

Strictly Private & Confidential

23 February 2024

Irish Aviation Authority
The Time Building,
11-12 D'Olier Street
Dublin 2
Ireland*By email only: consultation@iaa.ie***Re: Response to the RP4 Issues Paper**

Dear Madam/Sir,

We welcome the possibility to provide a feedback on the IAA "RP4 Methodological Consultation and Issues Paper", published last 22 January.

Traffic forecast

We support the use of STATFOR forecast for RP4 and recommend using the latest forecast update available when setting the unit rate later this year.

ANI costs

On the question of the terminal charges zones, there is no specific need to separate the terminal charging zone between Dublin, Cork and Shannon.

As you stated in the document, the lack of ATCOs in 2023 led to a worsening of ATFM delays – yet we realise that staff cost per employee has remained above forecast levels. To increase the accuracy of the forecasted number (which should include, for example, trainees, attrition, productivity, etc.), we support a granular level analysis. We expect the IAA outcome to strike the balance between resilient staffing number and high-performance productivity giving the traffic stability for the next years.

While we understand operation prioritisation over capex, there are concerns on the capex delivery which is difficult to ignore. As traffic has returned and is more stable, it is key to establish a clear and balanced plan to adequately distribute resources between ATCOs dedicated to operations and ATCOs dedicated to project delivery.

Regarding non-operations costs, a deeper analysis of non-materialised en-route and terminal costs is necessary to avoid charging airlines for unnecessary costs.

Given the nature of the capex spent, there should be a continuous monitoring and reporting on capex delivery, for example at least every quarter to update on the timeline and investment plan. We need to ensure investments are deployed cost-efficiently and in a timely manner reflecting evidence on investments benefits. Considering that RP2 and RP3 investment plans were not properly deployed, it would be beneficial to realise a thorough cost-benefits analysis for RP4 plan, so that it is properly deployed on a realistic timeline based on historical data.

MET costs

Regarding MET costs, we support the cost allocation from RP3 to be replicated in RP4. Regarding staff costs, we acknowledge that the actual position on the salary scale that staff are on will be used. This will allow cost forecasts to be more accurate and avoid repeating last years' situation.

NSA/State costs

Regarding the NSA split, it would be interesting to receive further details on which principle the NSA costs were distributed between En Route, Terminal and North Atlantic Communications to understand if this distribution is still accurate today. On the headcount part, we can see the actual headcount was always below for the past 2 years. Now that the separation between CAR/IAA/ANI has been official for almost a year, there shouldn't be any inconsistencies or unknown variable for the forecast to be as accurate as possible and adherent to reality.

Traffic Risk Sharing & Incentive Schemes

Ryanair notes the intention to apply the standard methodology for a traffic risk sharing mechanism, but believes a traffic downturn out of airlines control such as the COVID-19 pandemic should be covered by the State. Airlines should not bear the financial burden of a governmental decision.

On a general incentive point, we believe it should be penalty-only for ANSPs. ANSPs shouldn't be rewarded for a service they have to provide – a bonus would charge airspace users for what is expected from ANSPs. On the other side, we believe a penalty-only incentive scheme should be applied, providing the right incentives to deliver adequate services while ensuring this is not paid by the airlines through the unit rate thereafter.

It is important to keep environmental indicators on both the terminal operations side (taxi, ASMA, CDOs, etc.) and the en-route operations side. ANSPs play a pivotal role when it comes to allowing airlines to operate more efficiently and reduce their emissions. We therefore believe there should be a penalty mechanism at ANSP level to make them aware of their responsibilities and create a change in behaviour. A new approach should consider all relevant factors resulting in the optimum efficient route, such as the weather situation and not only the great circle distance.

We remain available for any further clarifications you may require.

Yours sincerely,



Mathilde Dorfsman
ATM Manager