



National Competitiveness, Freight Connectivity and Infrastructure Financeability

**Submission on the IAA Draft Determination on the
Maximum Levels of Airport Charges at Dublin Airport for
2027-2031**

1. Executive Summary

FTA Ireland welcomes the opportunity to respond to the Irish Aviation Authority's Draft Determination on the maximum level of airport charges at Dublin Airport for 2027-2031. This submission reflects the interests of FTA Ireland's Express Cargo Group and the wider freight, logistics and supply chain community. It also recognises that daa is an FTA Ireland member and that the airport operator's ability to finance and deliver efficient infrastructure is directly aligned with the interests of freight users where that infrastructure supports capacity, resilience and connectivity.

The central issue is not whether airport charges should be higher as an end in themselves. It is whether the overall regulatory settlement provides a credible revenue and financing framework for the efficient operation and development of Dublin Airport. The IAA proposes a nominal 2027 price cap of €8.85 per passenger, approximately 15% below the expected 2026 cap of €10.39. In real March 2026 prices, the proposed average base cap is €7.60, rising to an average of €9.36 if the forecast project triggers activate. The Draft Determination estimates €1.5 billion in airport-charge revenue over five years before forecast triggers, or €2 billion with forecast triggers, alongside €2.6 billion in commercial revenues. These figures must be considered against an extensive capital programme and the operational demands of a growing, constrained and construction-intensive airport.

FTA Ireland acknowledges the IAA's evidence that passenger traffic and commercial revenues have exceeded earlier forecasts, while capital expenditure delivery during 2023-2026 has been materially below allowance. Users should not be required to remunerate infrastructure that is not delivered, and project-specific triggers are a legitimate means of aligning payment with progress. However, past under-delivery does not remove the forward requirement for investment. Nor does it demonstrate that revenue and financing conditions are immaterial to the next programme. The regulatory challenge is to avoid repeating under-delivery while also avoiding a settlement that makes future delivery more difficult.

From an express cargo perspective, the risk is that optimistic passenger assumptions, ambitious commercial revenue targets, constrained operating allowances and conditional capital remuneration combine to suppress available cash flow before major projects are delivered. Cargo projects rely on the same balance sheet, operating resources and airfield systems as passenger projects. If the financial framework is too tight, cargo-enabling works can be delayed or sequenced behind immediately visible passenger or compliance projects even though their wider economic value is substantial.

FTA Ireland therefore supports daa's core concern that the Final Determination must be demonstrably financeable under realistic traffic, cost and delivery scenarios. The IAA itself accepts that financing is intrinsic to users' interests where an investment programme is beneficial and that failure to assess financing could prevent delivery. Its triggered high-capex scenario indicates pressure on financial ratios without substantial pre-funding. FTA Ireland considers that this finding warrants a more precautionary calibration of the settlement, not an assumption that financeability concerns are unlikely to arise because delivery may again fall short.

Our recommendations are directed principally to the IAA. They seek changes to the Final Determination that would protect airport revenue adequacy, enable efficient investment and explicitly recognise freight users. They do not ask daa to undertake activities in place of regulatory reform. FTA Ireland recommends that the IAA: revise and stress-test the passenger forecast against deliverable capacity; reconsider the combined revenue effect of its building-block assumptions; strengthen and simplify pre-funding for strategic triggered projects; protect cargo-enabling infrastructure from regulatory deferral; provide sufficient operating expenditure for resilience during construction; and introduce a formal freight-user lens into the determination and its implementation.

2. FTA Ireland's Interest and Strategic Position

FTA Ireland represents businesses responsible for moving goods throughout Ireland and across international supply chains. Express cargo members include operators whose networks depend on reliable aircraft access, predictable turnaround times, secure airside movements, functioning stands and gates, and resilient connections between cargo facilities and the wider airfield.

The submission adopts a deliberately aligned but independent position. daa's financeability matters to freight users because the airport cannot provide resilient cargo connectivity without adequate revenue, operating resources and access to capital. At the same time, FTA Ireland does not support alleged inefficient expenditure, automatic pass-through of costs or unconditional remuneration. The appropriate position is that efficient and necessary expenditure should be recoverable with sufficient timing certainty to permit delivery, while robust triggers and reconciliation protect users from paying for projects that do not progress.

This approach is consistent with the IAA's statutory framing. The Authority identifies its primary objective as protecting and promoting the reasonable interests of current and prospective users. It also accepts that efficient development requires a longer-term view and that charges must be sufficient to facilitate cost-effective development and operation. Freight operators are users of airport services, directly and through airline, handling and integrator operations, and their interests should be visible in that balancing exercise.

3. The Strategic Importance of Dublin Airport to Ireland's Economy

Dublin Airport is not simply a passenger facility. It is a national trade gateway and a platform for high-value, time-sensitive supply chains. Air cargo supports pharmaceuticals, medical technology, advanced manufacturing, electronics, perishables, spare parts, e-commerce and other sectors for which speed, security and reliability are commercially decisive.

The economic value of these services is not captured by passenger numbers. Freight volumes and cargo revenues are an incomplete measure of the airport's wider contribution because the principal benefit occurs in downstream production, trade fulfilment, inventory management and customer service. A delayed express shipment can interrupt a production process or compromise a time-critical delivery even where the physical tonnage is small.

The airport's freight function depends on common infrastructure. Cargo operators use runways, taxiways, aprons, stands, vehicle control posts, utilities, maintenance systems, airside roads, security resources and operational staff. The distinction between passenger and cargo projects is therefore often artificial. The West Apron underpass, for example, is an airfield connectivity project, but it is materially relevant to cargo because it supports access and continued servicing of West Apron operations.

FTA Ireland's overarching position is therefore that freight infrastructure is critical economic infrastructure. A regulatory settlement that supports its efficient delivery strengthens Ireland's competitiveness, while a settlement that contributes to delay or fragility imposes costs beyond the aviation sector.

4. Assessment of the Draft Determination

4.1 The 15% reduction cannot be assessed in isolation

FTA Ireland recognises the case for downward pressure on charges where traffic and commercial revenues outperform and capital delivery falls below assumption. The IAA's proposed reduction is therefore not without basis. However, percentage comparisons with the 2026 cap do not establish whether the forward settlement is adequate. The relevant test is whether expected total revenues, cash flow timing and financing mechanisms support efficient operation and the investment programme under realistic scenarios.

The Final Determination should avoid presenting lower charges as an unqualified benefit. Current and prospective users benefit from affordability, but they also require stands, access, safety, security, maintenance, resilience and capacity. A lower charge that contributes to delayed infrastructure or reduced operational flexibility would not maximise user value over the regulatory period.

4.2 Passenger forecasts create material revenue risk

The IAA forecasts traffic increasing from 39.4 million passengers in 2027 to 44.5 million in 2031, a cumulative total of approximately 210 million passengers and average annual growth of 3.24%. daa's infrastructure-constrained forecast reaches 42.3 million in 2031 and is 7.5 million passengers lower over the five-year period. The IAA rejects an infrastructure-constrained approach, relying on upgauging, load factors, off-peak growth, remote stands and operational adaptation.

FTA Ireland accepts that capacity is dynamic and that airlines can adapt. However, those mechanisms do not eliminate physical, operational or legal constraints. Some adaptations can themselves reduce resilience or increase operating complexity. Remote bussing and intensified use of constrained stands may support throughput but require vehicles, staff, access routes and contingency capacity. Freight operators are particularly exposed where measures to accommodate passenger growth compete with cargo aircraft parking, gate access or airside movements.

The IAA forecast also has a direct price-cap effect. A higher denominator lowers the per-passenger charge required to recover a given revenue requirement. If passenger volumes are lower than forecast, total revenue may fall while capital and resilience needs remain. FTA Ireland does not ask the IAA simply to adopt daa's forecast, but the Final Determination should place greater weight on deliverable capacity and should include an automatic, timely volume-risk mechanism where material underperformance arises from binding infrastructure, planning or operational constraints outside efficient management control.

4.3 Operating expenditure must support resilience

The IAA proposes operating expenditure of €439.5 million in 2027, rising to €478 million by 2031, with real operating cost per passenger declining. The forecast is materially below daa's Regulatory Proposition. The IAA identifies differences in resilience, vehicle control post staffing, step changes and efficiency assumptions.

Express freight operations are especially sensitive to reductions in operational headroom. A regulatory allowance may be efficient in a steady-state model yet insufficient during a period of overlapping construction, constrained stands, altered traffic flows and new security arrangements. Maintenance resourcing, vehicle control posts, airside operations and contingency staffing should not be treated as discretionary buffers where they support safe and reliable freight movement.

FTA Ireland supports efficiency but cautions against an interpretation that equates efficiency with minimum resources. The IAA itself agrees that efficiency is value for money rather than cost-cutting. The Final Determination should therefore ensure that resilience allowances are calibrated to the actual construction and transition programme, including cargo operational requirements.

4.4 Capital triggers are necessary but may delay remuneration

The IAA proposes 23 triggered projects and extensive use of StageGate. This protects users from paying for projects that do not progress. FTA Ireland recognizes this principle; however, project costs arise before assets become operational. Planning, design, enabling works, inflation and financing costs precede the B trigger. The proposed A trigger is therefore critical.

The Draft Determination proposes 79% pre-funding for triggered projects, but only where project-specific conditions are met and average efficient capital expenditure is at least 10% above the untriggered scenario,

estimated at €570 million per year. The IAA's own analysis shows that, without pre-funding, its high-capex scenario would place material pressure on financial ratios.

FTA Ireland is concerned that the additional aggregate threshold can create a sequencing problem. A strategically important project may be on site and require funding, but its A trigger could remain inactive because expenditure elsewhere is below the threshold. Cargo projects should not be exposed to that risk where they have independently met planning, StageGate and construction conditions. A project-specific pre-funding mechanism provides clearer investment certainty and better aligns remuneration with actual commitment.

5. Cargo Infrastructure and Express Freight Connectivity

5.1 Eastlands Cargo, CIP27.02.06

Eastlands Cargo is the central cargo-enabling project in CIP27. The IAA includes an efficient StageGate allowance of approximately €104.8 million and treats the project as triggered. Its scope includes enabling works, secure bonded road and bridge connectivity across the R132, utilities, drainage, access and facilities for State services. Cargo buildings are expected to be funded and delivered by tenants.

This is precisely why regulatory certainty matters. Eastlands is not simply a warehouse project. It provides the infrastructure platform on which third-party cargo investment depends. Delayed enabling works delay private investment and defer additional capacity. The economic impact therefore extends beyond the regulated asset itself.

FTA Ireland supports daa's position that Eastlands, West Apron arrangements and the underpass should be considered as an integrated cargo and airside connectivity programme. Fragmented assessment understates system benefits and the operational dependencies between current continuity and future relocation or expansion.

5.2 West Apron continuity and the underpass

Express Cargo Group members report that current West Apron operations are generally effective and must remain operational throughout construction and transition. Critical concerns include aircraft parking, stand availability, gate and vehicle-post access, and construction traffic.

The underpass is a pre-existing triggered project and is intended to support safe and efficient airfield operations, including aircraft servicing on the West Apron. Its value to freight is both direct and enabling. The project should be fully recognised in the revenue framework, and operating allowances should support transition and construction mitigation.

5.3 Freight must be explicit in the regulatory user interest

Cargo is referenced in the definition of airport charges and appears in the capital plan, but the Draft Determination's user analysis and quality-of-service regime remain predominantly passenger and airline centred. This creates a risk that cargo benefits are undervalued when projects are prioritised or allowances calibrated.

FTA Ireland is not seeking a separate cargo price cap. It seeks explicit recognition that current and prospective users include cargo airlines, integrators, handlers, forwarders and supply chains, and that their interests include punctuality, stand availability, airside access, maintenance, security processing and construction resilience.

6. Infrastructure Financeability and Delivery Certainty

The IAA estimates a core real pre-tax WACC of 4.56% and a higher 5.23% for triggered projects. It does not propose general aiming-up, partly because the previous allowance coincided with capital under-delivery. FTA Ireland accepts that a general uplift should not become an unconditional return. Nonetheless, historic under-delivery does not prove that the central WACC and associated cash-flow profile are sufficient for an unprecedented forward programme.

The Draft Determination's untriggered scenario is comfortably financeable, but this is not the decisive test if strategically important projects progress. In the triggered scenario, the IAA finds that substantial pre-funding is required. This supports daa's core case that the settlement must be calibrated for delivery, not merely for a lower-investment scenario.

FTA Ireland's concern is that a framework can be theoretically financeable while remaining practically difficult to execute because remuneration arrives after costs, conditions interact, and the airport bears planning, inflation and delivery risks. The Final Determination should therefore provide stable, project-linked cash-flow support once efficient projects reach objective milestones.

The appropriate safeguard for users is not to suppress the revenue framework. It is to combine adequate remuneration with disciplined StageGate review, project triggers, transparent reconciliation and clawback where delivery does not occur. That approach protects both affordability and investment capability.

7. Priority Recommendations to the IAA

Recommendation 1: Recalibrate the passenger forecast around deliverable capacity

Issue being addressed	Using a fully demand-led forecast of 44.5 million passengers by 2031 may overstate the traffic that can be accommodated reliably during a period of constrained stands, construction and unresolved planning issues.
Competitiveness impact	A more realistic centreline forecast reduces the risk that allowed revenue is suppressed by traffic that does not materialise, protecting investment in national gateway infrastructure.
Freight connectivity impact	It reduces the risk that passenger throughput assumptions displace cargo stands or rely excessively on operating adaptations that weaken freight resilience.
Infrastructure financeability assessment	The IAA should update the forecast using 2026 outturns, S27 slot information and the Autumn 2026 EUROCONTROL forecast, and publish low, central and constrained cases with revenue impacts.
Expected economic outcome	A more robust revenue base and lower risk of mid-period investment deferral.
Suggested amendment for the Final Determination	Use a blended centreline forecast that gives explicit weight to demonstrable infrastructure and operational constraints. Include a defined within-period adjustment where passenger volumes materially underperform because identified constraints become binding.
Priority level	High

Recommendation 2: Reassess the combined revenue adequacy of the Draft Determination

Issue being addressed	The proposed 15% nominal reduction is the cumulative result of passenger, commercial revenue, Opex, Capex and WACC assumptions. Each may appear reasonable separately while their combined effect creates an overly tight settlement.
Competitiveness impact	A revenue framework that supports efficient operation and investment protects Ireland's connectivity, productivity and investment attractiveness.
Freight connectivity impact	Cargo infrastructure and resilience draw on the same airport cash flow and balance sheet. Inadequate total revenue can defer cargo-enabling projects even where those projects are allowed in principle.
Infrastructure financeability assessment	The IAA should undertake an integrated downside assessment rather than relying principally on deterministic building-block central cases.
Expected economic outcome	Greater confidence that the Final Determination can support both service delivery and the capital programme.
Suggested amendment for the Final Determination	Before finalising the 2027 cap, publish an integrated revenue-adequacy assessment under realistic combinations of lower traffic, lower commercial revenue, higher construction cost and higher operating-resilience requirements. Adjust the price-cap profile where the combined settlement does not preserve investment-grade financeability.
Priority level	High

Recommendation 3: Remove the aggregate expenditure threshold from strategic A triggers

Issue being addressed	The proposed €570 million average-capex threshold may prevent pre-funding for an individual project that has planning approval and is on site because unrelated projects are delayed.
Competitiveness impact	Project-specific funding certainty supports timely delivery of nationally important infrastructure and improves investor confidence.
Freight connectivity impact	Eastlands Cargo and other enabling projects should not lose pre-funding because aggregate expenditure elsewhere is below the threshold.
Infrastructure financeability assessment	Project-specific planning, StageGate and construction conditions already protect users. Reconciliation and clawback can address non-delivery.
Expected economic outcome	Clearer cash-flow timing and reduced risk of project sequencing driven by regulatory funding rather than strategic need.
Suggested amendment for the Final Determination	Permit the A trigger for an approved strategic project to activate once its project-specific conditions are met. If the IAA retains an aggregate test, exempt Eastlands Cargo and other demonstrably enabling or resilience-critical projects.
Priority level	High

Recommendation 4: Explicitly protect Eastlands Cargo in the Final Determination

Issue being addressed	Eastlands is recognised as a triggered project, but its strategic economic role and dependence of private tenant investment on public enabling works are not fully reflected.
Competitiveness impact	The project supports high-value trade, FDI-intensive sectors and long-term airport cargo capacity.
Freight connectivity impact	It provides secure access, utilities, State-service accommodation and airside connectivity required for future cargo facilities.
Infrastructure financeability assessment	The efficient allowance and StageGate process provide user protection. The remaining need is revenue timing and assurance that the project is not deferred behind passenger-facing schemes.
Expected economic outcome	Unlocking of private cargo-facility investment and increased long-term freight capacity.
Suggested amendment for the Final Determination	Identify CIP27.02.06 as strategic freight-enabling infrastructure and confirm that its efficient costs will receive timely A-trigger remuneration once project-specific milestones are met. Assess it as part of an integrated cargo, West Apron and airside-connectivity programme.
Priority level	High

Recommendation 5: Provide adequate Opex for construction-period and cargo resilience

Issue being addressed	The proposed Opex allowance is materially below daa's proposition and the IAA's efficiency assessment narrows some resilience and vehicle-control-post requirements.
Competitiveness impact	Adequate resilience reduces disruption costs and protects the reliability of the national gateway during major works.
Freight connectivity impact	Express cargo depends on time-critical stand access, vehicle posts, maintenance, security and contingency staffing, particularly during construction.
Infrastructure financeability assessment	The allowance should reflect evidenced, time-limited resilience rather than permanent inefficiency. Costs can be linked to construction phases and reviewed.
Expected economic outcome	Fewer operational disruptions, more reliable cargo schedules and safer transition between existing and new infrastructure.
Suggested amendment for the Final Determination	Include a defined construction and operational resilience allowance, informed by cargo-operator evidence, for maintenance, airside operations, vehicle control posts and temporary traffic-management requirements.
Priority level	High

Recommendation 6: Apply a formal freight-user and national-competitiveness test



Issue being addressed	The determination's assessment of user interests and service quality is predominantly passenger focused, despite cargo's reliance on regulated airport assets and services.
Competitiveness impact	Explicit consideration of freight captures wider benefits to trade, productivity, regional supply chains and economic resilience.
Freight connectivity impact	It ensures stand capacity, airside access, cargo enabling works and operational reliability receive appropriate weight.
Infrastructure financeability assessment	This is principally an appraisal and governance change and carries limited direct cost. It should improve investment prioritisation and value for money.
Expected economic outcome	Better alignment between regulatory decisions and the airport's national economic function.
Suggested amendment for the Final Determination	Add a dedicated section to the Final Determination explaining how the interests of cargo users and national freight connectivity were considered across passenger forecasts, Opex, Capex, triggers and service quality. Require freight impact reporting for materially relevant projects during implementation.
Priority level	High

8. Conclusion

FTA Ireland supports efficient airport regulation and accepts that daa must remain accountable for delivering the investment for which users pay. However, accountability must not be confused with a regulatory settlement that assumes high traffic, strong commercial performance, continued unit-cost reductions and delayed capital remuneration simultaneously.

The interests of daa and Express Cargo Group members align on a central point: Dublin Airport must have a credible, financeable and delivery-focused framework if it is to provide the infrastructure and operational resilience required by Ireland's supply chains. Protecting airport financeability is not a concession to the airport operator. It is a means of protecting current and prospective users, national connectivity and economic competitiveness.

FTA Ireland therefore asks the IAA to revise the Final Determination so that passenger assumptions reflect deliverable capacity, total revenues remain adequate under realistic downside scenarios, strategic projects receive timely pre-funding, Eastlands Cargo is explicitly protected, and Opex allowances support construction-period resilience. These changes would preserve regulatory discipline while reducing the risk that the pursuit of lower short-term charges compromises long-term freight connectivity and national economic performance.

References

- Irish Aviation Authority (2026), Draft Determination on the Maximum Levels of Airport Charges at Dublin Airport for 2027-2031, 14 July 2026.
- Dublin Airport (2026), Dublin Airport Regulatory Proposition 2027-2031.
- Dublin Airport (2026), Capital Investment Plan 2027-2031 (CIP27).
- FTA Ireland (2026), daa and FTA Ireland Express Cargo Group Meeting Notes, 17 August 2026.