



LANCASTER AIRPORT

AIR CARRIER INCENTIVE PROGRAM

This Air Carrier Incentive Program is effective as of August 18, 2025 and expires three (3) years from the effective date unless amended, rescinded, or replaced prior to that time.

The intent of the Lancaster Airport Air Carrier Incentive Program (“ACIP”) is to recruit airlines to offer non-stop, scheduled air service and to increase passenger traffic at the Lancaster Airport (the “Airport” or LNS). The ACIP is designed to minimize the risks and challenges for airlines that are associated with instituting new services. The program is applicable to incumbent, and new direct Airlines and operators, and complies with Federal Aviation Administration rules, regulations, and policies.

The Lancaster Airport Authority ACIP has been created to encourage potential new entrant airlines to initiate new nonstop service to markets not currently available from the Airport or additional nonstop service to markets that the Authority has determined to have inadequate levels of service.

The Airport may amend, suspend or change this Policy at any time without prior notification. The Airport Director or the Board of Directors shall have the authority to suspend, amend, or change the policy in the event there are inadequate resources to fund the ACIP. Any Airline wishing to participate in the ACIP must complete an application.

APPLICABILITY

- A. Incentives offered under this Policy are applicable only to FAR Part 121, 129, and 14 CFR Part 380 certificated commercial Airlines, or third-party companies who contract with such Airlines (singularly “Airline” and collectively “Airlines”), and that provide new air service (as defined herein) at the Airport beginning on or after the Effective Date.
- B. To qualify for the Air Carrier Incentive Program, an Airline shall provide new nonstop service to a market that is currently not being served by an airline at the Airport; or provide additional nonstop service to a market that has been identified by the Airport as underserved at the Airport.
- C. Service funded through a subsidized program such as Essential Air Service (EAS) do not qualify for this Airline Incentive Program.

DEFINED TERMS

New Service. A new service is a new airline that has not operated at LNS within the past three (3) years AND begins year-round nonstop service to an Unserved Destination.

Seasonal Service. Airport destination with scheduled nonstop service to an Unserved Destination for at least eight (8) consecutive weeks but fewer than seven (7) months in any calendar year.

Unserved Destination. A new unserved destination is one that currently is not served and has not been served from LNS in the previous twelve (12) months.

INCENTIVES

1. Terminal Rent Incentive

To qualify for a terminal rent credit, an Airline must operate nonstop service to a new Unserved Destination for a minimum period of one (1) year or a new Seasonal Service to an Unserved Destination. A new Unserved Destination is one that is currently not served and has not been served from LNS in the previous twelve (12) months. The New Service or new Seasonal Service must have at least two (2) weekly departures (annual/seasonal average) to qualify.

Airlines that transfer routes to/from their regional affiliated Airlines and sell such routes under their brand shall not qualify for the credit. A transfer of a flight from one airport to another airport within the same metropolitan statistical area does not qualify.

Terminal rent credits are available where an Airline leases additional terminal building space to accommodate the New Service or Seasonal Service. Terminal rents incurred during the incentive period may be credited up to 100% of the fee for the terminal space.

A maximum of fourteen (14) weekly frequencies (two [2] daily frequencies) can be credited per market for an Airline; additional daily frequencies above the two (2) in the same market by an Airline do not qualify. The first Airline to announce operations on the new route to LNS will be the qualifying Airline. Should two (2) or more airlines commence the same qualifying service within a three-month period of the qualifying Airline, the single credit shall be equally divided among the Airlines commencing service and continuing service for the required incentive period. A maximum of \$30,000.00 in credits is available for each New Service or new Seasonal Service annually for the first two (2) years of service.

2. Hook Fee Incentive

LNS charges a Hook Fee which is a set fee charged for each scheduled or non-scheduled turn an Airline makes. The Hook Fee is charged whether the turn is made or not. To qualify for the Hook Fee Incentive, an Airline must operate nonstop service to a new Unserved Destination for a minimum period of one (1) year or a new Seasonal Service to an Unserved

Destination. LNS will waive the Hook Fee for eligible Airlines for a period of two (2) years, or a maximum of \$13,000 annually for each New Service or new Seasonal Service.

3. Marketing Incentive

To qualify for a marketing incentive, an Airline must operate a New Service to an Unserved Destination or a new Seasonal Service. The New Service or Seasonal Service must have at least two (2) weekly departures to qualify. The New Service must be operated for a minimum of one (1) year or ninety (90) days for Seasonal Service.

This marketing incentive is provided through a direct payment by the Airport promoting the new LNS route in TV, radio, print and/or internet marketing or public relations campaigns. The maximum allowable marketing incentive per Airline is \$75,000 for year-round New Service or a maximum of \$45,000 for new Seasonal Service for Year One (1). Marketing funds for Year Two (2) will be available at fifty percent (50%) of Year One (1).

Expenditures must be solely for the purpose of promoting the new LNS route in TV, radio, print and/or internet marketing or public relations campaigns. Airlines applying for the incentive must agree to editorial oversight by LNS. All marketing materials and/or promotions funded by the Incentive shall be pre-approved by the LNS and Airline prior to publication. Incentives utilized for this purpose will be developed by, or in collaboration with, LNS and will advertise service specific to the new LNS route.

4. Ground Handling Equipment Incentive

LNS has a ground handling services division that provides personnel and equipment necessary for providing above and below wing services for airlines. The costs associated with utilizing the equipment necessary to operate ground handling services are eligible for an incentive of up to \$40,000 annually for the first two (2) years.

GENERAL TERMS AND CONDITIONS

Should service on an abated route be terminated prematurely (before completion of each year or each season), the Airport shall be reimbursed on a pro-rated basis (365-day pro-rate for year-round service and 90-day pro-rate for seasonal service) for all incentives invested.

If the Federal Aviation Administration (“FAA”) determines that this ACIP does not comply with federal rules, regulations or grant assurances, the Lancaster Airport will immediately suspend noncompliant portions of the program to terminate the program by written notice to Airlines serving the Lancaster Airport.

Participation in this program requires an incentive agreement between LNS and an Airline.

An Airline may only qualify for an incentive for a particular route one time.

To qualify for incentives, an Airline must be current on payment of rates and charges.

Airlines must operate service throughout duration of the promotional period at the level specified. Increased frequencies to a destination in an abatement period are eligible for the abatement, however, the maximum of each incentive does not increase due to increased frequency.

Airlines must use the passenger terminal in order to qualify for incentives.

An Airline may qualify for an incentive regardless of the type of economic and safety certificates it has sought and received from the U.S. Department of Transportation and FAA, including authorities granted under 14 C.F.R. Parts 119, 121 and Part 135, provided that the Airline otherwise satisfies the eligibility and qualification requirements of this incentive program.

Incentives may not be transferred from one Airline to another. Incentives cannot be transferred between routes.

Lancaster Airport (LNS), Lititz, Pennsylvania

Air Carrier Incentive Program

	Market Requirements	Service Requirements	Terminal Rent Incentive	Hook Fee Incentive	Marketing Incentives	Ground Handling Equipment
New Airline – Year-Round	A new airline that has not operated at LNS within the past three (3) years AND begins year-round nonstop service to an unserved destination					
Incentives for New Unserved Market – Year-Round	Market that is currently not served from LNS and has not been served in the last 12 months	Two flights per week (annual average), service must last a minimum of one (1) year	Maximum of \$30,000 during first and second year	Maximum of \$13,000 during first and second year	Maximum of \$75,000 during first year and 50% during second year	Maximum of \$40,000 during first and second year
New Airline – Seasonal	Airport destination with scheduled nonstop service to an Unserved Destination for at least eight (8) consecutive weeks but fewer than seven (7) months in a calendar year					
Incentives For New Unserved Market - Seasonal	Market that is currently not served from LNS and has not been served in the last 12 months	Two flights per week for more than 90 days but less than 365 days	Maximum of \$30,000 during first and second year	Maximum of \$13,000 during first and second year	Maximum of \$45,000 during first year and 50% during second year	Maximum of \$40,000 during first and second year