

CENTRE COUNTY AIRPORT AUTHORITY

May 28, 2026

A RESOLUTION

**MODIFYING THE TERMS OF THE DOMESTIC AIR
CARRIER INCENTIVE PROGRAM FOR THE STATE
COLLEGE REGIONAL AIRPORT.**

WHEREAS, this Authority is existing under the laws of the Commonwealth of Pennsylvania, including specifically the Municipality Authorities Act, 53 Pa. C.S. §§ 5601-5623, to participate in the ownership, operation, and management of the State College Regional Airport (the “Airport”);

WHEREAS, the Authority recognizes that reliable and competitive domestic air service is essential to the economic vitality, tourism, educational accessibility, business development, and regional connectivity of Central Pennsylvania;

WHEREAS, the Authority desires to encourage the development and expansion of domestic scheduled air service at the Airport through a transparent, objective, and federally compliant incentive program;

WHEREAS, the Authority finds that the establishment of an air carrier incentive program serves a valid public purpose by promoting economic development, supporting regional mobility, enhancing access to educational and healthcare institutions, and improving transportation infrastructure within the Authority’s service region;

WHEREAS, the Authority desires to modify the Airport’s existing Domestic Air Carrier Incentive Program (“DACIP”) to provide limited and temporary incentives to eligible air carriers for the initiation and expansion of qualifying domestic air service at the Airport;

WHEREAS, the Authority intends that the DACIP be administered in accordance with all applicable federal laws, regulations, Federal Aviation Administration (“FAA”) policies, grant assurances, and airport sponsor obligations, including without limitation FAA Grant Assurances 22 and 24; and

WHEREAS, the Authority further finds that it is in the best interests of the Authority and the public to formally adopt the DACIP on the terms set forth herein and authorize the administration thereof;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Centre County Airport Authority as follows:

1. Adoption and Modification of Program. The Authority hereby adopts the Domestic Air Carrier Incentive Program in the form that is attached hereto as Exhibit “A” and incorporated herein by reference.

2. Purpose. The DACIP is intended to encourage the initiation and expansion of domestic scheduled passenger air service at the Airport by eligible air carriers through temporary and limited incentives designed to support qualifying new service and promote regional economic development.

3. Administration. The Executive Director of the Authority, or such designee as may be appointed by the Authority, is authorized to administer the DACIP consistent with this Resolution and all applicable laws and regulations.

4. FAA Compliance. The DACIP shall be interpreted, administered, and enforced in a manner consistent with all applicable FAA regulations and policies, FAA grant assurances, federal statutes and regulations governing airport revenue use and economic nondiscrimination, applicable Pennsylvania law, and existing airport agreements and obligations. In the event of any

conflict between the DACIP and applicable law or regulations, the applicable law or regulations shall control.

5. Nondiscrimination. The DACIP shall be made available on a fair, reasonable, and non-discriminatory basis to similarly situated qualifying air carriers, subject to the eligibility criteria, funding availability, and program requirements established by the Authority.

6. Funding Limitations. All incentives provided under the DACIP shall be:

- a. Subject to available funding;
- b. Subject to annual budget appropriations by the Authority;
- c. Subject to compliance with applicable airport revenue use requirements;
and
- d. Subject to execution of a written incentive agreement approved by the Authority.

Nothing in the DACIP or this Resolution shall obligate the Authority to provide incentives in excess of available and lawfully appropriated funds.

7. Written Agreements Required. No applicant shall be entitled to receive incentives under the DACIP unless and until the applicant and the Authority execute a written incentive agreement approved by the Authority Board of Directors. Each incentive agreement may establish such additional terms and conditions as the Authority deems appropriate, including but not limited to operational commitments, reporting requirements, insurance requirements, marketing obligations, service duration requirements, repayment or clawback provisions, compliance obligations, and termination rights.

8. Reservation of Rights. The Authority reserves the right, in its sole discretion and consistent with applicable law, to modify, suspend, amend, or terminate the DACIP at any time,

deny applications that fail to satisfy program requirements, adjust incentive amounts based upon available funding, determine applicant eligibility, establish administrative procedures for implementation of the DACIP, and take all actions necessary to ensure compliance with applicable law and FAA requirements.

9. No Property Rights Created. Nothing contained in this Resolution or the DACIP shall create any contractual, vested, or property right in favor of any applicant, air carrier, or third party absent execution of a written agreement approved by the Authority.

10. Severability. If any provision of this Resolution or the DACIP is determined to be invalid or unenforceable by a court or regulatory authority of competent jurisdiction, the remaining provisions shall remain in full force and effect.

11. Repealer. All resolutions or parts of resolutions inconsistent herewith are repealed to the extent of such inconsistency.

12. Effective Date. This Resolution shall become effective immediately upon adoption.

IT IS HEREBY RESOLVED this 28th day of March, 2026.

ATTEST:

CENTRE COUNTY AIRPORT AUTHORITY:

Secretary

Chair

EXHIBIT “A”

DOMESTIC AIR CARRIER INCENTIVE PROGRAM

Purpose

Recognizing the critical importance of air service to the economic success and regional connectivity of Central Pennsylvania, the State College Regional Airport (“SCE”) is committed to fostering a competitive and sustainable domestic air service environment.

The Domestic Air Carrier Incentive Program (“DACIP”) is intended to encourage both new entrant and incumbent airlines to launch or expand domestic scheduled passenger air service at SCE. By providing limited and temporary incentives, the DACIP seeks to enhance connectivity to key business and leisure destinations, support regional economic development, and improve travel options for residents, visitors, students, and businesses throughout the region.

Eligibility

The DACIP shall be available to:

1. New entrant airlines considering service to SCE;
2. Existing airlines seeking to expand domestic service at SCE; and
3. Airlines increasing frequencies or destinations that qualify under this Program.

Qualifying Service

A route may qualify for incentives if the proposed service satisfies all applicable program requirements and constitutes:

1. New nonstop domestic passenger service between SCE and a destination market not currently served on a scheduled basis from SCE; and

2. Service that has not been operated by the applicant airline on a scheduled basis within the preceding thirty-six (36) months.

The Authority reserves the right to determine whether proposed service constitutes qualifying service under the DACIP.

Incentives

Subject to funding availability and execution of a written incentive agreement, qualifying applicants may be eligible for one or more of the following incentives:

1. Temporary fee abatements for eligible airport fees and charges;
2. Cooperative marketing support;
3. Air service development support;
4. Operational support services; and
5. Access to available in-airport advertising opportunities.

Separate minimum revenue guarantee (“MRG”) programs, if any, may be independently offered by third-party community partners and shall not constitute obligations of the Authority unless expressly set forth in a written agreement approved by the Authority.

Eligible Fees

For purposes of the DACIP, “Eligible Fees” may include landing fees, terminal rental charges, and such other airport charges as may be specifically identified by the Authority in a written incentive agreement.

Eligible Fees shall not include:

1. Passenger Facility Charges;
2. Federally imposed fees or assessments;
3. TSA or security fees imposed by governmental authorities;

4. Fuel flowage fees unless expressly approved by the Authority; or
5. Pass-through governmental charges.

Fee Abatement Guidelines

Subject to Authority approval and execution of a written agreement, qualifying service may be eligible for temporary fee abatements as follows:

1. Up to one hundred percent (100%) fee abatement for up to twenty-four (24) months for qualifying year-round service providing a minimum of ten (10) scheduled flights per week.
2. Up to one hundred percent (100%) fee abatement for up to twelve (12) months for qualifying year-round service providing a minimum of five (5) scheduled flights per week.
3. Up to one hundred percent (100%) fee abatement for up to twenty-four (24) months for qualifying year-round providing a minimum of two (2) scheduled non-stop flights per week to Florida.

The Authority may designate certain underserved or strategic destination markets for additional incentive consideration based upon objective criteria including passenger demand, market leakage, regional economic development objectives, seasonal demand, or recommendations contained within airport air service development studies.

Cooperative Marketing Support

The Authority may coordinate with tourism agencies, economic development organizations, local businesses, educational institutions, and community stakeholders to support qualifying new air service through cooperative marketing efforts.

Subject to funding availability and written agreement approval, marketing support may

include:

1. Up to \$150,000 over twenty-four (24) months for qualifying year-round service providing at least ten (10) scheduled flights per week;
2. Up to \$75,000 over twelve (12) months for qualifying year-round service providing at least five (5) scheduled flights per week; and
3. Up to \$150,000 over twenty-four (24) months for qualifying year-round service providing at least two (2) scheduled non-stop flights per week to Florida.

Additional marketing support for underserved or strategic markets as approved by the Authority.

Marketing support may include digital advertising, social media campaigns, radio advertising, billboard advertising, television advertising, public relations support, and other promotional activities.

Public Relations and Community Support

Participating airlines may receive:

1. Press releases and media outreach;
2. Inaugural flight events;
3. Community partnership announcements;
4. Regional stakeholder engagement support; and
5. Social media engagement support.

In-Airport Advertising

Subject to availability and Authority approval, participating airlines may receive access to airport advertising opportunities including:

1. Digital display advertising;
2. Terminal signage;
3. Passenger information displays; and
4. Promotional banners and campaign materials.

Data and Market Information

The Authority may provide participating airlines with access to available passenger demand data, catchment area analysis, travel trend information, and market analysis information, subject to confidentiality restrictions and applicable law.

Operational Expectations

Participating airlines shall make commercially reasonable efforts to maintain qualifying service throughout the applicable incentive period.

The Authority may require participating airlines to provide:

1. Advance notice of proposed service reductions or discontinuance;
2. Operational reporting;
3. Passenger activity data;
4. Marketing performance information; and
5. Such additional information as may reasonably be required by the Authority.

Clawback and Repayment

The Authority reserves the right to require repayment of a prorated portion of incentives previously provided if qualifying service is discontinued prior to completion of the applicable incentive period, except in cases involving force majeure events or other circumstances approved by the Authority.

Application Process

Applications for incentives under the DACIP must be submitted in a form approved by the Authority at least thirty (30) days prior to the proposed launch of qualifying service.

Applications shall be reviewed by the Authority subject to:

1. Program eligibility;
2. Funding availability;
3. Strategic airport objectives;
4. Operational feasibility;
5. FAA compliance considerations; and
6. Such additional criteria as the Authority may establish.

Allocation of Incentives

Incentives may be awarded on a first-qualified, first-approved basis, subject to Authority review, available funding, and compliance with applicable law and FAA requirements.

No Additional Charges

The Authority intends to administer the DACIP in a manner consistent with applicable airport rate-setting methodologies and FAA revenue use requirements.

To the extent practicable and consistent with applicable law, the Authority intends that DACIP incentives not materially increase rates or charges assessed to nonparticipating airport users.

Program Modifications

The Authority reserves the right, in its sole discretion and consistent with applicable law, to modify, suspend, amend, interpret, or terminate the DACIP, in whole or in part, at any time, with or without prior notice.

Such modifications may include, without limitation:

1. Changes to eligibility criteria;
2. Changes to incentive amounts or categories;
3. Changes to operational or reporting requirements;
4. Changes to application procedures;
5. Changes to qualifying service requirements; and
6. Changes necessary to ensure compliance with FAA requirements, funding restrictions, or other applicable laws and regulations.

No applicant or participating airline shall acquire any vested right or entitlement to continued participation in the DACIP or continuation of any particular incentive, term, condition, or program structure.

The Authority may apply modifications prospectively or, where necessary for legal or regulatory compliance, to existing incentive agreements to the extent permitted by law and the terms of such agreements.

Additional Information

To learn more about the Domestic Air Carrier Incentive Program (DACIP) and determine eligibility, contact the Airport Administration Office at the State College Regional Airport.

Compliance with Law

The DACIP is subject to all applicable federal, state, and local laws, regulations, FAA policies, grant assurances, and funding requirements.

Effective Date

The DACIP shall become effective on May 12, 2026.