



IAA consultation on draft decision on Ryanair complaint on airport charges at Dublin airport

IAA submission

Introduction

IAA appreciates the opportunity to provide views on IAA's draft decision with regards to Ryanair's complaint on Dublin airport's 2024 charges. In general, we find appropriate that the IAA is attempting to assess Dublin airport's scheme of charges under a structured approach based on transparent, relevant, and objective criteria. Unjustified charges could lead to market distortions, especially in the context of a monopoly provider. We also agree with many of the findings highlighted in its consultation document.

We note that the IAA has focused its analysis solely on 4 types of charges differentials, namely transfer charges, runway charges, CO₂ modulation and NO_x charges. Naturally such an approach has followed from the areas raised by Ryanair. However, we consider that such analysis is incomplete, as the entire scheme of charges should be assessed under the same principles. This is particularly relevant since such charges (such as incentives, schemes, noise charges, among others) have not been justified under the same principles as those used by the IAA.

In this respect, it is prudent that the entire scheme of charges is reconsulted rather than just the 4 elements being considered in the current process. It may be advisable for such exercise to be carried out at the time of the 2025 charges consultation to allow sufficient time for the airport to prepare the analysis, consult and appropriately takes users' views into account.

Our views on each of the charges modulations is detailed below.

CO₂ Modulation

We fully support the view of the IAA that CO₂ modulation has not been properly justified. As mentioned on numerous occasions, we remain highly sceptical of the implementation of the low emissions scheme, as we are concerned that it may merely result in the distortion of the market with no impact on emissions. Our reasoning is described below:

- Cost-relatedness: CO₂ emissions from aircraft operations are not related to the provision of airport infrastructure or services, and airports do not incur costs in relation to the mitigation or prevention of greenhouse gas emissions from aircraft engines.
- Inconsistency with international policies and regulatory requirement: ICAO's member states have unanimously endorsed the principle that CO₂ emissions from international aviation should only be accounted for once. They have also agreed to address CO₂ emissions from international aviation

through CORSIA, with a recognition that it should be the only market-based measure applied to international flights.

- Trade-offs: To the extent that charges may act as an incentive, it is important to be aware that the modulation of charges on the basis of too many variables will make the charges meaningless and could lead to undesirable trade-offs.

The points above-raised can also be found in IATA's position paper on CO2 modulation (see [link](#))

During the consultation process we also raised the issue that using the LTO cycle was not appropriate in our submission to the airport. For avoidance of doubt, we do not see Load factors as being suitable means to measure emissions either.

In conclusion, none of the key principles of transparency, relevance and objectiveness has been met.

NOx charges

Similar to the CO2 modulation, we also raised concerns with regards to the implementation of NOx related charges at Dublin airport. In particular, that the airport had not demonstrated why there was a NOx issue and how the proposed charging mechanism will solve it. IATA's position on NOx charges can be found [here](#).

We therefore agree that the NOx modulation has not met the transparent, relevant and objective criteria.

Transfer charges

We understand, according to the ACD, charges differentials need to be objective, transparent and relevant. In this regard, we do see the need for Dublin airport to better detail how it has arrived at the level of transfer charge.

There are a number of facilities that transfer passengers do not use such as: forecourts, surface access, check-in areas, baggage drop-off and recovery and in some cases, security screening. All this should lead to a charge that is lower than that of an O&D passenger service charge from a cost relatedness point of view.

While we clearly see the justification for the differential, we also see the necessity from the airport to be more transparent and justify it in a more objective manner. In this case, it makes sense for Dublin airport to better demonstrate, through figures, the value being adopted for this charge.

Review of the full of structure of charges/incentives

As previously mentioned, it would be prudent to apply a more holistic look at Dublin airport's structure of charges and not solely focusing on those included under Ryanair complaint. This is to ensure consistency in the principles applied to justify them. Below are listed various types of modulation applied at Dublin airport (that have not been part of the IAA's assessment) with a brief explanation on why they should also be scrutinized.

O&D PSC charges differentials

There are currently 3 types of O&D PSC charges: contact stand, remote stand and satellite. The remote stand charges can be close to 50% lower than the O&D contact stand charges. This is despite the fact that passengers utilize the same processing facilities for a large part of their journey at the airport. We understand



that one driver for the differentials could be related to bussing costs, but more transparency would be needed to understand the scale of such charging differences.

Incentive schemes

As pointed out previously to Dublin airport, user charges are artificially increased significantly in order to fund the airport's incentive schemes, leading to a situation in which users end up paying for incentives they do not benefit from. The airport has not justified whether such incentives are needed nor provided a counterfactual scenario if such incentives were not applied.

Noise charges:

We note that the initial implementation of noise charges (at nighttime) was mandated. However, Dublin airport has now implemented noise charges at daytime. We have not really seen an appropriate explanation on what the noise issues during daytime are and how the implementation of noise charges will actually solve them. IATA's position is that cost-related noise charges that actually reduce the level of noise or mitigate its impacts are the best way to ensure these issues are addressed – not modulations or bonus/penalty schemes.

Seasonal charges

Certain airport charges could be up to 35% lower in the winter season than in the summer one. There has not been an objective justification of the scale of the differential and any evidence that the differential is linked to different costs, quality levels, or effectively encourages better infrastructure use.

Aircraft Parking charges

There are currently eight types of parking charges. While some of the differentials are intuitive, it is unclear whether the scale of such differences is relevant, objective, and transparent.

For additional information or clarification, please contact:

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