

MEMORANDUM



OCAAT Agenda  
Item No. IV. G  
2/24/2022

TO: Trustees, Oklahoma City Airport Trust

FROM: Jeff Mulder, Director of Airports

Resolution to approve marketing incentive and operational landing fee credit in accordance with the 2021 Will Rogers World Airport Air Service Incentive Program for the promotion of Southwest Airlines' new nonstop service for an unserved route to San Antonio International Airport.

**Background:**

The Federal Aviation Administration ("FAA") adopted regulations allowing airports to provide incentives to promote air service if the incentives do not directly subsidize air carrier operations. The FAA allows airports to provide marketing and other limited operational incentives to air carriers.

On January 28, 2021, the Airport Trust adopted a revised incentive program entitled "Will Rogers World Airport Air Service Incentive Program" ("Program"). The Program provides a combination of marketing support and limited operational incentives to airlines that initiate new service in Oklahoma City or for unserved nonstop routes.

On December 8, 2021, Southwest Airlines, a Signatory Airline announced that it would begin year-round nonstop, four days a week, air service in Oklahoma City to San Antonio International Airport (SAT), a currently unserved market, beginning April 3, 2022. Southwest Airlines has requested the Airport Trust's assistance with the marketing of the new routes. The San Antonio non-stop route was previously incentivized with Breeze Airways, but the route stopped on November 23, 2021.

Under the Program, Southwest Airlines qualifies for the following incentives:

1. Marketing Incentive of up to \$50,000 to be expended in the first year of operation for the SAT route.
2. Landing Fee Credit for 75% for all aircraft utilized for San Antonio for an eighteen (18) month period beginning on the date the new route commences; provided the nonstop service for the route is not suspended during the eighteen (18) month period.

**Recommendation:** Resolution be approved.