AIR SERVICE INCENTIVE PROGRAM

2025 - 2027

PHL

PHILADELPHIA INTERNATIONAL AIRPORT

The City of Philadelphia, through the Department of Aviation (the "City" or "DOA"), is the owner and operator of the Philadelphia International Airport ("PHL") and is pleased to offer the Air Service Incentive Program ("ASIP"), which complements the strategies and objectives of PHL's air service development efforts, while encouraging incumbent and new entrant air carriers at PHL to consider expansion and new market development. Furthermore, it aims to enhance connectivity, support economic growth, and provide greater travel options for passengers and cargo operators.

Program Term:

This ASIP is a three-year program with an effective date of July 1, 2025, and will replace and supersede any and all existing and previous air service incentive-related programs and benefits.

Airlines currently participating in a previous incentive program that predates the effective date of this ASIP and operates under an existing Air Service Incentive Agreement will be eligible to complete their existing incentive program benefits.

Funding the Program:

The City funds the ASIP through PHL's Discretionary Account (as defined in PHL's Rates and Charges Regulation, effective July 1, 2024) and with financial support provided by the Commonwealth of Pennsylvania Department of Community and Economic Development. Total incentive program funding is capped at $7 million annually. Individual air carriers may receive up to $4 million in total incentives annually under this ASIP. Incentives will be awarded on a first-come, first-served basis, until the available funding is exhausted. Only one incentive per destination will be awarded.

Public Notice and Transparency:

PHL is committed to transparency in the implementation of the ASIP. Effective notification of the availability and details of ASIP will be provided on its website. Information will encompass the execution date of the Air Service Incentive Agreement, airline, destination, incentive period, incentive amount (up to amount), marketing incentive amount (up to amount), and awarded incentive amount.

PHL will ensure that effective public notice of the ASIP has been accomplished on a quarterly basis based on a calendar year.

Program Participation Requirements:

To receive any incentive under this ASIP, the air carrier must comply with the following:

1. Complete and submit the Air Service Incentive application form;
2. Air carriers must be in good standing and have fully paid all outstanding amounts owed to the City and DOA;
3. Execute an Air Service Incentive Agreement with the City through the DOA; and
4. Commence and operate qualified air passenger or cargo flights continuously throughout the Air Service Incentive Agreement and a minimum of one year beyond the incentivized period. The route must provide a positive overall seat capacity to the target region to qualify for the incentives.

Eligible Services & Incentive Categories:

A. Passenger - New International Services

a. Unserved Year-Round Routes

- Applies to nonstop international destinations not currently served from PHL.
- Eligible for fee waivers and marketing support.
- Minimum service requirement: Year-round.

b. Unserved Seasonal Routes

- Applies to nonstop international destinations not currently served from PHL.
- Eligible for fee waivers and marketing support.
- Minimum service requirement: At least 16 qualifying flights during an IATA Summer or Winter season.

c. New Entrant Carrier

- Applies to new carriers to PHL that add nonstop service to Africa, Asia, Central America, South America, the Middle East, Oceania, Bermuda, Caribbean, Mexico, or Europe.
- Eligible for fee waivers and marketing support.

d. Expanded Service

- Applies to any carrier that extends seasonal service for at least 1 month, adds a significant number of seats (30%), or increases the number of departures (25%) without a reduction in seats, compared to previous year of operations.
- Only the expanded service is eligible for fee waivers.

B. Passenger - New U.S. and Canada Services

a. Unserved Routes

- Applies to nonstop U.S. and Canada destinations not currently served from PHL.
- Eligible for fee waivers and marketing support.

b. New Entrant Carrier

- Applies to new carriers to PHL that add nonstop service to U.S. or Canada.

C. Cargo – New U.S. & Canada Services

a. Unserved Routes

- Applies to any all-cargo carrier adding service to an unserved destination within the U.S. or to Canada.
- Eligible for landing fee credits.

b. New Entrant Carrier

- Applies to any new all-cargo carrier adding service to a destination within the U.S. or to Canada.
- Eligible for landing fee credits.

D. Cargo – New International Services

a. Unserved Routes

- Applies to any all-cargo carrier adding service to an unserved international destination (excluding Canada).
- Eligible for landing fee credits.

b. New Entrant Carrier

- Applies to any new all-cargo carrier adding service to an unserved international destination (excluding Canada).
- Eligible for landing fee credits.

E. Cargo – Increased Frequency on Cargo Services

- Any all-cargo carrier that increases total monthly landed weight by at least 5% or greater compared to the same month in the previous year.
- Eligible for 25% landing fee credit on additional landed weight.

Exclusions & Restrictions:

- Services that qualify for funding under the U.S. Essential Air Service Program are ineligible for any incentive under this ASIP.
- If an airline qualifies for multiple incentive categories, only the highest Operational Incentive will apply per applicable route; incentives are not cumulative. However, marketing incentives may be combined within the set program limits.
- An air carrier may only participate in one active incentive program per route at a time. Once the designated incentive period for that route expires, the air carrier may be eligible to apply for additional incentives, including those related to expanded or enhanced services.
- For the purpose of determining eligibility, affiliated airlines and predecessor and successor airlines in an airline merger or acquisition are treated as a single carrier.
- Air carrier must increase the service available from PHL. The DOA will not award a new entrant incentive to an air carrier assuming responsibility for existing service from a codeshare affiliate or joint venture partner.
- Incentives may not be transferred to or assigned to another carrier, except in the specific case where another airline acquires or merges with the original airline and assumes substantially all of its assets.
- Service may not be transferred from one airport to another within the same metropolitan area (within 100 miles).
- An air carrier that voluntarily suspends or terminates service prematurely, or violates the terms and conditions of the Air Service Incentive Agreement, will be required to repay any and all incentives received under this ASIP. However, an air carrier subject to one or more government travel restriction(s) that prohibit(s) its ability to operate at PHL will not be deemed to have voluntarily terminated or suspended service under this ASIP.
- If actual flight frequencies fall significantly below those stated in the application (greater than 25%), the carrier may be required to reimburse a prorated portion of any marketing funds received.
- No more than three (3) new services per carrier annually can qualify for incentives, except at the discretion of the Chief Executive Officer.

PHILADELPHIA INTERNATIONAL AIRPORT
PASSENGER AIR SERVICE AND INCENTIVE PROGRAM (ASIP) 2025 -2027

TYPE OF SERVICES

New International Service Incentives

TYPE OF ROUTES

Unserved Year-Round Routes

QUALIFIED SERVICES

Any passenger air carrier establishing scheduled, year-round, and nonstop service to an unserved international destination, as outlined under the Qualified Market Destination, is eligible for incentives.

The international destination must be an unserved market from PHL and not operated by the carrier, its affiliate or alliance partner, within the last 18 months.

If actual flight frequencies fall significantly below those stated in the application (greater than 25%), the carrier may be required to reimburse a prorated portion of any marketing funds received.

Air carriers that also qualify as International New Entrant Carriers are eligible to receive the combined marketing funds (B), but only the highest operational incentive (A) and the longest inclusion in PHL's Destination Marketing Efforts (C) may be applied.

For Canada markets, please see the New US & Canada Service Incentives table.

MARKET DESTINATIONS

LEVEL 1 MARKETS

For service to any international destination in Asia, Africa, Central America, South America, the Middle East, or Oceania, the air carrier is eligible for:

A. Operational Incentive[1]:

First 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $1,750,000 per route.

Second 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $1,750,000 per route.

B. Marketing Funds[1]:

Up to $500,000 per route.

C. Inclusion in PHL's Destination Marketing Efforts:

Featuring out-of-home advertising and public relations programs for up to 6 months.

LEVEL 2 MARKETS

For service to any international destination in the Caribbean, Europe, or Mexico, the air carrier is eligible for:

A. Operational Incentive[1]:

First 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $750,000 per route.

Second 12 months: A waiver of 50% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $375,000 per route.

B. Marketing Funds[1]:

Europe: Up to $150,000 per route.

Caribbean, Mexico: Up to $50,000 per route.

C. Inclusion in PHL's Destination Marketing Efforts:

Featuring out-of-home advertising and public relations programs for up to 6 months.

[1] Operational Incentives and Marketing Funds are based on daily service and will be reduced proportionately for service that is less than daily.

PHILADELPHIA INTERNATIONAL AIRPORT

PASSENGER AIR SERVICE AND INCENTIVE PROGRAM (ASIP) 2025 -2027

TYPE OF SERVICES

New International Service Incentives

TYPE OF ROUTES

Unserved Seasonal Routes

QUALIFIED SERVICES

Any passenger air carrier establishing scheduled, seasonal, and nonstop service to an unserved international destination, as outlined under the Qualified Market Destination, is eligible for incentives.

The international destination must be an unserved market from PHL and not operated by the carrier, its affiliate or alliance partner, within the last 18 months.

If actual flight frequencies fall significantly below those stated in the application (greater than 25%), the carrier may be required to reimburse a prorated portion of any marketing funds received.

Air carriers that also qualify as International New Entrant Carriers are eligible to receive the combined marketing funds (B), but only the highest operational incentive (A) and the longest inclusion in PHL's Destination Marketing Efforts (C) may be applied.

For Canada markets, please see the New US & Canada Service Incentives table.

MARKET DESTINATIONS

LEVEL 1 MARKETS

For service to any international destination in Asia, Africa, Central America, South America, the Middle East, or Oceania, the air carrier is eligible for:

A. Operational Incentive[2]:

First 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $500,000 per route.

Second 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $500,000 per route.

Third 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $500,000 per route.

B. Marketing Funds[2]:

Up to $500,000 per route.

C. Inclusion in PHL's Destination Marketing Efforts:

Featuring out-of-home advertising and public relations programs for up to 6 months.

LEVEL 2 MARKETS

For service to any international destination in the Caribbean, Europe, or Mexico, the air carrier is eligible for:

A. Operational Incentive[2]:

First 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $375,000 per route.

Second 12 months: A waiver of 50% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $150,000 per route.

Third 12 months: A waiver of 50% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $150,000 per route.

B. Marketing Funds[2]:

Europe: Up to $100,000 per route.

Caribbean, Mexico: Up to $50,000 per route.

C. Inclusion in PHL's Destination Marketing Efforts:

Featuring out-of-home advertising and public relations programs for up to 6 months.

[2] Fee Waivers and Marketing Funds are based on daily service for 6 months (defined as one IATA season) and will be reduced proportionately for service that is less than daily and/or less than 6 months.

PASSENGER AIR SERVICE AND INCENTIVE PROGRAM (ASIP) 2025 -2027

TYPE OF SERVICES

New International Service Incentives

TYPE OF ROUTES

New Entrant Carriers

QUALIFIED SERVICES

Any new passenger air carrier establishing scheduled, year-round or seasonal, and nonstop service to a Level 1 or Level 2 international destination.

Air carrier is eligible as a new entrant if it has not served PHL at any time for the last 24 months. The incentive for daily service will be reduced proportionately for service that is less than daily or seasonal.

If actual flight frequencies fall significantly below those stated in the application (greater than 25%), the carrier may be required to reimburse a prorated portion of any marketing funds received.

Air carriers that also qualify as Unserved Year-Round Routes or Unserved Seasonal Routes are eligible to receive the combined marketing funds (B), but only the highest operational incentive (A) and the longest inclusion in PHL's Destination Marketing Efforts (C) may be applied.

For Canada markets, please see the New US & Canada Service Incentives table.

MARKET DESTINATIONS

LEVEL 1 MARKETS

A new entrant air carrier with service to any international destination in Asia, Africa, Central America, South America, the Middle East, or Oceania is eligible for:

A. Operational Incentive:

First 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $1,000,000 per carrier.

B. Marketing Funds:

Up to $500,000 per route.

C. Inclusion in PHL's Destination Marketing Efforts:

Featuring out-of-home advertising and public relations programs for up to 6 months.

LEVEL 2 MARKETS

A new entrant air carrier with service to any international destination in the Caribbean, Europe, or Mexico, the air carrier is eligible for:

A. Operational Incentive:

First 12 months: A waiver of 100% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred, up to $1,000,000 per carrier.

B. Marketing Funds:

Europe: Up to $250,000 per carrier.

Caribbean or Mexico: Up to $100,000 per carrier.

C. Inclusion in PHL's Destination Marketing Efforts:

Featuring out-of-home advertising and public relations programs for up to 6 months.

TYPE OF SERVICES

New International Service Incentives

TYPE OF ROUTES

Expanded Service

QUALIFIED SERVICES

Any passenger air carrier expanding international seasonal service from PHL to a Level 1 or Level 2 international destination markets.

Expansion of service can be one or more of the following:

a. Extending a seasonal market for 1 or more months, without a reduction in seats

b. Significant increase in seats in the market (more than 30%)

c. Significant increase in departures in the market (more than 25%), without a reduction in seats

ALL INTERNATIONAL MARKET DESTINATIONS

For international service expansion of at least a month, the air carrier is eligible for the following incentives:

A. Operational Incentive:

Only for added/incremental service from the previous year:

A waiver of 50% of the landing fees, international common use enplaning and deplaning area fees, and FIS area fees incurred during the first eligible calendar year of the added service, up to $200,000 per route.

PHILADELPHIA INTERNATIONAL AIRPORT

PASSENGER AIR SERVICE AND INCENTIVE PROGRAM (ASIP) 2025 -2027

TYPE OF SERVICES

New U.S. & Canada Service Incentives

TYPE OF ROUTES

Unserved Routes

QUALIFIED SERVICES

Any passenger air carrier establishing scheduled, year-round or seasonal, and nonstop service to an unserved destination within the United States or to Canada.

The destination must be an unserved market from PHL and not operated by the carrier, its affiliate or alliance partner, within the last 18 months.

Air carriers that also qualify as New U.S. & Canada Entrant Carriers are eligible to receive the combined marketing funds and inclusion in PHL's marketing efforts (B & C), but only the highest operational incentive may be applied (A).

MARKET DESTINATIONS

For service to any destination in the continental United States, Alaska, Hawaii, Puerto Rico and the other U.S. territories, or Canada, the air carrier is eligible for the following incentives:

A. Operational Incentive[3]:

First 12 months: A 100% waiver of the landing fees incurred, up to $250,000 per route.

B. Marketing Funds[3]:

Up to $100,000 per carrier.

C. Inclusion in PHL's Destination Marketing Efforts: Featuring out-of-home advertising and public relations programs for up to 3 months.

TYPE OF ROUTES

New Entrant Carrier

QUALIFIED SERVICES

Any passenger air carrier that establishes scheduled, year-round or seasonal , nonstop service to any United States or Canadian destination.

Air carrier is eligible as a new entrant if it has not served PHL at any time for the last 24 months. The incentive for daily service will be reduced proportionately for service that is less than daily or seasonal.

Air carriers that also qualify as Unserved U.S. & Canada Routes are eligible to receive the combined marketing funds and inclusion in PHL's marketing efforts (B & C), but only the highest operational incentive may be applied (A).

MARKET DESTINATIONS

LEVEL 1 MARKETS

A new entrant air carrier establishing service to any other destination within the United States or to Canada is eligible for the following incentives:

A. Operational Incentive:

A 100% waiver of the landing fees incurred during the first 12 months of service, up to $400,000 per carrier.

B. Marketing Funds:

Up to $100,000 per carrier.

C. Inclusion in PHL's Destination Marketing Efforts:

Featuring out-of-home advertising and public relations programs for up to 3 months.

LEVEL 2 MARKETS

A new entrant air carrier establishing REGIONAL[4] service within the United States or to Canada is eligible for the following incentives:

A. Operational Incentive:

A 100% waiver of the landing fees incurred during the first 6 months of service, up to $150,000 per carrier.

B. Marketing Funds:

Up to $50,000 per carrier.

C. Inclusion in PHL's Destination Marketing Efforts:

Featuring out-of-home advertising and public relations programs for up to 3 months.

[3] Fee Waivers and Marketing Funds are based on daily year-round service and will be reduced proportionately for service that is less than daily and/or seasonal.

[4] Regional service is defined as service to a destination in any of the following states and provinces: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ontario, Pennsylvania, Quebec, Rhode Island, Vermont, and Virginia.

CARGO AIR SERVICE AND INCENTIVE PROGRAM (ASIP) 2025 -2027

TYPE OF SERVICES

New US & Canada Cargo Services

TYPE OF ROUTES

Unserved Routes

Cargo air carrier establishing scheduled, seasonal, year-round, or weekly, and nonstop service to a destination not served from PHL within the last 12 months, as outlined.

MARKET DEFINITION

For service to an unserved United States or Canada route for a period of at least 6 months, the air carrier is eligible for a 100% waiver of the landing fees incurred during the first 6 months of service, up to $250,000 per route. The waiver will be applied as a credit of fees payable by the carrier in the second year of service.

TYPE OF ROUTES

New Entrant Carrier

Cargo air carrier that has not operated from PHL in the last 12 months that establishes scheduled, seasonal or year-round, and nonstop service to any destination.

MARKET DEFINITION

A new entrant carrier is eligible for a 100% waiver of the landing fees incurred during the first 12 months of service, up to $1,000,000 per carrier. The waiver will be applied as a credit of fees payable by the carrier in the second year of service.

TYPE OF SERVICES

New International Cargo Services

TYPE OF ROUTES

Unserved Routes

Cargo air carrier establishing scheduled, year-round or weekly, and nonstop service to a destination not served from PHL within the last 12 months, as outlined below.

MARKET DEFINITION

For service to an unserved international route for a period of at least 12 months, the air carrier is eligible for a 100% waiver of the landing fees incurred during the first 12 months of service, up to $750,000 per route. The waiver will be applied as a credit of fees payable by the carrier in the second year of service.

TYPE OF ROUTES

New Entrant Carrier

Cargo air carrier that has not operated from PHL within the last 12 months that establishes scheduled, year-round, and nonstop service to any destination.

MARKET DEFINITION

A new entrant carrier is eligible for a 100% waiver of the landing fees incurred during the first 12 months of service, up to $1,000,000 per carrier. The waiver will be applied as a credit of fees payable by the carrier in the second year of service.

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CARGO AIR SERVICE AND INCENTIVE PROGRAM (ASIP) 2025 -2027

TYPE OF SERVICES

Increased Frequency on Cargo Services

Cargo carrier that increases total monthly landed weight by at least 5% or greater compared to the same month in the previous year.

MARKET DEFINITION

Air carrier is eligible for a 25% waiver of the landing fees incurred on the additional landed weight for a cumulative period not to exceed 3 months of service, up to $300,000 per carrier.

INCENTIVE COMPLIANCE

Incentive Agreement:

- All conditions for receiving incentives will be documented in a written Air Service Incentive Agreement between the City and the qualifying air carrier.
- Incentive Agreements must be signed prior to the initiation of the new service. Air carriers failing to sign or execute the Air Service Incentive Agreement before the scheduled inaugural flight will forgo all incentives offered.
- The Air Service Incentive Agreement will be subordinate to the terms of the DOA's grant agreements within the United States.

Reporting Changes:

- Report any changes to the number of frequencies, aircraft type, and series at least 30 days in advance.

First-to-Apply Policy:

- In instances where more than one airline begins service to a destination eligible for an incentive, only the first airline to apply for the incentive will be eligible to receive it for the entire applicable promotional period. If multiple airlines apply simultaneously, the airline with the earliest application date will be considered the eligible applicant.

Termination:

- The DOA reserves the right to terminate the incentive benefits if an air carrier is in arrears with rates, charges, and other fees due to the City and DOA after giving notice and no less than 30 days to pay the arrearage or cure the failure to comply.
- PHL reserves the right to terminate this program at any time and for any reason, at its sole discretion, by posting notice of such termination on its website, and the termination shall be effective as of the date it is posted. Termination of this program will not affect any incentives to be provided under an existing Air Service Incentive Agreement that is executed and effective prior to the termination date, provided that both PHL and any air carrier comply with all applicable laws, rules, and regulations with respect to this ASIP. If PHL, FAA, or any other authority competent jurisdiction determines that this ASIP is not in compliance with any applicable law, PHL reserves the right to suspend, modify, or terminate this ASIP and any incentives owed under the executed Air Service Incentive Agreement without further liabilities or obligations to any air carriers.

Application Process:

The air carrier should apply for the ASIP at least 90 calendar days, but no later than 30 days, prior to starting the new service, by submitting a signed copy of the attached application form to:

Nicole Maddox
Assistant Director of Air Service Development and Cargo Services

Global@phl.org

Philadelphia International Airport
Executive Offices
2 International Plaza, Suite 400
Philadelphia, PA 19113

CITY OF PHILADELPHIA DEPARTMENT OF AVIATION

AIR SERVICE INCENTIVE PROGRAM APPLICATION FORM

AIR CARRIER

TELEPHONE **EMAIL**

CONTACT PERSON

TITLE **TELEPHONE**

ADDRESS **CITY**

STATE **ZIP** **COUNTRY**

PROPOSED ROUTE(S)

CHECK ALL THAT APPLY

Incentive Program: ☐ **INTERNATIONAL** ☐ **DOMESTIC** ☐ **CARGO**

New Carrier: ☐ **YES** ☐ **NO**

Flight Service Period: ☐ **YEAR-ROUND** ☐ **SEASONAL**

Route Service Category: ☐ **UNSERVED DESTINATION** ☐ **EXPANDED SERVICE**

PROVIDE ROUTE DETAILS BELOW. FOR AIR CARRIERS APPLYING FOR INCENTIVES FOR MULTIPLE ROUTES AT THE SAME TIME, ATTACH ADDITIONAL PAGES WITH REQUIRED ROUTE DETAILS.

SERVICE START DATE	AIRCRAFT TYPE AND SERIES	AIRCRAFT SEATING CAPACITY	DAYS/TIMES OF OPERATION	ANNUAL FREQUENCIES

NOTES

AIR CARRIERS ARE REQUIRED TO REPORT ANY SIGNIFICANT CHANGES OF AIRCRAFT TYPE AND/OR SERIES AT LEAST 30 DAYS IN ADVANCE DURING THE OPERATION OF THIS ASIP PROGRAM.

FOR DEPARTMENT OF AVIATION USE ONLY

EVALUATED BY: **TITLE** **DATE**

APPROVED: ☐ **YES** ☐ **NO** **COMMENTS**

SIGNED BY CHIEF EXECUTIVE OFFICER: **NAME** **DATE**