

Title 6: Economic Development

Part 1: Financial Resources

Chapter 20: Mississippi Air Service Growth Program (MASGP)

Rule 20.1 General Authorization and Purpose. In the 2016 legislative session, the Mississippi State Legislature passed HB 1074 creating the “Economic Development and Infrastructure Fund” in order to support infrastructure and transportation needs in counties in which legal gaming is conducted or authorized. Specifically, the law directs the Mississippi Development Authority (MDA) to provide grants:

- A. To assist with construction and repair of infrastructure in counties where legal gaming is being conducted or is authorized and for structures designed to promote the gaming and entertainment industry in such counties, and
- B. To aid in increasing commercial air service at existing commercial service airports in counties in this state in which legal gaming is being conducted or is authorized by offering to assist Part 121 carriers through the following air service development methods: revenue guaranty, seat guaranty, seat cost mitigation, ground handling and marketing.

House Bill 1074, 2016 Regular Session

Rule 20.2 Legislative Funding Allocation. The Legislature directed MDA to allocate not less than \$2,500,000 annually of funds deposited into the “Economic Development and Infrastructure Fund” for increasing air service in eligible counties. HB 1074 defines eligible air service expansion activities as:

- A. Revenue Guaranty
- B. Seat Guaranty
- C. Seat Cost Mitigation
- D. Ground handling cost mitigation
- E. Marketing

House Bill 1074, 2016 Regular Session

Rule 20.3 Mississippi Air Service Growth Program Purpose. The Mississippi Air Service Growth Program (MASGP), administered by the Mississippi Development Authority (MDA), is designed for making grants to Commercial Airlines to aid in increasing commercial air service at existing commercial service airports in counties in the state in which legal gaming is being conducted or is authorized. Funding for this program is derived from appropriations or funds otherwise made available by the State Legislature.

House Bill 1074, 2016 Regular Session

Rule 20.4 Eligible Applicants. Any Certified Part 121 Air Carrier that provides additional or new air service to and/or from a commercial service airport in counties in Mississippi in which legal gaming is being conducted or is authorized that have FAR Part 121 air service at the time of the enactment of the program.

House Bill 1074, 2016 Regular Session

Rule 20.5 Definitions.

- A. "Additional Service" is defined as an increase in the number of flights over the highest monthly frequency on passenger service between the commercial service airport and an existing market over the previous twelve (12) months of service, including seasonal service.
- B. "Airport" refers to existing commercial service airports in counties in the state in which legal gaming is being conducted or is authorized.
- C. "Approved Carrier" is an Applicant that has received a grant agreement from MDA.
- D. "Applicant" shall mean a Commercial Airline providing Additional Service or New Service that may have entered into agreements with Mississippi Entities and is applying to MDA under this grant program.
- E. "Commercial Airline" is a Part 121 Air Carrier.
- F. "Expenses Actual" or "Actual Expenses" is defined as the total expense the Applicant incurs in operating the Additional Service and/or New Service at the Airport.
- G. "Expenses Projected" or "Projected Expenses" is defined as the total expense the Applicant reasonably expects to incur in operating the proposed Additional Service and/or New Service at the Airport.
- H. "Grant Period" refers to a period of up to twenty-four (24) months covered under the grant agreement in which MDA is liable for a guaranty or reimbursement of eligible expenses. The Grant Period will begin on a date agreed to in the grant agreement. Based upon the specifics of the grant agreement, the Applicant may provide seasonal service for several months during this period.
- I. "Mississippi Entities" or "Mississippi Entity" for the purpose of this program shall refer to one or more gaming entities, community organizations, or other entities that will contract with a Part 121 air carrier to guarantee or otherwise entice the Applicant to an Airport.
- J. "Minimum Gross Operating Revenue" is the minimum revenue the Applicant reasonably expects to earn to cover its Expenses Projected related to the operation of the proposed Additional Service and/or New Service at the Airport.
- K. "New Service" is defined as a new destination served by a Commercial Airline for passenger service from the Airport, including seasonal service. The service could not have been in place at the Airport by the same Applicant for a minimum of two years prior to application date.
- L. "Return on Investment" is defined as the projected financial impact on a community in additional tax revenue, direct and indirect jobs, and additional community impacts if New Service or Additional Service is brought to the Airport.
- M. "Revenue Actual" or "Actual Revenue" is defined as the total revenue the Applicant realizes from all sources, including any discounts, credits, waivers of fees or the like in operating the proposed Additional Service and/or New Service at the Airport.

- N. "Revenue Projected" or "Projected Revenue" is defined as the total revenue the Applicant reasonably expects to realize from all sources, including any discounts, credits, waivers of fees or the like in operating the proposed Additional Service and/or New Service at the Airport.

House Bill 1074, Regular Session 2016

Rule 20.6 Grant Programs. MDA may award grants to qualified Applicants for several activities allowed for by HB 1074. MDA has categorized the eligible activities into two categories.

- A. MASGP Category 1 Grants. Category 1 grants are of such a nature that an Applicant can only participate in one of these programs at a time. The Applicant must select the Category 1 grant that best serves their needs and apply for only one during a twenty-four (24) month grant period. Applicant can combine the Category 1 grant with either or both of the Category 2 grants, as necessary.
- (i) Revenue Guaranty
 - (i) Seat Guaranty
 - (ii) Seat Cost Mitigation
- B. MASGP Category 2 Grants. Applicant may receive grants under both Category 2 grant options concurrently. Any Category 1 grant may be paired with either or both Category 2 grants, as necessary.
- (i) Ground handling cost mitigation
 - (ii) Marketing

House Bill 1074, Regular Session 2016

Rule 20.7 Grant Agreement. MDA and the Applicant will enter into a grant agreement prior to the beginning of the Additional Service or New Service beginning. The Grant Period will be for a term of up to twenty-four (24) months beginning on a date agreed to in the grant agreement. MDA, in its sole discretion, may agree to one optional twelve (12) month extension to the grant agreement after the initial Grant Period. Based upon the specifics of the grant agreement, the Applicant may provide seasonal service for several months during the Grant Period.

House Bill 1074, Regular Session 2016

Rule 20.8 Separate Grant Agreements for Each Eligible Activity. Applicants will be required to enter into a separate grant agreement for each eligible activity they wish to participate in. Applicant may participate in multiple grant activities at the same time, subject to categorical restrictions discussed above and availability of funds. Applicants will be required to adhere to all applicable state and federal law, as well as any existing programmatic guidelines or forthcoming guidelines published by MDA in accordance with proper administrative procedures.

House Bill 1074, Regular Session 2016

Rule 20.9 Amount of Grant Award. The amount of each grant awarded will be based on the Applicant's ability to participate in the project, the degree of need for the air service as determined

by the community, the economic impact of the New Service and/or Additional Service on the community, and the availability of funds.

House Bill 1074, Regular Session 2016

Rule 20.10 Failure to Comply with Grant Terms. Failure to comply with grant agreement terms may result in denial of a request for payment under the grant program and/or a request for repayment of grant funds.

House Bill 1074, Regular Session 2016

Rule 20.11 Purpose of the Program. The purpose of the program is to increase air service capacity, frequency, and options for commercial air service passengers and have a long term impact on the local economy. Therefore, the Applicant must commit to making every effort to meet flight and/or passenger load commitments in order to meet revenue projections.

House Bill 1074, Regular Session 2016

Rule 20.12 Maintenance of New or Additional Service. In addition, the Applicant agrees to maintain the New Service and/or Additional Service throughout the term of the Grant Period at the levels agreed to under the terms of the agreement. If the Applicant discontinues the service or makes substantial changes to the flight schedule, aircraft, or other material details in the grant agreement, MDA reserves the right to deny a request for payment and/or terminate the grant agreement.

House Bill 1074, Regular Session 2016

Rule 20.13 Audit. Funds provided under the program may be subject to audit by the State Department of Audit, MDA, or other applicable state entity.

House Bill 1074, Regular Session 2016

Rule 20.14 Amendment of Rules. These guidelines may be amended by MDA at any time, subject to the Administrative Procedures Act. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State law.

House Bill 1074, Regular Session 2016

Rule 20.15 Revenue Guaranty Program. MDA may provide a Revenue Guaranty to the Applicant to ensure a Minimum Gross Operating Revenue, subject to the terms of this program as outlined herein and as may otherwise be stated in the grant agreement (hereinafter "Revenue Guaranty"). A Revenue Guaranty is a Category 1 grant and therefore cannot be paired with a Seat Guaranty or a Cost Mitigation grant.

House Bill 1074, Regular Session 2016

Rule 20.16 Minimum Gross Operating Revenue. MDA and the Applicant will negotiate a mutually agreed upon Minimum Gross Operating Revenue target based on documented and supported market projections.

House Bill 1074, Regular Session 2016

Rule 20.17 Revenue Guarantees. Revenue Guarantees supported through this program will be subject to a dollar cap negotiated within the grant agreement. MDA will consider the type of service, duration and frequency of service, Return on Investment, and other factors when determining the dollar cap.

House Bill 1074, Regular Session 2016

Rule 20.18 Application Process for Revenue Guaranty Program. The Applicant must provide all documentation requested by MDA pertaining to the New Service and/or Additional Service. This information will include, but is not limited to:

- A. Name of the Part 121 Air Carrier
- B. Name and location of the commercial service airport
- C. Additional or new destination to be serviced by the Applicant as a result of the grant.
- D. Projected start date of New Service and/or Additional Service
- E. Frequency of flights being proposed
- F. Increase over current flight frequency
- G. Projected passenger load for New Service and/or Additional Service
- H. Increase over existing passenger counts
- I. Justification of the market demand for New Service and/or Additional Service
- J. Letter of support from the Mississippi airport or community with Return on Investment for the community
- K. Applicant financials as reported to the US Department of Transportation
- L. Projected gross revenues based on the number of flights and/or passengers as well as additional revenues Applicant reasonably expects to achieve through operating the service.
- M. Aircraft type to provide the New Service and/or Additional Service, with seating capacity
- N. Minimum Gross Operating Revenue Guaranty requested with justification
- O. Copies of agreement(s) between the Applicant and Mississippi Entities for guaranteed service, marketing and other incentives

House Bill 1074, Regular Session 2016

Rule 20.19 Additional Considerations for Grant Evaluation under the Revenue Guaranty Program. MDA may take into account the Applicant's history of reliability in providing scheduled air service when evaluating the grant application.

House Bill 1074, Regular Session 2016

Rule 20.20 Reporting Requirements for Revenue Guaranty Program. The Applicant shall submit a quarterly report to MDA during the term of the grant agreement that will provide monthly information on the status of the Additional Service and/or New Service. This report will include the following:

- A. Projected v. Actual additional flights
- B. Projected v. Actual additional passengers
- C. Projected Revenues v. Actual Revenues
- D. A statement describing the reason(s) for any shortfall in revenues, as well as supporting documentation.
- E. A statement explaining how the Approved Carrier is addressing the reason(s) for any shortfall in Projected Revenue.

House Bill 1074, Regular Session 2016

Rule 20.21 Reporting Time Limitations for Revenue Guaranty Program. Reports shall be submitted no later than thirty (30) days following the end of the quarter and in a manner prescribed by MDA.

House Bill 1074, Regular Session 2016

Rule 20.22 Payment Requirements under Revenue Guaranty Program. The Approved Carrier shall provide MDA with adequate documentation to quantify the Actual Revenue of the New Service and/or Additional Service covered by the agreement. MDA reserves the right to request additional documentation in order to confirm that information. MDA and the Applicant shall jointly agree on Actual Revenue and the actual amount of shortfall, if applicable, prior to any payment being made. In the event that Projected Revenues were not met during that period, MDA will make a payment to the Applicant in the amount of the difference between the Projected Revenue and Actual Revenue.

House Bill 1074, Regular Session 2016

Rule 20.23 Method to Apply for Payment under the Revenue Guaranty Program. An Approved Carrier may apply to MDA for a payment under the grant program at the end of each twelve (12) month period (not to exceed two requests in any twenty-four (24) month period), if the Approved Carrier did not achieve its Minimum Gross Operating Revenue during the previous twelve (12) month period. For those Approved Carriers only providing seasonal service, MDA may negotiate a more frequent payment plan but shall not make a payment more than twice in a twelve (12) month period. Applicant has a maximum of six (6) months from the end of the Grant Period to make a final Request for Payment.

House Bill 1074, Regular Session 2016

Rule 20.24 Use of Required Form for Payment Requests under Revenue Guaranty Program. An Approved Carrier shall request payment on the guaranty in a form required by MDA.

House Bill 1074, Regular Session 2016

Rule 20.25 MDA's Obligation to Honor Guaranty. MDA is only obligated to honor the guaranty on actual flights flown.

House Bill 1074, Regular Session 2016

Rule 20.26 Maximum Amount of Time MDA is Allowed to Make Payments. State law permits MDA a maximum of forty-five (45) days to make a payment to the Applicant once all documentation and a proper Request for Payment has been received.

House Bill 1074, Regular Session 2016; Miss. Code Ann. §31-7-305(2) (Rev. 2010).

Rule 20.27 Seat Guaranty. The Applicant may seek from MDA a guaranty of the number of seats constituting the difference between the air service provider's required seat block commitment and what the Mississippi Entities can commit to purchase or guarantee (hereinafter "Seat Guaranty"). A Seat Guaranty is a Category 1 grant and therefore cannot be paired with a Revenue Guaranty or a Cost Mitigation grant.

House Bill 1074, Regular Session 2016

Rule 20.28 Guaranty Contingent upon Certain Applicant Agreements. MDA's guaranty will be contingent upon the Applicant and at least one Mississippi entity entering into an agreement whereby the Mississippi entity has guaranteed a seat block. MDA's seat guaranty will be in addition to any block of seats guaranteed by Mississippi Entities in order to reach the total number of guaranteed seats required by the Applicant.

- A. The MDA guaranty will be capped at ten percent (10%) of the available seats on the aircraft identified by the Applicant in its grant application used for the New Service or Additional Service.
- B. Seat Guarantees supported through this program will be subject to a dollar cap negotiated within the grant agreement. MDA will consider the type of service, size of aircraft, duration and frequency of service, Return on Investment, and other factors when determining the dollar cap.

House Bill 1074, Regular Session 2016

In the event that the Applicant cannot fill the required seats with the passenger loads from its New Service or Additional Service, MDA will make a payment on its portion of the seat guaranty subject to the guidelines below.

Rule 20.29 Application for Seat Guaranty Program. The Applicant must provide all documentation requested by MDA pertaining to the New Service and/or Additional Service. This information will include, but is not limited to:

- A. Name of the Part 121 Air Carrier
- B. Name and location of the commercial service airport
- C. Additional or new destination to be serviced by the Applicant as a result of the grant
- D. Projected start date of New Service and/or Additional Service
- E. Frequency of flights being proposed
- F. Increase over current flight frequency
- G. Projected passenger load requirement for New Service and/or Additional Service
- H. Increase over existing passenger counts
- I. Justification of the market demand for New Service and/or Additional Service
- J. Letter of support from the Mississippi airport or community with Return on Investment for the community
- K. Applicant financials as reported to the US Department of Transportation
- L. Aircraft to service the New Service and/or Additional Service, with seating capacity
- M. Copies of agreement(s) between the Applicant and Mississippi Entities for guaranteed service, marketing and other incentives
- N. Number / Percent of seats guaranteed by all Mississippi Entities
- O. Requested number of seats to be guaranteed by MDA, with associated costs

House Bill 1074, Regular Session 2016

Rule 20.30 Additional Considerations for Grant Evaluation under the Seat Guaranty Program. MDA may take into account the Applicant's history of reliability in providing scheduled air service when evaluating the grant application.

House Bill 1074, Regular Session 2016

Rule 20.31 Reporting Requirements for Seat Guaranty Program. The Applicant shall submit a quarterly report to MDA during the term of the grant agreement that will provide monthly information on the status of the New Service and/or Additional Service. This report will include the following:

- A. Projected v. Actual additional flights
- B. Projected v. Actual additional passengers
- C. Projected v. Actual passenger loads

House Bill 1074, Regular Session 2016

Rule 20.32 Reporting Time Limitations for Seat Guaranty Program. Reports shall be submitted no later than thirty (30) days following the end of the quarter and in a manner prescribed by MDA.

House Bill 1074, Regular Session 2016

Rule 20.33 Payment Requirements under Seat Guaranty Program. The Applicant shall provide MDA with adequate documentation to quantify the passenger loads of the New Service and/or Additional Service covered by the agreement. MDA reserves the right to request additional documentation in order to confirm that information. MDA and the Applicant shall jointly agree on actual passenger loads and the actual amount of shortfall, if applicable, prior to any payment being made. In the event that seat projections were not met during that period, MDA will make a payment to the Applicant in the amount of the costs of the seats guaranteed.

House Bill 1074, Regular Session 2016

Rule 20.34 Method to Apply for Payment under the Seat Guaranty Program. An Approved Carrier may apply to MDA for a payment under the Seat Guaranty program at the end of each twelve (12) month period (not to exceed two requests in any twenty-four (24) month period), if the Approved Carrier did not fill the required number of seats negotiated in the grant agreement during the previous twelve (12) month period. For those Approved Carriers only providing seasonal service, MDA may negotiate a more frequent payment plan but shall not make a payment more than twice in a twelve (12) month period. Applicant has a maximum of six (6) months from the end of the Grant Period to make a final Request for Payment.

House Bill 1074, Regular Session 2016

Rule 20.35 Use of Required Form for Payment Requests under Seat Guaranty Program. An Approved Carrier shall request payment on the guaranty in a form required by MDA.

House Bill 1074, Regular Session

Rule 20.36 MDA's Obligation to Honor Guaranty under Seat Guaranty Program. MDA is only obligated to honor the guaranty on actual flights flown.

House Bill 1074, Regular Session

Rule 20.37 Maximum Amount of Time MDA is Allowed to Make Payments under Seat Guaranty Program. State law permits MDA a maximum of forty-five (45) days to make a payment to the Applicant once all documentation and a proper Request for Payment has been received.

House Bill 1074, Regular Session; Miss. Code Ann. §31-7-305(2) (Rev. 2010)

Rule 20.38 Seat Cost Mitigation. MDA may assist Applicants in meeting the required per-seat fare minimums for New Service and/or Additional Service. In the event that a Mississippi Entity negotiates an agreement with an Applicant to bring Additional Service or New Service to the state but the Mississippi Entity cannot meet the necessary minimum fares required by the Applicant, MDA may enter into a grant agreement with the Applicant to cover the difference between what the Mississippi Entity can commit to pay and what the Applicant requires (hereinafter "Seat Cost Mitigation"). Seat Cost Mitigation is a Category 1 grant and therefore cannot be paired with a Revenue Guaranty or Seat Guaranty.

House Bill 1074, Regular Session 2016

Rule 20.39 Limitations on Amount of Seat Cost Mitigation. MDA will not agree to cover more than twenty-five percent (25%) of the per-seat fare cost. Seat Cost Mitigation grants will be subject to a dollar cap negotiated within the grant agreement. MDA will consider the type of service, size of aircraft, duration and frequency of service, Return on Investment, and other factors when determining the dollar cap.

House Bill 1074, Regular Session 2016

Rule 20.40 Application Process for Seat Cost Mitigation. The Applicant must provide all documentation requested by MDA pertaining to the New Service and/or Additional Service. This information will include, but is not limited to:

- A. Name of the Part 121 Air Carrier
- B. Name and location of the commercial service airport
- C. Additional or new destination to be serviced by the Applicant as a result of the grant
- D. Projected start date of New Service and/or Additional Service
- E. Frequency of flights being proposed
- F. Increase over current flight frequency
- G. Projected passenger load for New Service and/or Additional Service
- H. Increase over existing passenger counts
- I. Justification of the market demand for New Service and/or Additional Service
- J. Letter of support from the Mississippi airport or community with Return on Investment for the community
- K. Applicant financials as reported to the US Department of Transportation
- L. Aircraft type to provide the New Service and/or Additional Service, with seating capacity
- M. Number / Percent of seats guaranteed by all entities
- N. Total seat cost mitigation budget request, with justification
- O. Copies of agreement(s) between the Applicant and Mississippi Entities for guaranteed service, marketing and other incentives

House Bill 1074, Regular Session 2016

Rule 20.41 Additional Considerations for Grant Evaluation of Seat Cost Mitigation. MDA may take into account the Applicant's history of reliability in providing scheduled air service when evaluating the grant application.

House Bill 1074, Regular Session 2016

Rule 20.42 Reporting Requirements for Seat Cost Mitigation. The Applicant shall submit a quarterly report to MDA during the term of the grant agreement that will provide monthly information on the status of the New Service and/or Additional Service. This report will include the following:

- A. Projected v. Actual additional flights
- B. Projected v. Actual additional passengers
- C. Projected v. Actual seat costs

House Bill 1074, Regular Session 2016

Rule 20.43 Time Limitations on Submission of Reports for Seat Cost Mitigation. Reports shall be submitted no later than thirty (30) days following the end of the quarter and in a manner prescribed by MDA.

House Bill 1074, Regular Session 2016

Rule 20.44 Method to Submit Request for Reimbursement under Seat Cost Mitigation. The Applicant shall submit a Request for Payment to MDA requesting a reimbursement for the portion of the seat fare that MDA has committed to pay in accordance with the terms of the grant agreement. The Request for Payment must be accompanied by adequate documentation. MDA reserves the right to request additional documentation if necessary. MDA and the Applicant shall jointly agree on the actual amount of seat cost mitigation needs, if applicable, prior to any payment being made.

House Bill 1074, Regular Session 2016

Rule 20.45 Method to Apply for Payment under the Seat Cost Mitigation. An Approved Carrier may apply to MDA for a payment under the Seat Cost Mitigation program at the end of each twelve (12) month period (not to exceed two requests in any twenty-four (24) month period), if the Approved Carrier did not receive the seat fares negotiated in the grant agreement during the previous twelve (12) month period. For those Approved Carriers only providing seasonal service, MDA may negotiate a more frequent payment plan but shall not make a payment more than twice in a twelve (12) month period. Applicant has a maximum of six (6) months from the end of the Grant Period to make a final Request for Payment.

House Bill 1074, Regular Session 2016

Rule 20.46 Use of Required Form for Payment Requests under Seat Cost Mitigation. An Approved Carrier shall request payment on the guaranty in a form required by MDA.

House Bill 1074, Regular Session 2016

Rule 20.47 MDA's Obligation to Honor Guaranty under Seat Cost Mitigation. MDA is only obligated to make payments on actual flights flown.

House Bill 1074, Regular Session 2016

Rule 20.48 MDA's Obligation to Honor Guaranty Payments under Seat Cost Mitigation. State law permits MDA a maximum of forty-five (45) days to make a payment to the Applicant once all documentation and a proper Request for Payment has been received.

House Bill 1074, Regular Session 2016; Miss. Code Ann. §31-7-305(2) (Rev. 2010)

Rule 20.49 Ground Handling Fees. Eligible Applicants may apply to MDA to defray the costs associated with utilizing an Airport in a county in which legal gaming is conducted or authorized. Approved Carriers may utilize third party ground handling firms and be reimbursed for those contractual costs with appropriate documentation. Ground handling fees include but are not limited to:

- A. Ground Handling Services Above Wing:
 - (i) Customer Service Personnel
 - (ii) Passenger check in and ticketing
 - (iii) Passenger boarding
 - (iv) Skycaps and other special services
 - (v) Baggage services
 - (vi) Lost and found services
 - (vii) Turn Clean / RON Clean
 - (viii) Provision of ice
 - (ix) Dispose of refuse
 - (x) Provide Ground Security Coordinator and LCRO
- A. Ground Handling Services Below Wing:
 - (i) Aircraft pushback and towing
 - (ii) Aircraft marshalling
 - (iii) Aircraft loading and unloading
 - (iv) Aircraft De-icing
 - (v) Lavatory servicing
 - (vi) Provision of potable water
- B. Turn Price – allowable reimbursement expenses:
 - (i) Two customer service agents
 - (ii) Three ramp agents
 - (iii) One supervisor / Ground Service Security Coordinator and LCRO
 - (iv) Above and Below Wing services with use of ACAS ground equipment
 - (v) Air to ground communications

House Bill 1074, Regular Session 2016

Rule 20.50 Grant Fund Cap for Ground Handling Fees. Grant funds are capped at not more than fifty percent (50%) of the total ground handling fees incurred by the Approved Carrier for the New Service and/or Additional Service during the twenty-four (24) month period, or \$350,000, whichever is less.

House Bill 1074, Regular Session 2016

Rule 20.51 Application Process for Ground Handling Fees. The Applicant must provide all documentation requested by MDA pertaining to the New Service and/or Additional Service. This information will include, but is not limited to:

- A. Name of the Part 121 Air Carrier
- B. Name and location of the commercial service airport
- C. Additional or new destination to be serviced by the Applicant as a result of the grant
- D. Projected start date of New Service and/or Additional Service
- E. Frequency of flights being proposed
- F. Increase over current flight frequency
- G. Projected passenger load for New Service and/or Additional Service
- H. Increase over existing passenger counts
- I. Justification of the market demand for New Service and/or Additional Service
- J. Letter of support from the Mississippi airport or community with Return on Investment for the community
- K. Applicant financials as reported to the US Department of Transportation
- L. Aircraft type to service provide the New Service and/or Additional Service, with seating capacity
- M. Total ground handling costs budget based on the New Service and/or Additional Service, with documentation
- N. Requested grant funds budget to offset ground handling fees
- O. Copy of agreement(s) agreements between the Applicant and Mississippi entity for guaranteed service

House Bill 1074, Regular Session 2016

Rule 20.52 Reporting Requirements for Ground Handling Fees. The Applicant shall submit a quarterly report to MDA during the term of the grant agreement that will provide monthly information on the status of the New Service and/or Additional Service. This report will include the following:

- A. Projected v. Actual additional flights
- B. Projected v. Actual additional passengers
- C. Projected v. Actual ground handling fees

House Bill 1074, Regular Session 2016

Rule 20.53 Reporting Requirements for Ground Handling Fees. Reports shall be submitted no later than thirty (30) days following the end of the quarter and in a manner prescribed by MDA.

House Bill 1074, Regular Session 2016

Rule 20.54 Requirements for Payment Reimbursement Requests for Ground Handling Fees. The Request for Payment for reimbursement of ground handling fees must be accompanied by documentation of actual invoices, bills, labor hours, payroll, or other documentation that details the costs incurred in the eligible categories. In addition, documentation showing that the Approved Carrier has paid those fees should accompany the request.

Rule 20.55 Method to Apply for Payment for Ground Handling. An Approved Carrier may apply to MDA for a payment under the program at the end of each twelve (12) month period (not to exceed two requests in any twenty-four (24) month period). For those Approved Carriers only providing seasonal service, MDA may negotiate a more frequent payment plan but shall not make a payment more than twice in a twelve (12) month period. Applicant has a maximum of six (6) months from the end of the Grant Period to make a final Request for Payment.

House Bill 1074, Regular Session 2016

Rule 20.56 Use of Required Form for Payment Requests for Ground Handling Fees. An Approved Carrier shall request payment on the guaranty in a form required by MDA.

House Bill 1074, Regular Session 2016

Rule 20.57 MDA's Obligation to Honor Guaranty for Ground Handling Fees. MDA is only obligated to make payments on actual flights flown.

House Bill 1074, Regular Session 2016

Rule 20.58 MDA's Obligation to Honor Payments for Ground Handling Fees. State law permit MDA a maximum of forty-five (45) days to make a payment to the Applicant once all documentation and a proper Request for Payment has been received.

House Bill 1074, Regular Session 2016; Miss. Code Ann. §31-7-305(2) (Rev. 2010)

Rule 20.59 Marketing. This program allows for cost matching to the Approved Carrier of marketing and related direct promotional expenses that promote the New Service and/or Additional Service to local and other audiences. Marketing and promotional expenses include ad placement costs for television, digital, radio, print, outdoor, direct mail, or other approved media. Printing costs are allowable. Ad development fees and commissions are not eligible.

House Bill 1074, Regular Session 2016

Rule 20.60 MDA Matching Funds. MDA will match on a 1 to 1 basis, up to \$200,000 during the twenty-four (24) month period, the funds contributed by the Approved Carrier and/or Mississippi Entities toward the promotion of the New Service and/or Additional Service covered under the grant agreement. MDA will only make a payment to the Approved Carrier or the advertising agency directly contracted by the Approved Carrier. MDA will match on a 1 to 1 basis the total contribution of all parties toward the Approved Carrier or its advertising agency based on adequate documentation, as approved by MDA. For example, if the Approved Carrier contributes \$75,000 and other Mississippi Entities contribute \$75,000 toward marketing the New Service and/or Additional Service through the Approved Carrier's advertising agency, then MDA may match \$150,000 to increase the advertising agency's campaign to \$300,000 total.

House Bill 1074, Regular Session 2016

Rule 20.61 Marketing and Advertising Promotion Targets. Marketing and advertising must specifically promote the New Service and/or Additional Service covered under the grant agreement and should fairly represent all of the amenities that the Mississippi community has to offer. Preferably, other Mississippi Entities are marketing the service as well. Generic airline marketing costs will not be considered for matching.

House Bill 1074, Regular Session 2016

Rule 20.62 Requirements for All Ads. All ads supported through this program must contain Mississippi attribution. For television, print, outdoors, and digital ads, the Visit Mississippi logo and website www.visitmississippi.org must be included. For radio and television, the following phrase must be included: "This advertisement is partially funded by the State of Mississippi. Visit www.visitmississippi.org for more information."

House Bill 1074, Regular Session 2016

Rule 20.63 Application Process for Marketing. The Applicant must provide all documentation requested by MDA pertaining to the New Service and/or Additional Service. This information will include, but is not limited to:

- A. Name of the Part 121 Air Carrier
- B. Name and location of the commercial service airport
- C. Additional or new destination to be serviced by the Applicant as a result of the grant
- D. Projected start date of New Service and/or Additional Service
- E. Frequency of flights being proposed
- F. Increase over current flight frequency
- G. Projected passenger load for New Service and/or Additional Service
- H. Increase over existing passenger counts
- I. Justification of the market demand for New Service and/or Additional Service
- J. Letter of support from the Mississippi airport or community with Return on Investment for the community
- K. Applicant financials as reported to the US Department of Transportation
- L. Aircraft type to service provide the New Service and/or Additional Service, with seating capacity
- M. Total advertising and marketing costs based on the New Service and/or Additional Service, with documentation
- N. Requested grant funds to offset advertising and marketing fees
- O. Other funding or in-kind support from the Mississippi Entities, including the Airport, local tourism promotion agency, or other entity
- P. Media plan which includes the following:
 - (i) Means of distribution (print, radio, outdoor, digital, etc.)
 - (ii) Description of the ad buy (impacted markets, dates the ads will run, etc.)
 - (iii) Advertising copy
 - (iv) Size of the ad buy

House Bill 1074, Regular Session 2016

Rule 20.64 Monthly Reporting Requirements for Marketing. The Approved Carrier shall submit a quarterly report to MDA during the term of the grant agreement that will provide monthly information on the status of the New Service and/or Additional Service. This report will include the following:

- A. Projected v. Actual additional flights
- B. Projected v. Actual additional passengers
- C. Marketing placement report by Approved Carrier

House Bill 1074, Regular Session 2016

Rule 20.65 Time Limitations on Submission of Reports for Marketing. Reports shall be submitted no later than thirty (30) days following the end of the quarter and in a manner prescribed by MDA.

House Bill 1074, Regular Session 2016

Rule 20.66 Required Analytic Reports for Marketing. In addition, Approved Carriers must provide an analytic report on the reach and impact of the advertising and marketing campaign at the end of the Grant Period. The methodology behind the analytics must be included in this report.

House Bill 1074, Regular Session 2016

Rule 20.67 Method to Submit Request for Reimbursement for Marketing. The Approved Carrier may submit a Request for Payment form for matching of advertising and marketing fees as required by MDA. The Request for Payment must be accompanied by documentation of actual invoices, bills, or other documentation that details the costs incurred in the eligible categories. In addition, documentation showing that the Approved Carrier has incurred or paid those fees should accompany the request.

House Bill 1074, Regular Session 2016

Rule 20.68 45 Method to Apply for Payment for Marketing. An Approved Carrier may apply to MDA for a payment under the Marketing program at the end of each twelve (12) month period (not to exceed two requests in any twenty-four (24) month period). For those Approved Carriers only providing seasonal service, MDA may negotiate a more frequent payment plan but shall not make a payment more than twice in a twelve (12) month period. Applicant has a maximum of six (6) months from the end of the Grant Period to make a final Request for Payment.

House Bill 1074, Regular Session 2016

Rule 20.69 MDA's Obligation to Honor Payments for Marketing. State law permit MDA a maximum of forty-five (45) days to make a payment to the Applicant once all documentation and a proper Request for Payment form has been received.

House Bill 1074, Regular Session 2016; Miss. Code Ann. §31-7-305(2) (Rev. 2010)

Rule 20.70 Grant Selection Process for Mississippi Air Service Growth Program. The only funds available for the Mississippi Air Service Grant Program are those specifically appropriated into the program by the Legislature. As such, there may be limited funds available. MDA reserves the right to use a competitive selection process when making decisions on allocation of funds.

House Bill 1074, Regular Session 2016

Rule 20.71 Evaluation of Application for Mississippi Air Service Growth Program. MDA will evaluate each application based on the completeness of the application and required documentation. MDA reserves the right to reject an application that does not meet the statutory requirements, guidelines, or program goals, or fails to adequately address all requested information in the application process.

House Bill 1074, Regular Session 2016

Rule 20.72 Priority Given to Certain Eligible Applicants. Priority will be given to those eligible Applicants that can demonstrate the following:

- A. Commitment to long term service at the eligible Airport
- B. Positive Return on Investment by generating additional tourism visitors, a growth in local tax and gaming revenue, increasing in productivity for local business travelers, promotion of Mississippi as a destination, or other factors
- C. The degree of need for the air service
- D. A sound business plan and a history of meeting customer needs

House Bill 1074, Regular Session 2016

Rule 20.73 Requirement to Submit Certain Number of Copies of Application. Two (2) copies of the application must be submitted to the Financial Resources Division of MDA, Air Service Grant Program, Post Office Box 849, Jackson, Mississippi, 39205, or hand-delivered to the 15th Floor of the Woolfolk Office Building, Jackson, Mississippi.

House Bill 1074, Regular Session 2016

Rule 20.74 Staff Review of Applications. MDA staff will review the application and supporting material and will make a decision. MDA reserves the right to modify the requested amount

House Bill 1074, Regular Session 2016

Rule 20.75 Additional Information. Program inquires and applications should be directed to:

- A. Mississippi Development Authority
Financial Resources Division
Post Office Box 849

Telephone: (601) 359-2415 ~ Fax: (601) 359-3619 Jackson, Mississippi 39205

House Bill 1074, Regular Session 2016

Rule 20.76 Amendment and/or Waiver of Guidelines. These guidelines may be amended by MDA at any time. MDA, in its discretion, may temporarily waive any requirement of the guidelines to the extent that the result of such action is to promote the public purpose of the enacting legislation and is not prohibited by state law.

House Bill 1074, Regular Session 2016