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| **PROMOTUR TURISMO CANARIAS, S.A.** |
| **APPLICATION FOR THE FLIGHT DEVELOPMENT PROGRAMME INCENTIVE FOR THE START-UP OF NEW DIRECT AIR ROUTES WITH CANARY ISLANDS AIRPORTS** |
| **AJ 80/18CA** |

This is the form that must be submitted to apply for the incentive that is the subject matter of this Call for applications; it comprises four (4) documents: **I.- Application Form** **II.- Minimum Requirements to apply for the Incentive** **III.- Business Plan** and **IV.- Contact Details**.

This form must be completed following the instructions in the *Notice of Call for Applications* and the *Terms governing the granting of flight development programme incentives for the start-up of new direct air routes with Canary Islands airports.*

All fields of the form must be filled in. The application cannot be submitted if any fields are empty or incomplete.

In point 3.1 of Section III.- Business Plan in this form, paragraph 1, concerning the demonstration that the route is likely to be profitable once the start-up period for the route has ended, without incentives, and paragraph 3, concerning the explanation of why the airline would not have operated the route with regular services in the absence of the incentive, are mandatory and must be completed for the application to be assessed.

This form must be submitted in PDF format and electronically signed by the person who legally represents the entity submitting the Incentive Application.

**APPLICATION FORM TO BE SUBMITTED TO BECOME A BENEFICIARY OF THE FLIGHT DEVELOPMENT PROGRAMME INCENTIVE FOR THE START-UP OF NEW DIRECT AIR ROUTES WITH CANARY ISLANDS AIRPORTS**

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# i.- APPLICATION FORM.

**I**, ……………………………………………………… [*Full name*], of legal age and holder of Tax Identification No. …………………………………….. acting on my own behalf/ on behalf of the entity ……………………………………………………….., holder of Tax Identification No ……………………., in the capacity of ………………………………………………………………, with registered office in ……………………………………… [*Street address*], in the city of …………………………………, Post Code …………., Province of ……………………………………………., Country…………………………, with telephone…………., fax …………. and **email address** …………………………………, for the purpose of notices that may result from this communication, hereby

**APPLY** for participation in the procedure for the granting of incentives for the start-up of a new direct air route between Gran Canaria Airport (LPA) and a New York airport conducted by **PROMOTUR TURISMO CANARIAS, S.A.**, for which I submit, in due time and proper form, the documentation required in accordance with the Terms governing the incentive granting procedure; this documentation comprises:

1.- **Application form**, properly completed.

2.- **Minimum requirements to apply for the Incentive**, properly completed.

3.- Business Plan, properly completed.

4.- Contact details.

5.- ……………………………………………………………………………………….

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**AND TO PROMOTUR TURISMO CANARIAS, S.A.** I make the following declaration on honour:

**I DECLARE, under my own responsibility**, that I meet the **conditions of legal status and representation** and **legal capacity to access and benefit from the present incentive as a beneficiary** and that, within the deadline for submitting this application, I have the **documentation to demonstrate this - this documentation shall be provided to PROMOTUR when the airline is required to do so -** and that **I undertake to continue to comply with the foregoing conditions** during the time in which they are recognised or exercised.

**I DECLARE, under my own responsibility**, that I am up to date with State and Canary Islands tax obligations and Social security contributions.

**I DECLARE, under my own responsibility**, that I have justified any grants previously awarded to me by any department of the Public Administration of the Autonomous Community of the Canary Islands.

**I DECLARE, under my own responsibility**, that I am not currently benefiting from any incentive, aid or grant that may be incompatible with the enjoyment of the present incentive.

**I DECLARE, under my own responsibility**, that the airline is not on the European List of Air Carriers subject to an operating ban and other restrictions within the European Union, published on the following web page: https://ec.europa.eu/transport/modes/air/safety/air-ban\_en

**I DECLARE** that, in the case of non-Spanish undertakings, I submit to the jurisdiction of the Spanish Courts and Tribunals of any kind in relation to any incidents that may, directly or indirectly, arise from the decision on the granting of the incentive, waiving, where applicable, any foreign jurisdiction that may correspond to the beneficiary.

**I DECLARE** that, expressly waiving any other jurisdiction, I will submit to the territorial jurisdiction of the Courts and Tribunals of Las Palmas de Gran Canaria.

**I DECLARE, under my own responsibility**, that I undertake to comply with all the obligations contained in my Incentive Application.

**I DECLARE** that I authorise the Spanish Airports Authority, **Aena SME, S.A.**, to provide **PROMOTUR** with the information concerning the operation of the new route that will enable **PROMOTUR** to verify the degree of compliance with the operating obligations of the new route and confirm the justification of the incentive.

**I DECLARE** that I will allow **PROMOTUR**, when it so requires to ensure fulfilment of the process, to verify the truthfulness of this declaration at any time during the process.

**I DECLARE** that I authorise **PROMOTUR**, on behalf of the signatory entity, to request any type of documentation that demonstrates that the entity has obtained licences, permits or the necessary authorisation to become a beneficiary of the incentive in accordance with the Terms that govern the Call for applications, from any entity, body or public administration authorised to provide such documentation.

**I DECLARE** that I undertake to perform the incentive in accordance with the specifications and the budget laid down in the Notice of Call for applications.

**PROMOTUR** may request the necessary proof to demonstrate compliance by the beneficiary airline with the declarations made herein.

In witness whereof, I sign this declaration in …….…………………, on …….. ……………………… 20… or on the date showing below the electronic signature.

Signed………………………….

(Legal representative of the entity)

(Entity)

# ii.- minimum requirements to apply for the incentive.

1. Origin airport

John F. Kennedy (JFK) ☐ Newark (EWR) ☐

LaGuardia (LGA) ☐

1. Starting week of operations

Week from Sunday …. (day) …………… (month) to Saturday …. (day) …………… (month) ……… (year).

1. Type of route

Please choose one (1) option only.

* + Year-round ☐
  + Summer seasonal ☐
  + Winter seasonal ☐

1. Schedule

In the case of a seasonal route, fill in the details of the corresponding season only.

SUMMER:

* + Frequency per week: …………….
  + Total flights during the season (one way): …………….

WINTER:

* + Frequency per week: …………….
  + Total frequencies during the season (one way): …………….

1. Aircraft

In the case of a seasonal route, fill in the details of the corresponding season only.

SUMMER:

* + Model:………………….
  + Capacity (seats):……………………

WINTER:

* + Model:………………….
  + Capacity (seats):……………………

1. Total capacity (one way)[[1]](#footnote-1)
   * First year: …………………….. (Seats)
   * Second year: …………………….. (Seats)
   * TOTAL (2 years): …………………….. (Seats)
2. Business Plan[[2]](#footnote-2)

# iii.- BUSINESS PLAN[[3]](#footnote-3).

1. BACKGROUND:
   1. Summary of the airline’s background:

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* 1. Previous experience (if any) of the airline in providing scheduled air services in the Canary Islands:

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1. MARKETING STRATEGY FOR THE ROUTE[[4]](#footnote-4):
   1. Promotion of the route:

- Describe the marketing actions intended to promote the new route.

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* 1. Commercialisation of the route[[5]](#footnote-5):

- List the online and offline distribution channels (own and external channels) the airline will use to commercialise the new route with non-negotiated public fares accessible to all customers. Indicate the exact web page of the airline where the route will be commercialised.

Where the airline does not have its own web page for trading, but sells its tickets through the website of another airline with which it has a business relationship, indicate the exact web page that will be used. The nature of the business relationship between the two airlines must also be described.

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1. FUTURE ECONOMIC VIABILITY OF THE ROUTE[[6]](#footnote-6):
   1. Profitability of the route:

- Detail the estimate of costs and revenue resulting from the operation of the route during the first years of operation. In addition, outline the expected financial results. These results must demonstrate that the route is likely to be profitable once the start-up period for the route has ended, without incentives.

(SAMPLE TABLE)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **YEAR 1** | **YEAR 2** | **YEAR 3** | **YEAR 4** |
| CAPACITY |  |  |  |  |
| LOAD FACTOR |  |  |  |  |
| PASSENGERS |  |  |  |  |
|  |  |  |  |  |
| Average Fare |  |  |  |  |
| Ancillary revenue/ pax |  |  |  |  |
| **TOTAL REVENUE** |  |  |  |  |
| Fixed costs |  |  |  |  |
| - |  |  |  |  |
| - |  |  |  |  |
| - |  |  |  |  |
| Variable costs |  |  |  |  |
| - |  |  |  |  |
| - |  |  |  |  |
| - |  |  |  |  |
| **TOTAL COSTS** |  |  |  |  |
| **NET PROFIT** |  |  |  |  |

- Estimate the minimum average fare necessary to make the route profitable in a scenario of 80% load factor. The amount must refer to one complete round trip; that is, it must include the inbound and outbound flights, breaking the fare down into two components (net fare and charges).

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- Justify why the airline would not have operated the route with regular services in the absence of the incentive.

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* 1. Results forecast of the route:

- Expected passenger volume and mean load factor per season for the route’s first years of operation.

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- Expected passenger profile.

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# IV.- Contact details.

1. Contact for information, queries, follow-up and notices[[7]](#footnote-7)

- Full name: ……………………………………………………………………….

- Telephone: …………………………………

- Email address: …………………………………………………………..

1. Head of route development

- Full name: ……………………………………………………………………….

- Telephone: …………………………………

- Email address: …………………………………………………………..

1. Person in charge of legal advice for this procedure

- Full name: ……………………………………………………………………….

- Telephone: …………………………………

- Email address: …………………………………………………………..

1. Product of multiplying the total number of flights by the aircraft capacity. [↑](#footnote-ref-1)
2. To be completed in accordance with section III.- BUSINESS PLAN. [↑](#footnote-ref-2)
3. The Business Plan must establish a cost and revenue scenario associated with the operation of the new route based on expectations of the macroeconomic environment that will allow the route to operate and be viable after the start-up period. It will also contain the promotional and commercial activities that will help to achieve the results included in this scenario. [↑](#footnote-ref-3)
4. Indicate how you plan to promote and commercialise the route based on the operating conditions specified in section II.- MINIMUM REQUIREMENTS TO APPLY FOR THE INCENTIVE. [↑](#footnote-ref-4)
5. The new route must be available for sale on a) the website of the airline or, failing this, on the website of another airline with which it has a commercial relationship; and b) on at least one of the following two external channels: (1) a Global Distribution System (GDS); or (2) a metasearch engine or online travel agency. [↑](#footnote-ref-5)
6. Using a simulation of results, demonstrate the economic return of the route in terms of passenger volume, load factor and the expenditure/income ratio, based on the operating conditions laid down in section II.- MINIMUM REQUIREMENTS TO APPLY FOR THE INCENTIVE. [↑](#footnote-ref-6)
7. Contact for information, queries and notices concerning the Call for Applications in course and for follow-up and monitoring of the execution of the incentive in accordance with the terms of **Term 10.2** of the **Terms governing the granting of the Flight Development Programme incentives** for this procedure. The email address indicated here must be the same as the one entered on the website in the field email address for information, queries, follow-up and notices when submitting the Incentive Application. [↑](#footnote-ref-7)