



Abruzzo Airport

Commercial Policy Development Routes





Abruzzo Airport's main objective is to stimulate the development of air traffic by encouraging carriers to operate new routes and upgrade existing ones, in order to promote the economic growth of Abruzzo Region and its airport.

SAGA, in order to achieve these objectives, has formulated the present Incentive Policy starting from IATA season Summer 2016, which is intended to support those airlines that will initiate, grow or anyway carry beneficial effect to the airport's traffic volume. The Policy contains clear priority objectives and transparent criteria for selecting air services complying with the principle of a market economic operator (MEO) as specified in the European Commission guidelines on State aid to airports and airlines (Law European Commission N. 2014/93 c /03) and the Guidelines Of the Italian Ministry of Infrastructure and Transport.

SAGA will prepare for each proposal a detailed financial evaluation and will support those programs that lead to an increase in profits for the airport.



By implementing the Incentive Policy, SAGA aims to achieve the following benefits:

- Development of new international routes;
- Increase of existing international routes (in terms seats offered and / or frequency);
- Improvement of the overall connectivity of the airport through specific traffic agreements;
- Reduction of seasonality by enhancing off - peak traffic flows;
- Investment on incoming passenger traffic volumes marketed by tour operators;



The amount of incentive will be set proportionally to the number of passengers (departing passengers paying with distinction between adult and children).

The extent of that will depend upon:

- Profit improvement for the airport;
- Traffic volume;
- Strategic value of the route;
- Period of operation (seasonal/full year)
- Time of operation (peak/off-peak)
- Type of destination (EU / non EU)
- The number of frequencies operated;
- Carrier ranking.

The agreements will vary from a minimum of one year to a maximum of 5 years based upon the strategic assessment of the operation; in case of multi-year duration the incentive will decrease over time.

Proposals may be submitted either by individual airlines or from strategic groupings (i.e. alliances) and can refer to individual or multiple routes.



This Policy applies to carriers that will committed to implement development strategies which will facilitate growth of business activities at the airport.

These strategies are defined in development plans by carriers which provide:

The opening of new destinations;

The increase in operations on existing international destinations;

Traffic multi-year development plans for large volumes of passenger and/or freight traffic;

Charter activity linked with Tour Operator;

In particular:

A. Starting a new route

It refers to a destination not served by scheduled flights. The level of support will be evaluated upon the basis of the parameters listed above and more specifically it is required:

operate the new flight with a minimum of 2 times per week for a period of no less than 16 weeks continuous operations;

ensure a high reliability to customers, limiting cancellations to no more than 5% of scheduled flights;

B. Increase of international destinations already served

In the case of destinations with further traffic growth potential, incentives can be granted support if:

new carrier on the existing route increasing capacity;

existing carriers on the route which increase capacity by at least 20% (in terms of frequency / capacity offered) than the previous IATA season.

Seasonal destinations already operated by a carrier would be considered as new destinations in terms of strategic value if the existing or new carrier would operate the route all year.

The amount of financial contribution will be determined according to the parameters of the previous section and paid on the incremental traffic.

The duration of the incentive is for one year, extendable to two years.

C. Traffic multi-year development plans

It relates to agreements with carriers able to guarantee long-term traffic plans, with a minimum threshold volume defined at 150.000 annual passengers departing and at the number of destinations served on an period of validity of no less than three years. The duration of the incentive goes from 3 to 5 years.

D. Charter activity in conjunction with tour operators.

SAGA is interested in encouraging incoming charter traffic, supporting with tour operators willing to invest in the airport through charter operations.

RULES FOR PRESENTATION OF DEVELOPMENT PROGRAMS

This Policy applies to carriers wishing to start operations from 2016 Iata Summer

Carriers interested in having access to the program of incentives, are invited to send its development program to the email commerciale@abruzzo-airport.it after publication of this policy within and no later than 30 days before the start of the relevant IATA season.

The development program, should contain: the destination, the date of start-up, the calendar and the number of planned frequencies, the type of the aircraft, airline profitability indicating the number of passengers to be reached in order to make the company profitable, evidence of profitability for a reasonable period after the end of incentives and any claim by the carrier deemed significant for an assessment by SAGA.

SAGA will review the programs received by selecting carriers who have submitted proposals that are most suitable to achieve the objectives of this policy. The above selection will be evaluated as a free entrepreneurial initiative by SAGA based upon the evaluations carried out in line with the parameters already described and with the provisions of the Guidelines (STEP 2 - AIMS')

In case several carriers will present proposals for the same route, based on SAGA's strategic evaluation of the importance of the destination, it reserves the right to give access to this Policy to more carriers and the amount of incentives will vary according to the size of the air services proposed program.

In the event that no expressions of interest is received within 30 days from the publication or if the proposals received are not considered to satisfy the objectives set out in this policy by SAGA, the airport will be free to negotiate directly with any carrier that after such dates were to present their development plan.

Requirement for access to the program

- Be in possession of all certificates issued by the competent authority, all the requirements to perform commercial transport, including traffic rights where necessary;
- Be free of contract violations of any kind with SAGA.
- Condition for the provision of economical contribution.

Any contribution will be disbursed in the presence of an agreement signed by both parties that defines the obligations of the carrier in terms of traffic;

Incentives will be paid after the achievement of the targets of traffic contracted in the Agreement and subject to compliance with all other conditions;

Subject to compliance by the carrier, payment of all invoices for the airport fees, and airport services, regarding the use of the airport;

SAGA provides to fulfill the obligations of publication and information required by the Guidelines approved by the Ministry on Oct. 2, 2014, and the operational guidelines for airport operators in November 2014 adopted by ENAC.