

LAX

**Los Angeles International Airport
AIRLINE SERVICE INCENTIVE PROGRAM**



INTRODUCTION

Los Angeles International Airport (LAX) is pleased to offer airlines the opportunity to apply for the LAX Airline Service Incentive program, **reducing landing fees and up to 100%**, and receiving up to **\$200,000 in matching marketing funds**.

The program was approved by the Los Angeles Board of Airport Commissioners (BOAC) to encourage air carriers to offer new direct service to key international destinations, offering substantial incentives to help them establish and grow new profitable routes for long-term operations.



Reduce landing fees by 100% in year one **and 50%** in year two for new service to priority markets



\$200,000 in matching marketing funds



Pool of **\$10 Million** in landing fee credits for returning service

We are creating the airport of the future through our \$15 billion modernization which, in combination with the AIRLINE SERVICE INCENTIVE PROGRAM, will make us an even more attractive market for airlines.

Justin Erbacci, Chief Executive Officer, LAWA

AIRLINE INCENTIVES

New Direct Service

	Consecutive Service (12 months consecutive)	Seasonal Service (At least 6 months consecutive; two seasons required)	Not to Exceed
Year 1	100% of landing fees	50% of landing fees for new international service	\$5 million per contract over the first two years in credits
Year 2	50% of landing fees for new international service	50% of landing fees for new international service	
Marketing/ Communications	Up to \$50,000 in non-matched marketing/communications Up to \$100,000 matching marketing fund over 2-year period	Up to \$50,000 in non-matched marketing/communications Up to \$100,000 matching marketing fund over 2-year period	

Resumed or Reinstated Service by Incumbent Airlines

	Re-instated International Service Incumbent Airline	Not to Exceed
Year 1	25% of landing fees with a 12-month ramp up to reach last service levels in 2019	\$10 million program cap distributed on first come first served basis
Marketing/ Communications	Up to \$50,000 in non-matched marketing/communications	\$50,000 in non-matched in year one

New Service to a Priority Market

1. New Service to a Priority Market

Available to new and current airlines at LAX that offer new nonstop international passenger service that is:

- Not currently served
- Has been unserved from LAX for at least 24 months before the start of the new service
- To a LAWA-designated priority country/region/market (*see next page*)

INCENTIVES:

1. **Reduce landing fees by 100%** in the service's first year and by 50% in its second year, through quarterly credits from LAWA for establishing new year-round service
2. **Reduce landing fees by 50% each year, for up to two years** for establishing new seasonal service (flights for six consecutive months for two years in a row)
3. **Receive \$50,000 in non-matched marketing funds** in year one, to promote these inaugural services
4. **Receive up to \$200,000 in matching marketing funds** over the first two-years to promote these inaugural services

2. Incumbent Airlines Returning Service

Available to airlines already serving LAX that reinstate previously-reduced international service offerings. LAX has created a pool of \$10 million in landing fee credits and marketing assistance available on a first-come, first-served basis.

INCENTIVES:

1. **Reduce landing fees by 25%** for the first year of reinstated, continuous service
2. **Receive up to \$50,000** in marketing funds to promote reinstated service at LAX and destination airports

LAX QUALIFYING INTERNATIONAL PRIORITY MARKETS AND DESTINATIONS*

Asia

- India
- Vietnam
- Indonesia
- Malaysia
- Secondary China markets



Europe

- Italy
- Oslo, Norway
- Stockholm, Sweden
- Vienna, Austria
- Barcelona, Spain
- Lisbon, Portugal
- Athens, Greece
- Scotland
- Budapest



Latin America

- Sao Paulo, Brazil
- Rio, Brazil
- Buenos Aires, Argentina
- Quito, Ecuador
- Cartagena, Columbia
- Caribbean (Puerto Rico and Jamaica)



Africa

Any destination



*The LAWA Chief Executive Officer can add, remove or change markets as new data becomes available

ELIGIBILITY CRITERIA

All airlines applying for the program must meet the following requirements:

1. New service must be international commercial flights scheduled and published for sale
2. Airline must operate nonstop to a priority market
3. Service must meet the following requirements:
 - a. Operate for a minimum of two years starting on any date during the effective dates of 5/1/2022-4/30/2024
 - b. Operate a minimum of twice weekly
 - c. Fly to a LAWA priority market



Eligibility for specific incentives:

1. During the first year of new year-round service to any international priority destination currently unserved from LAX, the qualifying carrier will receive a 100 percent landing fee abatement, provided the carrier operates a minimum of 12 consecutive months. The reduction will be in the form of credits offered each quarter
2. During the second year of year-round service, the qualifying carrier will receive a 50 percent landing fee reduction, provided the carrier operates a minimum of 12 consecutive months
3. During the first year of new seasonal service to any international priority destinations currently unserved from LAX, the qualifying carrier will receive a 50 percent landing fee abatement, provided a minimum six-month consecutive period is served in the first year of operation (e.g., April – September, March – October)
4. During the second year of seasonal international service, the qualifying carrier may apply for an additional incentive of 50 percent landing fee abatements, provided the returning service operates for a minimum of six consecutive months
5. Any secondary airports within the same priority destination will be deemed a new international route and will qualify for the incentive program. For the purposes of the program, examples of secondary airports include ParisOrly Airport (ORY), Gatwick Airport (LGW) and Viracopos International Airport (VCP)
6. Any additional frequencies added to the new passenger route following the start of service, and continuing for a 24-month period, will qualify for the incentive for a 12-month term effective upon the date the additional frequencies begin. For example, if a carrier launches service with a twice-weekly frequency, then adds any additional frequencies, the incremental flights would qualify for a full 12-month incentive from the date(s) of commencement, as long as the operations are within the effective dates of the program

An airline will not qualify for an incentive if:

- The airline (or its parent or subsidiary) switches service from a currently served market to a new priority market. An incumbent airline would qualify only if it continues to serve its current international destinations and adds service to a qualifying priority market
- The airline (or its parent or subsidiary) has canceled service to a primary or secondary airport at the priority destination during the program period or within 24 months of the program period

Delivery and Start Date of Incentives:

1. Landing fee waivers will be offered to a qualifying airline's landing fee account in the form of a credit to be used within the following 12-months
2. The LAX Airline Service Incentive Program will be in effect for 24 months with effective dates from May 1, 2022 through April 30, 2024. If, at any point in the two years, a qualifying carrier begins service, the program time begins at that date and runs through the next two years

HOW TO APPLY

Airlines that believe they meet the criteria of the program should send an official letter that:

- Outlines their expected service
- Explains their eligibility criteria
- Includes their destination city/airport, weekly frequency, type of aircraft and estimated start date

Airlines that are approved will need to sign the official agreement, which can be found at <https://www.lawa.org/IncentiveProgram>

For more information or to submit a request please contact:

LAXincentive@LAWA.org



About Los Angeles International Airport (LAX)



LAX, the fifth-busiest airport in the world in 2021 with 48 million passengers, is in the midst of a \$15-billion capital improvement program that will touch on all nine passenger terminals and build new facilities, including an Automated People Mover train, Consolidated Rent-A-Car facility and the West Gates at Tom Bradley International Terminal.

In 2019, LAX was the third-busiest airport in the world serving over 88 million passengers. That same year, LAX offered an average of 700 daily nonstop flights to 113 destinations in the US and 1,200 weekly nonstop flights to 91 markets in 46 countries on 72 commercial airlines.

