

Short-Haul Operations Route Support Scheme (RSS)

Valid from January 1st 2013

1: Introduction:

The Shannon Airport Authority is committed to encouraging airlines to operate new routes to/from Shannon Airport and to promote the continued development of Shannon Airport's route network. It is Shannon Airport's intention to sustain and expand the range of routes available for customers and we recognise that a priority for customers choosing to travel to and from Shannon is efficient and convenient access to global air services. As a commercial company, we wish to encourage the development of services which meet our customers' requirements, and in this regard we will support the commencement of new routes and the expansion and growth of existing services at the West of Ireland gateway.

This Short Haul Incentive scheme aims to assist the participating airline operator to commence and establish a new and sustainable route which is not already operated by any other airline from Shannon Airport. In accordance with the Scheme, Shannon Airport provides support in the form of discounted airport charges for certain services on the routes which fall within the scope of the Scheme. The discount is applied as a per passenger charge for the limited duration of five years. Shannon Airport believes that there is strong potential to add more short-haul operations onto the Shannon network across Europe. Note that the definition of a short-haul route for the purposes of this scheme is one that is less than or equal to 2,500 Nautical Miles from Shannon Airport.

2: Scheme Outline

An airline that initiates a new route, in accordance with the scheme criteria, may benefit from discounts on qualifying airport charges at Shannon Airport. These qualifying airport charges (APCs) are passenger service, security, parking, airbridge and runway movement charges.

Airport charges do not include additional charges which may be introduced by Shannon Airport to comply with new or amended national or European legislation, charges introduced by the Commission for Aviation Regulation, or charges relating to separate services offered by Shannon Airport, for example; Passengers with Reduced Mobility, Self Service Kiosk Charge, Check-in Desk Rental Charges, Customs and Border Protection or any environmental-related charge.

We have introduced two levels of incentives to encourage the development of both year round and seasonal services. The incentive is based on a single per passenger charge for the five year duration after which all airport charges will be charged at the standard rates current at the time of operation, as published by Shannon Airport. The components of this scheme are set out below.

3: Levels of Route Support

a) Discounts on Year Round Services

In lieu of the individual standard airport charges, approved routes operating on a **year round basis**, will be offered the following per passenger all-inclusive* airport charge at Shannon Airport over a five year period:

Year	All - inclusive charge per passenger
1	€1
2	€1.50
3	€2
4	€2
5	€2

b) Discounts on Seasonal Services

Approved routes operating on a seasonal basis, are afforded the following per passenger all-inclusive* airport charge at Shannon Airport over a five year period: The start and end date of the respective summer and winter seasons are determined in accordance with the International Air Transport Association (“IATA”) scheduling systems.

Year	All - inclusive charge per passenger for Seasonal Services
1	€2
2	€2
3	€3
4	€3
5	€3

The Scheme shall operate for the duration of five years, commencing on the date of the airline’s first flight on the New Route.

**The all-inclusive charge includes runway movement charge, passenger service charge, airport security charge, airbridge and parking charges to the limited criteria as set out in 5(j) below.*

4: New Route Incentive Criteria:

Subject to approval, a route may qualify as a ‘New Route’ under this scheme if it meets the following criteria:

- a) The New route is a short-haul route which originates or terminates at an airport which is less than or equal to 2,500 nautical miles from Shannon Airport.
- b) The proposed route commences operations on or after January 1st 2013.
- c) The minimum frequency requirement is return services on two days per week on a year-round or seasonal basis.
- d) The proposed route is one that will increase the network coverage and traffic base at Shannon Airport. This means that the route must give access to a market not adequately served directly, is expected to increase the overall number of passengers using the airport and is of commercial benefit to Shannon.

- e) In instances where an airline operator re-enters a route previously abandoned by the same operator for reasons contrary to the objectives of the Scheme, the route will not be considered a new route.
- f) The proposed route is a non-stop service from Shannon Airport. Services operating with a commercial transit stop at an airport already served from Shannon Airport may, in certain circumstances, be awarded a discount on Qualifying Charges under the Scheme.
- g) Seasonal routes must operate for the full IATA season. However, Shannon Airport reserves the right to approve a route that operates for a substantial element of an IATA season. Such routes may be considered and approved where the airport authority considers that the route provides a significant commercial benefit to Shannon Airport.
- h) Where traffic on a New Route is generated by reducing capacity on other routes with no obvious net economic benefit to the airport, approval will not be granted under the Scheme. This means that any new services which involve switching capacity from one service to another will not generally qualify for support under the Scheme.
- i) The schedule timings proposed and operated have been reviewed and approved by the airport authority.
- j) The airline has the requisite traffic rights to fly the proposed route/schedule.
- k) Where the airport authority believes that in light of all relevant criteria, the New Route shall not provide any significant commercial benefit, it reserves the right to refuse to approve a New Route under the Scheme. Shannon Airport's decision on these matters is final.

5: Application & Operation of the Scheme

Application Procedure

- a) Airlines must lodge written proposals in the Shannon Airport standard format (attached as Appendix 1) at least 1 month before the Start Date.
- b) Applications will not be accepted before 6 calendar months prior to the Start Date of the New Route. Applications sent in advance of the 6 calendar months will be considered only as expressions of interest, and will not confer any qualifying rights on the operator.
- c) If two or more airlines make an application within the same time frame in relation to the same route, approval will be given to the airline operator with the earliest Start Date, where the route proposals are similar in terms of capacity and frequency proposed.
- d) If two or more airlines make an application within the same time frame in relation to the same route with the same Start Date, approval will be given to the operator whose application was received first, where the route proposals are similar in terms of capacity and frequency proposed.

Approval Letter

- e) An airline whose proposal has been accepted by Shannon Airport under the terms of this scheme will receive a Route Support Approval letter from the Managing Director to this effect. This letter constitutes an acceptance by Shannon Airport of the route proposal, subject to the airline operating in full accordance with its route proposal to Shannon Airport. No operator may be considered to be approved for support under the Scheme until it has received such an Approval Letter.
- f) Once the Approval Letter has been issued in respect of a particular route, no other airline will be eligible to receive support under the terms of the Scheme for the route concerned as long as the approved airline is compliant with the terms and conditions of the Scheme.
- g) If an airline, which has received an Approval Letter, fails to commence operations on the Start Date as set out in the Approval Letter, such approval shall automatically expire and be invalid unless Shannon Airport otherwise consents in writing.

Payment of Discount

- h) The discount on Qualifying Airport Charges for the Approved Route is set off against the customers account. In this regard the operator is levied at the discounted rate.
- i) The approved New Route will be afforded discounted charges for the duration of its participation in the Scheme.

Application of Discount

- j) For the purposes of this scheme, discounted airport parking charges and discounted airbridge charges will mean a discount on parking and airbridge related to the departure movement on the qualifying route for a maximum period of 1.5 hours.
- k) Airbridge charges will be applied for all airbridge-compatible aircraft occupying an airbridge-served stand whether or not the airbridge is used. The billed period for airbridge charging purposes will be the same as that used for aircraft parking charges i.e. it applies from the Actual Time of Arrival (landed time) to the Actual Time of Departure (airborne time) minus 15 minutes as recorded in the Shannon Airport Operations System databases.
- l) Note that where aircraft parking period occurs fully or partly during the charge-free period defined as “night-time” in the Airport Charges at Shannon Airport Terms and Conditions, no further discounts on aircraft parking or airbridge will be given.
- m) For qualifying services, operation to/from a contact stand will be at the discretion of the airport authority, and availability of a contact stand cannot be assumed.
- n) If an airline alters its ticketed and/or operated scheduled timings, Shannon Airport must be notified. Approval may be withdrawn if the operator does not operate to the scheduled timings as approved by the slot coordinator and as notified by the operator in its original route support request.

6: Seasonality of services

- a) Where an approved New Route, which was being operated on a seasonal basis, is extended to operate on an annual basis the level of support shall be altered accordingly whereby discounts will be afforded annually. Where an annual route is reduced to operate on a seasonal basis, Shannon Airport reserves the right to offer the discount on the basis of a seasonal route in accordance with the terms of the Scheme. It is the responsibility of the airline operator to inform Shannon Airport of any such change.
- b) Where an airline operator fails to provide services on a seasonal route for a particular season its participation in the Scheme shall be deemed to have come to an end. Benefits under the Scheme will not apply to services provided on that route in future seasons.
- c) Qualifying seasonal operations will not receive support under the Scheme for the period during which services are not provided.

7: Specific Conditions

- a) In extraordinary circumstances if an airline receiving support is unable to comply with the terms and conditions of the Scheme, Shannon Airport may, if it considers the route to be of significant economic or strategic importance, allow the operator to continue to participate in the Scheme. In this instance, the route support will be deferred for such a time as it considers, at its sole discretion, necessary to ensure the continued viability of the route. The maximum period of deferral of support shall be 6 months from the last date on which the airline complied with the terms and conditions of the scheme. During the period of deferral the airline will be obliged to pay full airport charges. If the route support is reinstated the airline will receive the level of support that would have applied had it not been suspended.
- b) The airport authority may approve transferring the remaining portion of the Scheme from one route to another, on one occasion, during the duration of the five years and only if the airport authority decides that it is an appropriate commercial decision in the interests of the route network at Shannon Airport.
- c) If an airline reduces its operations on the route below the minimum requirement specified in 4 (c), approval under this scheme will be withdrawn immediately.
- d) The Scheme will apply or continue to apply only as long as an airline is fully compliant with the published Shannon Airport Terms and Conditions (available on the airport charges page at shannonairport.ie), and specifically with respect to:
 - The payment of invoices for all airport charges and any other fees and services provided by the company to the airline, including adhering to credit terms in respect of all Shannon Airport invoices, unless the company, in its absolute discretion, shall otherwise determine.
 - The provision of information, whereby the airline is required to provide Shannon Airport with passenger, cargo and aircraft related information as outlined in the published Shannon Airport terms and conditions, sections 4.16 to 4.34 inclusive.
- e) Shannon Airport reserves the right to amend the terms of the Scheme at any time including the criteria for eligibility to participate in the Scheme. If Shannon Airport makes an amendment, it shall publish the amended scheme on its website located at www.Shannonairport.ie. It is the airline operator's responsibility to keep informed of such updates. All changes to the document will be detailed in Appendix 3 "Register of Revisions."

Marketing Support Short-Haul Operations

Valid from January 1st 2013

1. Introduction:

The Shannon Airport Marketing Support Scheme for short haul routes aims to assist operators in establishing their presence in new markets. The objective of the Marketing Support is to assist operators with marketing and promotional activities aimed at promoting new destinations and capacity.

2. Scheme Outline:

Shannon Airport may make marketing support available for the introduction of new direct services and additional new capacity from Shannon Airport. Such routes must meet certain criteria, as set out in this document, namely that the route which the airline is seeking support for:

- Has not been serviced within the past 12 months by any operator;
- Is consistent with Shannon Airport's Route Development Strategy and
- Meets certain criteria required under the Marketing Scheme.

The New Route/Capacity may be assessed for approval in accordance with the Marketing Support Review Matrix (Appendix 2) to determine the potential level of marketing support. Based on this review, one of three levels of support may be available to the airline. The thresholds are outlined in the following table:

Bands	Year 1	Year 2
1	Up to €35,000	
2	Up to €50,000	Up to €30,000
3	Up to €100,000	€50,000 and over

Note that all applications for marketing support will be reviewed in the context of the total marketing support budget at Shannon Airport.

3. Other Conditions

- a) Applications for marketing support will only be accepted if the proposal is set out on the standard application form (attached as Appendix 1) one calendar month before the Start Date of the service.
- b) Applications will not be accepted before 6 calendar months prior to the Start Date of the New Route/Capacity.
- c) Continuing support under the Marketing Scheme is contingent on the operator cooperating fully with Shannon Airport's slot coordinator.
- d) Where an airline operator's route proposal does not meet the criteria listed in the marketing matrix (Appendix 2). Shannon Airport reserves the right to refuse to approve the route under the Marketing Scheme. The airport authority's decision on these matters is final.
- e) Shannon Airport reserves the right to amend the terms of the Marketing Scheme at any time including the criteria for eligibility to participate in the Scheme. If Shannon Airport makes any amendment, it shall publish the amended scheme on its website shannonairport.ie.

4. Notes:

- a) Marketing support cannot be netted by the operator against amounts owed to Shannon Airport.
- b) One-stop routes may, in certain circumstances, qualify for marketing support. Shannon Airport will determine the amount and duration of any such support on a case-by-case basis.
- c) Shannon Airport may provide marketing support for route development and other promotional activities. The airport authority will determine the amount and duration of any such support on a case-by-case basis.

Appendix 1:

Application for Route & Marketing Support Scheme
Short Haul Operations

Route Support Scheme - Short Haul		
Operator Name		
Billing Address		
Route Name		
Destination Airport Code	ICAO Designator	IATA Designator
Frequency of Operation Flights per week	Year Round	Seasonal
Aircraft Details	Aircraft Type	Aircraft Capacity
Start Date		
Scheduled Timings*	Scheduled Time(s) of Arrival at Shannon	Scheduled Time(s) of Departure from Shannon
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		
Sunday		
Contact name		
Email Address		
Date		

*Any changes of times to be notified to Shannon Airport

All applications for route and marketing support can be submitted to ABD@shannonairport.ie

Appendix 2: - Marketing Support Review Matrix - Short-Haul

The matrix below will be applied by Shannon Airport to determine whether the New Route/Capacity falls within the scope of the Marketing Scheme and if so, what band of marketing is available to the operator.

Route Support Scheme - Short Haul Marketing Support Review Matrix		
Weighting	Criteria	Detail
1	Network Development Potential	New Market
		Key Developing Market
		Existing Market
2	Route Detail	EU
		Non-EU
3	Capacity Origin	New capacity
		Redeployed from another route
4	Country Served or Not Served	New Country
		Country already served
	Commercial Potential (e.g. Duty paid, Duty Free, lounges used, Shop & Collect etc)*	High
		Medium
		Low
	Aircraft Seating Capacity	>150 seats
		101-149
		50-100
		0-49
	Tourism Potential (e.g. Proportion of foreign originating passengers, strong tourism links)*	High
		Medium
		Low
	Seasonality	Year Round
Seasonal		
5	New or Existing Route	New Route
		Existing Route
6	Operator Commitment to Shannon (Aircraft base, office space, staff employed)*	High
		Medium
		Low
		Predatory Route entry

* This list is simply indicative and therefore is not exhaustive

Appendix 3: - Register of Revisions

Please find below the complete list of revisions since the introduction of the scheme on 1st January 2013.

Date	Section (Page Number)	Comment
01/07/2013	Section 4 Incentive Criteria	updated