

“Special Policy TO SUPPORT AIRLINES DURING THE COVID-19 PHASE/2

Valid from 01.06.2020 to 31.12.2020

First release of 10/07/2020

Dear Airline Partners,

In this particular moment of uncertainty and economic instability caused by the Covid-19 pandemic, Gesap has been forced to suspend the validity of its Commercial Policy of incentives for passenger traffic development, until further notice. This was due to the lack of the basic conditions for incremental traffic development which the Policy itself was based on.

Air transport industry operators are now united in facing an uphill challenge to recover financial stability and achieve the pre-Covid traffic levels, unfortunately all forecasts indicate that it will take between two and three years, although we all hope that the wait will be quite shorter.

Nevertheless, Gesap feels the need to give its support to the airlines in order to facilitate the restart of the aviation sector concerning Palermo airport, with some specific and exceptional measures for this period.

First of all, we have reduced the airport charges by 20% (avg) starting from 1 May 2020, a measure that will certainly bring support to all carriers operating in Palermo that will get an immediate relief on the costs related to the airport infrastructure use.

In addition to the above, Gesap has drawn up an exceptional support scheme open to all carriers and based on objective criteria related to the traffic volumes that will be generated and operated from June 1 to December 31, 2020, in order to encourage their plans for PMO and its traffic recovery in the coming months.

The incentive scheme, based on the quantitative criteria published below, will remain in force until 31 December 2020 and is structured on traffic levels generated, type and number of routes operated. The discount percentage applied will be calculated on all airport taxes with the exception of the so called “additional municipal” or “municipal taxes”.

Quantitative Traffic Schemes to obtain additional incentives

1.DOMESTIC traffic layers

Departing Pax - Discount %

Dep. Pax - Nr.	Dep. Pax Nr.	% Sconto
From 0	to 40.000	0%
From 40.001	to 60.000	5%
From 60.001	to 120.000	10%
From 120.001	to 200.000	15%
From 200.001	to 400.000	20%
From 400.001	onwards	25%

2.INTERNATIONAL traffic layers

Departing Pax - Discount %

Dep. Pax - Nr.	Dep. Pax Nr.	% Sconto
From 0	to 10.000	0%
From 10.001	to 15.000	10%
From 15.001	to 30.000	20%
From 30.001	to 50.000	25%
From 50.001	to 100.000	30%
From 100.001	onwards	35%

3.Number of routes*

Discount %

From 0	to 2	0%
From 3	to 5	2%
From 6	to 10	4%
From 11	to 15	8%
From 16	to 20	16%
From 21	onwards	25%

*See following examples

The volume of departing passengers will determine the discount layer.

All interested airlines, operating in the period between June 1 and December 31, 2020 will be entitled to apply for the incentive plan even after the beginning of their operations, provided that they submit their application within the deadline of September 30, 2020. All the total volumes of the a.m. period (June - December) will be taken in account in any case for their eligibility under this Special Policy.

All interested carriers, without any difference, may submit a request and countersign the relevant agreement which we will send for acceptance (address your request to:

- mariangela.ciappina@gesap.it
- serviziostatistiche@gesap.it

Should the crisis situation continue (hopefully not) over the current year, Gesap will revise the above mentioned "Contingency" Policy based on annual parameters (12 months), determining new updated parameters by 31.01.21.

THE STANDARD COMMERCIAL POLICY HAS NOT BEEN RENEWED FOR THE PERIOD 2020/2021 DUE TO THE COVID-19 PANDEMIC CRISIS. FOR THE PURPOSES OF THIS SPECIAL POLICY THE FOLLOWING ADMINISTRATIVE CRITERIA SHALL BE APPLIED.

Type Of Flight /Carrier: All type of Carriers/ Operators are entitled to apply for the provision of the present policy, with no distinction among category of carriers (Scheduled Classic, Charter, Low Cost etc.)

On Time Payment Commitment: The selected Carrier will undertake to pay regularly all airport charge invoices related to its activity in Palermo.

Other Documents and Certifications: The applicant carrier cannot be, or might have been present, in the Aviation EU black list of carriers not complying with safety and security International regulations.
Tour Operators are requested to submit the list of agreements with the carriers, flight schedule and passengers forecast.
Gesap is entitled to request further documentation according to the current regulations.

Incentive Schemes Mode and Extent

How The Mechanisms Works: The Incentives will be normally supplied and paid after the aviation activity will be performed and the contribution will be related to the period June-December 2020. The settlement of the carrier invoice from Gesap Spa will take place within 60 days from the receiving date of the invoice.

The incentive worth will be paid based on the nr. of departing passengers (excl. infants) on the relevant operated routes in the above mentioned period June – December 2020. The amount of the incentive per pax will be equivalent to a discount percentage (see the published table chart) on the applicable airport Charges 2 in place in the Airport of Palermo. All incentives contribution will be based and referred to departing pax (DPP) and/or departing flights, and related traffic data

2 Airport Charges : All Charges will be eligible for a discount , If applicable, with the exclusion of the "Additional Passenger Tax " and other taxes or charges imposed by the State or by Public Bodies (i.e: municipal tax).

Mentioned Regulations

1. Linee Guida inerenti le incentivazioni per l'avviamento e lo sviluppo di rotte aeree da parte dei vettori Linee Guida inerenti le incentivazioni per l'avviamento e lo sviluppo di rotte aeree da parte dei vettori ai sensi dell'art 13, commi 14 e 15 del Decreto Legge del 23.12.2013, n.145, come modificato dalla legge di conversione del 21.2.2014, n. 9 – Edizione del 11.08.2016 prot. Reg. Decreti nr. 275 .

2. Decreto Legge 145/2013 Destinazione Italia

3. Commissione Europea Comunicazione n. 2014/99C del 4.4.2014

4. Enac - Indicazioni operative per i gestori aeroportuali in caso di contributi/sostegni finanziari a favore di compagnie aeree per il lancio di nuove rotte e procedura di monitoraggio - Nov. 2014

See following examples.

ANNEX 1: HOW TO CALCULATE THE ROUTE DISCOUNT FOR THE SCHEME 3 (NR. OF ROUTES)

The percentage discount will be applied as a weighted average of the percentage weight of the routes in each layer in relation to the total number of routes operated by the carrier at PMO airport.

Example 11 Routes

Scheme 3			Figures taken into account for the calculation				
			(A) Nr. of routes per layer	(B) Apt Charges per pax (estimated average)	(C) Weight over total number of routes	(D) Discount	(E) Weighted average value
0	2	0%	2	12,00	18,18%	- €	- €
3	5	2%	3		27,27%	0,24€	0,07€
6	10	4%	5		45,45%	0,48€	0,22€
11	15	8%	1		9,09%	0,96€	0,09€
16	20	16%			0,00%	1,92€	- €
21	onwards	25%			0,00%	3,00€	- €
							0,37€

The weighted value of the discount per layer **E** is obtained by multiplying the discount **D** (= B x % discount) by the weight (percentage value) of the number of routes per band over the total routes **C**. (e.g. 11 routes C= A÷11)

Example: **11 routes** - layer from 3 to 5 routes, made of 3 routes, that over the 11 routes operated, have a weight of 27,27% (3÷11), this percentage will be multiplied by 2% discount, that is 0,24€, it will result the weighted average value of 0,07€.

The final result of the discount will be the sum of the weighted average values for each layer. Ex: 0,07+0,22+0,09 = 0,37€

Example 28 Routes

Scheme 3			Figures taken into account for the calculation				
Number of routes		% Discount	(A) Nr. of routes per layer	(B) Apt Charges per pax (estimated average)	(C) Weight over total number of routes	(D) Discount	(E) Weighted average value
0	2	0%	2	12,00	7,14%	- €	- €
3	5	2%	3		10,71%	0,24€	0,03€
6	10	4%	5		17,86%	0,48€	0,09€
11	15	8%	5		17,86%	0,96€	0,17€
16	20	16%	5		17,86%	1,92€	0,34€
21	onwards	25%	8		28,57%	3,00€	0,86€
							1,48€

The weighted value of the discount per layer **E** is obtained by multiplying the discount **D** (= B x % discount) by the weight (percentage value) of the number of routes per band over the total routes **C**. (e.g. 28 routes C= A÷28)

Example: **28 routes** - layer from 11 to 15 routes, made of 5 routes, that over the 28 routes operated, have a weight of 17,86% (5÷28), this percentage will be multiplied by 8% discount, that is 0,96€, it will result the weighted average value of 0,17€.

The final result of the discount will be the sum of the weighted average values for each layer. Ex: 0,03 + 0,09 + 0,17 + 0,34 + 0,86 = 1,48€

Updated on 29/07/2020