

**Regulations for Charter Flights**  
**"Safety Net" Agreement - 2011**

**1. Purpose:**

The purpose of this procedure is to regulate written commitments in regard to charter flight "safety net" agreements with tourism wholesalers, airlines and different operators around the world (hereinafter defined as – "flight operators").

The Ministry of Tourism conducts a variety of marketing activities in an effort to promote tourism to Israel. Some of these activities are aimed to encourage the creation of new and direct flight routes between various countries around the globe and Israel, thus increasing seat availability in flights to Israel and facilitating arrival for potential tourists. The goal of the Ministry is to create a steady and continuous flow of charter flights from various destinations to Israel, which would act as a catalyst for future operations of regular flights from these new destinations. In addition, this initiative is aimed at encouraging competition, which will influence flight ticket pricing and subsequently enable more attractive deals on tourist packages to Israel.

Following the global economic crisis and the geopolitical situation in our region as of the end of 2008, and in an effort to increase the number of charter flights and scheduled flights to Israel, the Ministry of Tourism will assist charter flight operators through a "safety net" agreement especially for 2011.

The Ministry of Tourism will accept or decline assistance based on this procedure in accordance with the Ministry's marketing policy, and specifically, in accordance with the defined potential traffic from a specific country.

**2. "Safety Net" agreement - General Conditions:**

- a. Flight operators must comply with all regulations for operating charter flights to Israel, in accordance with the Israel Civil Aviation Authority.
- b. At least 90% of the seats on each flight must be designated for tourists, and include land arrangements and/or tourist packages for at least 3 nights in Israel.
- c. Number of passengers carrying an Israeli passport shall not exceed 10% of total passengers on each flight to Israel.
- d. This procedure pertains to charter flights from airports in cities which are not presently served by a regular scheduled airline to Ben Gurion International Airport, and to Eilat/Ovda, and pertains to regularly scheduled flights from countries in which the bilateral aviation agreement with Israel does not permit charter flight operations to Eilat/Ovda, in accordance with all criteria and regulations as stated in the appendix of this procedure.
- e. Flights shall be operated in a series of minimum 8 rotations ("rotation" - a roundtrip flight) of flights ( herein - "series").

**3. "Safety Net" Agreement - Terms and Conditions:**

- a. The Ministry shall compensate a charter operator for the cost of unsold seats above 60% of the aircraft seat capacity for each flight covered under these regulations.
- b. The Ministry shall not compensate a charter operator for the cost of unsold seats above 90% of the aircraft seat capacity for each flight covered under these regulations.
- c. The cost of each seat for the purpose of compensation for unsold seats between 60% to 90% of the aircraft seat capacity shall be calculated as the direct cost of one roundtrip flight (rotation) divided by the number of seats on the aircraft.  
The cost of a roundtrip flight will be calculated according to net cost, with no addition taxes, fees, surcharges or other expenses.

- d. For compensation purposes in accordance with these regulations, a flight must be operated at a minimum 50% capacity. In this case, however, compensation will be given only for the unsold seats between 60% to 90% of the aircraft seat capacity.
- e. Despite the provision in Article d above, the Ministry is authorized to compensate up to 25% of all flights in a specific series, even if these flights do not comply with the minimum capacity requirement as stated in Article d. Such compensation shall be awarded under special circumstances, whereby an operator was unable to reach the required minimum capacity, and whereby such circumstances are determined and defined by the Ministry as warranting compensation. Compensation for these flights, similarly to other approved flights, shall not exceed 30% of the aircraft seat capacity, and shall be in accordance to all terms and conditions as covered under these regulations.
- f. If a flight includes passengers with an Israeli passport or passengers staying less than 3 nights in Israel, their number shall be deducted from the Ministry's participation in the total number of unsold seats according to these regulations.
- g. The maximum payment for one roundtrip flight (rotation) according to these regulations is €15,000 (Fifteen Thousand Euro), per rotation.
- h. The Ministry of Tourism reserves the right to use free of charge empty seats on any flight of the series, to bring journalists, decision-makers and accompanying Ministry staff to the country for the purpose of tourism promotion to Israel.

#### **4. General:**

- a. The above-mentioned terms and conditions will be available to charter flight operators entering into a signed agreement with the Ministry of Tourism according to these regulations between 1.1.2011 until 31.12.2011.
- b. The Ministry of Tourism reserves the right to limit the commitments made under the available agreements as suggested by these regulations, in accordance with Ministry policy and budget allocated for this purpose.
- c. An "appeals committee" will be established to include the following members:

Senior Deputy Director General and Head of Marketing Administration or his representative; Chairman: Legal advisor or his representative; Ministry Accountant or his representative.

The committee will be authorized to approve appeals as established in these regulations in the case of special circumstances, and for reasons duly recorded which justify these circumstances, as instructed in paragraphs 2e, 3d, 3e.

The decision of the "appeals committee" as determined in paragraph 2e of these regulations will be confirmed and endorsed by the Director General of the Ministry.

- d. For further information, contact the Director of the Israel Government Tourist Office nearest you, or Mr. Pini Shani, Director of Overseas Operations for the Israel Ministry of Tourism Marketing Administration:  
Tel: 972-2-666-4254/8  
Fax: 972-2-666-4410  
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## Appendix to Charter Flight "Safety Net" Regulations - 2011

The Marketing policy of the Israel Ministry of Tourism places emphasis on increasing seat capacity to Israel in general, and to Eilat, specifically, including charter flights and other regular scheduled flights to Eilat from destinations around the world. Our goal: to increase the supply of seats on flights to Eilat and therefore increasing the availability of all types of tourism packages to Israel.

In specific countries in the world, the bilateral aviation agreement with Israel does not allow for the operation of charter flights between their cities to Eilat/Ovda. For this reason, flight operators are required to purchase seats from regularly scheduled airlines to Eilat. Therefore, in this appendix "**flight operators**" – are defined as tour operators who sell packages to Eilat which include flight and land services in the framework of a scheduled flight.

Accordingly, it has been decided to assist, through this appendix to the Charter flight regulations, those flight operators who purchase seats to Israel on flights which are defined as "regular scheduled flights" to Eilat/Ovda from those destinations where the bilateral aviation agreement with Israel does not allow for operation of charter flights to Eilat/Ovda.

In accordance with the above-mentioned policy, the Ministry of Tourism has established that the route Moscow- Eilat/Ovda and the route Kiev – Eilat/Ovda and/or in other special cases on routes from other cities to Eilat/Ovda, tour operators selling packages on these flights will be considered as if they themselves are charter flight operators to Eilat/Ovda. As stated in this appendix, it has been decided that the Ministry of Tourism will consider them eligible for these charter flight regulations under the following conditions:

1. The flight operator purchased seats within the framework of a package tour, on regularly "scheduled" flights which operate from an airport in Moscow, Kiev, or another city which has been authorized in advance by the appeals committee of the Ministry of Tourism.

2. All seats purchased by the flight operator are designated for tourists from abroad and include a land component or tour package to Israel for no less than 3 nights.
3. These flights will be operated in accordance with the charter flight regulations, in a series of at least 8 rotations ("rotation" – roundtrip flight to and from a destination).
4. The flight operator is committed to purchasing a minimum of 50 seats on any given flight and no less than 25% of the plane capacity, the greater of the two.
5. Compensation will be awarded only for empty seats between 60% and up to 90% of the actual seat capacity of the aircraft, which were purchased by the flight operator on each specific flight, but did not sell.
6. Compensation to the flight operator for these flights will not exceed 30% of the seat capacity which was purchased by the tour operator and which he did not succeed in selling on each specific flight.
7. The flight operator is not eligible for any other compensation under special circumstances or any other specific situation in which he was unable to fulfill the minimum requirement as per these regulations.
8. The flight operator is not eligible to receive any assistance from the Ministry of Tourism in cases where he purchases seats from any flight operator who has already received approval for a charter flight "safety net" agreement according to the conditions of these regulations.
9. The flight operator operates in accordance with all other conditions as specified in these regulations.