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Irish Aviation Authority
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By email: consultation@iaa.ie

18 September 2026

Iberia Express response to the Irish Aviation Authority's Draft Determination on the Maximum Levels of Airport Charges at Dublin Airport for 2027–2031

Dear Adrian,

Iberia Express welcomes the opportunity to respond to the Irish Aviation Authority's Draft Determination on the Maximum Levels of Airport Charges at Dublin Airport for 2027–2031.

Iberia Express supports and endorses the detailed submission made by our sister airlines Aer Lingus as well as the supporting submissions by British Airways and Vueling as well as our parent company International Airlines Group. This submission reinforces the principal issues identified in the response from Iberia Express's perspective as an operator of direct services between Dublin and Madrid, carrying both point-to-point passengers and connecting traffic through Iberia's Madrid hub. Competitive airport charges and reliable infrastructure at Dublin support the continued viability of these services and the wider connectivity they provide between Ireland, Spain and Iberia's global network.

Overall position

Iberia Express supports the overall direction of the Draft Determination. We particularly welcome the continuation of the Regulatory Asset Base based building blocks framework and single till, together with the IAA's broadly balanced approach to the maximum level of airport charges and the allowed return for 2027-2031.

The Final Determination must nevertheless establish strong incentives for Dublin Airport to operate efficiently, deliver the investment funded by Airport Users and provide the quality of service required by airlines and passengers. Iberia Express supports the targeted refinements identified by Aer Lingus to strengthen incentives, transparency and accountability without reopening the overall regulatory framework.

Key issues

1. WACC for triggered investment

Iberia Express supports the IAA's targeted treatment of triggered investment. However, the Final Determination should clarify that the higher calculated return for triggered projects arises solely from the different assumed mix of embedded and new debt. It does not represent a separate WACC or a higher-risk classification for these projects.

The underlying assumptions for gearing, the cost of equity and the broader WACC framework must remain common across Dublin Airport's Regulatory Asset Base. Appropriate safeguards are also required to prevent Dublin Airport prioritising or allocating expenditure towards triggered projects simply because they attract higher remuneration.

2. Historic Capex clawback

Iberia Express strongly supports the recovery of capital-cost allowances paid by Airport Users for investment that Dublin Airport did not deliver during 2023-2026. The IAA should examine whether its proposed €161.7 million clawback fully reflects the remuneration actually recovered, particularly given that passenger volumes exceeded the forecasts used when charges were set.

The clawback should be returned to Airport Users as soon as reasonably practicable. Any amount deferred must include an appropriate financing adjustment so that repayment is neutral in net present value terms. Historic over-recoveries should not be retained to support Dublin Airport's future cash flows or financeability.

3. Pre-funding of triggered investment

Iberia Express recognises that targeted pre-funding may be appropriate if Dublin Airport genuinely progresses a materially larger investment programme. However, the proposed 79% allowance appears excessively protective and should not be determined mechanically by maintaining financial ratios under a high-Capex scenario combined with severe downside assumptions.

Pre-funding must be limited to the minimum amount reasonably necessary to support efficient delivery. The IAA should also test alternative financing assumptions, including an appropriate shareholder equity contribution, before requiring Airport Users to fund such a substantial proportion of capital costs in advance.

4. Operating efficiency and investment benefits

Iberia Express supports the IAA's detailed assessment of operating expenditure, including its bottom-up review of security costs. However, transitional security performance must not become the steady-state assumption for 2027-2031. The Final Determination needs to capture further productivity improvements as C3 technology, operating processes and workforce experience mature.

More generally, the benefits of the proposed capital programme must be recognised as consistently as its costs. Where investment delivers automation, reduced maintenance, staffing efficiencies, better terminal or passenger flows, or additional commercial revenue, those benefits should be transparently incorporated into the regulatory forecasts when they arise.

Efficient investment and reliable service delivery are particularly important for connecting operations. Delays affecting security, stands, gates or passenger processing at Dublin can undermine connection opportunities across the wider network and reduce the attractiveness of itineraries offered through Madrid.

5. Commercial revenues

Iberia Express welcomes the IAA's more granular assessment of commercial revenues. Nevertheless, the forecast must reflect the continuing improvements that an efficient airport operator can achieve through pricing, tendering, digitalisation, product development and yield management.

Where the IAA's analysis identifies commercial revenue growth after controlling for passenger volumes, this evidence should inform category-specific forecasts or an explicit management-stretch assumption. Conservative commercial revenue forecasts increase aeronautical charges under the single till and result in airlines and passengers paying more than necessary.

6. FastTrack

Iberia Express welcomes the IAA's proposal to maintain the existing regulatory treatment of FastTrack. FastTrack is an important airline and passenger service, particularly for premium passengers and customers making time-sensitive journeys, and must not be treated as a wholly commercial product controlled solely by Dublin Airport.

On the available evidence, there is no demonstrated FastTrack capacity constraint that would justify restricting airline access. This is particularly difficult to reconcile with the planned increase in FastTrack capacity and Dublin Airport's continued promotion and discounted direct sale of the product to passengers.

Before imposing any restriction, Dublin Airport must transparently demonstrate the facility's total and peak capacity, forecast demand from airline and direct sales, and the proposed basis for allocating any genuinely constrained capacity. Dublin Airport should not be permitted to prioritise its own direct-to-passenger sales over airline access. Any restrictions must be demonstrably necessary, proportionate and based on objective, transparent and non-discriminatory criteria.

Fair airline access is particularly relevant where FastTrack forms part of an airline's premium proposition or supports passengers whose journeys involve onward connections. Changes to eligibility or wholesale access must not undermine airlines' ability to provide a consistent customer proposition across their networks.

Conclusion

Iberia Express supports the direction of the Draft Determination and encourages the IAA to retain its core regulatory approach. The targeted changes set out above would further protect Airport Users and passengers, strengthen the incentives for efficient investment and operation, and ensure that Dublin Airport's charges reflect efficiently incurred costs.

For Iberia Express, an efficient and appropriately calibrated settlement will support the competitiveness of direct services between Dublin and Madrid, while helping to preserve the wider connecting opportunities available to passengers through Iberia's Madrid network.

Iberia Express remains available to engage with the IAA as it finalises the 2026 Determination.

Yours sincerely,

Iberia Express

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