

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

IATA submission

Summary of key points

1. Retain the core regulatory framework: a single till, five-year building-block price cap, RAB-based approach and existing allocation of traffic and operating-cost risk to Dublin Airport.
2. Maintain a demand-led, centreline passenger forecast and reject the Asymmetric Risk Adjustment, while updating the Final Determination for the latest traffic, slot and macroeconomic evidence.
3. Preserve a robust efficiency challenge across Opex and commercial revenues, ensuring that benefits from funded projects are reflected in allowances, targets and ex-post monitoring.
4. Front-load the €161.7 million clawback of previously funded but undelivered Capex, or compensate deferred amounts explicitly for the time value of money.
5. Treat pre-funding as exceptional: materially reduce the proposed 79% A-trigger pre-funding percentage, ring-fence any pre-funded amounts, and ensure automatic, prompt and interest-adjusted repayment where projects are delayed, descope, abandoned or fail to deliver expected benefits.
6. Strengthen safeguards around CIP27 deliverability, StageGate and trigger mechanisms, including clear eligibility criteria, annual stakeholder reporting, value-engineering requirements and transparent service-quality incentives.

Introductory remarks

IATA welcomes the fact that the Draft Determination would result in a significant reduction in airport charges relative to the current period, with the maximum charge per passenger falling by approximately 15% in nominal terms between 2026 and 2027. This reflects a number of positive decisions by the IAA, including its approach to passenger forecasting, commercial revenues, operating expenditure and the broader challenge applied to Dublin Airport's proposals.

IATA is also concerned that the scale of the proposed capital programme appears difficult to reconcile with Dublin Airport's recent delivery performance. As set out in Table 10.16 of the Draft Determination, Dublin Airport is forecast to deliver only €882.6 million of the €1,543.8 million allowed during the 2023-2026 period, equivalent to a delivery rate of 57%. At the same time, the Draft Determination contemplates a substantially larger capital programme for 2027-2031. While IATA recognises the need for continued investment to support future growth and service quality, the experience of the current control period suggests that deliverability, sequencing, resource constraints and programme execution remain significant risks. In IATA's view, the credibility of future allowances should therefore be assessed not only on the basis of need and efficient cost, but also on the realistic prospect of delivery within the regulatory period.

For this reason, IATA welcomes the IAA's increased focus on deliverability, triggers and StageGate mechanisms. However, given the extent of recent under-delivery, airlines consider that additional safeguards remain

warranted. Where there is material uncertainty regarding timing or delivery, it is preferable that expenditure be subject to robust triggers and periodic reassessment rather than being incorporated into airport charges in advance. This would better align cost recovery with actual delivery and help ensure that users pay for infrastructure when it is progressing as planned and capable of delivering the benefits used to justify the investment in the first place.

Ultimately, the purpose of economic regulation is not only to determine the appropriate level of charges today, but also to ensure that airport users are protected from bearing inefficient costs, unnecessary risks and the consequences of investment programmes that are not subsequently delivered. In that context, IATA considers it important that the Final Determination retains strong safeguards around future capital expenditure, pre-funding and financeability mechanisms.

Legislation, Statutory Objectives, and Policies

IATA supports the IAA's interpretation that the primary objective is to protect and promote the reasonable interests of current and prospective users of Dublin Airport. In applying that objective, the IAA should continue to focus on safeguarding the efficient and economic operation and development of the airport, high-quality service and airport charges that are not excessive relative to efficient costs.

Financeability is relevant only insofar as it supports efficient investment that is demonstrably in users' interests. It should not become a standalone reason to increase charges, protect a particular credit metric, preserve dividends or transfer normal business and delivery risk from Dublin Airport to airlines. Where a potential financing concern is identified, Dublin Airport, with oversight from the IAA, should first establish its cause and consider the full range of mitigations, including project reprioritisation, expenditure reprofiling, reduced distributions and shareholder funding, before increasing charges or introducing pre-funding.

Sustainability, safety and security obligations do not justify automatic cost pass-through. Every proposal should still be tested for necessity, legal requirement, efficient scope, least-cost delivery and measurable user benefit. Projects that materially exceed requirements should not be funded by users unless the incremental expenditure is supported by a robust business case, user consultation and credible operating-cost or service benefits.

Approach to Regulation

Topic	Approach	IATA Position
Form of the Price Cap	Maximum average revenue per passenger	IATA has no global position but believes this approach to be reasonable
Building Blocks (BB)	Retain BB approach	IATA supports this approach
Market Power Assessment (MPA)	No further MPA ahead of 2026 Determination	IATA agrees, there is no doubt as to the market power of the airport
Duration	5 years	IATA supports this approach
Till Structure	Single Till	IATA supports this approach

Independent Reporter	Considered not necessary	IATA has no specific view
Sub-Caps	Sub-caps will likely not be introduced	IATA has no specific view
RAB-Based	Retain RAB-based approach	IATA has no global position but believes this approach to be reasonable

IATA supports retaining a single annual maximum charge per passenger, the building-block model, the five-year control period, the RAB framework and the single till. The single till is particularly important at Dublin because it ensures that commercial revenues generated from the airport's passenger base offset the aeronautical revenue requirement.

IATA also supports retaining the existing allocation of traffic and operating-cost risk to Dublin Airport. The airport is best placed to manage its own costs and to respond to passenger outturns. Pass-through treatment should remain confined to genuinely exceptional, clearly defined and demonstrably uncontrollable costs, and any eligible expenditure should still be subject to an efficiency test.

The Final Determination should preserve a coherent "fair bet". Dublin Airport should retain efficient outperformance within the period, but it should also bear the consequences of underperformance and non-delivery. Additional risk-sharing mechanisms should not be layered onto a settlement that already includes inflation protection, limited pass-through arrangements, triggers and periodic resets.

Generally speaking, IATA does not enter into detailed design of charges as long as they respect the ICAO policies on aeronautical charges and are reasonable considering the services provided at the airport. However, we do note that while a price cap approach is reasonable – there are specific considerations due to the high level of pre-funding which are detailed in the section on Pre-funding below and may require specific charge structures that affect the price cap.

Passenger Forecasts

IATA supports the IAA's use of an independent, demand-led forecast and its decision not to impose an infrastructure-constrained forecast. The proposed forecast of 39.4 million passengers in 2027, rising to 44.5 million in 2031, is supported by a transparent blend of GDP, GNI and EUROCONTROL-based evidence and is consistent with IATA's published Ireland growth projection of 3.1% per year for 2027-2031.

The IAA is also right to recognise that annual passenger growth can continue despite constraints at particular processors or peak times. Aircraft up-gauging, higher load factors, off-peak and winter growth, off-base flying and operational measures can increase annual throughput without equivalent growth in movements or immediate delivery of all major infrastructure.

IATA supports rejection of the Asymmetric Risk Adjustment. The regulatory settlement should be assessed across all building blocks, not by isolating traffic downside risk while ignoring offsetting changes in operating costs or commercial revenues. Exceptional shocks are better addressed through the existing statutory review mechanism if and when they occur.

Ahead of the Final Determination, the IAA should update the base year and review the latest available traffic, slot and macroeconomic evidence. Any revision should remain centreline, transparent and methodologically consistent, rather than introducing a constraint that has not been shown to bind annual passenger throughput.

Operating Expenditure

IATA supports the IAA's base-trend-step approach, the use of an efficient baseline and the targeted ongoing efficiency challenge. A regulated monopoly should be expected to improve productivity over time through technology, procurement, asset management and better working practices. Where Capex is justified partly by operating efficiencies, those savings should be reflected explicitly in the Opex allowance and monitored after delivery.

The proposed Opex allowance grows from €439.5 million in 2027 to €478.0 million in 2031, while Opex per passenger declines from €11.1 to €10.7 (in real terms). IATA considers a declining unit-cost profile appropriate given forecast passenger growth and the scale of planned investment.

IATA supports the IAA's decision not to expand pass-through treatment to energy, insurance or general safety and sustainability costs. These costs are not wholly outside management control, and broad pass-through treatment would weaken efficiency incentives. Any direct legislative or regulatory charge included in the existing mechanism should be transparent, demonstrably efficient and limited to the regulated entity.

IATA notes that at the European level, the Thessaloniki Forum is currently discussing the topic of operating expense efficiency to identify best practices. Given that Dublin has no comparable airports in Ireland, we would encourage the IAA to reach out to other European regulators to obtain detailed comparator data to further refine Opex estimates, and support initiatives to promote harmonised data collection at a European or global level. While existing data is likely only to be usable for top-down approaches, it provides additional relevant comparison points and a larger pool of data. IATA has, based on public data, performed this type of top-down analysis for a number of airports. It cannot provide specific targets, but allows for efficiency targets to be compared to actual outcomes in other markets to assess their feasibility.

IATA has also been critical in many cases of the use of consumer inflation in price-cap mechanisms. What was initially meant to be "CPI minus X" has turned into "CPI plus X" in many cases, abandoning the use of inflation as a maximum level of price growth not to be exceeded, and becoming a "pass-through" which doesn't reflect actual costs. Furthermore, and particularly in phases of significant capital expansion, the choice of reference index needs to be calibrated against the actual cost types faced by the airport. The Final Determination could distinguish between indexation of the price cap, the RAB and project-specific construction inflation. Competitive businesses do not simply pass through inflation and have no automatic protection. While prices may change, firms also inevitably absorb some inflation through efficiency measures and profit impacts.

Commercial Revenues

IATA supports that the IAA has undertaken a challenging, line-by-line, evidence-based commercial revenue forecast review under the single till. The IAA's proposed target rises from €482.1 million in 2027 to €572.6 million in 2031 and uses greater disaggregation, category-specific drivers and project uplifts. This is a constructive improvement over a simple roll-forward of historic performance.

The Final Determination should ensure that all revenue benefits associated with funded commercial projects are captured and aligned with the timing of the related cost allowance or trigger. Where commercial elements form part of a triggered parent project, the associated revenue uplift should remain within that trigger rather than being included in the base settlement.

IATA remains unconvinced that rolling incentives are necessary for commercial revenues, where targets are properly calibrated to a centreline forecast. If the IAA retains them, the categories and cap should be narrowly defined, the calculation transparent and the scheme reviewed to ensure that it does not reward ordinary performance or extend benefits arising from conservative targets. IATA supports removal of car parking from the rolling scheme.

We also believe that the IAA should continue to test whether realised benefits from the various completed transformation projects are fully reflected in the baseline and future targets.

Cost of Capital

IATA supports use of the WACC-CAPM framework but questions whether the proposed core WACC of 4.56%, compared with 4.35% in the 2022 decision, is fully justified by Dublin Airport's risk profile. We would also welcome additional explanation, as to why the point estimate taken is not the midpoint of the range, which would be 4.315% as opposed to the 4.56% selected. The Final Determination should continue to use the most recent market evidence and should avoid adding risk allowances that are already addressed elsewhere in the settlement. Additionally, we would like to point out that the TMR range (6.72% - 7.10%) used by the IAA, is noticeably higher than that proposed by Dublin Airport (6.50% - 6.90%). A clearer explanation of the IAA's choice (as opposed to a hybrid approach) would be appreciated.

IATA supports the IAA's decision not to apply a general aiming-up allowance. The previous 50 basis point uplift was granted in the context of a large investment programme that did not materialise. A general uplift would remunerate Dublin Airport regardless of delivery and would therefore be poorly targeted.

In European markets where the cost of capital is determined, rightly, considering the risk profile of the airport rather than a hard or prescriptive approach, a few countries including Ireland are sufficiently mature to consider the impact of the regulatory framework on the airport's risk profile. Other countries fail to recognise this. For example, in Switzerland, Zurich airport has a full cost recovery aspect embedded in regulation allowing the airport to potentially recover all losses (and return all efficiency gains) in subsequent periods unless agreed otherwise during the discussions on the multi-year framework. Designed to address traffic risk, in effect this mechanism reduces the overall risk of the airport as unexpected cost variations also feed into this. Geneva airport does not have this mechanism, however the highly prescriptive WACC approach makes no distinction. This contrasts with France and Copenhagen, both of whom recognise the till structure, duration of the regulatory period and regulatory risk allocation when determining the cost of capital. Both countries consider both the till model of the regulated entity and France also considers the model of the comparators.

The normal logic under financial theory would suggest that a business which has two independent businesses should see their risk profiles weighted to determine the overall cost of capital. In countries where dual-till system exists, the system therefore views these as independent and the regulatory WACC is usually lower than the corporate-level WACC due to this artificial split. The risk on each side is determined separately. However, in countries that apply the single-till mechanism, it is correctly recognised that the two activities cannot simply be subjected to a "weighted average," due to high dependency. Indeed, commercial activities are subject to less risk because deviations from expected performance benefit/are borne by the regulated activities.

This implies that:

1. Dublin's overall risk profile as a single till airport should indeed be lower than it would be under a dual-till framework
2. When using dual/hybrid-till comparator betas based on market data, due consideration that the market values will reflect a higher cost of capital (while any regulated betas and cost of capital are likely to be lower.)

We therefore agree that there should not be any "aiming up" related to the till structure. Mechanisms included by the IAA which imply intra-period adjustments based on progress against the Capex plan (and considering financeability impacts) reduce the entity's risk, further justifying not aiming up.

The asset beta should reflect the regulated entity, not the broader risk of listed airport groups with international portfolios. The proposed asset beta range, as mentioned by the IAA, is 0.35 to 0.59, with the point estimate of 0.5 taken. Again, we would ask for clarification on why the midpoint (0.47) of the range is not retained for the WACC estimates as opposed to a value of 0.5. Dublin Airport benefits from monopoly characteristics, a mature RAB framework, periodic resets and a single till. These features should be reflected when selecting and interpreting comparators. IATA supports reliance on German government bonds as a low-risk euro-area benchmark and welcomes the decision not to use forward-rate uplifts. However, we do also believe the IAA should take the Hamada formula approach, and not the Harris-Pringle approach when de-levering and re-levering comparator betas. This approach would be aligned with the recommendations put forward by the Thessaloniki Forum.

We also question whether the 100% new-debt assumption applied to triggered projects is sufficiently evidenced and appropriately calibrated. We understand that the resulting 5.23% value due to triggered projects reflects a differentiated debt assumption within the same underlying WACC framework, rather than a separate risk premium or a different cost-of-equity or gearing methodology. Before retaining that assumption, the IAA should demonstrate that it reflects the efficient financing costs of a notionally financed operator, does not duplicate funding support provided through pre-funding or other mechanisms, and applies only where the relevant project has demonstrably progressed and efficient expenditure has been incurred. Users should not remunerate assets before they are available for use.

Pre-funding

IATA's established position remains that airport infrastructure should ordinarily be remunerated only once it is in full beneficial use and achieving economic utilisation. Pre-funding should therefore be used only in demonstrably exceptional circumstances where the regulator has established, through transparent analysis, that less distortive financing alternatives are insufficient.

It is important to note that pre-funding of airport infrastructure projects burdens airlines with the costs of these projects without use of the projects. This has the impact of raising airport charges without the benefit of the use of the funded infrastructure. In the case of projects with long delivery timelines which a number of these projects have, there could be years of pre-funding provided before the projects become operational. Airlines could stop operating at Dublin Airport before these projects are delivered essentially meaning they have funded projects they never use.

If the regulator accepts pre-funding, 79% funding is too great of a share of pre-funding for these projects. This should be reduced to place less of a burden on airlines to fund infrastructure they will not get any benefit for years potentially. IATA would ask the regulator to especially consider this for the projects with long delivery timelines due to the long time that airlines will be pre-funding the project without receiving any of the benefits of using this infrastructure.

In any multi-year determination, the objective in addition to seeking efficiency is to implement ICAO's provisions that any change in the level of charges be introduced gradually. This stability and predictability help the underlying air transportation market and allow to avoid "yo-yo" effects linked to airport charges. Where this pre-funding is very heavily weighted towards the beginning of the period, or when the pre-funding is for projects that exceed the duration of the determination, special measures are warranted. The IAA appears to consider such pre-funding necessary to preserve the financeability of DAA. Front-loading charges, however, requires airlines in turn to invest capital in airports, at a higher cost due to an inherently riskier business model. As airlines both finance the airport and bear the risk of non-delivery, additional safeguards are necessary.

Any amounts recovered before assets enter service should be separately identified and ring-fenced as a regulatory liability owed to users. The balance should accrue an explicit carrying adjustment reflecting the time

value of users' funds and should be released only when objective delivery milestones are met. Any unused amount should be repaid automatically, including the applicable carrying adjustment.

IATA would also expect a business case to be presented, and transparently compared to the alternative. While we appreciate the desire to maintain investment-grade rating for the airport, the additional costs of losing that rating need to be weighed against the economic cost for airlines that are pre-funding a non-existent asset at a higher cost of capital.

IATA notably cites the disastrous case of Nantes Atlantique airport – where an incorrectly defined pre-funding scheme for a new airport that was then abandoned resulted in a series of legal challenges. As a result, the airlines pre-paid over €100 million for an airport that was never built, and the pre-funding “surcharge” is still technically being collected today at the existing airport despite the project having been abandoned over a decade ago. The French ART, when authorising pre-funding in Marseille and Lyon airport as exceptional cases, implemented such safeguards.

Aside from these general positions and mechanisms applicable to pre-funding, the IAA may wish to consider similar approaches for the clawback of unspent capital costs from prior periods. As submitted previously, the “aiming up” granted in the previous period exacerbates the amount that users have had to pre-finance for non-existent infrastructure and for which the time value of money may not be reflected adequately.

Returning to the discussion on the use of inflation, we remain cautious regarding the automatic inflation of the RAB. Athens airport, in Greece, remains an excellent example of why automatic inflation by a consumer index may not be appropriate. When the airport was built, Capex trigger mechanisms were included in order to both trigger a capacity review and then, when needed, appropriate expansion works. The triggers were reached multiple times since the airport opened in the early 2000s. However, during capacity assessments, the capacity was regularly re-evaluated upwards, considering that the airport had managed to further optimise its facilities and did not require additional expense. Only pre-pandemic was the capacity threshold finally reached triggering an expansion. While there is no doubt that re-building facilities or building new expansions now is more costly than it was in 1996, the real cost of new investments is not always higher for the same capacity and facilities. We do believe there is merit in being cautious of automatically inflating asset bases. At Heathrow airport, for example, the choices of indices and timing have led to a spiral of the RAB which we view as completely disconnected from the actual assets airlines currently use.

Capital Costs and CIP27

Paragraph 10.46: In relation to the proposed profiling of the clawback of the capital costs of the underspend in the 2027-2031 period it would be preferable that there was more clawback earlier in the period. As this links to the over recovery during the previous period. It is also shown in Table 10.18 that there is the largest spend in 2027 to 29 for untriggered projects which are the most reliable projects that will commence in the period. We would seek an increase from 2027 to 2029 to a minimum of 25% per year and reduce the other years in proportion. This would help to return this over-recovery to the airlines sooner which would be helpful given the major price pressures currently on airlines.

Paragraph 10.53: IATA is supportive in principle of the allowances for the groups being reduced to reflect the likelihood of Dublin Airport delivering all this value within the period. However, ideally it would be the case that Dublin Airport would put forward programmes of projects that are more realistic in terms of the probability of delivery.

Paragraph 10.82: The concept of reducing the allowance is interesting and offers a method of reducing the allowable Capex to a quantum that is reasonable. However, more detail of how this will be administered would be useful. An example being that the annual spend is trending above what would be the total allowed but then the spend drops and it does not outturn to be more than the allowance. In this case would a consultation be required

if the annual spend is trending over the total allowance in a single year or is it only when the total allowance has been exceeded? I think some scenario descriptions and the process required to be followed would be of use to give clarity.

Paragraph 10.94: Another consideration for the allowance is the requirements of these projects to deliver carbon equivalent reductions and the other national and international legislation requirements of Dublin Airport. If there are projects that together are significantly overachieving these requirements, then these projects should be reviewed for inclusion in this CIP period. Significant overachievement of targets if not supported by significant reductions in Opex should be reviewed by the IAA.

Paragraph 10.97: IATA would be supportive of more projects being designated StageGate, where appropriate, due to value and complexity. We would caution that StageGate should not be used by the airport to include projects that have not been reasonably scoped and perhaps should not be projects for this determination period. StageGate should be reserved for projects that due to their value and complexity are not possible to be scoped adequately during the determination consultation period.

Paragraph 10.108: IATA is supportive of the StageGate process not becoming more complex and being diluted by the proposal from Dublin Airport. In the proposal it would have been possible for these projects to have their scope reduced to remain within the allowance and there would have been no oversight from airport stakeholders in that scenario.

Paragraph 10.122: In relation to the criteria of the project is on-site could the definition of this be clearly stated for avoidance of ambiguity. As site preparation works or testing could potentially be defined as being on-site. Perhaps a definition connected to the commencement notice and acceptance by Fingal Council for the start of the project would be a good definition or contractor start date to take possession of the construction site to commence works. This would avoid doubt around how to comply with this requirement.

Paragraph 10.123: See Pre-funding section.

Paragraph 10.126: In addition to these quarterly reports it would be useful if Dublin Airport reported annually on the progress of all CIP projects in terms of timelines, costs and scope of these projects to airport stakeholders. This would help to keep stakeholders informed on how the CIP is progressing against the CIP document submitted. Ideally this should be an in-person meeting with the option to attend remotely. Schiphol Airport conduct an annual update on project progress in this manner that coincides with the annual charges consultation meeting. Brussels Airport conduct bi-annual Capex update meetings with airlines to give an update with airport stakeholders.

Paragraph 10.148: The removal of runway 16/34 should be supported by extensive data on the operational capability and safety of operating Dublin Airport without the runway for all weather conditions. This data is being gathered through the operation of the airport since the opening of the north runway, and the data collection will continue to progress. The removal of the condition should only be considered if the data shows the airport can operate effectively and safely without runway 16/34 and has the support of airport stakeholders. IATA would also like to understand what the operational and maintenance savings of converting 16/34 to a taxiway would be for the airport and should be considered by the regulator for any determinations that would include this situation in the future. A taxiway in comparison to a runway does not require approach lights, reduced numbers of AGLs, reduced frequency of asphalt replacement, smaller graded strip, no navigational equipment and other savings possible.

Paragraph 10.163: Using triggers instead of designating a project deliverable for projects that have been repeatedly not delivered is a fair compromise on dealing with this situation.

Paragraph 10.173: IATA would be supportive of there being no Trigger 0 allowed for in the determination and would reiterate our points made in response to paragraph 10.123.

Paragraph 10.177: If there are operational savings, impact on passenger growth, or commercial revenue increase from these proposed projects these should be stated as part of the consultation process and be committed to by Dublin Airport and considered as part of the ex-post assessment by the regulator.

Paragraph 10.185: IATA is thinking specifically to projects that have greatly exceeded their initial budget and the cost of additional design and scoping effort to reduce construction costs should be efficient for the airport to deliver a more efficient project for airport stakeholders and the airport. Ideally the airport should be assessing costs as the project is being developed and identify increases in cost well before SG1 and should be developing value engineering during the design process. Then present this value engineering through the SG1 assessment to demonstrate to airport users and the IFS that efforts have been made to make the project efficient. This would be the most effective way to control costs and deliver a reduced design cost and timeline. There should be an onus on Dublin Airport to demonstrate cost efficiency and that different options were considered and why a particular option was chosen and demonstrate consultation with stakeholders if there are operational constraint assumptions that are significantly impacting the costs. As there could be adjustments to these constraints possible.

A possible way that the IFS and stakeholders could engage earlier and for airport stakeholders to be made aware of increases in cost through the design process could be by using the update section of StageGate meetings or the annual update as suggested earlier in this section to highlight these changes. This would give an update to the community and could allow for the IFS to engage earlier in that project specifically around value engineering and cost reduction. It would also give an opportunity to reaffirm operational constraints with stakeholders for delivery with a possibility to amend these constraints to improve the cost of delivery.

Financing and Stress tests

IATA supports the IAA's objective of testing whether the regulatory settlement can be financed by an efficiently operated and notionally financed Dublin Airport. A financeability assessment is a useful cross-check on the building-block determination, but it should not become an additional building block or an independent guarantee of a particular financial outcome. The assessment should test whether the settlement is internally coherent and provides an efficiently financed regulated entity with reasonable access to investment-grade debt. It should not protect Dublin Airport from the consequences of its actual financing choices, investment sequencing, operational underperformance or shareholder distribution policy. This is consistent with IATA's view that users should fund the efficient financing requirements of a notionally financed operator rather than company-specific financing decisions.

IATA considers the use of the S&P framework to be a reasonable approach to evaluating the impacts of the determination on creditworthiness, notably with its focus on FFO to Net Debt, supported by Net Debt to EBITDA, interest-cover measures and EBITDA margin. We also agree that the assessment should not be calibrated to Dublin Airport's internal objective of maintaining FFO to Net Debt above 20%. The relevant question is whether the efficiently financed regulated entity can maintain a reasonable investment-grade profile, not whether charges should preserve additional financial headroom sought by Dublin Airport or its shareholder. The IAA's downside targets of FFO to Net Debt of at least 15% and Net Debt to EBITDA of no more than 5 times already provide headroom above the relevant thresholds for an Intermediate financial risk profile.

The latest S&P assessment provides an important independent cross-check¹. In July 2026, S&P affirmed daa's A/A-1 issuer credit ratings with a stable outlook, while taking account of capital expenditure of approximately €2.2 billion over the following five years and further investment beyond 2030. S&P expected FFO to Debt to fall

¹ Research Update: daa PLC 'A' Ratings Affirmed Amid Improved Irish Fiscal Position; Outlook Stable <https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3600405>

from 57% in 2025 to approximately 17% from 2030 onwards, but considered this compatible with the existing rating. Its stable outlook was based on FFO to Debt remaining comfortably and sustainably above 16%. S&P also identified daa's strong market position and the moderately high likelihood of government support as relevant sources of rating headroom. This evidence does not support setting charges to preserve Dublin Airport's more conservative 20% target.

The IAA's own results similarly show that the untriggered investment scenario is comfortably financeable. Under the base case, FFO to Net Debt averages approximately 21% over the period. The material pressure arises only in the high-Capex triggered scenario, which assumes that triggered projects progress in line with Dublin Airport's stated timelines and produces average expenditure of approximately €820 million per year. The IAA itself regards this as being at the top of the plausible Capex range and considers planning and delivery challenges, rather than financeability or affordability, likely to remain the principal constraints on investment.

The apparent financeability constraint therefore arises primarily from the assumed timing and concentration of an exceptionally large investment programme, rather than from the core regulatory settlement. The assessment should not treat an ambitious Capex profile as fixed and then adjust charges to make it financeable. It should first test whether the programme is efficient, deliverable and appropriately sequenced. Where pressure is caused by the pace of expenditure, the primary response should be realistic prioritisation and reprofiling of projects, supported where necessary by management and shareholder action. This is particularly relevant given the significant gap between allowed and delivered Capex during the current regulatory period.

Deterministic stress tests are likely preferable to Dublin Airport's Monte Carlo analysis. Importantly, Capex delivery, Opex cost management and financing decisions are within management control. Applying probability distributions to these variables risks creating an artificial impression of precision. The IAA should nevertheless supplement its individual sensitivities with a small number of plausible multifactor scenarios, such as a passenger downside combined with a proportionate commercial-revenue effect and realistic Opex mitigation. The scenarios should incorporate credible management responses and distinguish normal business risks from genuinely exceptional circumstances that may warrant use of the statutory review mechanism.

Importantly, dividends are discretionary distributions, not costs that users are required to support. The IAA is therefore right to assume that dividends cease under downside conditions, and any further financeability support should be considered only after reasonable management actions and shareholder contributions have been assessed.

Quality of Service

Paragraph 12.30: The retention of the 30 min daily target is very important for the avoidance of excessively long one-off queuing situations that can have a profound impact on airline operations with passengers missing flights etc. This is a welcomed measure to be kept. In relation to the 2-cent rebate per month that the average queue time has been exceeded it would be also useful to include a multiplier if there are consecutive months where the queue time has been exceeded. This would add an additional incentive to correct issues quickly.

Paragraph 12.32: In proposing the reduction of the 45 min to 40 min threshold the idea is to compress the tolerance for an exceptionally long queuing event and motivate Dublin Airport to recover this situation quicker than is currently the case. As there have been no breaches of this threshold recently it would appear that revising this target downward would not be difficult for the airport to achieve and would add an extra incentive to recover long queue events more quickly than currently.

Paragraph 12.36: The addition of the measurement of staff security search and the introduction of a rebate for it is welcomed and will aid with the consistent performance of the staff security search for the benefit of all airport users.

Paragraph 12.47: Even if there is no backstop like in the past, it would be advisable to record the number of times the maximum waiting time is breached and what the length of time PRM passengers had to wait in these instances. These are important statistics to capture for the future reviews and if there may be a requirement to reintroduce a backstop as there was in the past. Breaches of the 98% could be made up of numerous small overruns or a smaller number of larger overruns, understanding the distribution is important to get a feel for the performance of the PRM function.

Paragraph 12.48: IATA would not support the introduction of a bonus for high levels of pre-notification. Higher levels of pre-notification will, by its nature, promote a more efficient PRM operation by the airport and its subcontractor. This should be incentive enough to increase pre-notification.

Paragraph 12.61: In relation to the bonus target it is proposed that this would remain the same as it currently is for the airport. While generally IATA does not support bonuses, if they are to be applied it is worth noting that the spread between the bonus and the rebate currently is tight and retaining the 9.0 target would be useful to increase the spread.

Paragraph 12.62: IATA is supportive of retaining the target of 8.5 for cleanliness of washrooms.