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Director of Economic Regulation  
Commission for Aviation Regulation  
Alexandra House, Earlsfort Terrace  
Dublin 2, D02 W773

July, 8, 2019

**Re: Aer Lingus response to 2019 CAR Draft Determination**

Dear Adrian,

Aer Lingus welcomes the opportunity to provide our response to the CAR's 2019 Draft Determination.

The structure of our response sets out the Aer Lingus position on each of the building blocks underpinning the draft price determination. Where specific challenges are identified, Aer Lingus has sought to provide constructive feedback to support your deliberations in advance of the Final Determination being published later this year.

In addition, Aer Lingus provides feedback on specific areas outside of the building blocks where stakeholder views have been requested.

**1. Passenger Forecast**

Aer Lingus acknowledges the passenger forecast supporting the Draft Determination and although perceived as prudent by Aer Lingus, it continues to incentivise the airport to outperform the growth target within the regulatory period.

Aer Lingus has considered the risk presented by passenger numbers not materialising. In this regard Aer Lingus believes that the passenger forecast as outlined by CAR can be considered reasonable.

The Aer Lingus view on the reasonableness of the forecast is in the context of certain assumptions provided by Aer Lingus to daa as part of the pre-consultation engagement. These assumptions include:

- That Dublin Airport implements appropriate operational resilience protocols
- That Dublin Airport ensures appropriate availability of stands during the construction phase to support growth
- That Dublin Airport adopts new stand allocation guidelines that facilitate connecting traffic growth

- That Dublin Airport introduce enhanced stand management procedures
- That Dublin Airport ensures appropriate availability of capacity in the morning peak to be used to facilitate US connecting traffic
- That Dublin Airport ensures that sufficient operating slots are available to support growth
- That Dublin Airport implements improved airfield efficiencies
- That Dublin Airport implements improved operational procedures to increase stand utilisation

## 2. Opex

Aer Lingus welcomes the provision of revised Opex challenges that balances achievability and deliverability.

Aer Lingus believes that, given the scale of the daa's CIP proposal, it could have been supported by a plan to address Opex efficiencies.

Against a backdrop of operating cost per pax being c. 5% higher than that envisaged by CAR at the time of the last determination in 2014, Aer Lingus believes that it would have been appropriate for Dublin Airport to outline to Airport users an efficiency programme to support its management of unit operating costs for the 2020-2024 regulatory period.

In the regulated entity accounts for 2017, passengers are up 6%, whilst operating costs increased by 8%. Specifically there are a number of increases: 1) Average FTE up 7.6%; 2) Fees and Prof Services up 15%; and 3) Other overheads up 27%.

Aer Lingus has reviewed in detail the range of opportunities identified by CEPA for daa to pursue significant efficiencies to address the current level of operating costs.

Aer Lingus agrees with the approach outlined by the CAR in affording daa time to deliver efficiencies. This 'glide-path' approach is prudent and supports the achievability and realisation of efficiency opportunities. daa should be confident in its ability to improve its unit cost performance into the 2020-2024 regulatory period.

Aer Lingus therefore welcomes the provision of revised Opex targets.

## 3. Commercial Revenues

Aer Lingus notes the commercial revenue targets set out in the draft price determination in the context of the main drivers being passengers and GDP.

Aer Lingus acknowledges CAR's decision to reduce forecasts through-out the period to reflect potential displacement of revenue, however consideration should be given to adjustment once the displacement occurs.

Aer Lingus agrees with the discontinuation of the rolling schemes as set out in the draft determination.

#### **4. CBP Charges**

Aer Lingus supports the treatment of the US Preclearance charge as an airport charge within the price cap rather than an unregulated commercial revenue. As the CAR has pointed out, the existing approach enables and indeed incentivises daa to maximise this revenue stream during the determination period without there being any impact on the price cap whatsoever. This is inappropriate as this is a service for which daa is a monopoly provider at Dublin Airport and access to certain aeronautical facilities at Dublin Airport (e.g. contact stands on Pier 4 at peak times) is allocated preferentially to flights which also use the CBP facility. Consequently, airlines have no option but to incur this additional cost if they wish to access these particular facilities. The existence of a CBP facility at Shannon Airport does not alter this fact, as take-up of the CBP facility at Shannon Airport has no impact whatsoever on the allocation of facilities at Dublin Airport.

The level of the US Preclearance charge should also comply with the principles set out in the Airport Charges Directive and the ICAO Policies on Charges for Airports which include principles of non-discrimination, cost relatedness transparency and consultation with users. This should form part of the annual consultation on airport charges in a manner similar to the current process for the setting of the PRM fee within the price cap. This would serve to protect the interests of airlines who use the CBP facility and those that do not.

#### **5. Capital Projects**

The Aer Lingus submission has been developed to provide the airline's position and commentary on specific elements within the CIP proposal.

In addition we have included in Appendix C to this submission, the Aer Lingus position on each individual Capacity project approved by the CAR in its Draft Determination.

Aer Lingus welcomes the alignment of the CIP proposal with Government policy and the confirmation of Dublin Airport's plans to develop Dublin Airport as a hub airport. This is consistent with both the National Aviation Policy and the National Development Plan 2018-2027 (National Strategic Outcome 6).

Aer Lingus welcomes the hub enabling infrastructure contained within the CIP proposal, in particular the new Pier 5; the expansion of CBP/TSA capacity and the broader South Apron expansion projects. Aer Lingus also notes that to ensure the effectiveness of hub infrastructure, there is a requirement for changes to stand allocation rules at Dublin Airport in order to support efficient use of the hub infrastructure. Consideration should be given to mandating Dublin Airport to reflect Hub prioritisation within the Stand Allocation Guidelines in order to bring about the most efficient use of the additional facilities to be provided in the next regulatory period and supporting National Aviation Policy. This proposed review should replace the existing review of Stand Allocation Guidelines currently being undertaken by Jacobs on behalf of Dublin Airport.

In addition to the capacity projects approved for capital allowance by the CAR, Aer Lingus also reiterates its views in respect of certain capacity projects included in daa's consultation document Appendix H which were not included in the daa's final CIP proposal. Aer Lingus considers that flexibility should be provided in the CAR's determination to enable daa to implement development of some of these projects.

For avoidance of doubt, Aer Lingus supports development of a Rapid Exit Taxiway on Runway 10/28 (CIP 20.03.048) to optimise runway utilisation. Optimisation of existing airport infrastructure is provided for in the National Aviation Policy and Aer Lingus has supported initiatives including Rapid Exit Taxiways to achieve this objective. A reduction in runway occupancy arising from the delivery of an additional Rapid Exit Taxiway will provide operational resilience and increase runway capacity.

In addition, Aer Lingus believes that of the options to increase wide body air-bridge capacity, the project locating these air-bridges at Pier 1 (CIP 20.03.043) offered the most cost effective near term solution and afforded the potential to enhance the flexibility of the North Apron. Aer Lingus is supportive of this project replacing Terminal 1 Piers Air bridges sited at Pier 2 (CIP.20.03.043A).

Whilst welcoming the inclusion of the de-icing pad for Runway 10 as an additional project (CIP 20.03.049), Aer Lingus is concerned that no provision has been made to provide a de-icing pad for the Northern Runway. Rather there is a reference to a commitment for further location analysis by daa. There is significant scope for adverse operational implications for South Apron departures accessing the Northern Runway in periods requiring de-icing in the absence of such a facility. Therefore, Aer Lingus view it as important that the project proposing a de-icing pad for the Northern Runway (CIP 20.03.040) be included.

A requirement also exists at major international airports for the provision of Code E Engine test facility (CIP 20.03.055) and we believe that this project should be included within CIP.

Aer Lingus appreciated the opportunity to review the airfield modelling for Dublin Airport that Helios completed as an input to the Draft Determination process. Aer Lingus is concerned however that the limited nature of the modelling restricts output to the daa preferred operating model. Aer Lingus believes there is value in expanding analysis to include other potential runway mix operating plans. More detailed observations of the modelling review are provided in the appendix.

From the outset Aer Lingus wishes to point out that, our specific support for South Apron infrastructure does not imply an acceptance or tolerance for the taxi times outcomes that arise from the Helios modelling.

There is an onus on both Dublin Airport and the IAA ATC to ensure an equitable solution and approach to aircraft movements that does not result in a punitive taxi time outcome for users of South Apron infrastructure.

In addition, Aer Lingus notes that US CBP operations will continue to grow to over 50 daily departures over the regulatory period and the Helios model assumed these to have been almost wholly confined to piers 4 and 5. This assumption undermines efficient hub operations and Aer Lingus is clear that US CBP departures will also need to operate from Pier 3 and remotely. This assumption also serves to highlight the need to find alternative location for the West Apron underpass which is currently proposed by daa for Pier 3.

## **6. West Apron Underpass**

Aer Lingus recognises that expansion of the West Apron is required to support future growth at Dublin Airport particularly as east of the crosswind runway reaches near maximum development. Aer Lingus further recognises the challenge in opening up access to the West Apron in terms of vehicular underpass to ensure an optimal technical, operational and financial solution.

Aer Lingus also notes that in opening up access to the West Apron through a series of links for vehicles, passengers and baggage, that optimisation of existing terminal infrastructure is enabled.

However, Aer Lingus is significantly concerned that CAR supports the conclusion that Pier 3 is the preferred location for the vehicular underpass when this has not been supported by adequate analysis or review material.

Whilst Aer Lingus recognises the requirement for the West Apron underpass, Aer Lingus remains absolutely opposed to the proposed location of the West Apron underpass at Pier 3. Aer Lingus is concerned that a report justifying this location was made available to the CAR but has not been shared with Airport users for review.

All material shared by daa on the underpass through engagement to date has not supported the conclusion reached by the CAR as to the suitability of Pier 3 as a location.

Aer Lingus has conducted analysis and engaged external consultants to inform our view that the longer term development of Dublin Airport as an international Hub through the provision of appropriate infrastructure at the South Apron is seriously jeopardised by a decision to locate the underpass at Pier 3.

It is apparent to Aer Lingus that daa have reached and shared a proposal that does not consider the short, medium or longer term implications of running an underpass operation which is located in the middle of Hub infrastructure. It is totally inconsistent with best practice at other international Hubs.

The short term disruption will serve also to undermine the competitiveness of Dublin's positioning as an international hub. Any development that impedes the ability to optimise minimum connecting times at the airport for any significant duration is likely to have a serious adverse impact on airlines that are dependent on transfer traffic. The resulting loss of competitiveness arising from operational disruption at Pier 3 and the wider South Apron puts at risk the connecting passenger flows built up over the last five years by network carriers serving the European – Transatlantic market, and therefore could undermine the growth potential or feasibility of certain transatlantic services.

In addition, Aer Lingus believes that the proposed vehicular underpass to the West Apron being located at Pier 3 will have a disproportionate impact on airline operations and stand capacity in the South Apron area given the existing extensive proposed development. Aer Lingus is of the view that this proposal is not the most efficient solution from either an operational or cost perspective.

Therefore, Aer Lingus believes that further independent analysis is required to determine the appropriate location of the West Apron underpass. That analysis should fully assess the critical objectives from both an operational and a financial perspective. Flexibility should be provided in the CAR's determination in order to allow this independent analysis to be undertaken and for daa to provide equivalent project outputs to that provided for the initially proposed project (which located the West Apron underpass at Pier 1).

Pending our review of further independent analysis, Aer Lingus supports the proposed allowance for this project but objects to the current scope which assumes the underpass being located at Pier 3.

## **7. WACC**

As stated in our response to the Issues Paper, Aer Lingus acknowledges the recognition by CAR that costs of capital have clearly been falling, both in market data and in recent regulatory decisions.

In our response, Aer Lingus highlighted that the economic conditions over recent years in Ireland supported the use of a concrete approach to cost of capital, basing cost of capital parameters closely on market data for actual assets, rather than theories and speculations about why the cost of capital might revert to this level or that in the future.

Aer Lingus is therefore supportive of the WACC Rate assumed in the Draft Price Determination and notes that the 4% WACC rate includes aiming up contingency to the higher end of the Swiss Economics analysis.

## **8. Deliverability**

Given the importance of timely delivery of the proposed infrastructure, Aer Lingus requests that CAR gives consideration to incentivising the delivery of the infrastructure within the regulatory period.

## **9. Financeability**

Aer Lingus' internal analysis indicates that based upon the Draft Determination, the CIP should be financeable by daa. Notwithstanding this, Aer Lingus requests that the CAR engages external expertise to review the issue of financeability and that this analysis should include:

- Assessing the daa credit rating outlook based on a review of financial and business risk profile;
- Reviewing conditions in the relevant debt markets; and
- Assessing likely investor appetite.

Aer Lingus believes that such a review should be one of the elements that informs the Price-cap set in the Final Determination.

If the review identifies increased financeability challenges in the latter years of the regulatory period, based on extent of these challenges, the CAR should consider a revision to the Price-Cap for the applicable years by means of a trigger mechanism.

Any revision to the Price-Cap should specifically be for the purpose of incentivising the delivery by Dublin Airport of the full CIP within the regulatory period.

To enable this approach, a review should be conducted in 2022 to establish progress of CIP delivery against the timeline and specification set out in the Final Determination.

CAR should give consideration to this review being conducted by the Independent Fund Surveyor (IFS) as part of the Stage Gate process.

If the review indicates that CIP delivery is 'on track', this should trigger a fixed upward change to the Price-Cap for the remaining applicable years of the regulatory period.

If the review indicates that CIP delivery is 'off track', this should trigger a fixed downward revision to the Price-Cap for the remaining applicable years of the regulatory period (except where the CIP delivery being 'off track' was outside of Dublin Airport's reasonable control).

## 10. Service Quality

Aer Lingus considers the service quality regime proposed for 2020-2024 to be a significant improvement on the regime currently in place and is broadly supportive of the measures contained therein. The proposed regime places increased emphasis on the consistent provision of the facilities and services of value to passengers (who are customers of the airlines operating at Dublin Airport) and expands the range of outcomes being measured without requirement for new data collection resources.

On balance, Aer Lingus consider the revenues placed at risk by non-attainment of service quality targets, to a maximum price cap reduction of €0.36, to be fair and appropriate.

Aer Lingus supports the reporting of performance on all the measures that do not give rise to a Price-cap adjustment, in particular reporting of On Time Performance at the airport.

Aer Lingus provides further insight on the specific elements within the Service Quality regime that has been proposed and these are contained within the Appendix B.

## 11. Stage Gate

Aer Lingus is generally supportive of the CAR proposal with respect to the introduction of Stage-gate process; however Aer Lingus would make the following further observations:

- Strict timelines are required to ensure effective project delivery and remove opportunity for tactical delay by stakeholders of certain projects
- The €20m threshold for inclusion of Projects within Stage Gate process, whilst set after receipt of CIP proposal from daa, may give rise to project splitting in order in the future to avoid projects falling within scope.



- IFS funding whilst still to be determined, should be in such a manner to avoid any appearance of undue influence by stakeholders. In this regard, it is best funded by CAR directly.
- Aer Lingus also believes there may be a role for the IFS in conducting a review in 2022 of progress of CIP delivery against the timeline and specification set out in the Final Determination (see the Financeability section above).

## Conclusion

Aer Lingus supports the Draft Determination's approval of the capacity related projects within daa's CIP proposal.

Aer Lingus also supports the Opex challenges in the Draft Determination as broadly balancing achievability and deliverability.

Aer Lingus believes that it is in the interests of all stakeholders and of the wider Irish economy that the proposed infrastructure is delivered within the forthcoming regulatory period. The CAR's Final Determination should therefore seek to ensure that such infrastructure can be delivered and to incentivise its delivery.

Aer Lingus emphasises the importance of CAR engaging external expertise to review the issue of financeability in order support the CAR in reaching a conclusion in the Final Determination.

Aer Lingus is available to meet to discuss any element of this submission as required.



Yours sincerely,  
Niall Timlin  
Head of Corporate Engagement

## Appendix A: HELIOS Modelling

Aer Lingus appreciated the opportunity to review the comprehensive, albeit one dimensional, airfield modelling for Dublin Airport that Helios has completed as part of the Draft Determination.

As stated specific support for South Apron infrastructure does not imply an acceptance or tolerance for the taxi times outcomes that arise from the Helios modelling.

Aer Lingus has a number of observations regarding the results and the methodologies employed by Helios.

### *Runway usage philosophy*

The taxi time for departing and arriving aircraft is a direct result of the assumed configuration of the runway usage. It is disappointing that only one potential runway mix plan was considered in the modelling and the report has solely modelled the daa preferred operating model.

The single operating mode modelled (mixed mode between 0600 and 0800 and segregated the remained of the day disproportionately increases taxi times for airlines utilising Piers 4 or 5.

This is costly and disruptive, and undermines a successful hub operation in Terminal 2.

Alternative configurations should be modelled to understand the optimal configuration for all stakeholders. These alternatives include:

- T1 operators to use the north runway predominantly for arrivals and departures and T2 operators to predominantly use the south runway
- South runway in mixed mode all day and north runway to handle departures only
- North runway to be in mixed mode all day and south runway to handle departures only.
- Both runways in mixed mode all day
- Runway switching in the middle of the day (similar to LHR)

The modelling has all been conducted with R28 being used for departures. It is critically important that a similar study is undertaken for R10 mode. The airport is in this less efficient mode for approximately 30% of operations

### *Schedule*

Helios advises that the model uses a design day schedule provided by daa. The details of this schedule used and the assumed new services, whether by new entrants or incumbents needed to be shared for review by Airline users. This would cover operation type, aircraft size, timings and terminal/pier location.

No assumptions have been made for A-CDM. It is likely that operational performance improvements from A-CDM procedures will improve airfield flow.

### *Airport slots*

No assumed runway slot declaration has been made to inform the daa design day schedule. The IAA needs to review and confirm that this design day schedule can be deliverable safely and efficiently.

Aer Lingus notes that the report determines 925 movements to be a “busy day” with both runways in use. At London Gatwick, 940 movements per day operating from a single runway would be considered “busy”. How will the proposed layout allow DUB to deliver LGW runway capacities (a dual runway verses a single runway)?

### *ATC operations*

The model assumes distance based separation rather than time based separation (TBS) for arrivals. London Heathrow and Gatwick airports as well as Toronto Pearson are using TBS to improve runway efficiency and reduce air holding and also taxi times in mixed mode operations.

It is not clear that the current STAR procedure is fit for purpose when both runways are in use. Understanding the air track immediately after departure is critical as it has a direct impact on departure threshold hold and subsequent taxiway queuing. Aer Lingus notes that procedures for compass based departures from both runways and each single runway would be most likely to deliver the highest throughput rates.

### *Aircraft parking*

US CBP operations have grown to 50 daily departures and the model assumed there to have been almost wholly confined to piers 4 and 5. This assumption undermines efficient hub operations and Aer Lingus is clear that US CBP departures will need to operate from pier 3 and remotely.

### *Taxi time and airfield flow*

The report identifies excessive holding at the corner of pier 4 and pier 5. Aside from the runway philosophy adopted (see above) two other factors influence this unacceptable performance; push back conflicts and lack of the joined taxiway loop adjacent to pier 5.

Aer Lingus notes that the published CIP includes the joined loop, which the Helios modelling demonstrates is critical infrastructure. Push-back conflicts may be avoided by minor timing changes in the schedule. Modelling alternative runway use configurations may further highlight reductions in congestion in this area of the campus.

Taxi times need to be modelled for easterly operations as well as the predominant westerly arrangement

There is little reference to level of towing required in this model. On time towing is a key element of operational performance and understanding towing performance is essential. Currently towing accounts for 6% of traffic movement on the Apron.

### *De-icing*

No modelling has been undertaken for airfield flow in winter operations. If de-icing is conducted on the Pier 5 stands, the projected taxi time (17:13) may in certain circumstances exceed the holdover time for the environmental conditions, requiring the aircraft to be de-iced again prior to take-off.

Aer Lingus remain available to the Commission to engage in more detail on any of these model related issues.

### **Terminal**

Aer Lingus have identified a number of issues relating to the terminal modelling undertaken by Helios.

The model assumes full utilisation of all terminal infrastructures and this was acknowledged by Helios as not reflecting a real world scenario. It is also unclear what parameters support full utilisation assumptions given the difference in processing capacity by terminal and within individual terminals e.g. Check-in desk.

Aer Lingus does however acknowledge the requirement for additional immigration booths arising from the modelling and supports the additional infrastructure project provided for in the draft determination.

### *Check In transaction time*

Given the different profile of passengers that Aer Lingus process (SH point to point, LH point to point and onward connections), Aer Lingus would like to draw attention to the assumptions relating to average check-in transaction times and the implication of same.

Aer Lingus believes that the boarding pass scan process will be technologically driven, this does not appear to be reflected in the report.

The model is clearly showing a disadvantage in processing time in Terminal 2 versus Terminal 1 during peak hours and the implications needs to be understood.

### *Security*

Information currently available states that 81% of guests are passing through security in T2 in under 15 minutes, based on year to date security times. The model is clearly showing a disadvantage in processing time in Terminal 2 versus Terminal 1 during peak hours and the implications needs to be understood.

### *US Preclearance*

The short peak before 12:00, where the graph goes into a suboptimum level, needs to be further reviewed. The graph shows that the space provision rating (pax/m<sup>2</sup>) drops back to optimum levels after 30 minutes, but in reality US preclearance struggle to get back on track after this peak (due to off schedule departures and passenger profiles).

### TSA and CBP

It would be our understanding that the processing time for TSA standard pax is 45 secs and not 16 secs, as stated and selectee passenger is 7 mins (not 56 secs). The implication for this increase in processing time should be assessed further.

### *E Gates and Immigration*

Immigration is currently bottlenecked during peak hours in both terminals. The model used in the report does not appear to account for the 10 e-gates currently in operation. In addition it would be appropriate that the availability and utilisation levels by mandated by Dublin Airport to INIS.

Aer Lingus believes that these issues need to be explored further with Helios and Aer Lingus remain available to the Commission to engage in more detail on any of these model related issues

## Appendix B: Service Quality Regime

### *General*

Aer Lingus considers the service quality regime proposed for 2020-2024 to be a significant improvement on the regime currently in place and is broadly supportive of the measures contained therein. The proposed regime places increased emphasis on the consistent provision of the facilities and services of value to passengers (who are customers of the airlines operating at Dublin Airport) and expands the range of outcomes being measured without requirement for new data collection resources.

With regard to the total revenues at risk through the service quality measures at 4.8%, Aer Lingus note that this proportion is unlikely to be maintained throughout the period. This is because the base price cap is likely to increase through CPI adjustments and the addition of the North Runway M2 trigger during the period. Nevertheless, this minor technicality is more than offset by the fact that each breach of a target which is subject to penalty will actual cause a price cap reduction. This was not the case previously as, in some circumstances, due to rounding of the price cap to a full cent, some breaches did not actual cause the price cap to reduce.

On balance, Aer Lingus consider the revenues placed at risk by non-attainment of service quality targets, to a maximum price cap reduction of €0.36, to be fair and appropriate.

The change of source for the subjective measures (as per table 11.5) from the ACI Quarterly Survey to the daa's Customer Service Monitor (CSM) is noted. Our views on the individual subjective service quality measures proposed are based on a working assumption that the CAR is satisfied with the robustness of the data collection methodology, sample sizes for the different passenger types and auditability of reported outcomes from the CSM. A Commission Paper would be welcome at some future time, preferably by the end of 2019, outlining the review undertaken by the CAR of this survey and the conclusions drawn from that review

Aer Lingus supports the measurement of the subjective measures by passenger type – departing/arriving/departing PRM. However, Aer Lingus are somewhat disappointed that no measures (even on a monitoring basis) have been introduced for transfer passengers. This is surprising both due the increasing proportion of overall Dublin Airport passengers represented by transfer passengers, who having differing needs of an airport to O/D passengers, and as the measurement of quality of service to transfer passengers being recommended by the Passenger Advisory forum. Aer Lingus recommends that a measure of the satisfaction of transfer passengers be included in the service quality regime for 2020-2024, preferably on a “with breach penalty” basis.

## *Individual Service Quality Measures*

Aer Lingus does not, in general, support the introduction of financial incentives into the service quality regime as to do so may encourage inefficient operating expenditure which is likely to be passed on to airlines, and hence passengers, in the following period. The proposal to allow off-setting of breach penalties on attainment of stretch targets would perhaps be more acceptable if the off-setting was for the same measure or at least a measure for the same passenger group and Aer Lingus would ask the CAR to consider this modification.

## *Security Queue Length*

The circumstances which saw the adoption of the median of the data set to report security queue length per time period – low number of data points per time period – are no longer a concern giving the very high penetration rates of blue-tooth enabled devices in the population. Aer Lingus consider therefore that the reporting statistic would more appropriately be set at the 75th percentile at a minimum. This is particularly the case as it is intended to reduce the overall target of passengers meeting the maximum queue length from 100% to 97%.

Using the median as the reporting statistic and reducing the target to 97% of passengers with queue length of 25 minutes or less would allow up to 51.35% of passengers to have a queuing time 25 minutes or above without breaching the target (49.9% of pax  $\geq$  25 minutes in the 97.1% of time queue is below 25 minutes or below and 100% of pax  $>$  25 minutes in the 2.9% of time queue is above 25 minutes). In addition, this 51.35% is calculated on the basis of equal flow of passengers through security over the course of the day, which is not generally the case; security queue breaches tend to occur at peak utilisation times of this facility so in fact the actual proportion of passengers experiencing security queues in excess of 25 minutes could easily reach a higher figure.

Aer Lingus believes that the reporting statistic would be more representative of the average passenger experience if it were set at the 75th percentile or above – at the 75th percentile the maximum proportion of passengers (assuming equal flow through across the day) who would experience a queue time above 25 minutes, without a breach occurring, would reduce to 27.08%. This proportion would reduce further if a higher percentile was adopted as the reporting statistic.

If the CAR is not minded to change the reporting statistic then Aer Lingus consider that the target should be set at 100% of passengers experiencing a queue time of 25 minutes or less. This would at least ensure that more passengers would experience a queue length at or below 25 minutes than those experiencing a longer queue length than 25 minutes.

Aer Lingus is supportive of the tiered structure of penalties for differing lengths of security queue lengths above the target as this offers a clear incentive to daa to bring the security queue back to target as quickly as possible. Aer Lingus do not generally support incentives above the price cap being available for outperformance of targets. If an incentive is to be introduced for the security queue measure then Aer Lingus propose that the target for the waiver be set at 80% of time queue time is less than 10 minutes, for both the month in which the breach occurs and in the remainder of the month after the breach has occurred. This will ensure that no incentive is given to reduce performance on the security queue – for example, in a 31 day month, the 80% target could be met by the end of day 25 – daa would know in advance that any breach on days 26-31 would have no negative financial consequence and hence a perverse incentive to reduce focus on this area.

#### *Wait time for PRM Assistance*

Aer Lingus supports the introduction of this measure and that the targets for arriving and departing PRMs are consistent with the SLA in the contract for the provision of this service. Aer Lingus note the potential conflict of interest in having OCS report data which could potentially signal a breach by them of their SLA with Dublin Airport and recommend that this data be subject to audit by the CAR at least once during the regulatory period.

#### *Availability of Outbound Baggage System*

Aer Lingus welcomes the recognition that baggage belts form only one part of an integrated baggage system and it is the entire system which needs to be reliable. Aer Lingus also support the target set for this measure and the penalty associated with any breach.

#### *Availability of Inbound Baggage System*

Aer Lingus welcomes the setting of a monthly reporting period for the inbound baggage system as this represents a better measure of the reliability of the system than the previous quarterly reporting period. Aer Lingus also supports the target set for this measure and the penalty associated with any breach.

#### *Availability of Fixed Electrical Ground Power & Availability of Advanced Docking Guidance System*

Aer Lingus supports the introduction of these two measures and the targets set for both. Additionally, by setting out the timeline by which penalties will apply for non-availability, daa is given a clear incentive to complete these projects, with benefits to the overall operations of airlines, to the deadline which has been indicated by them for project completion.







## *Availability of Lifts, Escalators and Travellators in Terminal 2*

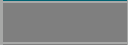
























Aer Lingus supports the introduction of this measure and would further support the broadening this measure to include T1 during the period if data becomes available on this measure. Aer Lingus also support the target set for this measure and the penalty associated with any breach.

## *Passenger Satisfaction Measures*

Aer Lingus supports the inclusion of all 13 measures of passenger satisfaction, the passenger categories to be monitored and the targets set for each measure. However, Aer Lingus are concerned that a breach of one measure can be off-set by achievement of the “stretch target” for any other measure. Aer Lingus suggest allowing a breach penalty waiver only where a stretch target has been met for any other measure for the same passenger group. e.g., a breach of the target with gates by departing PRM pax group could only be off-set by the attainment of the stretch target of any other measure for the departing PRM pax group.

## Appendix C: Aer Lingus position on Capacity Projects

Aer Lingus supports proposed project	
Aer Lingus partially supports project	
Aer Lingus does not object to proposed project	
Aer Lingus objects the proposed project	

Project Title	EI View
Gate Post 9 Expansion (West Lands)	
Terminal 1 Kerbs	
Terminal 1 Check-In	
Terminal 1 Central Search - Relocation to Mezz Level	
Terminal 1 Departure Lounge (IDL) Reorientation and Rehabilitation	
Terminal 1 Baggage Reclaim Upgrade & Alterations	
Terminal 1 Rapid Exit Arrivals	
Terminal 1 Shuttle, bus lounges and injection points	
Terminal 1 immigration hall	
Terminal 2 Check-in Area Optimisation	
Terminal 2 Central Search Area Expansion	
Terminal 2 Early bag store and transfer lines	
New Pier 5 (T2 and CBP Enabled)	
Expansion of US Pre-Clearance Facilities	
South Apron Expansion (Remote Stands, Taxiway and Apron)	
Enablement of Pier 3 for Pre Cleared US bound passengers	
Pier 3 Immigration (Upgrade & Expansion)	
North Apron Development – Pier 1 Extension (Module 1) & Apron 5H PBZ	
Terminal 1 new air bridges	
De-icing pad at RWY 10R	
West Apron Vehicle Underpass – Northern Pier 1 Option	
Surface Water Environmental Compliance	
New Remote Apron 5M - 17 NBEs	
Airside GSE Charging Facilities (Ground Handlers)	
Hydrant enablement Pier 2 & 3	
Transfer immigration booths P4/ P2	