

ACI EUROPE submission on the Draft Determination for Dublin Airport charges for 2027 to 2031

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Introduction

ACI EUROPE is the industry association of European airport operators. We represent more than 550 airports across 55 countries and account for over 95% of Europe's commercial air traffic.

ACI EUROPE welcomes the opportunity to respond to the Irish Aviation Authority's consultation on Dublin Airport charges for 2027-2031. We support the investment and operational objectives of daa's Regulatory Proposition and recognise the IAA's role in protecting the interests of current and future airport users. We believe that several aspects of the Draft Determination should be strengthened to ensure that the final settlement fully supports Ireland's connectivity and enables the timely delivery of essential airport infrastructure.

The strategic case for Dublin Airport investment

For an island economy, reliable air connectivity is essential to trade, tourism, inward investment and employment. Ireland's National Aviation Policy recognises these priorities. Dublin Airport's development can deliver nationwide benefits through international market access, visitor spending, and procurement. Its hub function supports routes and frequencies by combining local and connecting demand, while passenger services also provide capacity for time-sensitive air freight.

Delivering these benefits requires sufficient capacity and resilient operations. Investment in airport capacity serves to increase the operational performance of the airport and enhance the ability of the airport to deliver quality connectivity for the Irish economy. Crucially, investments funded by airport charges improve the airport's ability to withstand operational disruptions and external shocks, including cyber-attacks, pandemics, security threats and geopolitical crises. They also strengthen the resilience of the national aviation network, safeguard connectivity and support adaptation to climate-related risks and extreme weather events. As resilience and critical infrastructure preparedness move higher up the EU policy agenda, the role of airport charges in financing these investments deserves greater recognition.

Airlines need dependable infrastructure to develop routes; passengers need reliable services and choice. A settlement that constrains efficient investment risks delaying these benefits and weakening Ireland's competitiveness.

We therefore support daa's proposal as the basis for a coherent settlement that funds growth while maintaining effective scrutiny of costs and delivery.

Views on the Draft Determination

First, traffic assumptions must be consistent with deliverable capacity. The IAA forecasts 44.5 million passengers in 2031, compared with daa's 42.3 million, and does not accept daa's proposed infrastructure constraint or planning cap limitations. Higher forecast traffic lowers the calculated charge per passenger and increases expected commercial revenues. If it cannot accommodate that traffic, both revenue streams may underperform. The IAA should substantiate its assumptions against peak-period capacity, stand availability and the timing of infrastructure delivery, and reassess the commercial forecasts on the same basis.

Second, operating allowances must support employment, resilience and service quality.

The EU Critical Entities Resilience Directive (EU) 2022/2557 explicitly includes airport managing bodies within its scope and requires identified critical entities to assess risks and implement proportionate resilience measures. In the current draft, these operating allowances remain below daa's request despite higher traffic assumptions. Funding must reflect recruitment, training, retention and the resources needed for disruption recovery, alongside maintenance, cleaning, technology and emerging security obligations. Efficiency assumptions must be operationally achievable, the 1% annual OPEX efficiency target suggested by the IAA is disproportionate and sends the wrong messages in the current macro environment. Higher service standards and additional metrics should be justified by passenger benefits and matched by the resources needed to deliver them. Recent good performance does not establish that future growth can be absorbed without additional funding. European Airports still bear the scars of post-pandemic operational challenges, driven by a mismatch between resource and efficiency mandates and passenger demand. This must be avoided again at all costs.

Third, investment approval must translate into timely funding. We welcome the recognition of the need for much of daa's capital programme. However, exclusions, cost reductions, delivery assumptions and pricing triggers have different consequences and require separate justification. An allowance based on assumed deferral can itself impede delivery if necessary expenditure cannot be financed when required. Triggers should be proportional, apply only to the largest capex projects, and protect users while enabling efficient preparatory expenditure and construction.

Finally, the settlement must sustain access to long-term finance. The relevant test is whether an efficiently operated airport can fund the programme with adequate credit headroom under credible downside scenarios. The scale of investment makes predictable cash flows and a credible return on capital particularly important. Although the IAA has undertaken stress tests, the final decision should demonstrate resilience to the combined effects of weaker traffic and commercial receipts, higher operating costs and financing needs, without relying on deferral of essential investment. Allowed returns must reflect the risks borne by the airport and the cost of raising new capital.

We recognise the IAA's objective of sharing efficiency gains with users. Our concern is the cumulative effect of the proposed assumptions relative to daa's plan. Protecting passengers' interests requires a settlement that secures efficient investment and reliable services throughout the period.

Recommendations for the draft Determination

ACI EUROPE strongly recommends that the IAA revise the Draft Determination substantially, using daa's original Regulatory Proposition as the basis, and to:

- align passenger and commercial revenue forecasts with demonstrably deliverable capacity and realistic demand scenarios;
- provide operating allowances that support adequate staffing, safe and secure operations, resilience and achievable service standards;
- reassess disputed capital allowances and triggers to enable timely delivery of justified investment, including asset renewal and environmental requirements; and
- ensure that allowed returns and cash flows support long-term financing with adequate credit headroom, tested against combined downside risks.

The final settlement should enable Dublin Airport to deliver the capacity and service quality that Ireland's economy, passengers and airlines need.