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## Shannon Airport

### Traffic Development Schemes 2008

Valid from January 1<sup>st</sup> 2008 – December 31<sup>st</sup> 2008

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The expansion and development of airline services at Shannon Airport in 2007 resulted in the airport achieving 3.6 million passengers with total terminal traffic reaching 3.2 million passengers for the first time in its history. We are committed to developing new routes and services for our customers and to this end we have developed the schemes outlined below to assist in the continuing development of the airport network.

It is Shannon Airport's intention to 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 support mechanisms for such developments are outlined in detail below.

### **3: New Route Incentive Scheme 2008 (NRIS)**

The New Route support will be offered as discounts on qualifying airport charges at Shannon Airport. These qualifying airport charges (APCs) are passenger service, security, parking, airbridge and runway movement charges.

In this regard an airline that initiates a new route, in accordance with the scheme criteria, will benefit from reduced airport charges at the following rates over a four-year period.

Year	Discount on APCs for New Route Incentive Scheme
1	70% for the 12 months following start-up
2	60% for the subsequent 12 months
3	40% for the subsequent 12 months
4	20% for the subsequent 12 months

After the four-year period, all airport charges will be charged at the standard rates current at the time of operation, as published by Shannon Airport.

**Route Criteria:**

A route will qualify as a 'New Route' under this scheme if it meets the following criteria:

- The proposed route commences operations between January 1<sup>st</sup> 2008 and December 31<sup>st</sup> 2008.
- The proposed route is promoted and/or sold as a destination not already served from Shannon.
- The proposed route is a non-stop service.
- The airline has traffic rights to fly the proposed route/schedule.
- The minimum frequency requirement is return services on two days per week per season for a transatlantic or intercontinental route or return services on two days per week on a year-round basis for other routes.
- An airline operating in excess of 50 rotations per season on transatlantic services which combines operations from a number of non-gateway destinations may also qualify. Services to JFK, EWR, BOS, ATL, PHL, ORD and YYZ are excluded under this category.
- The route has not been served within the previous twelve months at a frequency higher than 2 services per week on a year round basis.
- The proposed route is one that will increase the network coverage and traffic base at Shannon Airport. This means that the route must give access to a market not previously served directly, and is expected to increase the overall number of passengers using the airport.
- The schedule timings proposed and operated have been reviewed and approved by the airport authority.

**Period of Application**

- Support under the terms of the Traffic Development Scheme 2008 will apply only for operations commencing between the 1<sup>st</sup> January 2008 and the 31<sup>st</sup> December 2008.

**Other conditions:**

- Airlines must lodge written proposals in the Shannon Airport standard format (attached as Appendix 3) at least 1 month before the start-up date, and no earlier than 6 months in advance for transatlantic and intercontinental proposals or 3 months in advance in the case of other routes
- Continuing support under this scheme is contingent on the operating airline cooperating fully with the airport authority to assist in increasing operational efficiency at the airport.
- Shannon Airport reserves the right to refuse to apply this scheme if the route proposal does not meet the criteria listed above. Shannon Airport reserves the right to revise these criteria as appropriate and its decision on these matters is final.

**Notes:**

- For the purposes of this scheme, the individual airport parking charges will not be levied to the operation on the qualifying route up to a maximum period of 1.5 hours per turnaround for short-haul operations or 3 hours per turnaround for intercontinental or transatlantic operations. After this 'free' period the published airport charges in relation to aircraft parking will apply.
- For qualifying services, operation to/from a contact stand will be at the discretion of the airport authority, and availability of a contact stand cannot be assumed.
- In general, new services, which involve switching capacity from one service to another, will not qualify for support under this scheme. However, Shannon Airport may approve transferring the remaining portion of the NRIS from one route to another on one occasion only if the airline can reach agreement with Shannon Airport that it is an appropriate commercial decision in the interests of the airline, the airport and passengers.
- In instances where traffic on a new route is generated by reducing capacity on other routes, with no obvious net economic benefit to the airport, approval may not be granted under the scheme.

- Shannon Airport will respond to an application made under the terms of this scheme no earlier than 3 months prior to start-up for a short-haul route, and no earlier than 6 months in the case of a long-haul operation.
- Airline applications sent in advance of the 3 or 6 - month horizons outlined above will be considered only as expressions of interest in a route, and will not confer any qualifying rights on the applicant.
- If two airlines make an application within the same time frame in relation to the same route, approval will be given to the airline with the earliest starting date, where the route proposals are similar in terms of capacity and frequency proposed. Only one airline's application will qualify in relation to a specific route proposal.
- An airline whose proposal has been accepted by Shannon Airport under the terms of this scheme will receive a Route Support Approval letter from the Director-Shannon Airport to this effect. This letter will constitute acceptance by Shannon Airport of the route proposal, subject to the airline's operating in full accordance with its route proposal to Shannon Airport. No airline may be considered to be approved for support under this scheme until it has received such a letter.
- Once an approval letter has been issued in respect of a particular route, no other airline will be eligible to receive support under the terms of this scheme for the route concerned as long as the approved airline is compliant with the terms and conditions of the scheme.
- Any additional charges which may be introduced to comply with new or amended European or national legislation e.g. security, Passengers with Reduced Mobility (PRMs) will not be reduced under this scheme.
- 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.
- Note that where aircraft parking period occurs fully or partly during the charge-free period defined as "night-time" in the Airport Charges at Shannon Airport Terms and Conditions, no further discounts on aircraft parking or airbridge will be given.
- If an airline reduces its operating profile on the route below the minimum requirement of 2 per week, approval under this scheme will be withdrawn immediately.
- Qualifying seasonal operations forfeit any entitlement to support for the months/seasons during which services are not operated.
- The new route support scheme will apply or continue to apply only as long as an airline is fully compliant with the published Shannon Airport terms and conditions generally, and specifically with respect to:
  - The payment of invoices for all airport charges and any other fees and services provided by the company to the airline, including adhering to credit terms in respect of all Shannon Airport invoices, unless the company, 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 Shannon Airport terms and conditions, sections 4.12 to 4.24 inclusive.

### **Marketing Support:**

Shannon Airport may offer marketing support for the introduction of services identified above, in order to encourage the development of routes or services that would not otherwise operate. The services proposed must be consistent with the Route Development strategy of Shannon Airport.

**Marketing Criteria:**

The decisions as to whether or not to offer marketing support and what level of support to offer will be related to the following market development criteria of the proposed service:

Shannon Airport Route Support Scheme 2008 Marketing Support Review Matrix		
1	<b>Network Development Potential</b>	New Market
		Existing Market
2		New Country 1st applicant
		New Country 2nd applicant
		Country already served
3		New Route 1st applicant
		New Route 2nd applicant
		Existing route
4		Direct routing
		Indirect routing
5	<b>Operator commitment to Shannon</b>	Single route
		Group of routes
		Aircraft base at Shannon
		Predatory route entry
6	<b>Commercial Potential</b>	Long-haul
		Short-haul
		EU
		Non-EU
7	<b>Aircraft capacity</b>	>250 seats
		151-250
		101-150
		50-100
		0-49
8	<b>Capacity origin</b>	Redeployed from another route
		New capacity
		Traffic switching from another airline
9	<b>Route Support</b>	Receiving RSS discounts
		No RSS discounts
10	<b>Seasonality</b>	Year Round
		Seasonal
11	<b>Tourism Potential</b>	High (Over 60% foreign originating)
		Medium (Between 36% & 59%)
		Low (35% & under foreign originating)

The route proposal is reviewed under the headings outlined above in the Marketing Support review matrix, and based on the outcome of this review four levels of support are possible as outlined in the table below.

Band	Marketing Support
1	€0
2	€10,000-€24,999
3	€25,000-€49,999
4	€50,000 and over

Note that all applications for marketing support will be reviewed in the context of the total marketing support budget for 2008 at Shannon Airport.

### Period of Application

Marketing Support will apply only for operations that satisfy the terms of the Traffic Development Scheme 2008.

### Notes:

- Marketing support may be paid by way of reimbursement or set off against the customer's account, by reference to a schedule and terms specifically set by Shannon Airport. It cannot be netted by the airline against amounts owed to the company.
- One-stop routes may, in some cases, qualify for some marketing support. Shannon Airport will determine the amount and duration of any such support on a case-by-case basis.
- Shannon Airport may provide marketing support for route development promotional activities. The airport authority will determine the amount and duration of any such support on a case-by-case basis.

**Appendix 3:**

**Application for Shannon Airport**

**New Route Incentive Scheme 2008.**

Shannon Airport New Route Incentive Scheme 2008	
Operator Name	
Billing Address	
Destination ICAO Airport Code	
Destination IATA Airport Code	
Frequency of operation per week	
Year Round (Y) or Seasonal (S)	
Aircraft Type	
Aircraft Capacity	
Number of stops en-route	
Start-up date	
Contact Name	
Email address	
Date	