



ÚDARÁS EITLÍOCHTA NA hÉIREANN  
IRISH AVIATION AUTHORITY

# 2026 Determination: Conclusions on High Level Issues

16 December 2025



## Contents

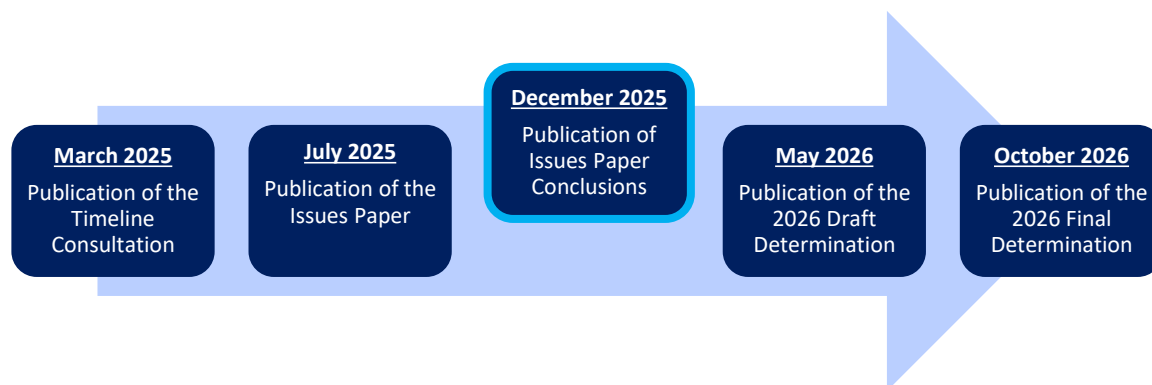
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# 1. Introduction & Background

- 1.1 In 2026, we will make a new determination on the maximum level of Airport Charges at Dublin Airport (**'2026 Determination'**). As illustrated in Figure 1, this paper is the third publication by the IAA in the 2026 Determination series. In March 2025 we published our proposed timeline for the 2026 Determination (**'Timeline Consultation'**) and in July 2025 we published the Issues Paper where we sought stakeholder views on key issues and our proposed methodologies ahead of the 2026 Determination.<sup>1</sup>
- 1.2 Submissions received in response to the timeline consultation requested earlier publication of both the Draft and Final determinations relative to what we had proposed (June and November 2026 respectively). In the Issues Paper we outlined our intention to publish the Draft Determination in May 2026 and make the Final Determination by the end of October 2026. A further request made in response to the timeline consultation was Dublin Airport's suggestion that we publish an "Issues Paper Conclusions" document.

**Chart 1.1: IAA Publications in the 2026 Determination Process**



- 1.3 Dublin Airport's own consultation process in respect of the Regulatory Proposition and its Capital Investment Programme, CIP27, is currently underway. Dublin Airport held its formal airline consultation in relation to CIP27 in November 2025 and is planning to continue discussions with stakeholders at the beginning of 2026. We expect to receive the Regulatory Proposition by February next year.
- 1.4 As part of the Issues Paper, we asked for stakeholder views on a range of high-level topics, while setting out our own preliminary view. Such topics range from the duration of the upcoming determination period, to the RAB-based approach to capital costs, and whether we should consider the introduction of sub-caps. We received nine stakeholder responses to the Issues Paper: Aer Lingus, British Airways (BA), Dublin Airport, DA Terminal 3 Limited, Iberia Express, International Airlines Group (IAG), International Air Transport Association (IATA), Ryanair, Vueling.
- 1.5 As noted in the Issues Paper, we recognise that conclusions over topics such as the form of the price cap and the length of the regulatory period will be required in advance of the finalisation of Dublin Airport's Regulatory Proposition. The purpose of this paper is to address the submissions we received in response to the high-level points raised in the Issues Paper and to confirm our position in respect of same for the 2026 Determination.

<sup>1</sup> [2026 Determination](#)

- 1.6 This paper does not conclude on the detail of methodological or technical approaches to the 2026 Determination. It does set out conclusions in relation to high level issues, in particular in terms of the approaches we expect to follow. While we do not anticipate that our conclusions in these regards are likely to change, it should be noted that this will only be determined definitively when the 2026 Determination is made. In the sections below we summarise the responses we received from stakeholders on each topic and consider whether any submission has sufficiently demonstrated the need for a change to our previous approach.

## 2. Form of the Cap

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### *Summary of the Issues Paper*

- 2.1 In the Issues Paper, we noted that the Aviation Regulation Act 2001 ("2001 Act") allows for the maximum level of airport charges to be determined in a number of different forms.<sup>2</sup>
- 2.2 In each regulatory determination since 2001, we have set a cap on the average level of Airport Charges revenue per passenger per year that can be collected by Dublin Airport. The only exception to this was in 2020 when we set sub-caps on the level of revenues per individual airport charge, within 2020 only. This was a decision taken in response to exceptional circumstances, namely the sudden onset of the Covid-19 pandemic.<sup>3</sup>
- 2.3 We noted our intention in the Issues Paper to continue with this approach into the 2026 Determination period.

### *Responses received on this topic*

- 2.4 Aer Lingus, Dublin Airport, IAG, IATA and Ryanair all support the continued use of a single maximum permitted average charge per passenger for each year of the regulatory period.<sup>4</sup> Respondents note the clarity, transparency and predictability of maintaining such an approach.
- 2.5 Aer Lingus and IAG support the current approach of setting the price cap in real terms at the start of the price control period and uplifting it by inflation throughout the price control period.
- 2.6 Ryanair supports the approach of setting an average price cap, leaving individual airport charges to be determined during the annual charges consultation process in accordance with the requirements of the Airport Charges Directive (ACD).<sup>5</sup>

### *IAA response*

- 2.7 We note that no stakeholder who responded to the Issues Paper opposes the continued use of a maximum average charge per passenger to set the maximum level of airport charges at Dublin Airport in the 2026 Determination.

### *Implications for the 2026 Determination*

- 2.8 We agree with the airlines and Dublin Airport that maintaining consistency of approach allows for transparency, clarity and predictability in the regulatory regime. We intend that the 2026 Determination will set a single maximum level of airport charges per passenger which can be collected by Dublin Airport, for each year of the period.

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<sup>2</sup> 2001 Act

<sup>3</sup> [Interim Review of the 2019 Determination in respect of 2020/2021](#)

<sup>4</sup> Aer Lingus, British Airways (BA), Iberia Express and Vueling are all part of the IAG group of airlines.

<sup>5</sup> ACD 2009

### 3. Building Blocks Approach

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#### *Summary of the Issues Paper*

- 3.1 To date the IAA has used the Building Blocks approach to set the maximum level of airport charges at Dublin Airport. This approach requires the estimation of operating expenditure, capital expenditure, commercial revenues and passenger forecasts for each year of the regulatory period. The forecast of commercial revenue is necessary in the case of Dublin Airport because it operates under a single till structure.
- 3.2 As noted in the Issues Paper, the IAA's approach aims to set up a fair bet whereby the forecasts are set in such a way that if Dublin Airport operates efficiently, it can earn the reasonable level of profit implied by the cost of capital the IAA sets. If Dublin Airport outperforms expectations, it can earn additional profit, and where it is inefficient or downside risk materialises, it may earn less profit.
- 3.3 We outlined our expectation to continue with the Building Blocks methodology in the 2026 Determination and that any move away from the building block approach would require careful consideration.

#### *Responses received on this topic*

- 3.4 Aer Lingus, BA, IAG, IATA, Iberia Express and Vueling support the continued use of the building blocks approach. The IAG airlines note the importance of a forecasting approach that is both "challenging and achievable", citing the need for "stronger evidence-led forecasting" compared to what they consider to have been "*a consistent pattern of conservative forecasting across multiple parameters*" by Dublin Airport.
- 3.5 Dublin Airport supports the continued use of the building blocks approach on a "challenging but achievable" basis. Following the IAA's decision on the 2026 Determination, Dublin Airport suggests conducting a structural review to investigate how adaptations to the building blocks approach can be considered.
- 3.6 Ryanair supports the continued use of the building blocks approach, stating that it provides regulatory certainty and consistency. Referencing Dublin Airport's recent outperformance of certain forecasts, including the commercial revenue target, Ryanair emphasises the need to set appropriately challenging targets. Ryanair states it is important that a "fair bet" is not set so as to allow Dublin Airport "a margin for failure".

#### *IAA Response*

- 3.7 We note the support from stakeholders to retain the building blocks approach to forecasting. Similar to the "Form of the Cap" section above, we note both the airlines and Dublin Airport's preference for regulatory certainty.
- 3.8 Following the publication of the 2026 Determination, we are open to receiving any proposals from Dublin Airport on what adaptations it considers would be beneficial to the current building blocks approach.
- 3.9 As mentioned by Ryanair in its response, the individual IAA forecasts are intended to form part of an overall balanced decision. Using all inputs available, the IAA endeavours to set targets which incentivise Dublin Airport to operate efficiently which is to the

benefit of both it and the users. The IAA's forecasting approach to individual building block elements is not the subject of this paper and will be considered extensively in the IAA's Draft Determination.

### *Implications for the 2026 Determination*

- 3.10 As noted in the Issues Paper and above, any deviation from the previously applied building blocks approach would only be considered following detailed, well-reasoned and evidenced arguments. We note that no such proposal has been made thus far. Furthermore, we recognise the support from stakeholders to broadly maintain the existing building blocks system.
- 3.11 In conclusion, we do not see any reason to move away from the building blocks approach in the 2026 Determination.

## 4. Conducting a Market Power Assessment

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### *Summary of the Issues Paper*

- 4.1 In response to the Timeline consultation, Dublin Airport asked the IAA to conduct a Market Power Assessment (MPA) ahead of the 2026 Determination. In the Issues Paper, we noted there would not be sufficient time to conduct such an assessment ahead of the 2026 Determination. Further, the 2026 Determination will be the first determination made under the revised legislation as recommended on foot of the previous MPA.
- 4.2 We also noted in the Issues Paper that the national policy statement on Airport Charges regulation confirms that Dublin Airport currently holds significant market power, and that the necessary remedy to this is for the IAA to apply price cap regulation. An independent expert review process carried out by Indecon, which informed the National Policy Statement on Airport Charges Regulation 2017, found by means of a Market Power Assessment that Dublin Airport continues to hold Significant Market Power (SMP), justifying the continued need for price cap economic regulation.<sup>67</sup>

### *Responses received on this topic*

- 4.3 In their respective responses, Aer Lingus and IAG refer to the significant market power which Dublin Airport holds.
- 4.4 Dublin Airport recognises that there is insufficient time to make fundamental changes to the regulatory model ahead of the 2026 Determination. It further comments that *"the price cap model was originally designed to safeguard consumer interests in a utility setting and that as such this is not entirely appropriate for the airport sector where there is no direct relationship between airport charges and consumers"*.

### *IAA response*

- 4.5 We note Dublin Airport's suggestion to undertake a full review of the regulatory model in 2027. We will consider any proposal Dublin Airport wishes to submit in support of this after the 2026 Determination has been made.

### *Implications for the 2026 Determination*

- 4.6 The 2026 Determination will be the first new determination made since the Air Navigation and Transport Act (ANTA) was introduced in 2022.<sup>8</sup> The legislation amended the 2001 Act to allow the IAA to, *"from time to time carry out a review to assess the market power held by an airport authority in a relevant market"*. As previously suggested, no further assessment of Dublin Airport's market power will be made in advance of this determination.

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<sup>6</sup> [2017 National Policy Statement on Airport Charges](#)

<sup>7</sup> [CAR Response to Dept Consultation on Economic Regulation](#)

<sup>8</sup> [air-navigation-and-transport-act.pdf](#)



## 5. Duration of Regulatory Period

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### *Summary of the Issues Paper*

- 5.1 The 2001 Act (as amended by the ANTA) requires a minimum determination period of 4 years. In the Issues Paper, we noted that a longer determination period would provide additional medium-term clarity over pricing for both Dublin Airport and users. On the other hand, forecasting for more years in the future generates greater forecasting uncertainty, where the assumptions underlying the price caps risk becoming increasingly removed from actual developments.
- 5.2 In prior determinations, we considered that a five-year regulatory period struck an appropriate balance between medium term clarity over pricing and limiting the forecasting risk involved in a multiyear determination.
- 5.3 We noted in the Issues Paper that arguments in favour of an alternative duration would need to be comprehensive in laying out the implications of a shorter/longer period on the building blocks.

### *Responses received on this topic*

- 5.4 Aer Lingus, British Airways, IAG, IATA and Ryanair all support a five-year price control period.
- 5.5 Aer Lingus, British Airways and IAG note that longer price control periods increase the risk of misalignment between forecast and outturn costs, traffic and/or inflation which could result in charges that are not consistent with actual airport performance.
- 5.6 Dublin Airport asks the IAA to consider a duration period longer than the current 5 years. It believes a longer period (6-7 years) would better align with the statutory objectives of both the IAA and Dublin Airport, in particular a longer period:
- Provides regulatory certainty for the Capital Investment Programme (CIP), giving Dublin Airport and stakeholders confidence to plan and deliver on the agreed large-scale infrastructure projects.
  - Allows stability for airlines and passengers with predictable pricing for route planning and fare stability.
  - Reduces the regulatory cost burden due to less frequent reviews.
  - Would also align with climate and infrastructure planning cycles.
- 5.7 Dublin Airport also notes the “merit and balance” in continuing to apply a 5-year determination period.
- 5.8 IATA’s position is that a five-year period is the most appropriate duration as it allows sufficient time to set incentives for Dublin Airport to outperform.
- 5.9 Ryanair notes that a longer determination period could risk Dublin Airport earning excessive returns for a longer period. This point is also made in the submissions from Aer Lingus, BA and IAG. Ryanair remarks that many other European Airports use a five-year regulatory period.

## *IAA response*

- 5.10 We note support from the airlines to retain a five-year regulatory period. The submissions made by Aer Lingus, British Airways, IAG and Ryanair regarding the forecasting risk associated with a longer time period are consistent with the points we made in the Issues Paper.
- 5.11 No respondents advocated for a shorter duration than 5 years.
- 5.12 Though Dublin Airport proposes a 6-7 year regulatory period, it recognises the consistency in applying a 5-year determination period.
- 5.13 Despite proposing a longer determination period which it says would be to the benefit of the CIP, we note that CIP27 is planned to cover the 5-year period 2027-2031. In response to Dublin Airport's point regarding stability and predictability for airlines, we refer to the airline submissions received which are unanimously in favour of a 5-year period. We consider there is a degree of stability and predictability associated with a consistent determination length. The opportunity for targets to be reset, with forecasts that reflect current developments every 5 years provides similar stability.
- 5.14 While fewer reviews may reduce the frequency of the administrative burden, longer gaps between determinations also carry the inherent risk that price caps are based on outdated forecasts and are therefore no longer reflective of the current environment. If a longer gap between reviews is introduced, it is more likely that the assumptions/inputs behind the forecasts will have changed substantially.
- 5.15 We agree with Dublin Airport that infrastructure developments can span multiple price control periods. We note this is especially relevant in the context of Dublin Airport's Infrastructure Application. However, it is inevitable that the regulatory period will not fully align with the planning and delivery cycle of all projects, nor is that necessary. In fact, more regular resets of capex allowances allow for project cost estimates to be updated more readily.
- 5.16 We accept IATA's point that a 5-year regulatory period preserves the integrity of incentive-based regulation. We consider a 5-year period appropriately balances efficiency incentives with the need for accurate and relevant forecasts.

## *Implications for the 2026 Determination*

- 5.17 We stated in the Issues Paper that in order for us to be persuaded to switch from a 5-year determination period we would need the proposal to demonstrate how a different duration would better align with the IAA's statutory objectives, including where applicable a quantified analysis.
- 5.18 None of the submissions we received were convincing of the benefits associated with either a shorter or longer determination period for the 2026 Determination. While Dublin Airport proposes a 6-7 year period, its submission is not supported by any such detailed reasoning or quantitative analysis. As outlined in the responses above, we are not convinced by any of the arguments made in favour of a longer determination period than 5 years and, with the support of airport users who responded, intend to make a 5-year determination on the maximum level of airport charges for the period 2027-2031.

## 6. Till Structure

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### *Summary of the Issues Paper*

- 6.1 Dublin Airport currently operates under a single till structure, with the potential for it to exit certain developments under particular circumstances. In response to the timeline consultation in April 2025 Dublin Airport suggested that the *"single till structure should be examined as part of the early engagement for the next price control"*.
- 6.2 In the Issues Paper we set out our position that the single till approach yields airport charges which are more in line with those that would be observed in a competitive environment, and thus better align with the interests of Users. We also noted it would not be practicable, at this point, to implement any widespread changes to the till structure ahead of the 2026 Determination. We stated that if any party was in favour of making such a change to the regulatory till, then they should do so well in advance of the next determination period.
- 6.3 We outlined that in order for us to consider a change to the regulatory till structure, parties would need to develop a proposal complete with a suggested cost allocation system across the entire airport which splits costs between aeronautical and non-aeronautical, considers the extent to which historic costs need to be split and contains a proposal for reconstructing the existing RAB to split capital costs between aeronautical and non-aeronautical.

### *Responses received on this topic*

- 6.4 Each of the airline respondents, together with IAG and IATA, support the retention of a single till structure. While Dublin Airport proposes a move towards a dual till, it recognises that will not be feasible in time for the 2026 Determination.
- 6.5 Aer Lingus and BA consider that the single till approach continues to best align with the IAA's statutory objectives to protect the interests of users. Both users along with IAG and IATA maintain that the single till best reflects the pricing mechanism that airports would apply if they were under real competition.
- 6.6 Aer Lingus, BA and IAG note the practical advantages and regulatory simplicity of the single till structure. IATA similarly remarks that a single till eliminates the need for difficult, detailed cost and asset allocation between aeronautical and commercial tills.
- 6.7 Aer Lingus, British Airways and IAG agree with the IAA's position that a single till is more credit protective by reducing volatility; unlike airports who operate under a dual till, single till airports benefit from risk mitigations for non-aeronautical activities. Aer Lingus, British Airways and IAG remark that the single till does not dampen incentives on investment nor does it distort investment in non-aeronautical activities. IATA similarly notes the lack of evidence that a dual till provides better incentives for airports to make timely investments than the single till.
- 6.8 Aer Lingus and IAG note that Dublin Airport's assertion that a single till creates "artificially low" charges suggests that an alternative till structure would result in higher charges to the detriment of airport users and passengers. Aer Lingus, BA and IAG refer to their own international experience with dual till regimes which they say can have adverse consequences for passenger choice, route connectivity, and broader economic

activity through excessive airport charges.

- 6.9 Dublin Airport on the other hand claims that single till arrangements can lead to inefficient price signals, prevent new airport users from accessing the airport and result in poor resource allocation. It states that the single till structure can result in “artificially low” aeronautical charges which do not incentivise airport users to economise on scarce airport capacity. A dual-till system, it believes, would promote a more efficient allocation of airport capacity.
- 6.10 Dublin Airport asserts that at a capacity constrained airport, a single till can worsen congestion because prices do not adjust to reflect limited supply. It states that even without growth in flight numbers and lower aeronautical charges, airfares can still rise due to excess demand. Dublin Airport believes that a dual till can address this issue by removing the commercial revenue cross subsidy therefore allowing aeronautical charges to better reflect the true cost of scarce runway and terminal capacity.
- 6.11 IATA remarks that a single till allows airports to increase retail and commercial revenues, while also decreasing charges to airline users, thus acknowledging the “symbiotic and essential business partner relationship between airports and airline users”. Iberia Express and Vueling also refer to the suitability of the single till structure at Dublin Airport which allows users to benefit from the strong commercial revenues generated at Dublin.

#### **IAA response**

- 6.12 We note the airlines’ opposition to any move away from the single till structure at Dublin Airport. The submissions made in favour of the current till regime are similar to the points made by the IAA in the Issues Paper particularly in reference to the level of charges reflecting a competitive market, Dublin Airport’s strong commercial performance under a single till and the challenge involved with cost/asset allocation under a dual till.
- 6.13 The idea that a single till would generate lower charges than a dual/hybrid till is discussed by both the airlines and Dublin Airport. As mentioned in the Issues Paper, the extent to which a dual till would generate higher aeronautical charges may ultimately depend on the approach to cost allocation.
- 6.14 Dublin Airport’s reference to the “efficient allocation of airport capacity” was also discussed in the Issues Paper where we considered that this, in reality, means *“dissuad[ing] some users from using the airport by increasing Airport Charges beyond the level required to efficiently operate and develop the airport”*. We stated that allowing Dublin Airport to operate in such a manner would run contrary to our statutory objectives. Nevertheless, any move towards this regime would need to be supported by compelling evidence of the benefits associated with such an approach.

#### **Implications for the 2026 Determination**

- 6.15 In line with the Issues Paper, we do not intend to change the till structure ahead of the 2026 Determination. We note the support from airlines, IAG and IATA to retain the single till at Dublin Airport.
- 6.16 We also acknowledge Dublin Airport’s preference for a review of the current regulatory framework, including the till structure in 2027. We have outlined above and throughout this paper the level of detail and analysis we expect to complement such a proposal

which might be made by Dublin Airport at that time, if Dublin Airport chooses to make such a proposal.

## 7. Independent Reporter

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### *Summary of the Issues Paper*

- 7.1 In response to the Timeline Consultation Dublin Airport suggested that it, and the users, should jointly appoint an 'independent reporter' in respect of the Dublin Airport-led consultation phase. Dublin Airport anticipated that the reporter would attend and report on each phase of stakeholder engagement.
- 7.2 In the Issues Paper, we stated that any appointment of an 'independent reporter' to facilitate or report on the Dublin Airport led consultations, would be a matter for Dublin Airport and the airlines. We said that any consultation reports produced by the reporter would be considered together with all other submissions.

### *Responses received on this topic*

- 7.3 Aer Lingus, British Airways, IAG, IATA and Ryanair all consider that an appointment of an independent reporter presents an unnecessary additional cost with no clear benefit to the current consultation process for airport users.
- 7.4 If an independent reporter was appointed, Aer Lingus, British Airways and IAG stress the importance of the reporter's mandate not circumventing the IAA's role in independently reviewing and assessing Dublin Airports submissions, or the Dublin Airport led consultation process. All three ask that should an independent reporter be appointed, its scope and remit should be well defined in advance. Aer Lingus and BA assert that the independent reporter should be jointly procured by the airlines and Dublin Airport.
- 7.5 Dublin Airport considers that an independent reporter could lead to increased transparency and trust between it and the airlines, and lead to a better-balanced representation of stakeholder views. It is confident that an independent reporter would offer a valuable contribution to the upcoming consultations on the capital investment programme given the associated scale and complexity of the programme. Dublin Airport believes that the appointment of the reporter should be managed by the IAA.

### *IAA response*

- 7.6 We note the lack of support from airlines, IAG and IATA to appoint an independent reporter where the cost of which would be recovered from airport users.
- 7.7 We also acknowledge IATA's comment that the IAA is effectively an independent reporter as we attend and observe each phase of the consultation.
- 7.8 While Dublin Airport believes there would be merit in appointing an outside entity to report on the consultation process, its suggestion that the IAA be responsible for its appointment is not consistent with its initial proposal where it stated that *"the independent reporter would be jointly nominated by both daa and airport users, with oversight and ultimate sign-off from the regulator"*.

### *Implications for the 2026 Determination*

- 7.9 We stated in the Issues Paper that the appointment of an independent reporter would be a matter for Dublin Airport and the airlines. Based on the responses it appears there

is little interest from the airlines for such a role in the consultation process, while Dublin Airport, having progressed the capital investment programme consultation without one, is now suggesting that the IAA do so. We do not see that there is any particular need or benefit from this proposal, and do not intend to do so.

## 8. Sub-Caps

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### *Summary of the Issues Paper*

- 8.1 In the Issues Paper we referenced our statutory objective of having due regard to imposing the minimum restrictions on Dublin Airport. We set out our position that imposing various sub-caps on Dublin Airport would not be consistent with this, or our objectives more broadly.
- 8.2 We noted that previous sub-caps introduced as part of the 2001 and 2005 determinations were largely unsuccessful, generating unintended consequences.

### *Responses received on this topic*

- 8.3 Aer Lingus and IAG are not completely opposed to environmental modulation of airport charges and are open to engaging further on the topic.
- 8.4 Dublin Airport does not support sub-caps due to the associated complexities and potential for misunderstandings in the application of the overall price cap. Dublin Airport sees only downside risk with no upside incentivisation in the application of a sub-cap.
- 8.5 IATA does not support sub-caps associated with CO2 modulations.
- 8.6 Ryanair does not support sub-caps.

### *IAA response*

- 8.7 As noted in the Issues Paper, we consider that the prospect of environmental modulation of airport charges is primarily relevant to the annual charges setting process by Dublin Airport rather than to the determination.
- 8.8 Separately, we note the lack of support from stakeholders for the introduction of any sub-caps ahead of the next determination.

### *Implications for the 2026 Determination*

- 8.9 Given the complexities associated with introducing sub-caps within an overall maximum price cap, the weak performance of previous sub-caps and the lack of any obvious area that would come under a sub-cap in the upcoming determination, we do not expect to impose any further sub-caps on Dublin Airport in the 2026 Determination.



## 9. RAB-based approach to capital costs

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### *Summary of the Issues Paper*

- 9.1 To date, we have applied a Regulatory Asset Base (RAB) approach to estimating the capital costs of Dublin Airport. The RAB is the stock of capital investments for which we make ongoing provisions for in determinations. Capital costs include the return on capital, and the return of capital (depreciation).
- 9.2 In the Issues Paper, we proposed to continue the use of the RAB based approach in the 2026 determination.

### *Responses received on this topic*

- 9.3 Aer Lingus, BA, IAG, Iberia Express and Vueling, all support the RAB based approach to estimating capital costs which includes the IAA's annuities-based approach to depreciation profiling.
- 9.4 Aer Lingus British Airways, IAG, IATA, Iberia Express, Vueling are supportive of the principle that only assets in use should enter the RAB which they say incentivises timely delivery.
- 9.5 Aer Lingus BA, IAG request that only capex which delivers clear value to users be remunerated.
- 9.6 Dublin Airport supports maintaining the RAB model with capital costs comprising of return on capital and return of capital as well as the continued use of annuitized depreciation and evidence-based asset lives. Dublin Airport supports "limited" pre-funding.
- 9.7 Ryanair states that the IAA should ensure that it considers the need for a project as well as its cost effectiveness. Ryanair also asserts that assets should only enter the RAB when there is certainty over delivery.

### *IAA response*

- 9.8 We note the annuities-based approach to depreciation received support from several stakeholders including Dublin Airport. We recognise the benefit of the annuities approach which allows for a constant annual capital cost allowance over time.
- 9.9 As referenced by Aer Lingus, BA, IAG and Ryanair, determining the need for and desirability of capital investment projects is a key consideration for the IAA ahead of each regulatory determination. An element of the IAA's assessment of Dublin Airport's regulatory proposition is scrutinising the need for each capital project while also considering stakeholder submissions on the project. To assist in this assessment process, we ask that the airlines actively and constructively engage with the consultations on Dublin Airport's Capital Investment Programme.

### *Implications for the 2026 Determination*

- 9.10 As proposed in the Issues Paper, we do not intend to change the RAB-based approach to capital costs for the 2026 Determination. Over the coming months, we will derive the opening RAB based on the most recent information available on project delivery from

Dublin Airport, outturn capital expenditure from the previous determination periods and accounting for any allowed overspend from the StageGate and Interim Consultation processes.

- 9.11 We propose to assess the projects in terms of need and/or alignment with our Statutory Objectives, as well as regulatory treatment in terms of flexibility mechanisms, and time profiling/deliverability. Given the support from stakeholders outlined above, we do not propose any change to how we model capital costs through annuitized depreciation.
- 9.12 As noted in the Till Structure section above, any proposal to modify the current regulatory regime at Dublin Airport and move away from the single till should include a detailed outline of how the existing RAB could be reconstructed to split capital costs between aeronautical and commercial activities.

## 10. Conclusions & Next Steps

- 10.1 The purpose of this paper is to provide an update on some fundamental aspects of the regulatory framework for the 2026 Determination. We note that certain aspects are central to the development of Dublin Airport's Regulatory Proposition.
- 10.2 The responses from stakeholders which are included in this paper are taken from the responses submitted to the Issues Paper which was published in July 2025.<sup>9</sup> As referenced above, we received nine responses: Aer Lingus, British Airways (BA), Dublin Airport, DA Terminal 3 Limited, IAG, IATA, Iberia Express, Ryanair, Vueling.
- 10.3 We note a strong preference from the airlines for regulatory consistency across the fundamental aspects of the framework at Dublin Airport. The airlines remarked upon the importance of clarity and transparency across determinations.
- 10.4 On the other hand, Dublin Airport expressed an interest in reviewing the suitability of the current regulatory regime. While we are open to such a review, we expect that the initial, detailed proposal would come from Dublin Airport. In order to facilitate a thorough review, engagement will need to commence early in the next regulatory period.
- 10.5 A summary of the conclusions reached in this paper are outlined in Table 10.1 below:

**Table 10.1: High Level Approach to 2026 Determination**

Topic	Approach
Form of the Cap	Maximum average revenue per passenger
Building Blocks (BB)	Retain BB approach
Market Power Assessment (MPA)	No further MPA ahead of 2026 Determination
Duration	5 years
Till Structure	Single Till
Independent Reporter	Considered not necessary. No interest from airlines to jointly appoint a reporter.
Sub-Caps	Sub-caps will likely not be introduced
RAB-Based	Retain RAB-based approach

Source: IAA

- 10.6 As previously stated, the purpose of this paper is not to give an indication of the IAA's technical or methodological approach to the 2026 Determination, the substance of which will be discussed in the Draft Determination published in Summer 2026.
- 10.7 The next step in the 2026 Determination process will be led by Dublin Airport and will

<sup>9</sup> [Responses to the 2026 Determination](#)

involve stakeholder consultations to inform its regulatory proposition, which will be submitted to the IAA in early 2026.