

Adrian Corcoran
Director of Economic Regulation
Commission for Aviation Regulation (CAR)
Dublin
Ireland

By email: info@aviationreg.ie

30th July 2020

Dear Mr Corcoran,

Thank you for inviting Ryanair to participate in the “Consultation for 2019 Costs and 2021 Unit Rates of ANS in Ireland”.

The Performance Review Body (PRB) published their analysis of RP3 Plans in March 2020 concluding that “most of the Member States should revise their plans because their targets are not consistent with Union-wide targets”. In particular, the PRB recommend to reject Ireland’s draft performance plan since the cost efficiency KPA is not consistent with the EU Determined Unit Cost (DUC) Target. This was also highlighted by Ryanair during Ireland’s draft Performance Plan consultation in September where we asked the IAA to review their proposal and align their costs (+1.9%) to the EU target (-1.9%). However, the IAA didn’t make any change in response to this recommendation.

Moreover, the European Commission is currently working on a set of exceptional measures to re-launch the RP3 as well as to mitigate the financial impact of the crisis on the operational stakeholders. These measures will severely impact this process. Consequently, we consider that the draft RP3 Plans submitted in Q4 2019 are not valid in the current situation and should not be used to define the 2021 unit rate. We therefore disagree with the proposal to increase the unit rate in 2021 vs 2020 and strongly request the freezing of the 2020 unit rate until more information is available at the end of the year.

In regard to 2019 costs, we appreciate the details provided prior and during the call held on 20th July. We would appreciate if you can please confirm how the €10.3m surplus generated in 2019 “to be retained/borne by the ANSP or Member State” will be used to mitigate the impact of COVID19 pandemic and reduce the unit rate for coming years. We would also appreciate if you can please confirm how the remaining RP2 surplus will be injected into the system to support the aviation community.

Additionally, please find attached some questions regarding the impact on COVID19 in the process.

Please do not hesitate to contact us to discuss any point of our position.

Looking forward to hearing from you

Yours sincerely,



Enrique Ventas Garcia
ATM Manager

Annex 1: COVID19 Questions

Traffic forecast

- What is the current traffic level in your country and your forecasts for 2020 and 2021?
- When do you expect to return to pre-crisis traffic levels?

Action Plan

- What are the measures taken to achieve cost reductions in 2020 & 2021?
- Please detail the cost reduction expected on:
 - Staff costs
 - Operational expenses
 - Depreciation/ Cost of Capital
 - Other
- Please detail how COVID19 will affect airspace investments (technical and operational) and what are the savings expected.
- Please provide an updated investment plan?
- Are you taking advantage of a Eurocontrol Loan? How? Have you explored how to restructure old loans with better conditions?
- What is the impact on the cost reduction measures in the capacity provided?

Staffing Plan

- What is the number of staff (FTE) needed vs. available given the current circumstances?
- How many air traffic controllers needed vs available?
- How many air traffic controllers will be needed when the traffic returns?
- What are you doing with the surplus of staff?
- Is the National ANSP being supported by Governments scheme to cover staffing costs? Please detail how this is used if any.
- Please detail your staffing needs for coming years: plan, recruitment, availability and the impact on the capacity provided.

Decommissioning of equipment

- Is there any plan to decommission/replace old equipment to reduce maintenance costs? Please provide the corresponding roadmap and saving expected.

2020/2021 Revenue Shortfall

- What is the revenue shortfall forecast for 2020/2021?
- What would be the portion of the revenue shortfall expected to be paid by airspace users?
- Has the ANSP already asked the State to compensate (partly) the revenue shortfall? If not, why not?
- Can airlines support the ANSP by addressing the State in order to ask for such compensation?

Restructuring of ANSP/NSA

- How COVID is affecting the restructuring plans of IAA?