

**PORT OF BELLINGHAM**  
**AIR SERVICE INCENTIVE PROGRAM – Bellingham International Airport (BLI)**

January 1, 2021 - December 31, 2023

Pursuant to the Port of Bellingham (“Port”) Commission’s approval, this document establishes the terms and conditions of the Bellingham International Airport (“BLI” or Airport) Domestic Air Service Development Incentive Program (“Domestic Incentive Program”)<sup>1</sup> and International Air Service Development Incentive program (“International Incentive Program”)<sup>2</sup>, combined, as the “Air Service Incentive Program”.

- I. **Program Objective:** The Port’s Air Service Incentive Program purpose is to draw and retain commercial airline air service to domestic and international destinations to serve regional demand for air service and encourage the growth of revenue enplaning passengers at BLI. The program objective is accomplished by reducing the risk to airlines for initiating and marketing new air service, service on new routes, or increasing service to underserved markets that can support daily service.
  
- II. **Program Term:** The Air Service incentive program will be available from January 1, 2021 through December 31, 2023, to all airlines that meet the program requirements.
  
- III. **Application Requirement:** Airlines seeking to participate in the Incentive Programs, (“Applicant Airline”) must complete the Air Service Incentive Program Application Form within thirty (30) days of commencement of the qualifying air service. The Applicant Airline will be advised in writing by the Port within thirty (30) days of receipt of the Application if the Application has been approved for the requested incentives.
  
- IV. **Domestic Incentive Program Requirements:** To be eligible for the Domestic Incentive Program, the new air service proposed must be:
  - A. Underserved and unserved air service to short-haul, medium-haul or long-haul destinations within the United States that have not been served by the applicant airlines, within the last 12 months, or is currently being underserved at less than daily service (six or fewer flights per week) by an existing airline at BLI. The incentives are available to both incumbent and new entrant airlines.

<sup>1</sup>Domestic Incentive Program approved by the Port Commission on February 18, 2021

<sup>2</sup>International Incentive Program approved by the Port Commission on February 18, 2021

The Port may at its sole discretion and without consulting with airlines reduce or suspend the Air Service Incentive Program duration. Following this initial terms duration, the Port at its sole discretion may elect to continue offering this or another Air Service Incentive Program, subject to approval by the Port Commission.

- B. Regularly scheduled, seven (7) or more weekly (non-charter) service.
- C. The routing must be non-stop (not a “through” destination).
- D. Year-round or new seasonal service<sup>3</sup>. Marketing support for seasonal service is only eligible on a prorated basis for abatement of landing fees (LF) as an incentive.
- F. Frequency of seven (7) or more flights per week (said flights are not required to be to the same destination).
- G. If less than seven (7) flights per week, incentives to unserved markets shall qualify for all incentives. Underserved markets served by existing carriers will be limited to landing fees and RON waivers only<sup>4</sup>.

Provided that these eligibility criteria are met, the following fees will be waived or reduced:

Incentive	Duration	Description
Landing & Remain Over -Night (RON) Fees Waivers	24 Months for New Service to unserved markets	All unserved markets.
	24 months for an increased frequency to 7X daily to underserved markets	Waived for each additional market.
Terminal Common Use, Exclusive Office Space Rental <sup>5</sup> Charge Waivers	24 Months for New Service to unserved markets	Cumulative for each new or underserved market added during Program Period; if a new market is added during Program Period, then the corresponding period (24months) is added and, exclusive office space rent charges are waived. If any new destination is canceled, the waiver is rescinded accordingly.
	24 months for an increased frequency to 7X weekly to underserved markets	

<sup>3</sup> “Seasonal Service” shall mean any service that upon announcement: (a) is not operated on a published schedule pattern within every month of the year (January through December) and (b) is operated for more than 90 days but less than 365 days in one calendar year.

<sup>4</sup> For example, New Entrant Airline X applies to operate 2X per week between BLI and a new unserved market; Airline X would qualify for all incentives, if existing Airline Y applies to serve an underserved market 2X per week, Landing and if applicable RON fees waivers will be permitted for the two arriving flights only.

<sup>5</sup> Office Space Rental waiver available only to new airline entrants and only for new service to destinations not currently served or underserved by any other airline. Incentive is limited to a reasonable amount of office space in the Commercial Terminal, is vacant at the time of airline’s request. For an airline providing a minimum of seven (7) flights per week to any destination and up to three (3) daily domestic flights, “reasonable” is defined as (i) 500± square feet of office space, plus (ii) if airline operates a maintenance or flight crew base at the Airport, airline will be provided with an additional 400± square feet of office space. If airline operates more than three (3) daily domestic flights, additional space rental may be waived subject to the Board’s review and approval.

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**V. International Incentive Program Requirements:** To be eligible for the program, the new air service commenced must be:

- A. New air service to any international destination. The incentives are available to both incumbent and new entrant airlines.
- B. Regularly-scheduled (not charter) service.
- C. The proposed route must be non-stop; however, a “through” destination will be eligible for incentives if the final destination is otherwise unserved and technically unreachable on a non-stop basis. Incentives are also available for international routes requiring a technical stop en-route on a planned scheduled basis.
- D. Year-round or new seasonal service. Seasonal service is not eligible for incentives if the route was served by the Applicant Airline any time during the preceding two years.
- E. Frequency of one (1) or more flights per week (said flights are not required to be to the same international destination).

INTERNATIONAL INCENTIVES		
Incentive	Duration	Description
Landing & Remain Over Night (RON) Fees Waivers	24 Months for unserved markets	Waived for each new International Market.
	Additional 24 Months	Waived for each additional new or underserved Market.
Terminal Common Use, Exclusive Office Space Rental <sup>1</sup> Charge Waivers	24 Months for New Entrant Airline or each new unserved market	Waived for each new International destination. If International destination is canceled, waiver is rescinded.

**VI. Other Charges:** All other charges not specified in the domestic and international Incentive Programs (i.e., PFCs, ID badging, employee parking fees, etc.) are required to be paid by the participating Applicant Airline.

**VII. Minimum Revenue Guarantee (MRG):** An MRG will be considered on a case-by-case basis for targeted markets with daily direct service and will be negotiated on a case-by-case basis to a maximum of \$300,000 over the first two years of service. The MRG will cover revenue losses should demand drop below a negotiated revenue target.

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**VIII. Marketing and Advertising Incentives:** The Port will provide marketing and advertising incentives for new air service that meets the eligibility criteria.

The marketing and advertising funds shall be solely dedicated to supporting the qualifying new service and the Airport. The Airport must be featured, with prominence substantially similar to the participating airline, in the promotional materials. The marketing program design and implementation shall be completed in cooperation with and subject to the approval of the Director of Aviation.

Marketing and advertising funds are as follows:

- A. \$4 per departing seat in eligible markets, as noted by the above criteria, in the first 12-months of service and \$2 per departing seat in eligible markets, as noted by the above criteria, in the second 12-months of service.

**IX. Application Requirement:** Airlines seeking to participate in the Incentive Programs, ("Applicant Airline") must complete the Air Service Incentive Program Application Form within thirty (30) days of commencement of the qualifying air service. The Applicant Airline will be advised in writing by the Port within thirty (30) days of receipt of the Application if the Application has been approved for the requested incentives.

Submissions can be made electronically to [sunilh@portofbellingham.com](mailto:sunilh@portofbellingham.com) or express mailed to:

Sunil Harman A.A.E., IAP  
 Director of Aviation  
 Bellingham International Airport  
 4255 Mitchell Way, Suite#206  
 Bellingham, WA 98226

Any questions regarding the Air Service Incentive Program should be directed to the Port's Aviation Department at (360) 676-2500.

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APPLICATION FORM: PORT OF BELLINGHAM AIR SERVICE INCENTIVE PROGRAM

**Airline:**

**Address:**

**City/State/Zip:**

**Contact Person:**

**Name/Title:**

**Phone:**

**Fax:**

**Email:**

**Origin of Flight:**

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

*Airlines are required to report any changes of aircraft type and/or series at least 30 days in advance during the incentive period.*

**For Port of Bellingham Use**

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

Comments:

APPROVE:                       DENY:

Chief Executive Officer: \_\_\_\_\_

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