



VIRGIN ISLANDS PORT AUTHORITY AVIATION DIVISION

CYRIL E. KING AIRPORT
PO Box 31707
St. Thomas, VI 00803

HENRY E. ROHLSSEN AIRPORT
PO Box 1134
St. Croix, VI 00821

AIRLINE SERVICE INCENTIVE

Approved: March 22, 2023

To encourage new and/or additional air service to Cyril E. King Airport (STT), St. Thomas and/or Henry E. Rohlsen Airport (STX), St. Croix, United States Virgin Islands, the Virgin Islands Port Authority (VIPA) hereby promulgates the following incentive:

Applicability: This incentive is available to any scheduled commercial service passenger airline or commercial service charter airline that either currently serves or wishes to serve St. Thomas/St. Croix (or both), United States Virgin Islands airport markets from within or outside the USVI Territory.

Incentive: For a period of one year, during the term of the Incentive Period (as defined below), VIPA's Landing Fee shall be waived at the following percentage: 100%. Additionally, during the one-year period, Terminal Parking Fees; User Fees (Arrival); and User Fees (Departure) shall be reduced by 50%.

Requirements: To participate in the Airline Service Incentive Program, an airline must provide new or additional flight frequencies to St. Thomas/St. Croix (or both), United States Virgin Islands. This new air service may be of two types:

- *New Route* - An airline provides service on a route not served by that airline during the same period of the previous year.
- *Added Frequencies on Existing Route* - An airline provides additional flights on a route served by that airline during the previous year.

Incentive Period: December 1, 2022, through November 30, 2024.

The airline shall receive a waiver of 100% of the landing fees and a waiver of 50% of the user fees (departure and arrival) and terminal parking fees for the period of **One Year** from date of institution of the new or additional service during the Incentive Period, so long as the one-year period does not extend beyond the close-out date of November 30, 2024. The airline may take advantage of the incentive for each new and/or additional service instituted during the Incentive Period.

New airline service routes must arrive at Cyril E. King Airport (STT) either before 1:00pm or after 5:00 pm (Atlantic Standard Time). New airline service routes into the Henry E. Rohlsen Airport (STX) are not subjected to arrival restriction requirements of post 5:00pm (Atlantic Standard Time-AST).

Incentive Clause: All airlines who participate in the Airline Service Incentive Program shall also accept the Incentive Clause. Whereas service routes provided, must remain in the USVI air

service market for a period no less than two years. Any airline who enters into an Airline Service Incentive Agreement with VIPA and exit the USVI air service market prior to the two-year anniversary of the date—at start of operations—shall immediately trigger all fees waived (during the incentive period) to be immediately re-instated and billed to the company/airline participating in the Airline Service Incentive Program at one hundred percent (100%) of the fees waived. VIPA retains the right to cancel/modify the agreement based on airline non-performance.

VIPA also retains the right to amend/modify the Airline Service Incentive Program as needed. All participants within the Airline Service Incentive Program must have executed an Airline Service Incentive Agreement for the term length of VIPA's offer. The Airline Service Incentive Agreement shall only be valid during the corresponding Incentive Period. Any desired Airline Service Incentive outside the Airline Service Incentive itself, Airline Service Incentive Period, and/or Airline Service Incentive term must be put in writing to the Executive Director of the Virgin Islands Port Authority (VIPA) and ultimately subjected to VIPA Governing Board approval.

Compliance with Federation Aviation Administration (“FAA”) Requirements: VIPA believes this incentive complies with FAA requirements because: 1) it is designed to increase air service to a specific airport, 2) it applies to all scheduled commercial passenger airlines and all commercial charter airlines, and 3) it is of limited duration.