



**City and County of San Francisco  
Airport Commission**

**International  
Air Carrier  
Incentive Program**

Revised July 1, 2024

## Appendix B

### **International Air Carrier Incentive Program (ACIP) Objectives**

1. Stimulate the international aviation market at San Francisco International Airport.
2. Create an Air Carrier incentive program to implement round-trip scheduled passenger air service to new international airport destinations by existing air carriers and new entrant carriers by offering waivers of landing fees and any premiums associated with aircraft arriving from such destinations for an agreed-upon Promotional Period, upon satisfaction of the Criteria to Qualify set forth below (“**New Air Service**”).
3. Provide a net benefit to the aeronautical rate base at SFO by contributing to the continuing effort to lower the cost per operation for all Air Carriers operating at SFO.

The ACIP is fully endorsed by the Mayor’s Office and supported by the San Francisco Chamber of Commerce and the San Francisco Travel Association.

### **ACIP Programs and Criteria to Qualify**

An Air Carrier can qualify for a 100% waiver of landing fees and any premiums associated with New Air Service as described below (“**Landing Fees**”) for a determined amount of time (“**Promotional Period**”) based on the satisfaction of the criteria under one of the following programs:

- **New International Destination / By New Entrant or Incumbent Air Carrier – 12 Month Promotional Period**  
An incumbent or new entrant Air Carrier will qualify for a waiver of Landing Fees for a Promotional Period of 12 months from the commencement of New Air Service to a *previously unserved* nonstop international destination airport or a U.S. Territory airport, and operating such New Air Service for a minimum of 16 consecutive weeks during such 12 month period.
- **New International Destination / By New Entrant or Incumbent Air Carrier – 24 Month Promotional Period**  
An incumbent or new entrant Air Carrier will qualify for a waiver of Landing Fees for a Promotional Period of 24 months from the commencement of New Air Service to a *previously unserved* nonstop international destination airport or a U.S. Territory airport, and operating such New Air Service as follows: (i) during the first 12 month period of the Promotional Period, the New Air Service must be operated for a minimum of 16 consecutive weeks; and (ii) during the second 12 month period of the Promotional Period, the New Air Service must be operated for a number of consecutive weeks that is equal to or greater than the consecutive number of weeks of operation of such New Air Service during the first 12 month period.
- **Existing Destination / By New Entrant Air Carrier Only – 12 Month Promotional Period**  
A new entrant Air Carrier only will qualify for a waiver of Landing Fees for a Promotional Period of 12 months from the commencement of New Air Service to a currently served nonstop international destination airport, and operating such New Air Service for a minimum of 16 consecutive weeks during such 12 month period.

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The ACIP option and its associated Promotional Period will be selected by the Air Carrier at the time the ACIP Agreement is signed prior to launch of service. For all options, the Promotional Period will commence from the start date of the New Air Service. The Air Carrier must commit to operate the scheduled New Air Service for the entirety of the selected Promotional Period as set forth above.

### **Base Periods for New Destinations & New Air Carriers**

To count as a previously unserved international destination, the destination cannot have been served non-stop from SFO at any time during the Base Periods indicated below:

#### **New International Destination Airport**

To qualify as a previously unserved destination airport, no nonstop service shall have operated to SFO in the period **July 1, 2023, to June 30, 2024**.

#### **New Entrant Air Carrier**

To qualify as a New Entrant Air Carrier at SFO, no international nonstop service shall have been operated by that Air Carrier to/from SFO in the period **July 1, 2021, to June 30, 2024**, regardless of the international destination.

An Air Carrier is defined as a carrier certificated by the Secretary of Transportation as a Passenger Carrier under 49 U.S.C. § 41102, a Cargo Carrier under 49 U.S.C. § 41103, or a Foreign Air Carrier under 49 U.S.C. § 41301 to 41306 operating to or from the Airport. Air Carriers which are not able to sell their own seats for flights at the Airport are not eligible to be considered as New Entrant Air Carriers. However, the Air Carrier marketing seats operated by that Air Carrier would be eligible to be considered a New Entrant Air Carrier, provided that it meets the requirements of the paragraph above.

### **Additional Qualifying Criteria**

To be eligible for the ACIP, the nonstop international service must commence between **July 1, 2024, and June 30, 2025**. Each service must operate with a minimum of (1) round trip flight per week that is a regularly scheduled passenger service available for purchase by the general public through normal commercial channels (airline website, travel agencies, ticket aggregators, etc.). Any additional scheduled frequencies added to the new route by the same qualifying carrier during the Promotional Period will qualify for the waiver through the end of the Promotional Period. The New Air Service must operate using a formally filed schedule arriving and departing only between the hours of 06.00am and 11.30pm San Francisco local time.

In the event that multiple air carriers enroll in the International ACIP and announce intention to start New Air Service from the same new origination airport, only the carriers that commence such New Air Service within ninety (90) days of the date the first Air Carrier actually

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commenced and regularly operated the New Air Service from such a new destination airport will be enrolled in the International ACIP and qualify for the waiver or landing fees.

An Air Carrier that commences qualifying New Air Service but fails to maintain that service for the full agreed-upon Promotional Period will be required to pay any waived landing fees and any premiums extended under the Air Carrier Incentive Program.

### **Program Duration**

The ACIP for Fiscal Year 2024/2025 will be effective July 1, 2024, and applicable to New Air Service Routes started on/after July 1, 2024, through/including June 30, 2025. The Program may be extended in subsequent fiscal years as part of the Annual Airport Rates and Charges as approved by the Airport Commission, in its sole and absolute discretion, however, the terms and conditions applicable to participants in existing Programs will not change for the duration of the Promotional Period.

### **Application Process**

An Air Carrier that believes it has met the Criteria to Qualify for inclusion in the ACIP must complete an ACIP application. The application should be completed and submitted with the required supporting documentation electronically to:

[Melissa.Andretta@flysf.com](mailto:Melissa.Andretta@flysf.com)

Director Aviation Marketing & Development

Airport staff will review the application against the Criteria to Qualify and approve or reject the application. The Air Carrier will be advised in writing of the application review decision.

### **Agreement Documentation Process**

Once the application has been approved, Aviation Management staff will work with the Air Carrier to finalize the necessary Operating Permit(s) or Lease & Use Agreement (if the Air Carrier does not already have existing service to SFO), and the ACIP Agreement.

### **Air Traffic Reporting Process**

Air Carriers whose applications are approved will be required to submit supplemental traffic reports in addition to their required Monthly Air Traffic Activity Report (MATAR).

Further instructions on reporting requirements will be forwarded to Air Carriers with approved applications. All submittals will be subject to audit by the City and County of San Francisco in accordance with audit provisions in the applicable airline Lease or Operating Permit.

### **Limited Opportunities**

The Air Carrier Incentive Program is effective July 1, 2024, through June 30, 2025, and may be renewed only in the sole discretion of the Airport Commission. Any questions regarding the Air Carrier Incentive Program may be directed to:

[Kevin.Bumen@flysf.com](mailto:Kevin.Bumen@flysf.com)

Chief Financial & Commercial Officer