



# El Paso International Air Service Incentive Plan Update

5/24/22



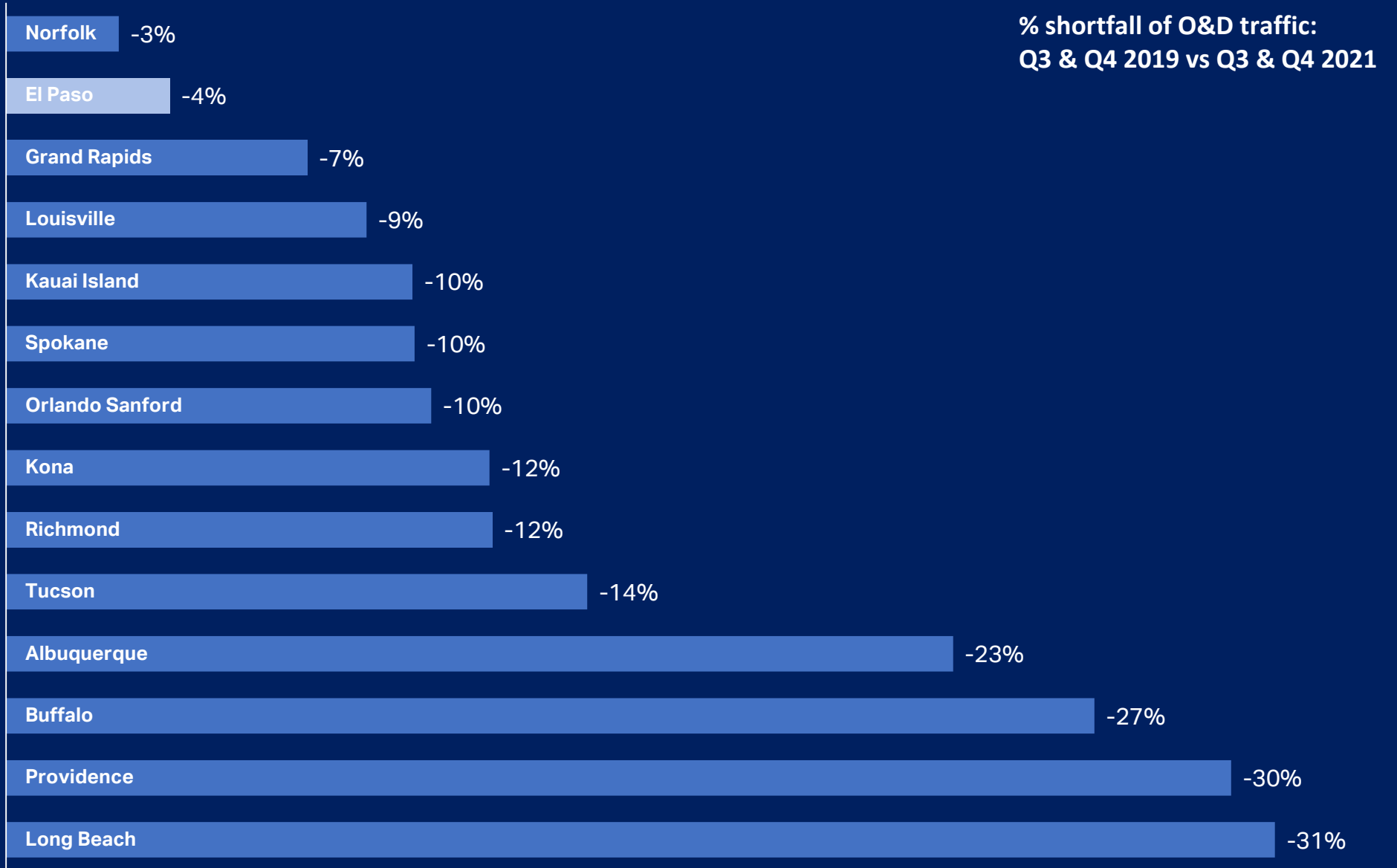


## Vision Block – Vibrant Regional Economy Goals 1&3

- Goal 1. Cultivate an Environment Conducive to Strong, Economic Development
  - 1.1 Stabilize and expand El Paso's tax base
    - Airport Development
  - 1.4 Grow the core business of air transportation
    - Expand Airport Development

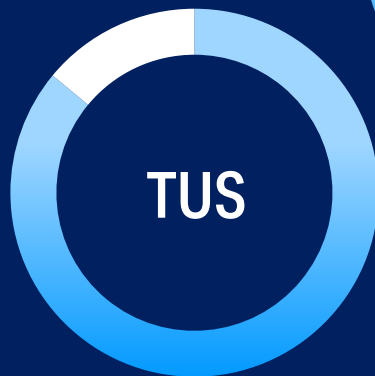
# EL PASO'S TRAFFIC RECOVERY IS ONE OF THE HIGHEST AMONG U.S. SMALL HUB AIRPORTS

*Among Small Hub Airports with 3M+ Passengers in 2019*





ELP has recovered **96%** of its passenger traffic with **90.7%** of the seats  
(Q3 & Q4 2021)

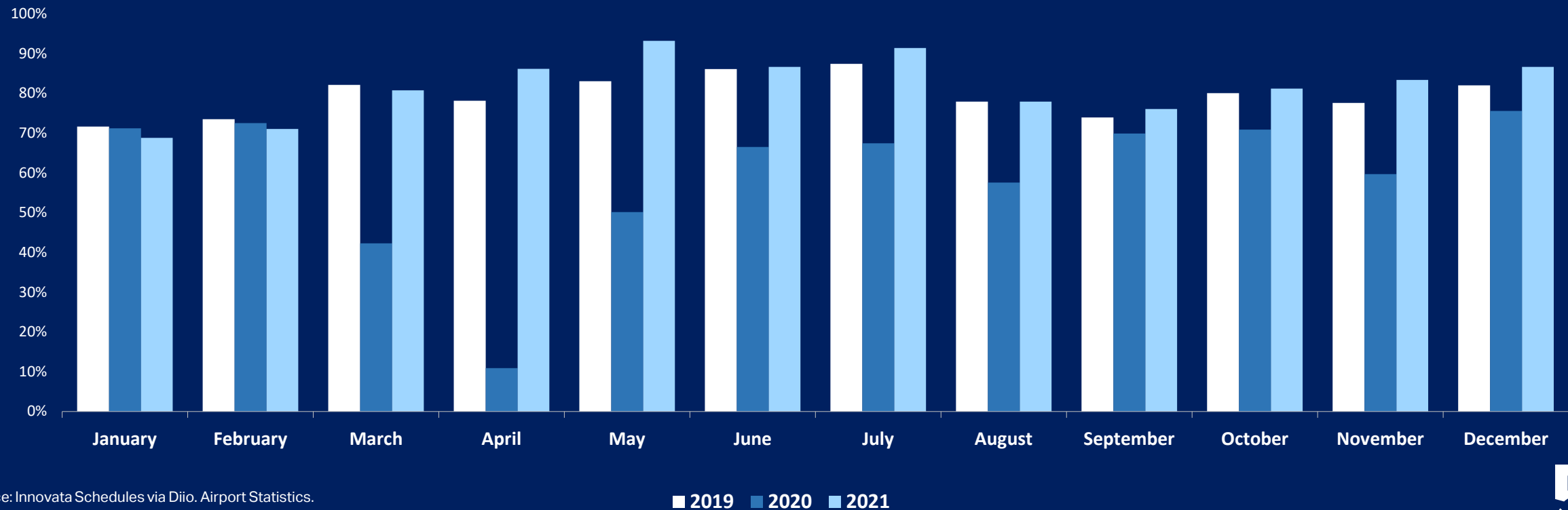


- ELP's traffic recovery is very close to the #1 ranked small hub airport (ORF with 3%)
- ELP's shortfall compares favorably to the over 3M O&D small hub average of 15%
- ABQ has a 23% shortfall
- TUS has a 14% shortfall

# ELP TOTAL LOAD FACTORS IN 2021 HAVE SURPASSED 2019 LEVELS

- O&D traffic in major ELP markets that lack non-stop service has only recovered to about 50% of 2019 levels
- Major ELP markets lacking non-stop service have lost substantial connectivity
- Most notable markets: Washington DC, New York City, San Francisco, and Detroit
- These markets have been de-stimulated, and now are excellent opportunities for new non-stop services

ELP Total Load Factors by Month



Source: Innovata Schedules via Diio, Airport Statistics.

# Revisions to the Air Service Incentive Plan

- Clarifying language that qualifies a new airport as opposed to “market”
- Clarifies language for the reimbursement or payment directly to media for marketing incentive funds
- Add a qualifying flight as one which moves either from seasonal service to year-round service and/or moves from less than daily to daily service



# El Paso International Air Service Incentive Plan



The purpose of the Air Service Development Incentive Program is to encourage new non-stop air service and competition at El Paso International Airport (ELP) by providing temporary financial relief to an airline beginning new non-stop commercial passenger service to a destination. The incentive program is also an effort to stimulate the growth of airline service to and from ELP by promoting the establishment of new non-stop routes. This incentive program will be in effect for three years, starting May 24, 2022.

- All commercial airlines will be made aware of the program and encouraged to offer new air service.
- Incentives shall be administered so as not to increase the charges of any non-participating air carrier.
- Incentives shall be offered on a reasonable, nondiscriminatory basis to all airlines. A waiver of any fee shall apply only to the flights providing the qualifying service.

	Market Requirements	Minimum service Requirements	Cost Abatement <sup>1</sup>	Marketing Incentives <sup>2</sup>	Additional Outreach Efforts
New Airline + new unserved market	A new airline that has not operated at ELP within the past three years AND begins service to a new airport that is currently not served from ELP and has not been served in the last 12 months	Two flights per week for more than 90 days	100% reduction of landing fees for the first 24 months of new service  Additional Fee Waiver – 100 sq. ft. for new entrants for the first 24 months of new service	\$5.00 per departure seat for the 1 <sup>st</sup> year and \$2.50 per departure seat for the 2 <sup>nd</sup> year	Broadcast announcement utilizing the airport's media outlets and assist with inaugural flight festivities
New unserved market - domestic	Airports that are currently not served from ELP and have not been served in the last 12 months, or are upgrading from seasonal to year-round, or from less than daily to daily service	Two flights per week for more than 90 days	100% reduction of landing fees for the first 24 months of new service	\$5.00 per departure seat for the 1 <sup>st</sup> year and \$2.50 per departure seat for the 2 <sup>nd</sup> year	Broadcast announcement utilizing the airport's media outlets and assist with inaugural flight festivities
New unserved market - international	International airports that are currently not served from ELP and have not been served in the last 12 months	Two flights per week for more than 90 days	100% reduction of landing fees for the first 24 months of new service	\$10.00 per departure seat for the 1 <sup>st</sup> year and \$5.00 per departure seat for the 2 <sup>nd</sup> year	Broadcast announcement utilizing the airport's media outlets and assist with inaugural flight festivities

<sup>1</sup>The carrier is not required to be a signatory and will pay non-signatory rates; however, if the carrier is a signatory, signatory rates will apply.

<sup>2</sup>All media plans and other marketing plans must have prior written approval by the Director of Aviation to qualify for the identified participation. Payment for marketing activities will be either sent directly to the media source or the airline as a reimbursement. Payment will be made to the media source or airline following completion of the approved media plan or marketing plan services or goods and receipt of an invoice by the Director of Aviation. Media incentives shall be instituted in such a manner that in addition to promoting new services, airlines shall also promote EPIA. At a minimum, the airport logo will be included in any advertisements.

# TOP 10 GOAL DESTINATIONS







## Mission

Deliver exceptional services to support a high quality of life and place for our community



## Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



## Values

Integrity, Respect, Excellence,  
Accountability, People



## Misión

Brindar servicios excepcionales para respaldar una vida y un lugar de alta calidad para nuestra comunidad



## Visión

Desarrollar una economía regional vibrante, vecindarios seguros y hermosos y oportunidades recreativas, culturales y educativas excepcionales impulsadas por un gobierno de alto desempeño



## Valores

Integridad, Respeto, Excelencia, Responsabilidad, Personas