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## Keflavik International Airport

### Discount for new routes during IATA winter season

Valid from 1<sup>st</sup> April 2017

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#### Introduction

Isavia the operator of Keflavik International Airport (KEF), believes that there is potential to add more winter services to KEF. Passenger volumes at the airport are subject to significant seasonal variation with the peak months being Jun-Aug. The aim of this incentive scheme is to stimulate more growth during the winter season. Isavia wants to share the financial risk of establishing new routes during IATA winter season with customers who contribute to passenger growth. Therefore Isavia offers a discount on landing and departure charges for new routes.

#### Route Support on new routes to new destinations

An airline that initiates a new route which is not presently connected by regular flights from KEF, in accordance with the route criteria set by Isavia, will benefit from discounts on the **Landing Charge and Departure Charge**. The proposed route is one that will increase the network coverage and passenger traffic volumes and is one that has a commercial benefit to KEF.

This Route Support Scheme applies to scheduled traffic only.

Current Airport Charges for KEF are available on the airports website

<http://b2b.kefairport.is/English/Airlines/Airport-Facts/Charges/>

#### Level of Route Support on new routes to new destinations

The following discounts will apply on all qualifying new destinations. ***It should be noted that it is unlikely that slots will be available during the following peak hours; from 0500-0830 and 1500-1800 Local time.***

**Table 1: Reduction on Landing & Departure Charges**

Year	Winter Season (Nov-Mar)
1	100% for the first Winter Season
2	75% for the second Winter Season
3	50% for the third Winter Season

After the 3 year discount period, the Landing Charge and Departure Charge will be charged at the standard rates current at the time of operation, as published by Isavia.

### **Route Criteria**

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

- An airline commencing an eligible new scheduled route must operate;
  - A minimum of 8 rotations during the Winter Season (Nov-Mar).
- The route has to be operated non-stop, i.e. no transfer via other airports.
- Only new routes with point to point passengers will be applicable for full discount according to table 1. Routes with transfer passengers are entitled to discounts in the same proportion as the percentage of point to point passengers on the route.
- Isavia reserves the right to evaluate each market based on recent growth, slot availability and ticket prices available in the market, in order to decide whether a new destination is to be discounted.
- In cases where an operator re-enters a route previously abandoned by the same operator within the previous 12 months in order to gain commercial advantage, the route will not be considered a new route for the purpose of this Route Support Scheme.
- If two operators make an application within the same time frame in relation to the same route, approval will be given to the operator with the earliest starting date, where the route proposals are similar in terms of capacity and frequency proposed and Isavia considers the financial strength of the operators at the same level. If the proposals differ in terms of capacity, approval will be given to the operator which provides the most benefit to KEF. Only one operator's application will qualify in relation to a specific route proposal.
- A group of companies may apply to be treated as one unit for the purpose of calculating the discount.
- The schedule timings proposed and operated have been reviewed and approved by KEF's slot coordinator, and any slot change requests issued by the slot coordinator have been fully complied with. Operators who are deemed to be operating off slot by the coordinator will not qualify for the Route Support Scheme.
- Operators must lodge written proposals in Isavia standard format (attached as Appendix 1 below).

### **Crediting terms**

- The discount for a new route is evaluated and credited monthly.
- The new route support scheme will apply or continue to apply only as long as an operator is fully compliant with the criteria decided on by Isavia.
- Should a carrier receiving new route discounts subsequently reduce frequency or cease to comply with the terms of the scheme in some other way then Isavia reserves the right to reclaim any discounted fees awarded retrospectively.



**Disclaimer**

If the airline fails to meet its other obligations to Isavia with regard to the payment of invoices or other matters, Isavia reserves the right to cancel any discounts. Any dispute arising from this agreement to be settled in Icelandic Court by Icelandic law.

Isavia reserves the right to amend this scheme at any time including in relation to the criteria for eligibility to participate in the scheme. If Isavia makes any amendment, it shall publish the amended scheme on its website located at [www.kefairport.com](http://www.kefairport.com)



**Appendix 1: Application**

**Form for Route Support for routes to/from qualifying destinations:**

<b>Isavia</b> Application Form for Route Support for new qualifying destinations		
<b>Operator Name</b>		
<b>Billing Address</b>		
<b>Route Name</b>		
<b>Destination ICAO airport code</b>		
<b>Frequency of Seasonal operation (per week)</b>		
<b>Aircraft Capacity</b>		
<b>Start-up date</b>		
<b>Aircraft Type</b>	<b>ICAO type designator</b>	<b>IATA type designator</b>
<b>Scheduled Timings*</b>	<b>Scheduled time(s) of Arrival at KEF</b>	<b>Scheduled time(s) of Departures from KEF</b>
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		
Sunday		

\*Any changes of times to be notified to Isavia.