



**McALLEN INTERNATIONAL AIRPORT (MFE)
AIR CARRIER INCENTIVE PROGRAM (ACIP)
JANUARY 2024**

SUPERSEDES

This ACIP supersedes the previous Community Air Service Development Incentive Policy 2019 and is compliant with the new guidelines set forth by FAA Air Carrier Incentive Programs guidance issued December 7, 2023. The general principles of that guidance include: Discrimination between carriers participating in an ACIP and non-participating carriers must be justified and time-limited; A sponsor may not use airport revenues to subsidize air carriers; A sponsor may not cross-charge non-participating carriers or other aeronautical users to subsidize ACIP carriers; The terms of an ACIP should be made public; and Use of airport funds for an ACIP must not adversely affect airport operations or maintenance.

ELIGIBILITY

The ACIP is available to any commercial airline who does or will provide regularly scheduled service to and from MFE and has signed an airport agreement. There is no obligation to provide incentives to commercial airlines for destinations not targeted by MFE or that do not provide material benefit, as determined at the sole discretion of the Director of Aviation.

NEW SERVICE

New service includes any nonstop service to an airport destination not currently served from MFE by either an incumbent or new entrant air carrier, or a significant increase in capacity on preexisting service to an airport destination. Also, new service can include seasonal service that is offered for less than seven months of the calendar year. For MFE, a "significant increase" in capacity means either: (i) a twenty percent (20%) increase in frequency with a corresponding twenty percent (20%) net increase in seat capacity or (ii) a fifty percent (50%) increase in seat capacity through the up-gauging of aircraft.

LIMITED BUDGET

Due to limited budget, for new service to a nonstop service airport destination not currently served from the airport, MFE may restrict incentives to one carrier, the first air carrier that establishes the new service.

INCENTIVES

The ACIP incentives offered includes landing fee waivers, terminal rent and fee waivers, and marketing contributions to promote use of the airport. For new service including any nonstop service to an airport destination not currently served from MFE by an incumbent or new entrant, the incentives may be available for up to two (2) years. For new service including a significant increase in capacity, the incentives may be available for up to one (1) year. For new service on a seasonal basis to an airport destination not currently served, the incentives may be available for up to three (3) seasons over three (3) years. Marketing of any new service may be paid by MFE either directly to the marketing provider or be provided to air carrier only after the carrier has paid the marketing provider and submitted an invoice with supporting documentation to MFE.

LENGTH OF PROGRAM

This ACIP will remain in effect until either superseded by a subsequent ACIP or upon notice from the Federal Aviation Administration (FAA). The incentives offered will not exceed the length of time prescribed in this policy or by FAA; however, the amount and duration of incentives offered within those time parameters will be negotiated by the Director of Aviation on a case-by-case basis.