



Aviation
Commercial
Policy
2023-2024



INTRODUCTION

S.A.CAL. S.p.A - The Management Company of Crotona, Lamezia Terme and Reggio Calabria Airports - is a publicly owned company, holder of the forty-year ENAC concession for the management of Lamezia Terme Airport and thirty-year concession for the "Tito Minniti" Airport in Reggio Calabria and "Sant'Anna" Airport in Crotona.

S.A.CAL. S.p.A, as part of its activity in the management and development of the Calabrian Airport System, has as its main objective to stimulate the development of scheduled air traffic at the airports of Crotona, Lamezia Terme and Reggio Calabria, consistent with the characteristics of the Calabrian market and airport infrastructure, to increase the number of air connections by improving connectivity and contributing to the economic growth of the territory.

These actions consist mainly in the search for carriers capable of guaranteeing both new direct connections and connections to Hubs, such as to expand the range of destinations that can be reached from Calabrian airports.

To this end, S.A.CAL. S.p.A has adopted an incentive policy, the extent of which will vary depending on the amount of air services that carriers will operate on Calabrian airports and the strategic nature of the same for the airport of reference and for the territory, with particular reference to the current context in continuous evolution as a result of the global economic crisis that requires the adoption of stimulus measures for the reconstruction of pre-Covid traffic levels.

This policy complies with the new EU regulations on start-up aid for routes (Commission Communication 2014/C 99/03 of April 4, 2014, Guidelines on State Aid to Airports and Airlines).

1. STRATEGIC OBJECTIVES.

Through the Policy S.A.CAL. S.p.A in addition to increasing passenger traffic volumes at its airports, it has the following objectives:

- Increase in the number of destinations served with point-to-point connections;
- Increasing frequencies on current destinations to improve the offer to customers;
- Deseasonalization of markets/connections subject to strong seasonality;
- Increasing the level of intercontinental connectivity through both direct flights and new services to major European hubs.



2. REQUIREMENTS FOR PARTICIPATION IN THE INCENTIVE PROGRAM.

The air carrier must have:

1. Air operating license issued by a Member State in accordance with EC Regulation No. 1008/2008;
2. air operator's certificate (AOC) enabling the operation of the activity issued by the competent authorities of the country of origin.

In the case of a non-EU carrier, similar requirements will be assessed.

3. TERMS OF APPLICATION

3.1 Parameters for determining the contribution

The amount of the contribution will be determined based on the number of passengers carried (paying departing passengers) and/or the number of flights and/or capacity offered and subject to the achievement of agreed targets. The amount of the contribution will depend on:

- Traffic volumes generated;
- Type of destination (European/extra-European);
- Strategic importance of the destination;
- Number of frequencies operated;
- Type of aircraft used;
- period of operation;
- commercial effectiveness of the carrier in the market.

Based on the strategic significance of the new route, SA.CAL. S.p.A will evaluate the possibility of supporting the carrier with a marketing and new route start-up contribution, to be provided over one or more years, at most until the expiration of the contract, which may vary from a minimum of 2 years to a maximum of 7 years.

3.2 Cases for evaluation of the contribution

This policy will be applied to carriers that commit to implementing development strategies on Calabrian airports to achieve the objectives mentioned in paragraph 1.

Such strategies include:

- Opening of new connections;
- Increased capacity/frequency on existing destinations;
- Multi-year consolidation and/or development plans for significant volumes of passenger traffic.

a) Opening of new connections



New destinations/connections are defined as the start-up of new scheduled flights on international and domestic routes not served with at least 2 rotations per week. The incentives for new connections will be regulated as follows: Minimum period of operation: two years. In case the new route is not profitable, the carrier may propose the replacement of the route with another one. The incentive will be recognised per departing passenger (i.e. €/depax) and the amount will depend on the routes/frequencies proposed (i.e. domestic, international, non-EU), the duration of the contractual relationship (e.g. shorter for 2/3 years or longer for 5 years). In addition, depending on the strategic value of the new connection, SACAL will assess the possibility of supporting the carrier with a marketing and start-up contribution for new routes, to be paid over one or more years, at most until the expiry of the contract (advertising promotions).

b) Capacity/frequency increase on existing destinations

This means a destination already operated by a scheduled carrier for which the same carrier envisages an increase (in terms of additional frequencies and/or capacity offered) compared to the previous IATA season or the introduction of the same destination by another scheduled carrier; the amount of the subsidy shall be determined on the basis of the parameters set out in paragraph 3.1.

(c) Multi-year consolidation and/or development plans

This refers to agreements with operating carriers capable of sharing multi-year traffic development plans characterised by point-to-point traffic contributing significantly to the growth of traffic volumes and to the capillarity of the network of each individual airport for a period of not less than 3 years.

In the event of the opening of a new operating base in one of the System's airports, the carrier may be granted a contribution to be negotiated on the basis of the new routes developed and the overall traffic volume ensured by the carrier.

Weekly frequencies: minimum 3 weekly frequencies during the IATA Summer season and 2 during the IATA Winter season.

Depending on the new routes developed and the overall traffic volume, SACAL will assess the possibility of supporting the carrier as follows

- Maximum annual marketing contribution in case of new base to be paid over one or more years at most until the expiry of the contract;
- Maximum annual contribution for each based aircraft.

Should the new routes prove unprofitable, the carrier may propose the replacement with other routes, approved by SACAL.

4. METHOD OF PRESENTATION OF THE DEVELOPMENT PROGRAMME

In line with the national guidelines issued by MIT on 11/08/2016, S.A.CAL S.p.A informs the carriers of its commercial policy through its website and in particular on the basis of the indications provided in this document, carriers are invited to propose the activation of new connections or the further development of connections already operated with reference to the target markets defined by SACAL to the following e-mail addresses: ferragina@sacal.it; sacalspa@legalmail.it.