



ÓDARÁS FITHÍOCHTA NA hÉIREANN
IRISH AVIATION AUTHORITY

Response to 2025 ANS Actuals Consultation

18 September 2026



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1. Introduction

- 1.1 The consultation on the 2025 actual costs incurred for the provision of En Route (ENR) services, and Terminal (TER) Air Navigation Services (ANS) at the state airports (Dublin, Cork and Shannon) was held on 11 August 2026. The consultation is required under Article 24(3) of the Implementing Regulation (EU) 317/2019 (“the Regulation”).¹
- 1.2 The consultation has consisted of two steps. First, the IAA published a consultation paper on the IAA website on 23 July 2026.² Second, a videoconference meeting on 11 August 2026 which involved presentations from the IAA, AirNav Ireland and MET Aviation Services Division (ASD). Stakeholders were then invited to submit any written feedback by 1700 on 18 August 2026.
- 1.3 We received three stakeholder responses to the consultation, from Aer Lingus, IAG and Lufthansa Group, which are published alongside this document. We also publish a response from AirNav Ireland.
- 1.4 The responses primarily relate to:
 1. AirNav Ireland staffing, including the incentive scheme rebate
 2. AirNav Ireland Capex delivery
 3. Treatment of AirNav Ireland pension costs
 4. Other
- 1.5 While we have considered each submission individually and responded to each stakeholder directly, in the sections below we have grouped together similar/overlapping points for the purpose of providing a consolidated response.
- 1.6 Following the conclusion of the consultation on 2025 actual ANS costs and the proposed 2027 unit rates, the IAA submitted the Cost Risk Sharing report which is required by Article 28(7) of the Regulation.

¹ [COMMISSION IMPLEMENTING REGULATION \(EU\) 2019/ 317 - of 11 February 2019 - laying down a performance and charging scheme in the single European sky and repealing Implementing Regulations \(EU\) No 390 / 2013 and \(EU\) No 391 / 2013](#)

² [consultation-on-actual-ans-costs-2025bb63011357e44b0ba19b0b69a6d5c481.pdf](#)

2. Staff Costs

Staffing Incentive Scheme

Responses Received

- 2.1 Aer Lingus welcomes the operation of the staffing incentive framework and the resulting benefits being returned to Users through future unit rates. It considers that such outcomes demonstrate the value of a robust regulatory framework that aligns provider incentives with User interests.
- 2.2 IAG asks for a reconciliation between the €3.7 million total rebate and the separate ATCO and ATSEP amounts and the charging zones to which each amount is attributed.
- 2.3 Lufthansa Group asks for an assessment of the effectiveness of the ATCO and ATSEP staffing incentive schemes and if the IAA has any takeaways from the first year of the scheme's operation that can be applied in future years.

IAA Response

- 2.4 The IAA is satisfied with the operation of the staffing incentive scheme in 2025 and the resulting adjustment to the 2027 En Route unit rate. The mechanisms operate similarly to cost-related triggered allowances, which are commonly used in economic regulation. As the incentive is not offset based on scaling the overtime forecast, AirNav Ireland noted that it had to incur additional overtime costs relative to our forecast given that it did not meet the ATCO target, therefore retaining an overall positive incentive to increase staffing levels. The full extent of the effectiveness of the new mechanism will become clearer as the period progresses.
- 2.5 The IAA has published the RP4 Additional Capacity Targets and Incentives model which has been updated for 2025 actual ATCOs and ATSEPs. Of the total staffing rebate relating to 2025, €1.31m relates to the ATSEP scheme and €2.35m relates to the ATCO scheme. The underlying calculations for both incentive schemes are shown on separate tabs of the model. The total rebate of €3.66m relates to the ENR charging zone.

Overtime

Responses Received

- 2.6 Aer Lingus is concerned that sustained reliance on overtime is unlikely to represent the most efficient long-term staffing model and encourages the IAA and AirNav Ireland
- 2.7 IAG asks how contractor costs, overtime and operational outcomes were treated when assessing the staffing shortfall and emphasises that the incentive should not inadvertently reward substitution of funded permanent resources with more expensive temporary or overtime arrangements.

IAA Response

- 2.8 The IAA agrees that excessive reliance on overtime is not the optimal approach to staffing. We have set the performance plan targets and assumptions on the basis of increasing ATCO staffing levels and consequently reducing the reliance on overtime. As reported in AirNav Ireland's presentation, it expects to reach the RP4 ATCO target in 2027. AirNav stated that in 2028 and 2029 it expects to outperform the ATCO target headcount.

- 2.9 In response to IAG, in line with the methodology set out in the revised Performance Plan Final Decision, we confirm that for the purposes of calculating the financial rebate payable by AirNav Ireland, only fully trained staff and not trainees were counted in the annual average headcount. This approach is aligned to the method used for the determined costs and setting the target (average annual headcount). As mentioned above, the incentive is not offset based on scaling the overtime forecast, and as a result the cost of additional overtime to offset missing the staffing target been absorbed by AirNav Ireland.

Other

Responses Received

- 2.10 Aer Lingus states that as services in 2025 were delivered at a materially lower cost than anticipated and with staffing levels below those assumed in the Performance Plan this strengthens the importance of continued regulatory scrutiny throughout RP4.

IAA Response

- 2.11 As mentioned above, AirNav Ireland has continued to rely on ATCO overtime hours as it advances its recruitment programme. This is sub-optimal from an operational and cost efficiency perspective. While AirNav Ireland was still able to meet ATFM delay targets under these circumstances its ultimate aim is to meet the ATCO and engineer targets as set out in the RP4 Performance Plan. The IAA continues to monitor AirNav's progress in meeting these targets on a regular basis.

3. Capex Delivery

Update on Delivery of Investments

Responses Received

- 3.1 Aer Lingus supports investment that is clearly linked to safety requirements, regulatory obligations, operational resilience or demonstrable improvements in efficiency and service quality.
- 3.2 Aer Lingus encourages continued transparency over capital project delivery and welcomes the commitment to return capital expenditure variances to Users in the next regulatory period.
- 3.3 IAG asks for i) a project-level reconciliation of planned expenditure, actual expenditure, work in progress, capitalisation, commissioning dates and delivered benefits for 2025 and ii) details of projects that were delayed, descoped, cancelled or completed but not yet capitalised, together with recovery plans.
- 3.4 Lufthansa Group asks for further information on which investment programmes were affected by the level of unspent capex and whether any operational benefits have been deferred as a result. It asks how Users are expected to benefit from the associated cost reductions in future years.

IAA Response

- 3.5 We refer to the Regulatory Reporting section of the IAA website where we publish Biannual updates on the timelines for delivery of AirNav Ireland's Capital Expenditure Projects. We also publish annual capital cost reports on AirNav Ireland's major Capex projects and major Capex groupings.³
- 3.6 In response to IAG's question about projects that were delayed, descoped or cancelled, at the consultation, AirNav Ireland noted that no RP4 projects have been cancelled, rather are incurring delays. AirNav Ireland refers to the RADAR replacement programme, DES Exodus project and the Ballycasey expansion project as some of the key capital projects it has advanced this year.
- 3.7 In response to the comments from Lufthansa Group, AirNav Ireland notes that where expenditure is deferred, the associated operational benefits may also arise later than originally profiled. AirNav Ireland states that it is placing increased emphasis on programme and project delivery during the remainder of RP4, including through strengthened enterprise-level project governance and oversight.

New Initiatives

Responses Received

- 3.8 Lufthansa Group asks for further information on the expected efficiency, performance or service-quality improvements arising from the organizational initiatives referenced by AirNav Ireland including the Enterprise Project Management Office, Change Management Cell and Digital Transformation Office. It asks how the success of such initiatives will be measured

³ [Regulatory Reporting](#)

during the remainder of RP4.

IAA Response

- 3.9 AirNav Ireland has addressed the above initiatives in its response which is published alongside. The success of these initiatives will be assessed through their contribution to the improved delivery of AirNav Ireland's existing corporate and RP4 objectives rather than through the creation of separate regulatory performance targets.

Treatment of Capital Costs

Responses Received

- 3.10 IAG asks for justification for why TopSky ATC One was excluded from the programme level adjustment to AirNav Ireland's capital investment programme.
- 3.11 IAG asks for confirmation that no depreciation or return is charged before assets are commissioned and that Users will not fund the same outputs again in RP5.
- 3.12 IAG asks why unspent capex returns are to be deferred over RP5 rather than returned at the earliest opportunity through RP4 rates, including the legal and financial treatment of the intervening period.

IAA Response

- 3.13 The distinct treatment of TopSky ATC One from the rest of the capital investment programme was consulted on and ultimately decided upon as part of the IAA's 2024 Final Decision on the RP4 Performance Plan.⁴⁵ Our reasoning for such an approach is discussed at paragraph 6.42 of the Draft Decision and 6.60 of the Final Decision. The Determined Costs have already been set for RP4 and there is no open question in relation to the scope of the programme level adjustment.
- 3.14 In relation to the treatment of depreciation and cost of capital, the depreciation and return profiles included in the RP4 Determined Costs were set in the RP4 Performance Plan, as presented and consulted on primarily in 2024, and then updated in 2025 with the revised performance targets.⁶ For the reasons set out in those decision papers, while Regulation 317/2019 allows for an ANSP to charge a return on assets under construction, we decided not to allow for the recovery of capital costs on projects under construction with the exception of the TopSky ATC One project. Our approach to allowing for TopSky return on capital during construction was explained at paragraphs 6.13-6.15 in the Draft Decision and at 6.10-6.12 in the 2024 Final Decision on the RP4 Performance Plan. Therefore, the only project in respect of which a return is being charged prior to commissioning during RP4 is TopSky ATC One. To the extent that AirNav might deliver less capitalisation than we assumed in those profiles, the associated capital costs will be returned to Users. Consequently, Users will not be charged twice for the same outputs- even in the event that projects which were delayed in RP4 feature again in RP5.
- 3.15 As proposed at paragraph 6.43 of our Draft Decision on the RP4 Performance Plan and further discussed at paragraphs 6.53-6.57 of our Final Decision on the RP4 Performance Plan, we will adjust for outturn expenditure on an RP+1 basis. We consider that this approach

⁴ [rp4-draft-decision_final.pdf](#)

⁵ [rp4-final-decision_final.pdf](#)

⁶ [revised-final-decision-document-on-irish-draft-performance-plan-for-rp4.pdf](#)

affords AirNav Ireland the flexibility to adjust the capital investment programme as necessary and prioritise projects as needed over the RP4 period. We stated that if AirNav Ireland underspends the RP4 capital costs allowance, this will be clawed back in RP5 via lower En Route and Terminal unit rates. If AirNav Ireland delivers more of the programme than we anticipate during RP4 and efficiently incurs associated expenditure in excess of what we have allowed for, this can be adjusted for in the unit rate for RP5 and/or added to the RAB from the start of RP5.

- 3.16 Finally, regarding the return of unspent capex, our approach to reconciliation formed part of our overall approach to Capex, which also included, for example, our 30% programme level adjustment. These are not elements which we consider to be open for further *ex post* amendment within the RP4 period. It is also consistent with the approach applied in previous regulatory periods, and our approach to regulation more generally (such as in respect of Dublin Airport). Given the extent to which the 2019 Regulation already provides for the reprofiling of remuneration, and the extent to which AirNav Ireland can afford to increase investment, we consider that the adjustment should have no impact on the delivery of the programme, while bringing capital costs more closely in line with the level likely to actually materialise. In terms of the treatment of the intervening period, AirNav has continued to accrue the future refund due to Users arising from the 2025 underspend in its 2025 accounts.

4. Treatment of Pension Costs

Variation Breakdown

Responses Received

- 4.1 IAG asks for the exact amount, payment date, legal basis and accounting treatment of the deferred pension payment, including why the liability was not recognised in the 2025 regulated accounts if it represented a 2025 obligation. It asks for a clear split between the variance caused by lower headcount and that caused by payment timing.
- 4.2 IAG asks for confirmation of how the payment is recorded in 2026 and the mechanism that will prevent recovery in both 2025 and 2026.

IAA Response

- 4.3 We include the following breakdown in respect of AirNav Ireland's pension costs:

Table 4.1 AirNav Ireland Pension Costs 2025

ENR (€m)	Determined	Actual	Variance
Pension Costs	12.7	8.1	
Variance			-4.6
Pension Payment			2.9
Remaining Balance			1.7
TER (€m)	Determined	Actual	Variance
Pension Costs	2.1	1.4	
Variance			-0.7
Pension Payment			0.5
Remaining Balance			0.2

Source: AirNav Ireland, IAA Calculations

- 4.4 In relation to the legal basis and accounting treatment of the payment, we refer stakeholders to pg.36 of AirNav Ireland's Annual Board Report for 2025.⁷ The report notes that "A Pensions in Payment Policy for the period 2025 2029 was approved by the Board, with approval sought from the Department of Transport for a pension in payment increase of 1.4% for 2025. On 26 March 2026, Ministerial approval and consent, subject to certain conditions, was received in relation to a proposed increase of 1.4% to pensions in payment, effective from 1 January 2025. The cost of the increase, assessed on the funding basis, of €3.9 million, has not been reflected in the pension liability at 31 December 2025, as this is a non-adjusting post balance sheet event". The RP4 component of this amount to approximately 88% of the payment.
- 4.5 The relevant payment has now been made by AirNav Ireland in 2026. We therefore anticipate that AirNav's 2026 reported actual pension costs will reflect this deferred payment and the total pension costs will be correspondingly higher than determined (all else equal). We do not expect that AirNav Ireland will propose to pass this cost through to Users in the form of a 2028-unit rate adjustment. On that basis, there would be no 'double-payment' across 2025 and 2026. The IAA's review of the 2026 actual costs will verify the treatment of such costs.

⁷ [Annual-Report-2025.pdf](#)

Pass-Through

Responses Received

- 4.6 To the extent certain pension costs may be considered exempt from the standard cost-risk sharing arrangements, Aer Lingus does not believe that a departure from normal cost-risk sharing arrangements should be “*automatic or routine*”. IAG also asks for further information on the treatment of pension costs.

IAA Response

- 4.7 To be clear, no pension cost variances have been passed through in respect of 2025 costs (or indeed in any previous years). The 2025 variance is indeed an “*ordinary timing or employment-cost risk*”, not one which qualifies for the passthrough mechanism provided for by Article 28 of the Regulation.
- 4.8 AirNav Ireland separately noted at the consultation meeting that it may submit a request in this regard in future years. If any future submission is made it will be subject to verification by the NSA and consultation with airspace Users. Any potential pension cost related adjustment would not be automatic or routine.

5. Other Submissions

MET ASD Costs

Responses Received

- 5.1 IAG asks for greater transparency on (i) the 80:20 route/terminal cost allocation, (ii) the composition of the exceptional items and (iii) the reasons for depreciation exceeding the 2025 determination, and (iv) the measurable User benefits of its investment programme

IAA Response

- 5.2 (i) Paragraphs 7.46-7.50 of the Draft Decision on the RP4 Performance Plan set out our rationale for retaining the 80:20 split of MET ASD costs between En Route/Terminal services, based on the extent to which the MET ASD workload is likely to be driven by En Route relative to Terminal services. In this paper we noted how the En Route/Terminal split of 80/20 benchmarks reasonably against comparators in the SES area and we did not find any compelling reasons to conduct a further review of the allocation keys ahead of RP4. Again, this is now fixed within the RP4 Determined Costs and is not an open question for the purpose of this consultation on the 2025 Actual Costs.
- 5.3 (ii) The exceptional items line includes costs related to the European Organization for the Exploitation of Meteorological Satellites (EUMETSAT) and are outside of the control of Met Éireann as contributions by each member state are apportioned based on Gross National Income.
- 5.4 (iii) We note the difference between actual and determined costs is minimal for MET ASD. Depreciation was marginally above forecast due mostly to the ICT Migration and Managed Services Project (IMaMS) which ran over budget in 2025 largely due to unexpected higher inflation of ICT hardware- such as servers, switches etc.
- 5.5 (iv) As described at paragraph 7.38 of the Draft Decision on the RP4 Performance Plan, MET ASD's METCOM project in particular is part of Common Project 1 (CP1) which aims to support the implementation of the European Air Traffic Management Master Plan and will provide improvements to communications and delivery systems to optimise the use of MET information.

Presentation of Adjusted Costs

Responses Received

- 5.6 IAG asks for the individual breakdown of: (i) reported regulated actual costs, (ii) any evidenced accounting timing adjustments, (iii) incentive rebates, (iv) cost-risk-sharing adjustments, and the resulting amounts and dates of refunds to Users.

IAA Response

- 5.7 The relevant breakdown is shown below. The adjustments relating to the difference between determined and actual costs will be returned to Users in 2027 through the unit rate adjustments as outlined on slides 16 and 18 of the IAA presentation.

Table 5.1 Breakdown of 2025 ANS Costs

	ENR (€ '000s)	TER (€ '000s)
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i	Reported regulated actual costs	147,526	33,264
ii	Accounting timing adjustments (pension payment)	2,886	514
iii	Incentive rebates	3,656	0
iv	Differences between determined and actual costs relating to year n (Art. 28(4) to 28(6))	-2,924	-1,220
v	Other risk sharing mechanisms traffic, inflation, other revenues	-3,594	-369
vi	Adjustment relating to the temporary application of UR	-2,065	-796

Source: AirNav Ireland, MET ASD, IAA Calculations

6. Conclusions

- 6.1 The IAA has now considered and addressed all stakeholder submissions received in response to the consultation on actual ANS costs for 2025 and the 2027 intended unit rates for Terminal and En Route services. The NSA has also submitted the 'Costs Exempt' report to the European Commission confirming the adjustments as consulted on.
- 6.2 The final Unit Rates and Determined Costs tables will then be submitted to the Central Route Charges Office (CRCO) ahead of the Enlarged Committee on Route Charges in November.