

REGULATION TO IMPLEMENTING INCENTIVE SCHEMES FOR OPENING OF NEW ROUTES / REOPENING OF SUSPENDED ROUTES GRANTED TO AIRLINES

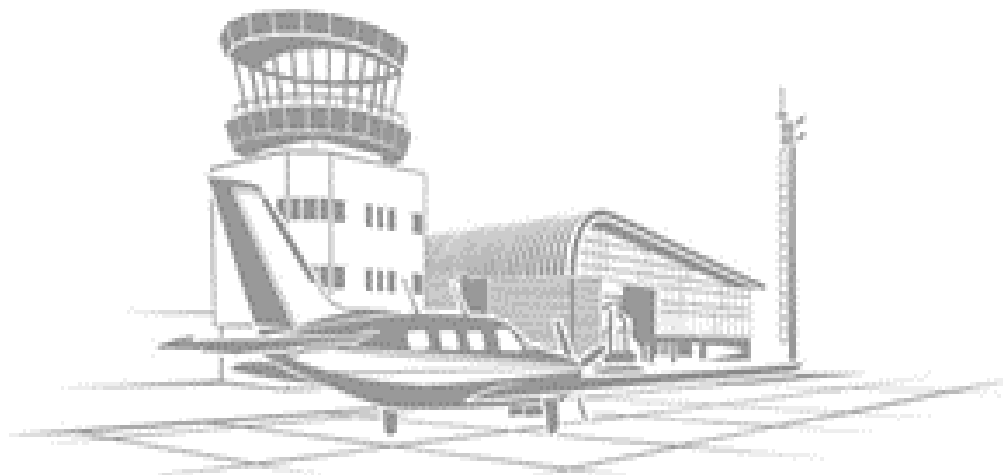


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Introduction

The importance of air transport infrastructure at the level of connectivity between all regions of the European Union has been transposed into European law by normative acts regulating the financing and compatibility of all state aid measures intended both airports and airlines. The European Commission communication (2014/C 99/03) specifies the conditions when the financing of airlines is or is not compatible with the rules of the Union's internal market, but also the cumulative requirements to be met by airports and air operators to avoid distortions of competition and trade.

Chapter 1. Purpose of Incentive schemes

Having as main objective the increase of connectivity in the region, "Ștefan cel Mare-Suceava" Airport proposes the application of incentive schemes in this Regulation, in order to encourage airlines to introduce new services, to meet the mobility needs of passengers in its catchment area.

The competitiveness that manifests between regional airports determines the adaptation of the strategy in business, so that Suceava Airport can have an attractive offer for the air operators and ensure its short-term profitability, medium and long.

The potential of the catchment area of "Ștefan cel Mare-Suceava" Airport has been tested on numerous occasions, as evidenced by the recorded passenger traffic since the reopening of the Airport, after the modernization works completed in 2015. At the same time, the Airport continued its investments in ensuring the operational safety and security of passengers who opt to fly from Suceava. The traffic trend has been upward year on year, with notable jumps at both regional and national levels. This demographic area, which is serviced, must therefore be corroborated with a policy of strategic and functional development.

This Regulation represents a starting point for a new commercial approach in the relationship with airlines, with the aim of maintaining and increasing passenger traffic, and implicitly the revenues achieved.

The purpose of the incentive schemes is to boost the volumes of traffic processed at "Ștefan cel Mare-Suceava" Airport, either by opening new connections or by resuming the routes that were established, but which were abandoned.

The incentive schemes proposed in this Regulation:

- 1. Opening new routes*
- 2. Reopening suspended routes*

Chapter 2. Beneficiaries of incentive schemes

The incentive schemes are available to all applicants who meet the cumulative eligibility conditions in the Regulation, established in a non-discriminatory, transparent and fair manner, in accordance with European legislation.

Chapter 3. Advertising of incentive schemes

The Regulations for implementing of incentive schemes will be published on the website of Suceava Airport, www.aeroportsuceava.ro, as well as in the aeronautical publication AIP Romania.

Chapter 4. Overview

The Regulation for implementating of incentive schemes has a validity period of 5 years, or as the case may be, depending on how much is specified when granting each incentive. These Regulations are subject to the approval of the Board of Directors of R.A. "Ștefan cel Mare-Suceava" Airport. The period of validity and/or the provisions of the Regulation may be extended or amended, following the same course of approval.

The incentive schemes are available to all air operators who cumulatively meet the eligibility conditions, on a non-discriminatory, transparent and fair basis, according to the charges published in the AIP Romania publication, in compliance with the Union's regulations in the field.

The schemes in this Regulation cannot be combined.

During the validity period of each incentive scheme for which the application is submitted, airlines benefiting from an incentive scheme cannot opt to change it.

After the period of granting the discounts associated with each incentive scheme, the charges published in AIP Romania will be applied in their entirety. Fares for which a discount is granted under this scheme do not include fares other than those mentioned or new fares that may be included in the fare plan by the Airport.

Section 1. Incentive scheme opening new routes

Granting airlines this incentive to open new routes to evaluated eligible destinations is based on the following eligibility conditions:

1. The new route will be a regular service and provide connections *point-to-point*.
2. By new route is meant any destination located at least 100 km away from the destination airports related to the regular and already existing services operated from the "Ștefan cel Mare-Suceava" Airport and which have not been operated in the last 6 months. The 6-month term refers to the proposed date of commencement of flight operations. When determining the distance between the new destination and the already existing destination, the ARP - Aerodrome Reference Point - of the airports will be taken into account.
3. The airlines has the obligation to start operating within a maximum of 6 months from the date of application for the incentives offered under this scheme.
4. In the case of applications for this scheme received from two air airlines, for the same new route, they cannot benefit from this scheme at the same time. The first application will be considered, respecting the "*first come, first served*" principle,
5. The operating frequency will be a minimum of 2 (two) flights per week.
6. The operating period for the new route will be at least 3 years.
7. If, during the period of the present scheme, the airline considers the discounts approved according to the AIP more advantageous, it can opt for their application in compliance with the assumed operating period of the new route, mentioned in Point 6. In this sense, the airline will send a written notification to the e-mail address office@aeroportsuceava.ro

8. In the event that an airline opens a new route by reducing capacity on other routes operated at "Ștefan cel Mare-Suceava" Airport, the new route will not be eligible for the application of this scheme. The capacity reduction is distributed as follows:
 - a) For newly opened routes whose start dates are in the summer season, reporting is done on the number of frequencies operated in the previous summer season.
 - b) For newly opened routes whose start dates are in the winter season, the reporting is done on the number of frequencies operated in the previous winter season.
9. At least 10 calendar days before the tickets go on sale, the airline will send the application form to the airport administrator, at office@aeroportsuceava.ro, which will contain all the relevant information.
10. The obligation of the airline is to respect the destination, the number of frequencies and the period of assumed operation, mentioned in the application form, the other specifications - the maximum weight at take-off, the capacity and configuration of the aircraft, the time of service on the ground or the operating schedule - can be modified depending on the available resource, by a written notification sent to the Airport.
11. If the airline cancels operations during the assumed application period, it can still benefit from the incentive scheme for the opening of new routes, if it replaces the suspended route with a new route, which will qualify as a new route in accordance with Point 1. The period for which the airline will benefit from the incentive scheme in order to open the new route will be reduced by the period in which the scheme produced effects for the closed route. The air operator will start the effective operation on the new destination in no more than 3 months from the last effective flight from the "Ștefan cel Mare-Suceava" Airport to the previously operated destination.
12. The discounts provided in this scheme apply to the charges published in AIP Romania and cannot be combined with any other types of discounts, regardless of the existence of an operating contract, other incentive schemes or any other existing discount grid for the respective route.
13. Discounts will only be granted for the new route with the assumed number of frequencies, for which the air operator has applied and which were mentioned in the application form.
14. The amounts related to the discounts of this incentive scheme for opening new routes will be settled monthly.

The discounts related to this scheme are applied regressively – 60%-50%-40% – to the landing charge and passenger service charge, published in AIP Romania, in accordance with the table below:

CHARGE	YEAR I	YEAR II	YEAR III
LANDING	60%	50%	40%
PASSENGER SERVICE	60%	50%	40%

Section 2. Incentive scheme for reopening suspended routes

Granting airlines this incentive to reopen suspended routes to evaluated eligible destinations is based on the following eligibility conditions:

1. The suspended route will be a regular service that will provide *point-to-point* connections.

2. By suspended route is meant any destination located at least 100 km away from the destination airports related to the already existing regular routes operated from the "Ștefan cel Mare-Suceava" Airport at the time, which was operated and interrupted for a maximum of 6 months prior to the start of the operation.
3. The operating frequency will be a minimum of 2 (two) flights per week.
4. The operating period for the reopened route will be at least 2 years.
5. If the airline, other than the one that decided to suspend the route, applies for the granting of the incentives related to this scheme by reducing capacity on other routes operated from "Ștefan cel Mare-Suceava" Airport, the suspended route will not be eligible in application of this scheme.
6. The discounts provided for the opening of suspended routes cannot be combined with any other types of discounts, regardless of the existence of an operating contract, other incentive schemes or any other existing discount grid.
7. The airline will have the obligation to start operating within a maximum of 3 months from the date of application on this scheme and to maintain the operation assumed in the application form, according to Point 4.
8. At least 10 calendar days before the tickets go on sale, the airline will send the application form to "Ștefan cel Mare-Suceava" Airport at office@aeroportsuceava.ro, with all the relevant information.
9. The obligation of the airline is to respect the destination, the number of frequencies and the period of operation, mentioned in the application form, the other specifications - the maximum weight at take-off, the capacity and configuration of the aircraft, the time of service on the ground or the operating schedule - can be modified according to of the available resource, through a written notification sent to the Airport.
10. The discounts provided in this scheme apply to the fares published in AIP Romania and cannot be combined with any other types of discounts, regardless of the existence of an operating contract, other incentive schemes or any other existing discount grid for the respective route.
11. Discounts will be granted only for the reopened route with the number of assumed frequencies, for which the air operator applied and which were mentioned in the application form.
12. The amounts related to the discounts of this incentive scheme for the reopening of suspended routes will be settled monthly.

The discounts related to this scheme are applied to the landing charge and the passenger service charge, published in AIP Romania, in accordance with the table below:

CHARGE	YEAR I	YEAR II
LANDING	60%	40%
PASSENGER SERVICE	60%	40%

Chapter 5. Application Form


Application form

The subscribed airline hereby requests access to the scheme listed below to support the planned increase in scheduled services from "Ștefan cel Mare-Suceava" Airport. The undersigned airline, acknowledges and agrees that on one of the schemes related to the Regulation for REGIA AUTONOMĂ AEROPORTUL „ȘTEFAN CEL MARE” SUCEAVA – COD FISCAL: RO 713454, REG. COM.:J33/1195/1992 CONT IBAN LEI: RO80 RNCB 0234 0369 9795 0001, deschis la BANCA COMERCIALĂ ROMÂNĂ, SUCURSALA SUCEAVA

implementing incentive schemes at „Stefan cel Mare-Suceava” Airport and any kind of legal relationship related to it, will be governed by Romanian law, as it agrees to provide any additional information necessary in connection with this request.

The subscribed airline, hereby acknowledges and agrees, that it is obliged to keep the confidentiality of any such information it becomes aware of in connection with „Stefan cel Mare-Suceava” Airport during the period of the evaluation of the application for the incentive scheme and the performance of the contractual agreement, which have not been made public and whose communication may be detrimental or threatening the commercial interests of the „Stefan cel Mare-Suceava” Airport. Moreover, the airline is responsible for its staff and agents involved, who must comply with the obligation of confidentiality, even if they are no longer employed or have a collaborative relationship with the airline.

Please select properly:

1. INCENTIVE SCHEME	
<input type="checkbox"/> OPENING NEW ROUTES – ASSUMED PERIOD OF 3 YEARS	
<input type="checkbox"/> REOPENING SUSPENDED ROUTES – ASSUMED PERIOD OF 2 YEARS	
2. DETAILS REGARDING THE AIRLINE	
AIRLINES NAME _____	
COMMERCIAL DESIGNATIONS <i>if applicable</i> _____	
CODE _____	ICAO _____ IATA _____
ADRESS _____	
ZIP CODE _____	COUNTRY _____
3. AUTHORIZED REPRESENTATIVE	
NAME SURNAME _____	
POSITION _____	
@ _____	
	
4. DETAILS REGARDING AIRCRAFT FLEET	
MANUFACTURER _____	
TYPE MODEL _____	REGISTRATION _____
MTOW _____	AIRCRAFT CONFIGURATION (seats) _____
5. DETAILS REGARDING FLIGHTS SUBJECT TO INCENTIVE SCHEME	

AIRPORT OF ORIGIN	DESTINATION AIRPORT	STARTINF DATE	AIRCRAFT TYPE	ARRIVAL TIME (UTC)	DEPARTURE TIME (UTC)	OPERATING DAYS (1-7)							
						1	2	3	4	5	6	7	

Notes:

6. REQUESTED DOCUMENTS

✓ *Air Operator Certificate (AOC)*

(*) *Other documents, if requested*

The undersigned certifies that information in this application form are complete and accurate and that all provided documents are true copies

Authorized representative

Name Surname

Position

Signature

Date

Conclusions

In the perspective of registering a total traffic of more than 1,000,000 passengers in the time horizon of the next three years and highlighting the profitability prospects of the application of the incentive schemes according to this Regulation, by applying discounts to certain categories of airport charges, "Ștefan cel Airport Mare-Suceava" aims to ensure the efficiency and profitability of its economic activity, both during the implementation of the incentive schemes, but also in the short and medium term.