



# AIR SERVICE INCENTIVE PROGRAM (ASIP)



# TABLE OF CONTENTS

INTRODUCTION	1
DEFINITIONS	2
NEW ENTRANT CARRIERS	4
INCUMBENT CARRIERS	5

NOTES	6
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MARKETING PROGRAM	7
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MARKETING PROGRAM S	8
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CONTACT INFORMATION	9
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# INTRODUCTION



The Maryland Aviation Administration (MAA) provides an incentive program to grow air service at Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall) by providing financial incentives that help commercial airlines mitigate the risks of launching new routes.

MAA operates BWI Marshall, and MAA is an entity of the Maryland Department of Transportation.



# DEFINITIONS

- **Incumbent Carrier:** An air carrier that is currently providing scheduled commercial passenger service at BWI Marshall. If airlines merge and any of the airlines was an Incumbent Carrier, the merged airline remains an Incumbent Carrier, regardless of the name of the merged entity.
- **New Entrant Carrier:** An air carrier that is not currently selling scheduled passenger service at BWI Marshall. New Entrant Carriers may be currently operating charter services.
- **Airport Destination:** The airport receiving new service from BWI Marshall. Each airport within a metropolitan area may be defined as a separate Airport Destination.
- **Airport Market:** The metropolitan area receiving new service from BWI Marshall. An Airport Market may have more than one Airport Destination.
- **Short-Haul Region:** North America, Central America, South America, and the Caribbean.
- **Long-Haul Region:** Europe, Middle East, Africa, Asia, and Oceania.
- **Seasonal Service:** Scheduled nonstop commercial service offered fewer than seven months of the calendar year, but at least four weeks.
- **Pre-Existing Service:** If an Incumbent Carrier is currently selling scheduled nonstop commercial passenger service from BWI Marshall Airport, the service is Pre-Existing. In the Long-Haul Region, service to any Airport Destination in the Airport Market constitutes Pre-Existing Service for the entire Airport Market. For example, British Airways currently flies between BWI Marshall and London-Heathrow, but service to crosstown airport London-Gatwick would be considered Pre-Existing. An Airport Destination or Market served nonstop only in one season is considered unserved during the off-season.
- **New Service: There are three types of New Service, which must be scheduled at least once per week:**
  - **New Entrant Carrier.**
  - **New Route:** Service to any Airport Destination in the Short-Haul Region or an Airport Market in the Long-Haul Region without Pre-Existing Service
  - **Capacity Increase:** An increase in capacity of at least 70% by an Incumbent Carrier on a Pre-Existing Service, measured by Scheduled Seats.
- **Promotional Period:** Timeframe that BWI Marshall's Air Service Incentive Program applies to a particular New Service. The Promotional Period begins on the date of the first operation of the New Service.
- **Essential Air Service (EAS):** Program offered by the U.S. Department of Transportation (DOT) to subsidize air carrier service to small communities.

# NEW ENTRANT CARRIERS

- A New Entrant Carrier starting a route to an Airport Destination or Airport Market with Pre-Existing Service from an Incumbent Carrier is eligible for a Promotional Period of **one year**.
- A New Entrant Carrier starting a New Route with year-round service is eligible for a Promotional Period of **two years**.
- A New Entrant Carrier starting a New Route with Seasonal Service is eligible for a Promotional Period of **three years**.
- During the Promotional Period for a New Entrant Carrier, BWI Marshall will **waive the following airport fees**:
  - *Space rents up to 500 ft<sup>2</sup>*
  - *Common-use ticket counter, kiosk and baggage make-up fees*
  - *Common-use hold room and jet bridge fees*
  - *Landing fees*
  - *Applicable baggage claim fees*

# INCUMBENT CARRIERS

- If an Incumbent Carrier wishes to receive incentives for a New Route, the carrier must **increase** their overall seat capacity at BWI Marshall **year-over-year during each month of the Promotional Period**.
- An Incumbent Carrier starting a New Route with year-round service is eligible for a Promotional Period of **two years**.
- An Incumbent Carrier starting a New Route with Seasonal Service is eligible for a Promotional Period of **three years**.
- An Incumbent Carrier undertaking a Capacity Increase on a Pre-Existing Service is eligible for a Promotional Period of **one year**.
- During the Promotional Period for an Incumbent Carrier, BWI Marshall will **waive** the following airport fees that can be attributed to the New Service:
  - *Common-use hold room and jet bridge fees, if used*
  - *Landing fees*
  - *Applicable baggage claim fees*

# INFORMATION TO NOTE

- Only nonstop service is eligible to receive incentives within the Short-Haul Region. Direct, single-plane service may be considered in the Long-Haul Region.
- Airlines must agree to sign and abide by the standard agreement templates as approved by the Maryland Board of Public Works (BPW).
- Airlines must be registered to do business in the State of Maryland and in good standing to sign agreements with MAA.
- EAS routes are not eligible to receive incentives from BWI Marshall Airport.
- Airlines must still collect and remit Passenger Facility Charges (PFCs) from flights operated during the Promotional Period.



# MARKETING PROGRAM

MAA offers an airline marketing program during the Promotional Period. This program generally means that the airline will provide its own marketing collateral, the BWI Marshall logo will be added to the collateral, and MAA's advertising agency will help develop a media plan and place the ads under an existing contract between MAA and the agency. MAA, the airline, and the ad agency will work together to agree on the media plan. Marketing funds assume New Service that runs daily year-round. Marketing funds will be prorated for less frequent service.

# MARKETING PROGRAM

*The amounts below include ad placement and ad agency costs:*

## INTERNATIONAL AIR SERVICE MARKETING SUPPORT- NEW ROUTE YEAR-ROUND

Market	Maximum Marketing Funds	Year 1	Year 2
Canada, Caribbean, or Northern Latin America*	\$375,000	\$250,000	\$125,000
Africa, Asia, Europe, or Southern Latin America	\$750,000	\$500,000	\$250,000

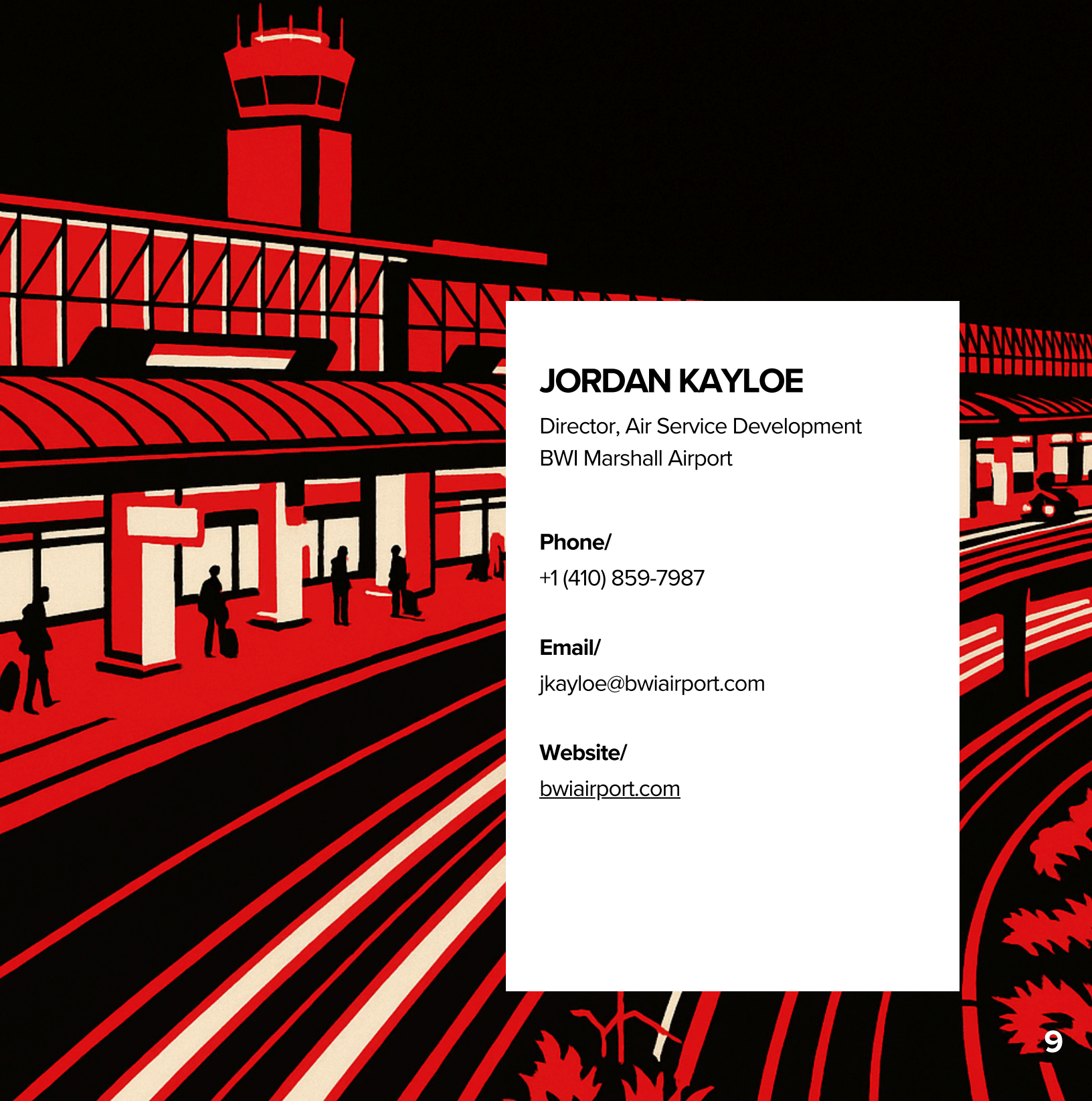
## DOMESTIC AIR SERVICE MARKETING SUPPORT-NEW ROUTE YEAR-ROUND

Market	Maximum Marketing Funds	Year 1	Year 2
Target Markets**	\$250,000	\$175,000	\$75,000
All Other Domestic Markets	\$200,000	\$125,000	\$75,000

\* Excludes U.S. Territories in the Caribbean, which are included with Domestic. Northern Latin America is from Mexico South to Ecuador, Colombia, Venezuela, Guyana, Suriname, and French Guiana. Southern Latin America is Peru, Brazil, and South.

\* List of target markets is available on the BWI Marshall website or upon request.

# CONTACT US



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