

April 3, 2016
2016-02-394

Director General Regulations no. 02/2016

**Directive for Reimbursement of Flight Operators
operating Direct Flights to Eilat (OVDA Airport)**

The Israel Ministry of Tourism wishes to encourage direct flights between different countries and Eilat, in the framework of its efforts to promote tourism to Israel.

Eilat enjoys warm temperatures all-year-round and low humidity, as well as lovely beaches and beautiful natural landscapes thanks to its Red Sea locale. Situated on a sole land bridge between Asia and Africa, Eilat is the southernmost point of Israel. A beautiful coral reef runs along the Red Sea's shores and serene granite mountains form the impressive backdrop of the city.

Eilat economy relies heavily on tourism. Therefore, the Ministry is interested in promoting direct flights from other countries to Eilat, in order to increase the number of foreign tourists arriving to the city.

For this purpose the Ministry will participate in the costs of operating direct flights to Ovda, as detailed in the following Directive.

This Directive applies to flights operated from October 4, 2016 until April 10, 2017.

Sincerely,



Amir Halevi
Director General

Director General Regulations no. 02/2016

**Directive for Reimbursement of Flight Operators
operating Direct Flights to Eilat (OVDA Airport)**

1. Purpose:

The Israel Ministry of Tourism (hereinafter - "the Ministry") wishes to encourage direct flights between different countries and Ovda Airport (VDA), the international airport serving Eilat, in the framework of its efforts to promote tourism to Israel.

Eilat is located in the southernmost part of Israel, and its economy relies heavily on tourism. Current circumstances and experience regarding international air traffic to Eilat indicate that minimum provision of international air services to Eilat satisfying fixed standards of continuity, regularity, pricing and minimum capacity will not be assumed by air carriers if they were solely considering their commercial interest. Therefore, the Ministry is interested in promoting, as a public service obligation, direct international flights to and from Ovda in order to support the city's vital tourism industry.

The purpose of this procedure is to establish criteria for the reimbursement of flight operators which operate direct flights to Ovda Airport.

2. General Terms:

"**Flight**" – an international flight from a destination outside of Israel to Ovda.

"**Flight Operator**" or "**Operator**" – airlines, tour operators and any other entity that owns or leases an entire aircraft and operates international flights to Ovda Airport.

"**Ovda**" – Ovda airport (VDA)

"**Rotation**" - a roundtrip flight to and from Ovda.

3. Threshold Conditions for the Ministry's Reimbursement:

- a) The Flight Operator complies with all Civil Aviation Authority of Israel (CAAI) Directives for operating flights to Israel.
- b) The flights are **direct flights** from a destination outside of Israel to Ovda.
- c) The flights are operated in a series of at least **16 rotations** from each destination.

4. Terms of the Ministry's Reimbursement:

- a) This Directive applies to flights operated from October 4, 2016 until April 10, 2017 (hereinafter – the "**Directive Period**").
- b) The Ministry will reimburse the Operator for every passenger flying to Ovda on flights approved under this Directive (hereinafter – "**Passenger**") in the amount of € **45**.
- c) The Ministry's reimbursement for flights of a single Operator will be limited as follows:
 - 1) The reimbursement for flights from one city will be limited to 50 rotations.
 - 2) The maximum reimbursement to a single operator will be € 1,200,000.

5. Criteria and Principles for Preference:

In case the allotted budget for this Directive is not sufficient for all Operators' requests, preference will be given as follows:

- a) Priority will be given to Operators that commit to the largest amount of seat capacity on flights to Ovda in the Directive's Period.
- b) If the same number of seat capacity is committed by more than one Operator, priority will be given to the Operator which operates flights to Ovda from more countries.

6. Submission of Proposals:

- a) Proposals must be submitted to the Ministry by **15.6.2016**.
- b) Proposals should be delivered in English via E-mail to the following address: sharone@tourism.gov.il
- c) Proposals should include the following details regarding all the planned flights of the Operator to Ovda: city & country of origin, dates, aircraft type, number of passengers, leasing agreement of the aircraft if relevant, and any other relevant details.

7. Managing Committee

- a) A managing committee shall be established in order to operate this Directive (hereinafter – "**the Committee**").
- b) The Committee will include the following members :
 - Head of Marketing Administration or his representative
 - Chief Legal Advisor or his representative
 - Chief Accountant or his representative
 - Committee Coordinator from the Marketing Administration
- c) The committee will be authorized to approve exceptions to the requirements of this Directive under special circumstances (Force Majeure), which justify the approval. The committee will explicate its decisions in writing.

8. Evaluation of Proposals and Approval :

- a) Proposals will be examined by the committee in accordance with the conditions of the Directive.
- b) Proposals approved by the committee are subject to the approval of the Ministry's Tender Committee.
- c) Operator which his proposal was approved will sign an agreement with the Ministry for reimbursement according to this Directive.

9. Performance Report & Payment:

- a) Upon completion of the flights, the Operator shall submit a performance report regarding all the flights that were executed according to this Directive, with the following details concerning each flight: city & country of origin, dates, flight number, aircraft type, number of seats, number of passengers and any other relevant detail.
- b) The Reimbursement of the Ministry shall be made upon completion of all the flights, and only for passengers that flew to Ovda on flights that comply with the threshold conditions and all other requirements of this Directive.
- c) If the allotted budget was sufficient for all Operators' requests according to this Directive, the Ministry may, in its sole discretion, agree to make an interim payment on account of the final payment, provided the Operator has completed at least 50% of its committed flights from each destination, and no less than the minimum requested in article 3(c).
- d) The final amount of the Ministry's Reimbursement will be determined based on Israel Airports Authority (IAA) flight report.
- e) In case the Operator does not meet his commitment of flights as per his proposal, a written explanation should be attached to his report. The matter will be considered in the Committee, and the Ministry holds the right not to participate in the flights, partly or fully.

10. General conditions:

- a) The execution of this Directive is subject to the availability of proper budget.
- b) For further information please contact:

Ms. Sharon Ehrlich

sharone@tourism.gov.il

Tel. 972-2 6664247