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CONNECTIVITY INCENTIVE SCHEME
for air services to new destinations
from Paris Charles-de-Gaulle Airport (CDG) and Paris Orly

Connectivity Incentive Scheme has been published, on the 10th of February 2023 on Groupe ADP's website, to support development of long-haul connectivity at Paris Charles-de-Gaulle Airport (CDG) and Paris Orly (ORY). In line with Pioneers 2025 Groupe ADP's strategy plans, it aims to attract new air services to unserved destinations.

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1. ELIGIBILITY CRITERIA

To be eligible to the incentive, candidate airline must comply with the following criteria :

♦ List of destination cities

The incentive is only applicable to **the destination cites listed in the Table 1 below** and classified in 2 groups :

Destination Cities	Country	Group
Wenzhou	China	Group 1
Hangzhou	China	Group 1
Changsha	China	Group 1
Nanjing	China	Group 1
Tianjin	China	Group 1
Shenyang	China	Group 1
Fukuoka	Japan	Group 1
Jakarta	Indonesia	Group 1
Almaty	Kazakhstan	Group 1
Dammam	Saudi Arabia	Group 1
Kuala Lumpur	Malaysia	Group 1
Nosy-Be	Madagascar	Group 2
Denpasar	Indonesia	Group 2
San Salvador	Brazil	Group 2
Montevideo	Uruguay	Group 2
Monterrey	Mexico	Group 2
Guadalajara	Mexico	Group 2
Manille	Philippines	Group 2
Quito	Ecuador	Group 2
San Diego	United States	Group 2
Orlando	United States	Group 2
Las Vegas	United States	Group 2
Baltimore	United States	Group 2
Austin	United States	Group 2
New Orleans	United States	Group 2
Fort Lauderdale	United States	Group 2
Oakland	United States	Group 2
Portland	United States	Group 2
Phoenix	United States	Group 2
Ottawa	Canada	Group 2
Hyderabad	India	Group 2
Perth	Australia	Group 2
Phnom Penh	Cambodia	Group 2
Siam Rep	Cambodia	Group 2



Table 1: List of destination cities

♦ Minimum operation requirements

To be eligible, the route must be **launched during IATA year 2023** and for each of the three (3) 12-month periods of the incentive duration :

- The route must be operated with a **minimum of 104 flights per year** (i.e., over a period of 12 months from the first launch flight in 2023 IATA year)
- The airline must deliver a **growing or stable number of seats and routes¹** from Paris (CDG+ORY), on international destinations compared to the previous 12-month period (for the first 12-month period specifically, the airline must deliver a growing number of seats and routes compared to the 12 months prior to launch)
- All operation on the route should be performed with **a minimum of 150 seats aircraft**
- The route must be operated as a non-stop flight to the destination city

♦ New route for the operating airline

The destination city served must be a **new route for the operating airline** :

- The operating airline must **the first operator to put on sale** the route
- The operating airline² **must not have operated the route in the last 5 years**

♦ Financial requirement

The operating airline **cannot have any record of delay in payment or any unpaid invoices** throughout the duration of the Connectivity Incentive Scheme.

2. INCENTIVE

♦ Standard incentive

Groupe ADP will grant an incentive per departing passenger depending on the group of the destination city as outlined in Table 1 of this document. **The incentive will be applicable for three (3) consecutive years from the starting date of operations** if eligibility criteria are maintained throughout the period. The incentive amounts are defined in Table 2 :

	Group 1	Group 2
1 st 12-month period - Year 1	€ 15.00	€ 10.00
2 nd 12-month period - Year 2	€ 10.00	€ 7.50
3 rd 12-month period - Year 3	€ 5.00	€ 5.00

Table 2: Incentive amounts per departing passenger in euros

¹ The number of international routes is counted as the number of airport pairs served by the airline at least 52 times per 12-month period

² The candidate airline itself or any candidate airline's subsidiary or by any airlines in joint venture agreement with the candidate airline



♦ Bonuses rewarding additional criteria

In addition to the standard incentive amounts, and at the discretion of Groupe ADP, the airline can be eligible to bonuses in return of :

- **off-peak hours** operations (terminal and airport related)
- **new generation aircraft** operations, according to an established list hereafter : Airbus A350, Boeing B787, Boeing B777X, Airbus 330 Neo, Airbus A32X LR/Neo, Boeing 737X Max and Airbus A220
- **access to the airline's marketing** tools (promotion of Groupe ADP commercial areas on in-flight Entertainment, magazines, social networks and website)
- **increased level of operations** compared to the initial project discussed

The level of the bonuses may vary with the three 12-month period if conditions are not met. The level of the bonuses will be defined bilaterally between Groupe ADP and the operating airlines, within a pre-defined cap that ensures positive return of investment as requested by EU regulation.

3. PAYMENT TERMS

♦ Application and contract

As soon as the route is on sale, Groupe ADP will formalize the terms and conditions of the Connectivity Incentive Scheme and will send to the airline a contract which must be returned signed within 15 days before the first flight. In the absence of signature, the new route would not be considered eligible for the incentive program.

♦ Methods of payment

Within three months after the end of each 12-month periods, **Groupe ADP will check the criteria compliance and will issue a credit note** corresponding to the total incentive amount for the individual period. For clarity, example for calculating the total incentive for Year 1 is detailed in Section 4.

♦ Termination of the program

If the eligibility conditions are not met over one of the 12-month period, the incentive will stop for the current period and the following periods.

4. INCENTIVE CALCULATION EXAMPLE (ILLUSTRATIVE)

♦ Assumptions

Calculation is provided assuming criteria defined in Section 1 are all achieved during the all duration of the Connectivity Incentive Scheme.



Airline A applies to the Connectivity Incentive Scheme for the launch of the route between Paris Charles de Gaulle (CDG) and Manila (MNL) from the 1st of June 2023. The three 12-month periods are defined as follows :

Period 1 = June 2023 – May 2024

Period 2 = June 2024 – May 2025

Period 3 = June 2025 – May 2026

According to the Table 1, Manila is classified as a Group 2 destination city, therefore the standard incentive per departing passengers is defined as follows :

Standard incentive _ Period 1 = € 10.00

Standard incentive _ Period 2 = € 7.50

Standard incentive _ Period 3 = € 5.00

Airline A intends to operate 3 weekly flights delivering 35,000 departing passengers per aeronautical year, therefore :

Dpax _ Period 1 : 35,000

Dpax _ Period 2 : 35,000

Dpax _ Period 3 : 35,000

Following negotiations with the Airline A that will operate with a new generation aircraft, the bonus has been set as follows (and assumed valid for all the duration of the scheme) :

Bonus % _ Period 1 : 120%

Bonus % _ Period 2 : 120%

Bonus % _ Period 3 : 120%

♦ **Calculation of incentive amounts to be received by Airline A at the end of each of the 12-month periods**

Incentive Amount _ Period 1 = **Dpax _ Period 1** x **Standard incentive _ Period 1** x **Bonus % _ Period 1**

→ **Incentive Amount _ Period 1** = 35,000 x € 10.00 x 120% = 420,000 EUR

Incentive Amount _ Period 2 = **Dpax _ Period 2** x **Standard incentive _ Period 2** x **Bonus % _ Period 2**

→ **Incentive Amount _ Period 2** = 35,000 x € 7.50 x 120% = 315,000 EUR

Incentive Amount _ Period 3 = **Dpax _ Period 3** x **Standard incentive _ Period 3** x **Bonus % _ Period 3**

→ **Incentive Amount _ Period 3** = 35,000 x € 5.00 x 120% = 210,000 EUR



In total, Airline A will receive 945,000 euros as a credit note.

Questions regarding the published incentive scheme and application process can be submitted directly to Groupe ADP via email: aviationdevelopment@adp.fr

