

Long-Haul Operations Route Support Scheme (“RSS”)

Valid from 1st January 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.

The Long 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 percentage reduction on relevant charges for the limited duration of five years. The Scheme relates to long haul flights which are defined as routes which are greater than 2,500 nautical miles from Shannon Airport and/or is a transatlantic route. The components of the Scheme are set out below.

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.

3: Level of Route Support

Approved routes operating on a year round or seasonal basis, are afforded the following discounts: for Year 1 to Year 5 of the Scheme:

Year	Discount on Qualifying Charges for approved long-haul year-round routes
1	100% for the first 12 months
2	90% for the subsequent 12 months
3	75% for the subsequent 12 months
4	50% for the subsequent 12 months
5	25% for the subsequent 12 months

The Scheme shall operate for the duration of five years, commencing on the date of the airline's first flight on the New Route and ending on the expiry of five years from the Start Date. After the five year duration all airport charges will be charged at the standard rates current at the time of operation, as published by Shannon Airport.

4: New Route Incentive Criteria:

Subject to Shannon Airport's approval, a New Route may qualify as a route under the Scheme if it meets the following criteria:

- a) The New route is a long-haul route which operates from Shannon airport i.e. it originates or terminates at an airport which is greater than 2,500 nautical miles from Shannon and/or is a transatlantic route.
- b) The new route commences on or after 1st January 2013.
- c) The minimum frequency requirement is two return services per week per year or per season as the case may be.
- d) The proposed route is one that increases the network coverage and traffic bases 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 a route that has a commercial benefit to Shannon Airport.
- 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 promoted by the relevant airline as a new destination i.e. a route which has not previously been served from Shannon Airport by any airline.
- g) 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.
- 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 operator is in possession of the requisite traffic rights to fly the proposed route.
- k) Where Shannon Airport believes that in light of all relevant criteria the New Route shall not provide any significant commercial benefit to Shannon Airport, Shannon Airport 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-up date, and no earlier than 6 months in advance of commencement.
- 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 operators make an application within the same time frame in relation to the same route, approval will be given to the operator with the earliest Start Date, where the route proposals are similar in terms of capacity and frequency proposed.
- d) If two or more operators 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 the 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 airline 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 such route 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 Charges for an 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 the 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 3 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) Where aircraft parking period occurs fully or partly during the charge-free period defined as “night-time” in the Terms & 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 Shannon Airport, and therefore 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 airline does not operate to the scheduled timings as approved by the slot coordinator and as notified by the airline in its original route support request.

6: Seasonality of Services

- a) Where an airline 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.
- b) Qualifying seasonal operations will not receive support under the Scheme for the period during which services are not provided.

7: Specific Conditions

- a) If due to unforeseen and extraordinary circumstances an operator receiving support under the Scheme is unable to comply with the terms and conditions of the Scheme, Shannon Airport may, if it considers that the approved New Route is of significant economic or strategic importance to Shannon Airport, allow the operator to continue to participate in the Scheme but defer the route support for such a time as it considers, at its sole discretion, necessary to ensure the continued viability of such route. The maximum period of deferral of support shall be 6 months from the last date of that 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 an airline will receive the level of support that would have applied had it not been suspended.
- b) Shannon Airport may approve transferring the remaining portion of the route support scheme from one route to another on one occasion during the duration of the five years and only if the Shannon Airport 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 the airline is fully compliant with the published Shannon Airport Terms and Conditions (available on the airport charges page of shannonairport.ie), and specifically with respect to:
 - The payment of invoices for all airport charges and any other fees and services provided by Shannon Airport to the operator, including adhering to credit terms in respect of all Shannon Airport invoices, unless Shannon Airport, 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 Airport Charges at Shannon Airport Terms and Conditions, sections 4.14 to 4.32 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 shannonairport.ie. It is the 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 Long-Haul Operations

Valid from 1st January 2013

1: Introduction

The Shannon Airport Marketing Support Scheme for long haul routes aims to assist airline 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 (the “New Route/Capacity”):

- 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 €150,000	Up to €50,000
2	Up to €200,000	Up to €75,000
3	€200,000 and over	€75,000 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) The New Route/Capacity must be greater than 2,500 nautical miles from Shannon Airport and/or is a transatlantic route.
- b) 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.
- c) Applications will not be accepted before 6 calendar months prior to the Start Date of the New Route/Capacity.
- d) Continuing support under the Marketing Scheme is contingent on the operator cooperating fully with Shannon Airport’s slot coordinator.
- e) Where an 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. Shannon Airport’s decision on these matters is final.
- f) Shannon Airport reserves the right to amend the terms of the Marketing Scheme at any time including in relation to 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. Shannon Airport will determine the amount and duration of any such support on a case-by-case basis

Appendix 1:-

Application for Route & Marketing Support Scheme
Long Haul Operations

Route Support Scheme - Long Haul			
Operator Name			
Billing Address			
Route Name			
Start Date			
Destination Airport Code	ICAO Designator	IATA Designator	
Frequency of Operation Flights per week	Year Round	Seasonal	
Aircraft Details	Aircraft Type	Aircraft Capacity	
US Preclearance Required	Yes		No
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 - Long-Haul

The below matrix 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 support is available to the operator.

Route Support Scheme – Long Haul Marketing Support Review Matrix Shannon Airport		
Weighting	Criteria	Detail
1	Network Development Potential	New Market
		Key Developing Market
		Existing Market
2	Capacity Origin	New capacity
		Capacity redeployment from another route
3	Country Served or Not Served	Country not already served
		Country already Served
	Commercial Potential (e.g. Duty-paid, duty free, lounges etc)*	High
		Medium
		Low
	Aircraft Capacity	>250 seats
		< 250 seats
	Tourism Potential (e.g. Proportion of foreign originating passengers, strong tourism links etc)*	High
		Medium
Low		
Seasonality	Year Round	
	Seasonal	
4	New or Existing Route	New Route
		Existing Route
5	Operator Commitment to Shannon Airport (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)	Please identify if the revision represents the introduction of new text or is a revision to the previous text