium Markets, the maximum matching Promotional Funds will increase to \$50,000.
4. For Qualifying Freighter Flights to cities located in Premium Markets, the Parking Fee waiver will be extended to 24 months.

#### AIRLINE COMMITMENTS

1. Operational Guarantee:
  - a. The Applicant Carrier is required to operate the passenger or cargo flight(s) for the duration of the initial 12-month period, with no break in service.
  - b. If any break or termination of service within the initial 12-month period, Applicant Carrier will be required to reimburse any discounts it has received under the ASIP. Such reimbursement will also apply, if aforementioned frequency-increases are suspended or terminated before having operated for 12-months.
2. Financial Guarantee:
  - a. Thirty days prior to the commencement of the service the Applicant Carrier will file a DOA-approved financial guarantee, which may include, a Letter of Credit, Bond, Check or Wire Transfer in the amount estimated by the Department of Aviation for the incentive program.

#### PROGRAM FUNDING

The ASIP will be revenue neutral to all existing carriers operating at ATL and will be funded through the Airport R&E Fund to offset the landing and parking fees waived. Total landing and parking fee waivers, as well as promotional funds granted, will be capped at \$2 million each year based on a first-come, first-served basis.

#### TERM OF THE ASIP

The 5-year ASIP will commence on July 1, 2014 and expire on June 30, 2019. Each year of the ASIP will commence with the City's fiscal calendar.



ASIP CONTACT INFORMATION

Email: [Route.Development@atlanta-airport.com](mailto:Route.Development@atlanta-airport.com)

Mail: Director of Marketing  
Hartsfield-Jackson Atlanta International Airport  
6000 North Terminal Parkway  
Suite 4000  
Atlanta, Georgia 30320

Attachment: Air Service Incentive Program Transmittal (14-R-3388 : Air Service Incentive Program)



Hartsfield-Jackson Atlanta International Airport  
Air Service Incentive Program  
Application

Applicant  
Carrier: \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

Contact Person  
(Name & Title): \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Origin of new service: \_\_\_\_\_

Check all Applicable  Year-Round  Passenger  Freighter

Effective Date	Aircraft Type	Arrival Flight #	Scheduled Arrival Time	Days of Operation (1 thru 7)

Airlines are required to report any changes to the service described on this application at least 30 days in advance of the change during the incentive program.

Contact [Route.Development@atlanta-airport.com](mailto:Route.Development@atlanta-airport.com) for notification.

FOR DEPARTMENT OF AVIATION USE ONLY

Evaluated by: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signed By: \_\_\_\_\_  
Aviation General Manager Date