

Appendix 1

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

1. Legislation, Statutory Objectives, and Policies

- 1.1. We note IAA's conclusions on the weighting given to the various regulatory objectives and due regard factors contained in the revised Aviation Regulation Act, 2001 (the "2001 Act"), since the entry into force of the Air Navigation and Transport Act, 2022.
- 1.2. There is a clear hierarchy of regulatory objectives in section 33 of the 2001 Act for the IAA in making charges determinations, with the "*principal objective[s]*" of the IAA being "*to protect and promote the reasonable interests of current and prospective users of Dublin Airport*". Balancing of the various goals and due regard factors is required but the legislature explicitly requires the IAA to prioritise this principal objective. We do not see any confusion or conflict in the direction that has been given by the legislature to the IAA in this respect.
- 1.3. Prioritising the principal objective requires the IAA to reject regulatory proposals from Dublin Airport that are contrary to the reasonable interest of airport users. Allowing a capital expenditure proposal of the scale of €5.4bn (nominal) is completely unprecedented for a single capital city airport in a country the size of Ireland, and we fail to see how the interests of users are served by allowing Capex into the Price Cap at this scale when the necessity cannot be demonstrated by Dublin Airport.
- 1.4. We note IAA's views on the nature of the section 39A appeal. The appropriate arbiter for the varying views is clearly the High Court rather than the IAA consultation process on charges determinations.

2. Approach to Regulation

- 2.1. Ryanair's positions on the approach to regulation as outlined in our Issues Paper submission remain unchanged. That is to say, we support a five-year period with an annual Price Cap, with the level of charges set following an annual consultation with users.
- 2.2. *Market Power Assessment:* While it is Dublin Airport's prerogative to request IAA to carry out a market power assessment, we do not see how circumstances have changed since the last market power assessment carried out by Indecon which would justify a change in approach to regulation of the Dublin Airport monopoly (which is the only airport of significant scale on the island of Ireland). There are no viable competitor airports to Dublin Airport which are capable of capturing and serving passenger demand on the island of Ireland to anywhere near the extent of Dublin. The passenger cap issue which has played out over the past three years has demonstrated that the other airports on the island cannot compete for any significant portion of spillover demand from Dublin Airport created when the IAA applied a seat cap during Winter 2024 and attempted to do so ahead of Summer 2025. The absence of regulation would inevitably create uncompetitive airport charges at Dublin given the incentives created for Dublin Airport.
- 2.3. The Oireachtas passed the Dublin Airport (Passenger Capacity) Act 2026 (the "2026 Act") in July 2026 which gives the Minister for Transport the power to amend or remove the 32m cap planning conditions and explicitly prohibits future planning conditions imposing a cap on the number of passengers using Dublin Airport, bar limited circumstances. Numerous statements by the Minister for Transport, Taoiseach, and the joint Fine Gael-Fianna Fail Programme for Government in 2025 commit to scrapping the passenger cap. This means the 32m passenger cap should not be considered for the purposes of the Final Determination.

- 2.4. Since the publication of the Draft Determination, it has come to light that Dublin Airport has applied to the Minister for Transport under section 7 of the 2026 Act not to remove the 32m passenger cap, but to amend it to 40m. At a future point after publication of the IAA's Final Determination, the Minister may use his power under section 7(5) of the 2026 Act to inform Dublin Airport that he is accepting or varying Dublin Airport's proposal, with a subsequent order made under section 25 of the 2026 Act to either remove or amend the existing 32m cap. Any future hypothetical passenger cap would also be subject to future Ministerial orders to remove or amend it. Therefore, a hypothetical 40m passenger cap should not be factored into the IAA's passenger forecasts for the 2027-31 period. As the IAA states in paragraph 6.84 of the draft Determination, it is not unprecedented for the IAA to forecast passenger traffic in the context of potential external factors which may or may not crystallise in future.
- 2.5. We do have a number of observations with regard to the 2026 Act and Dublin Airport's 40m proposal to the Minister for Transport which are relevant to the IAA's approach to regulation. Firstly, the 2026 Act explicitly prohibits future planning conditions imposing a cap on the number of passengers using Dublin Airport, bar limited circumstances (section 36 of the 2026 Act). The intention of the government, as publicised on numerous occasions, and legislature (through section 36) is that no passenger caps should apply at Dublin Airport. The IAA must take account of the policies of the Government on aviation, climate change and sustainable development under section 33(d) of the 2001 Act, and therefore not take into account a hypothetical and uncertain 40m cap in setting passenger forecasts.
- 2.6. Secondly, the hypothetical context of a new 40m cap being applied by the Minister to Dublin Airport on application from Dublin Airport is different to the context of the 32m cap applied by An Bord Pleanála in 2007, where Dublin Airport did not suggest the 32m cap. In the latter scenario, IAA, purportedly to assist Dublin Airport in compliance with its planning obligations set by An Bord Pleanála, applied a seasonal seat cap in Winter 2024 and was enjoined from applying a seat cap in Summer 2025 pending the CJEU answering questions posed by the High Court and resolution of the related Irish proceedings. We do not agree that the IAA was obliged to intervene in this manner but, in any case, it is our view that any such obligation on the IAA could not apply where an amended passenger cap planning condition is applied on foot of an application by Dublin Airport. It could not be a prerogative of the IAA to again apply an artificial seat cap to assist Dublin Airport in complying with a restrictive planning condition which it was in a position to apply to remove but instead applied to amend.

3. Traffic Forecast

- 3.1. An objective and realistic passenger forecast is crucial to setting Price Caps. The IAA's traffic forecast for the period appears unrealistic and will result in airport users once again overpaying airport charges. It is concerning that the IAA's forecast annual average growth rate (3.24%) is below Dublin Airport's unconstrained traffic forecast (3.29%), updated with the latest inputs, given the systemic underforecasting and regulatory gaming by Dublin Airport.
- 3.2. Traffic has been systemically underforecast at Dublin Airport since at least the 2014 Determination, when IAA forecasted 24.8m passengers in 2019 but the actual outturn was +33% higher at 32.9m. In the most recent Determination, both Dublin Airport and the IAA underforecast traffic, which has resulted in Dublin Airport receiving a cumulative +21.3m / +9.5m more passengers than respectively forecast when Price Caps were set:

Table 1: Traffic Forecast vs. Outturn at Dublin Airport 2022-2026f

IAA	2022	2023	2024	2025	2026f	Total
Forecast	25.3	31.7	33.6	34.7	35.7	161
Actual	28.1	33.5	34.6	36.4	37.9	170.5
Over / Under forecast (m)	2.8	1.8	1	1.7	2.2	9.5
Over / Under forecast (%)	11%	6%	3%	5%	6%	6%

*2022 from 2022 Draft Det, 2026f based on 2026 Draft Det, and all other forecasts from 2022 Det.

Dublin Airport	2022	2023	2024	2025	2026f	Total
Forecast	24	27.7	30.3	32.8	34	148.8
Actual	28.1	33.5	34.6	36.4	37.9	170.5
Over / Under forecast (m)	4.1	5.8	4.3	3.6	3.9	21.7
Over / Under forecast (%)	17%	21%	14%	11%	11%	15%

*DUB data from 2022 Draft Det and 2026f based on 2026 Draft Det.

- 3.3. Furthermore, both the IAA's and Dublin Airport's forecast average annual growth rates for 2027-31 remain below the long-term annual growth rate of traffic at Dublin Airport for the past decade (3.8% for 2015-25). In the context of a demand-driven forecast without supply-side constraints, there is no justification given by the IAA why passenger demand at Dublin Airport will grow slower than its historic average in the coming years.
- 3.4. We strongly support the IAA's rejection of any supply-side restrictions in the forecast. We welcome IAA's acknowledgement of the adaptability of airlines to demand, as well as their acknowledgement of the medium-term plans of the largest two airlines operating in Dublin Airport. As outlined by Ryanair in our Issues Paper and 8 May responses, and supported by Skylark, airlines are adaptable and can meet demand without immediate infrastructure upgrades due to fleet renewals with more seats per aircraft, increased flying during off-peak periods, and greater utilisation of current airport infrastructure. The IAA are correct to acknowledge this reality in point 6.73.
- 3.5. In line with this and in response to the proposed **-15%** reduction in the Price Cap for 2027, Ryanair has committed to adding +2m extra seats to/from Dublin Airport in Summer '27. The IAA must take account of this additional capacity when forecasting 2027 traffic, by using this as the baseline for future traffic growth, rather than 2026, given the clear evidence of the accuracy of this approach as we outline below.

Forecasting Model

- 3.6. We strongly support the use of a demand-driven model without artificial growth constraints due to supply-side factors in order to forecast passenger traffic. We welcome the IAA's

willingness to improve its approach to forecast traffic given the historic underforecasting of traffic at Dublin Airport. We support the proposed GNI*-based model.

- 3.7. However, we do not believe that GDP or Eurocontrol accurately capture the demand for air travel to/from Dublin. The traffic forecast from the IAA's model blend remains unrealistic primarily due to its flawed reliance on GDP and Eurocontrol Movement forecasts. As outlined below, the IAA must use only a GNI*-based forecast, as its own analysis shows this is the most appropriate parameter for estimating Dublin Airport's traffic.

Eurocontrol

- 3.8. We do not believe Eurocontrol's movement forecasts accurately capture demand to/from Dublin Airport and therefore should not be used as an input to a traffic forecast model. Firstly, the forecast is based on aircraft movements across Ireland, not just to/from Dublin. Secondly, the IAA must make assumptions to convert a forecast of aircraft movements to passengers. In the context of the ongoing and significant upgauging of fleets by all major airlines in Europe, reliance on the historical passenger to movement ratios is inappropriate.
- 3.9. To this end, the IAA has used Dublin Airport's forecast annual load factor growth of +0.45% over the regulatory period. Dublin Airport does not provide detail on how this load factor adjustment is calculated. It is inappropriate for the IAA to rely entirely on Dublin Airport's assumptions, particularly in the context of its historic underforecasting as documented above.
- 3.10. While we welcome IAA's acknowledgement of Ryanair's order of 300 Boeing 737 MAX 10 aircraft, which carry +20% more passengers per flight, this uplift does not appear to be included in the adjustment to the Eurocontrol forecast. Indeed, our network avg. fleet size will grow by 0.82% p.a. However, Ryanair will base proportionally more MAX 10s in Dublin Airport than the rest of our network, so the 0.82% should be seen as a conservative estimate. Given other airlines are also engaged with fleet renewals and upgauging, 0.45% appears unrealistic.
- 3.11. The more assumptions that must be made reduces the usefulness/reliability of the model. We note the IAA has dropped other subjective and complex methodologies elsewhere in the Draft Decision. While Eurocontrol's forecast may provide a sense check of potential traffic growth over the period, we cannot accept their inclusion as an input for a passenger demand forecast.

GDP

- 3.12. Ryanair is concerned about the continued use of GDP forecasts in the revised forecasting model due to its historic inaccuracy in forecasting passenger traffic at Dublin Airport.
- 3.13. The IAA's findings of the elasticity of outturn GDP to passenger numbers at 0.87 confirms that GDP is the wrong input to estimate traffic in Ireland due to the well-publicised factors influencing GDP estimates in Ireland. A GDP to traffic elasticity of <1 would suggest Dublin Airport is a mature market that will lag general growth in the economy in recent years. This contrasts to the outlook from both Dublin Airport, who propose a €5.6bn expansion of the airport to cater for strong traffic growth in future years, as well major airlines operating at Dublin Airport, whose aircraft orderbook reflects an expanding fleet. The elasticity was >1 in the previous Determination – it is unlikely that the market has changed so much that there is now an inelastic relationship between economic growth and traffic growth.
- 3.14. The inelastic relationship finding is likely because GDP as a measure for domestic economic activity in the Irish economy has weakened considerably, as the IAA themselves allude to in

the Figure 6.6 which shows the complete divergence of GDP and GNI*. For example, by 2025 Irish GNI* was 55% of Irish GDP. Fluctuations in Irish GDP often relate more to accounting methods by multinational corporations, which have little effect on travel demand to/from Dublin Airport. It is therefore not surprising that GDP has become a weak predictor of traffic growth at Dublin Airport.

- 3.15. It would be incorrect for the IAA to use any GDP input in light of these findings. In particular, it would be incorrect to view the <1 elasticity of the GDP as being a suitable estimator for a “lower bound” forecast. There would be no theoretical basis to justify this and this would simply amount to a post-hoc justification for using GDP. The IAA’s own analysis shows that GDP is simply the wrong measure and therefore has no current use in forecasting traffic at Dublin Airport.
- 3.16. We also note that the IAA has analysed the relationship between traffic and GDP on the basis of the historic GDP outturns and passenger traffic outturns. However, the traffic forecast uses GDP forecasts as an input. We are concerned that given the volatility of GDP in recent years, it is increasingly difficult to forecast, leading to a large divergence between the forecast and outturn GDP. We do not see that the IAA considered this point in section 6.47. Therefore, inputting forecast GDP into a model based on outturn GDP further undermines the usefulness of the GDP-based model for estimating Dublin Airport’s traffic.
- 3.17. The IAA should use the opportunity to revise the forecasting model to ensure that the most accurate and reliable forecasting model is chosen. To continue using the GDP as the main explanatory variable to forecast growth is redundant and simply carries the bias for error in forecasts into the 2026 Determination. This would once again allow Dublin Airport to earn supernormal profits at the expense of airport users.
- 3.18. We have used the IAA’s elasticities and the latest economic forecasts to estimate 2031 traffic in the table below. Firstly, this shows that a model based solely on GDP forecasts the same level of traffic as Dublin Airport’s regulatory proposition, which is based on out-of-date economic forecasts and is in any case rejected by the IAA in the Draft Determination. Furthermore, the GNI* forecast is more in line with the historic long-term annual growth rate, whereas the GDP forecasts suggest traffic will develop far below the long-term annual growth rate – which does not appear credible in the context of an economy which is forecast to continue growing strongly in the coming years, Dublin Airport’s investment plans, and the users’ growth plans.

Table 2: Comparison of economic variables used to forecast Passenger Growth

	Eco. Indicator	2025	2031	Δ	Δ%
Pax (m)	Avg. GDP	36.4	42.3	5.9	16%
	Avg. GNI*		47.2	10.8	30%
	IAA model		44.5	8.1	22%
	DUB model		42.3	5.9	16%

GNI*

- 3.19. Ryanair supports the IAA including GNI* into the forecasting model. Given the shortcomings of GDP outlined above, GNI* is a more meaningful measure of the domestic economy, and therefore a better explanatory variable to use for forecasting future traffic to/from Dublin Airport.

- 3.20. GNI* excludes globalisation effects which smooths out any extreme fluctuations caused by accounting decisions made by MNCs in Ireland. For example, GDP growth in 2025 was 7%, whereas GNI* grew by 4%, a divergence mainly explained by the business decisions of a handful of pharmaceutical companies. GNI* is a more accurate proxy for Irish residents' propensity to travel by capturing domestic demand and incomes in Ireland.
- 3.21. In contrast to GDP, the IAA's own analysis shows GNI* has an elasticity with respect to traffic >1, reflecting that air travel to/from Dublin Airport is not a mature market and has clear growth potential. This is in line with the expectations of major airlines operating at Dublin Airport given their fleet expansion plans, and indeed Dublin Airport given its proposed €5.6bn CIP to expand capacity at Dublin Airport to cater for future traffic demand.

Data Sources

- 3.22. Ryanair is concerned that the IAA intends to use an ESRI economic outlook as a forecast for estimating the avg. GDP and GNI* inputs to the model. It does not appear to us that the ESRI data is comparable to a standard macroeconomic forecast in line with those from the Central Bank, IMF, Department of Finance or European Commission. Indeed, the ESRI state it is "*not a forecast but provides a plausible profile of growth path for the economy over the medium term to 2035*". This baseline projection is then subject to 4 scenarios relating to US tariffs, post-C19 demand changes, carbon pricing adjustments etc. We do not believe this is suitable for the purposes of forecasting demand. To ensure that the average GDP and GNI* data is not skewed or biased downwards, we propose excluding the ESRI data.

Supply Side Constraints / Demand Based Forecast

- 3.23. We fully support the IAA's rejection of Dublin Airport's constrained traffic forecasts. As outlined in Ryanair's 8 May submission to the IAA, we do not believe there is any reason to include supply-side constraints, because airlines will respond to available demand through higher load factors, more off-peak flying or using larger aircraft. This was evidenced most recently in Dublin in the +3% growth in traffic despite the imposition of the IAA's seat cap in Winter '24.
- 3.24. It has also been evidenced at numerous airports across Europe with very real capacity constraints, as outlined by Ryanair in our 8 May submission. For example, Schiphol Airport grew traffic +3% in 2025, Lisbon Airport grew +1% between January-June 2026, and Warsaw-Chopin Airport grew +8%, despite a movement, capacity, and stand limitations.
- 3.25. We note the Spanish Regulator (CNMC) in its recommendations for 2027-31 charges on Aena's network (incl. Madrid and Barcelona) also rejected the managing body's claims of supply-side constraints (relating to both aeronautical and non-aeronautical infrastructure) and forecast traffic solely based on a demand-led approach¹. It also acknowledged the historic underforecasting and claims of capacity constraints by the managing body, as well as the users' ability to respond to demand despite any capacity constraints.
- 3.26. There are a number of quick, cost-efficient, and capacity-enhancing Capex projects that Dublin Airport can carry out that would alleviate any potential capacity constraints that could arise in the future. It does not appear these have been explored. For example, adding extra gates at disused or commercial area space within existing piers. There is also scope for more towing

¹ Comisión Nacional de los Mercados y la Competencia: [*Acuerdo por el que se emite el informe previsto en el artículo 25.3 de la Ley 18/2014, de 15 de octubre, de aprobación de medidas urgentes para el crecimiento, la competitividad y la eficiencia, en relación al Documento de Regulación Aeroportuaria.*](#), page 25.

and, while operationally not ideal, even bussing at the airport. Evidently, there are solutions that Dublin Airport has ignored that do not require artificially limiting traffic or spending exorbitant amounts on Capex.

Airport Charge Variable & baseline forecast

- 3.27. In previous determinations Ryanair has called for the IAA's forecasting model to include a parameter based on the responsiveness of traffic levels to airport charge levels. Given airport charges are one of the few costs which vary across locations and given they are a substantial proportion of an airline's ex-unit fuel costs, it is economically rational for an airline to respond to lower charges with increasing capacity (and vice versa). As outlined in Ryanair's Issues Paper response, this was a key aspect leading to significant divergence between outturn and forecasted passenger growth during the 2014 Determination.
- 3.28. Following the publication of the Draft Determination and the proposed -15% reduction in the Price Cap in 2027, Ryanair announced it would add +2m additional seats to/from Dublin Airport. This alone would grow Dublin Airport's S27 capacity by +7%² – which is far above the +4% growth in traffic forecast by the IAA for 2027 overall. It would be expected that other airlines will also respond positively to the lower access costs. Not only does this demonstrate that IAA's forecast is unrealistic, but also the importance of airport charges in feeding into traffic levels. This direct effect risks being omitted if development of charges is ignored in the model.
- 3.29. The IAA acknowledges that a lower Price Cap will result in low-cost carriers in particular responding with more seat capacity at Dublin Airport. The IAA has not built this into its assumptions – even though the IAA does “*consider that it provides a source of significant upside risk to our forecast*”. Given this information is available and foreseen in advance of the Final Determination, the IAA must adjust the traffic forecast to take this into account or else it risks undermining the principle of the ‘fair bet’ when determining Price Caps.
- 3.30. If not, the IAA must at the very least change the baseline used for the traffic forecast, otherwise it will not capture Ryanair's +2m extra seats (and those of other airlines') for S27 in response to lower charges. The baseline could be estimated by following the IAA's own approach as outlined in section 6.57, whereby the slot filings (or seats on sale, e.g., Cirium) for S27 are used to set a traffic baseline. This was used as a sense check in 2022, but it ultimately proved to be “very accurate”. Therefore, the IAA should use this approach to set a 2027 baseline (rather than provide a sense check).

Asymmetric Risk Adjustment

- 3.31. Ryanair supports IAA's rejection of Dublin Airport's proposed asymmetric risk adjustment. There is no evidence to suggest that this is required. As stated by IAA in the 2019 Draft Determination, Dublin Airport is the best placed to respond to changing levels and shocks to traffic. Allocating this risk any other way will limit Dublin Airport's incentive to grow traffic and meet demand.
- 3.32. It is also evident from the most recent shocks that airports are better able to manage these shocks than airlines. Regardless, there are already mechanisms in place to protect Dublin Airport from full exposure to volume risk – e.g., not adjusting for transient shocks in the traffic

² All airlines offered a total of 28.5m arriving and departing seats to/from Dublin in S26 (Source: Cirium SRS). An additional +2m seats, all else equal, would grow S27 capacity by +7%.

growth regressions or through the inclusion of airports when estimating the Asset Beta for the WACC.

Summary

- 3.33. Ryanair strongly supports the IAA's use of a demand-led forecasting model without any supply-side constraints. As Ryanair takes delivery of over 300 Boeing 737 MAX 10 aircraft between 2027-34, our average fleet gauge will increase as these aircraft have +20% more seats than the 737-800s currently in our fleet – meaning stand constraints will not be a restriction on traffic growth. In so far as they could be a constraint, airlines can meet demand through more off-peak flying (seasonal and times) and increased load factors (as IAA acknowledge in 6.73). Dublin Airport can also work with airlines to further utilise existing infrastructure, e.g., more towing or bussing (which is not ideal for an operational perspective but at least will bring more gates and stands into use throughout the day), as well as quick, low-cost investments that can deliver extra capacity within the period.
- 3.34. Ryanair calls on the IAA to drop GDP as an input to its forecasting model and rely solely on GNI* as the measure of economic activity in Ireland, as its own analysis shows it is objectively the more accurate measure for traffic growth. This is supported by GNI* having an elasticity of > 1 when regressed with historic passenger outturn, which is more consistent with an airport like Dublin Airport, where demand for travel has remained strong, users are upgrading to larger fleets, and the airport is proposing to spend over €5.6bn on capital projects.
- 3.35. To ensure the accuracy of the 2026 Determination traffic forecasts, the IAA must increase the baseline to take account of Ryanair's +2m additional seats commitment, must not use Eurocontrol traffic projections or ESRI data, and should include an airport charge term in the model. Furthermore, unless justified, the proposed traffic growth rate should not be below Dublin Airport's forecast or the long-term growth rate of traffic at Dublin Airport.

4. Operating Expenditure (Opex)

- 4.1 Ryanair welcomes the IAA's rejection of Dublin Airport's ridiculous proposed **+8%** increase in real terms Opex per passenger over the regulatory period. This proposal was a clear attempt by Dublin Airport to completely de-risk themselves from any downside Opex risk. Given the embedded inefficiencies already present in Dublin Airport's Opex, a further loss of efficiency is unacceptable and in any case unheard of for an airport operator of Dublin Airport's size.
- 4.2 Dublin Airport's proposal must be viewed in light of the systematic over forecasting of Opex as part of its regulatory gaming approach to inflating airport charges and shying away from finding efficiencies in Opex. Dublin Airport has systematically over estimated Opex for the current regulatory period. For example, outturn Opex has been lower than Dublin Airport's forecasts by -€36m in 2023 and -€49m in 2024.
- 4.3 Despite the substantial growth in traffic in recent years (2026 traffic is estimated to be 35% above 2022 levels), the Opex per passenger in real terms has remained broadly flat. This suggests that Dublin Airport is not operating efficiently, as we would expect an airport of its size to see Opex per passenger fall in line with traffic growth. For this reason, the IAA must consider a top-down annual reduction across all Opex to incentivise efficiency, in line with other regulatory decisions in Europe.
- 4.4 While Ryanair supports IAA's rejection of Dublin Airport's unrealistic Opex forecasts and the general approach, we are concerned that the IAA's proposal of a **-6%** decrease in real terms in Opex per passenger by 2031 is based on an inefficient baseline without ambitious but achievable efficiency targets. We are also concerned that in nominal terms Dublin Airport's Opex per passenger will likely increase, despite the fact that consumer prices bear little relation to the price level faced by an airport.
- 4.5 We broadly agree with CEPA's approach of 'base, growth, step' building from an efficient baseline. However, we do not believe that CEPA has identified an efficient baseline. We are also concerned that despite strong evidence being required in order to support a 'step change' in Opex, Dublin Airport has not provided this – we support CEPA in rejecting Dublin Airport's proposal in this regard, particularly regarding alleged additional costs from increased congestion at the airport. Finally, we cannot accept CEPA's assertion that efficiency improvements will be counteracted by wage pressures and general upward pressures on costs beyond those costs driven by traffic volumes.
- 4.6 We are concerned that CEPA has left the door open for Dublin Airport to bring forward additional material to support higher allowances in many areas in the Final Decision. We expect the IAA to reject any new 'evidence' as Dublin Airport had sufficient time, incl. a 7-week delay, to provide supporting evidence to underpin its Regulatory Proposition. CEPA has justifiably rejected increases in Opex that have not been supported by evidence. In any case, the IAA has a duty to allow users to comment on any additional evidence that Dublin Airport may provide to justify its inflated Opex proposition before adjusting the Draft Determination allowances.

Baseline

- 4.7 Ryanair is concerned that the proposed Opex baseline includes embedded inefficiencies. IAA appear to have accepted Dublin Airport's baseline Opex as being consistent with traffic growth and the previous Determination, once adjusted for wage growth, pass throughs and wider

economic pressures. We do not accept Dublin Airport using broader economic conditions as excuses for failing to tackle its historic inefficiency, especially in staff costs.

- 4.8 While we accept that resetting the building blocks results in a transfer of risk relative to the 'fair bet' made at the previous Determination, we cannot accept inefficiencies that have not been justified. The proposed increase in the baseline Opex per passenger in 2026 from €10.86 (adjusted for inflation to March 2026 prices), which was deemed efficient by IAA in the previous Determination, to €11.15 for the new Determination cannot be justified on any objective grounds. Ryanair did not accept even this lower level as a fully efficient outcome at the previous Determination in any case.
- 4.9 As traffic growth from 2023-26 has exceeded both the IAA and Dublin Airport's forecasts for the previous Determination (37.5m in 2026 vs. 35.7m forecast by IAA), we expect further economies of scale to more than compensate for any undefined upward pressure from wages or other economic factors. Indeed, we do not accept CEPA's assertion that because 2025 Opex tracked the forecasted trend of the previous Determination, Opex is efficient. Furthermore, IAA has not addressed that if the traffic forecasts in the previous Determination were higher, the Opex per passenger targets modelled then would have been lower to capture these economies of scale.
- 4.10 If the IAA does not eliminate inefficiencies from the model now, then these will continue to be carried into subsequent regulatory periods. If this method were to be replicated in the 2032+ regulatory determination, then the baseline would include inefficiencies carried over from the 2022 and 2026 Determination. Ryanair calls on the IAA to revisit the 2025 baseline to ensure that it is the most efficient level which meets the IAA's statutory requirement of setting "challenging but achievable" targets.
- 4.11 Ryanair's position is that the appropriate baseline for efficient Opex should be lower than the 2022 Determination, adjusted only for passenger growth, and with the inefficiencies identified by CEPA further stripped out – which would mean €10.86 is already too high and represents an upper bound on the baseline for 2026 Opex per passenger.

Opex Forecasting

- 4.12 We welcome the over **-€210m** (-8.5%) of excessive Opex that CEPA has stripped out from Dublin Airport's 2027-31 forecast, but this does not go far enough. For 2031 alone, CEPA has removed **-€59m** from Dublin Airport's forecast, equating to an Opex reduction of **-11%**. However, it is insufficient for CEPA to simply accept that it has gone far enough because its Opex estimate is below Dublin Airport's. For the reasons we set out below, Ryanair believes that Opex costs could be further reduced over the regulatory period.
- 4.13 Ryanair notes that the figures used in the Draft Determination do not precisely match those in the CEPA report even after adjusting for the higher passenger forecast from IAA.

Security – Central Search

- 4.14 We welcome the bottom-up approach to estimating these costs given they are a key component of Opex. However, there are some shortcomings to the analysis.
- 4.15 Our key concern is that CEPA's baseline for security staffing is too high as it largely ignores the previously assessed efficient staffing levels for the previous Determination and accepts

Dublin Airport's actual staffing in 2025 and 2026 as an efficient operation. Our position is that the assessment should start from the previously assessed efficient levels. There has been no rational reason provided to why Dublin Airport's actual performance has diverged from CEPA's previously assessed efficient levels (4.2 of CEPA report).

4.16 We are also concerned that CEPA appears to have made no further allowance for future efficiencies from the C3 equipment. In line with the 'fair bet' principle, the IAA must give due consideration to potential efficiency improvements otherwise Dublin Airport will receive a windfall gain at the expense of users. We have strong reason to believe there is scope for improvements, such as:

- UK Airports are expecting an ongoing additional efficiency gain of 8-36% following the introduction of C3 equipment from:
 - i. Passengers and staff becoming more familiar with the new processes;
 - ii. Improvements in the algorithms reducing the proportion of trays rejected.
- CEPA itself identifies a number of improvements, including:
 - i. Raising awareness about airport and technology specific requirements will save time spent on manual search.
 - ii. Lane troubleshooters can alleviate bottlenecks that appear within lanes.
 - iii. Clarifying the process on manual searches could allow for improvements in lane efficiency.
 - iv. A secondary shoe detection system could also be deployed in each lane to reduce the need to put items back through the CT scanner.
 - v. Communicating with passengers and other relevant parties ahead of time will help staff deal with the passenger's needs.

We note that CEPA's improvements do not even consider expected improvements in processing algorithms that are expected to increase passenger throughput per lane and per employee.

4.17 Given dramatic changes in security processing since the 2022 determination, we would expect a significant downward reduction in security costs per passenger compared to previous Determinations. There is sufficient evidence to justify a step change due to the significant upgrades to the security scanners and the increase in staff per lane required. The new scanners are more efficient and therefore delivering medium- to long-term increase in efficiencies compared to previous Determinations. CEPA needs to provide more evidence to support a lower weighting of the previous Determination.

4.18 The benchmark sample, used by IAA to validate processing efficiency, is unsuitable as it likely includes airport terminals with inefficient operations. In particular, we understand that three terminals at Heathrow were included, despite the fact that the UK CAA has already determined that their security processing is inefficient and that higher throughput per lane / per employee could be achieved in its initial H8 proposals. If CEPA relies on this benchmark, it will embed inefficiency into the assessment.

4.19 We support the proposal to remove the resilience allowance proposed by Dublin Airport.

Efficiency and Savings

- 4.20 We fully support the points raised by Aer Lingus and British Airways in 7.36-7.38 regarding Dublin Airport's inefficiencies and lack of efficiency challenges.
- 4.21 We support the IAA's proposal to include an annual cost efficiency challenge. Such an annual efficiency challenge is commonplace in regulatory decisions across Europe. For example, the Italian Regulator ART applied a headline reduction across total Opex lines at Rome-Fiumicino for the 2024-28 regulatory period and the UK CAA is proposing a similar approach for Heathrow in H8. From a theoretical perspective, this proposal reflects broader assumptions of productivity growth across the economy as a whole (e.g. new technology, new management practices, etc.), which is the least we would expect of an efficient airport operator.
- 4.22 However, we are concerned that the magnitude and scope of the adjustment is insufficient and will not incentivise Dublin Airport to become more efficient. CEPA has not applied the efficiency challenge to security, passthrough, statutory, or regulated cost items, and cost lines in real terms / limited to CIP growth. These amount to 20% of total Opex costs where CEPA claims efficiency improvements are already accounted for or where Dublin Airport has little control over the costs.
- 4.23 For the above reasons, we believe the IAA must consider a top down, "-X%" efficiency adjustment to the overall Opex allowance to reflect general expectations of productivity growth in the economy overall and to incentivise efficient operations at Dublin Airport
- 4.24 In line with the theoretical basis for the adjustment, we expect many of the capital investments will improve efficiencies on a per passenger basis. Of the more than 100 projects proposed in Dublin Airport's €5.6bn CIP, Dublin Airport estimates only a mere 4 projects have expected Opex savings. It is not credible that billions of euros of capital investments into newer, more efficient equipment will not result in Opex savings. In any case, the IAA should be incentivising Dublin Airport with challenging targets to achieve efficiency gains from operating new equipment.

Security VCP

- 4.25 We fully support CEPA's rejection of Dublin Airport's proposed increase in FTEs relating to the future screening requirements for transporting goods in airside. Dublin Airport has sought to increase FTEs from 131 in 2026 to 282 by 2031. This is typical of Dublin Airport's wasteful approach to dealing with changes to the status quo by simply increasing resources without ever considering structural changes to a process. If Dublin Airport was operating efficiently, it would seek innovative and modern methods to address any new regulatory requirements rather than resorting to more resources.
- 4.26 CEPA's approach of pushing screening away from the airport and up the supply chain, putting the onus on suppliers to take more ownership of airside-bound supplies and, coupled with the introduction of a planned consolidated security and screening centre in the Capex programme (CIP 27.02.15), rightly allows for FTEs to remain flat at 131. If the Capex for this trigger project is allowed, it follows that the saving in manpower must also be assumed otherwise users will pay twice.

Maintenance

- 4.27 We agree with CEPA's assessment that the increase in maintenance costs should be lower than Dublin Airport has proposed (+€14.9m p.a. sought vs. +€8m p.a. approved by 2031). The reduction is based on errors in Dublin Airport's calculations, a lack of evidence for step changes and in particular how the CIP is impacting Opex.
- 4.28 It is a common regulatory gaming tactic for airports to only show the adverse impact of Capex on Opex and not show any cost efficiencies or savings. Indeed, CEPA are right to point out that Dublin Airport has provided *"no offsetting impacts from new investments that should reduce reactive maintenance presented"*. Indeed, we once again highlight that the IAA's own model shows only 4 out of >100 projects as having Opex savings.
- 4.29 We support CEPA's rejection of Dublin Airport's unjustified view that maintenance costs will rise disproportionately more than passenger growth.

Non-staff Non-Pay

- 4.30 This category includes controllable costs such Executive Lounge Direct Costs, Apron Shuttle Bus Hire, Security Outside Contractors and Other Overheads. Several of these cost lines have been redacted in the CEPA report. IAA cannot allow additional costs in this category if Dublin Airport does not grant users the necessary transparency to scrutinise the relevant cost proposals.
- 4.31 We support CEPA's decision to lower the cost baseline regarding Executive Lounge costs, because the 2025 costs were higher than previous trends due to the lounge's closure and renovations. CEPA has also disallowed cost increases, including one relating to a new staff mobility scheme, where the scheme's costs do not have an offsetting commercial benefit in the revenue forecasts due to released parking spaces.

Central Functions

- 4.32 We fully support CEPA's rejection of Dublin Airport's proposed Human Resources FTEs on the basis that Dublin Airport's investments in technology and workforce planning systems should improve automation and reduce the required number of HR FTEs per 100 staff from 2.5 to 2.0 over the period. While we welcome the reduction, simply being below Dublin Airport's proposal does not in itself suggest CEPA's proposal is efficient.
- 4.33 Indeed, there is evidence to suggest the proposed reduction does not go far enough. The proposed 2.0 figure remains higher than the rate that the Society for Human Resource Management (SHRM) and Chartered Institute of Personnel and Development (CIPD) ratios reported of 1.7 across industry more generally. CEPA have not justified why Dublin Airport should be an outlier in this regard. On the basis that CEPA proposes to maintain HR staffing at Dublin Airport above industry norms, IAA should resist any suggestion from Dublin Airport that a higher allowance should be made.

IT

- 4.34 We agree with CEPA's proposed reduction. Dublin Airport's proposed increases were baseless and without the need, additionality, or efficiency requirements to justify a step change in cost.

We urge IAA to maintain the strictest of rulings in any proposed increases in IT costs. We have witnessed other airports across Europe attempt to justify endless increases in both Opex and Capex for IT without any justification or indeed operational or cost efficiencies.

Facilities

- 4.35 Dublin Airport's proposal to increase Facilities costs +35% (+€7.4m) while forecasting only a +16% increase in traffic for the same period is not credible. We therefore support CEPA's reduction in FTE and costs growth. The proposed FTE and traffic elasticity of 0.3 is more reasonable and proportional given the overall traffic growth, than Dublin Airport's elasticity of greater than 1.0. Dublin Airport's claim that staff will grow proportionately faster than traffic to improve resilience and combat congestion is unrealistic, because other roles in passenger-elastic functions like security search have a growth elasticity rarely higher than 0.7.

Cleaning

- 4.36 Dublin Airport's request for a +37% (+€7.6m) increase in cleaning costs is unreasonable and inefficient in light of their forecast +16% traffic growth. We support CEPA's reduction to the 2025 baseline, which demonstrates that underlying cleaning costs, particularly the contracted costs, were inefficient. We also deem CEPA's forecasting methodology which considered the impact of both passenger traffic and terminal space changes, as well as allowing for some above inflation wage growth reasonable. A +€2.1m (+11%) increase in costs is more reasonable, given the low elasticities for the cleaning function and expected traffic growth.

Retail

- 4.37 We support CEPA's approach of changing the volume driver to passenger numbers instead of commercial revenues, as staffing will be proportional to the number of transactions (passengers) rather than the value of the transactions.

Police and Fire

- 4.38 Ryanair fully supports all efforts to ensure safety and security at Dublin Airport. We agree with CEPA rejecting Dublin Airport's requested +10 FTE increase in the Fire and Rescue service as this appears unjustified. However, the costs need to be reassessed down because costs for Fire and Rescue services at airports are related to the number of runways and the maximum size of aircraft using the airport, not passenger growth. Therefore, CEPA's elasticity of 0.1 to passenger growth overstates the costs, which prima facie should remain constant over the period.

Utilities

- 4.39 We support CEPA including the cost reduction impacts associated with energy-related CIP projects, such as the Phase 2 Solar PV project. Regardless of any extra information provided by Dublin Airport, the IAA must include both the capital costs and the appropriate reduction in operational costs for all projects, as the savings are part of the justifications for the projects.

Airside Operations

- 4.40 We do not agree with CEPA's approach of applying an elasticity 0.4 to passenger growth. Previous regulatory periods experienced significant airfield Capex and maintenance, therefore

Dublin Airport's request for 'additional' manpower is already baked into the 2025 baseline and, no further 'step changes' should apply.

- 4.41 Moreover, Dublin Airport applies elasticity to traffic to boost their manpower for their excessive CIP programme. This is the wrong approach, and any proposed cost increases must be supported by evidence from the planned airside projects. Any of the associated costs should be stripped out and not treated as general Opex costs, as these are already included in the Capex costs.

Marketing

- 4.42 We disagree with both Dublin Airport and CEPA's approach of applying an elasticity to passenger traffic to forecast Marketing Opex. Marketing expenditure is an overhead expense and does not increase in proportion to traffic growth. Such an increase is not the hallmark of efficient airport. Both CEPA and Dublin Airport failed to justify why commercial revenue is the preferred driver or why an elasticity of 0.4 or 1.0 was respectively chosen.
- 4.43 Additionally, Dublin Airport has not transparently demonstrated that the proposed spend is justified to generate an uplift in commercial income, which the IAA shows is simply a function of extrapolating past trends with the addition of refurbishing the T1 IDL (Table 8.5 in the Draft Determination). As a result, no incremental Marketing spend is necessary.

Cost Passthrough

- 4.44 As stated by Ryanair in its previous responses, Dublin Airport is best placed to address Opex risk. We therefore continue to reject any unnecessary or additional cost passthroughs and support the IAA's decision to reject Dublin Airport's outlandish request to include energy prices, insurance premiums, and safety and sustainability obligations. Dublin Airport has a significant degree of control over these costs. Furthermore, a number of CIP27 projects have been justified by efficiencies in safety and sustainability, therefore Dublin Airport can carry out improvements and innovations to lower exposure to these costs, rather than forcing users to pay extra for meeting basic service expectations.
- 4.45 With that said, we continue to reject pass throughs in general. We do not accept the IAA's claim that its Opex forecasts balance upside and downside risk in a balanced way, as outlined above. Allowing costs to be passed through to users without any necessary efficiency requirements is unbalanced and goes against the regulatory practices in other EU countries. This mechanism inherently protects Dublin Airport and transfers all the downside risk onto users, as is evident by the fact that the cost passthrough mechanism has resulted in airport charges increasing in 2024 and 2025.
- 4.46 We reiterate our view that Dublin Airport must first demonstrate that it tried to offset any unforeseeable regulatory costs with efficiency gains before it seeks to pass through these costs to users. We disagree with the IAA's view that this conflates two separate issues and diminishes incentives to make savings.
- 4.47 In any case, the IAA considers airports as price takers when it comes to regulatory costs yet has failed to acknowledge that so are airlines. Airlines are even more disadvantaged than airports, as they must cover their own unforeseeable costs and those of airports, without any opportunity to challenge the cost levels.

- 4.48 Finally, the IAA claims that excluding the cost passthrough mechanism for the next regulatory period may financially disadvantage users. Nevertheless, it has provided no evidence or explanation for this claim. This is particularly obscure given that the purpose of the cost passthrough is to place the entirety of the risk of regulatory costs and other unforeseeable costs onto users, so it is unclear how omitting this mechanism would financially harm users. The IAA needs to provide evidence to support this claim.

Practical Amendments

- 4.49 IAA's proposal to remove €0.5m threshold reference in relation to second category of cost lines and introduce a process where all relevant cost lines are to be agreed with IAA is unclear. The proposed amendment reads as though Dublin Airport can now pass through more costs than previously and it is not explained why this would be necessary. IAA needs to further explain this amendment as Ryanair cannot support any further costs being passed onto users, especially if previously Dublin Airport has covered these.
- 4.50 Ryanair supports switching from (n+1)-basis to n-basis for the cost passthrough component of the Price Cap. This eliminates the need for any estimations that risk accuracy and may be biased towards higher potential costs. It also simplifies the process as the previous years' outturn costs are known and do not need to be deduced. Any differences like with all the other adjustments will be addressed in the process of setting the final Price Cap.

Summary

- 4.51 The IAA must refrain from continuing to reward Dublin Airport's inefficiencies and the fact that it has persistently failed to operate at efficient cost levels in light of traffic growth. Dublin Airport cannot be permitted to operate in a way that would clearly not be possible if it were in a competitive market.
- 4.52 The IAA must revise the baseline assumption to ensure that the 2025 baseline is the most efficient possible, given that 2025 Opex has not been re-forecasted, to ensure that inefficiencies are not carried through to all the following regulatory periods. Furthermore, it must apply an overarching efficiency challenge as is applied by other regulators and re-assess the need for cost passthroughs.

5. Commercial Revenues

- 5.1 Commercial revenues have far outperformed both the IAA's and Dublin Airport's forecasts in the current regulatory period. In 2023, one year after the forecast was set, the outturn commercial revenue was +15% above the IAA's forecast and 31% above Dublin Airport's forecast. Figures 8.1 and 8.4 demonstrate this was also the case in previous Determinations. This outperformance is not limited to the core retail and catering activities, but across the broader range of commercial revenue streams, and account for 85% of commercial revenue. This strongly suggests that steps must be taken to improve how commercial revenues are forecasted.
- 5.2 Ryanair is very concerned that the IAA's proposed commercial revenue per passenger forecasts are only marginally higher than Dublin Airport's forecasts. We cannot accept IAA's alignment with Dublin Airport in the context of the IAA's own backward-looking analysis showing that Dublin Airport always historically underestimates commercial revenues. This is expected given Dublin Airport's incentive to underestimate forecasts in order to keep more of the upside i.e., regulatory gaming.
- 5.3 The IAA's target +10% increase in the commercial revenue per passenger from €12.06 to €12.88 over the period is unrealistic. This is because the proposed minor revisions to the IAA's methodology are insufficient to accurately capture commercial revenues in the forthcoming regulatory period. Additionally, there continues to be no 'management stretch' applied to the forecasts. We believe the proposal put forward by the IAA will continue to underestimate commercial revenues in the forthcoming regulatory period.

Rolling Scheme

- 5.4 Ryanair continues to reject the proposed retention of almost all of the rolling schemes in the methodology. We welcome the removal of the rolling schemes for car parking. However, these should be discontinued completely in light of the fundamental unfairness and imbalance these create, which allows Dublin Airport to keep the upside of underforecasting (i.e., excess profits) at the expense of users for longer than all other building blocks.
- 5.5 We continue to wait for evidence that rolling schemes incentivise improved performance. On the contrary, the IAA states clearly in para 8.181 that "*it is difficult to assess individual causation with respect to how the rolling schemes have influenced commercial performance.*" Considering this admission, we see no justification for rolling schemes and believe they should be removed from the Final Determination to ensure the model is internally coherent and all forecasts are justified.
- 5.6 Notwithstanding our rejection to the rolling scheme, if the flawed rolling schemes were to be kept, we support a 10% cap on the revenues. Dublin Airport should not be further awarded the ability to earn supernormal profits due to forecasting errors.

Methodology

- 5.7 Ryanair's position is that the IAA must set appropriate targets for increased revenue generation across all categories. We note that this is common practice by other regulators and is supported by Aer Lingus and IAG.

- 5.8 However, the IAA's response to this request from users (8.28) is confused between overlays (specific actions that will drive enhanced revenue performance) and management stretch (the trend of greater efficiency and productivity across the economy). The IAA has not addressed Ryanair's call for some form of management stretch to the commercial targets it sets Dublin Airport, particularly in light of these targets being considered a centreline and indeed many of these centreline estimates being based on Dublin Airport's own proposals. This demonstrates that the IAA is not pushing to Dublin Airport to become more efficient and operate better.
- 5.9 We are concerned about the link between Capex investments in commercial revenue projects and the expected commercial revenues from these projects. On the one hand, IAA notes that many projects of the 2020CIP were deferred, yet commercial revenues per passenger increased +14% between 2019-25. That suggests that improving commercial revenue is not dependent on major Capex.
- 5.10 On the other hand, IAA claims that commercial revenues per passenger will increase only +10% between 2027-31, despite a commercial revenue Capex envelope of €330m. By definition, these projects cannot be accounted for in the backward looking econometrics that IAA has used to derive elasticities for commercial revenue growth and so their impact on revenue must be added to the base. This suggests the underlying base roll forward revenue forecasts are even lower than the headline +10% (which as noted we already have concerns about) as the +10% figure purportedly includes an allowance for capital projects. The IAA must provide transparency in the Final Determination on how these Capex projects impact commercial revenue forecasts, in addition to the base roll forward revenue forecasts. Both must be set at an efficient level that incentivises optimum commercial performance.
- 5.11 While we acknowledge it may be difficult to obtain detailed commercial revenue data to enable benchmarking of line items, the IAA could still do much more bottom-up analysis beyond solely concessions to inform its forecast. Dublin Airport's outperformance relative to its own bottom-up forecasts simply reflects its incentive to engage in regulatory gaming rather than a lack of robustness of a bottom-up approach. There are a number of specific areas where Ryanair believes that Dublin Airport will outperform the target set by the IAA:

Retail

- 5.12 We welcome the IAA's proposal to apply different elasticities to two subcategories, however we do not think this goes far enough. Insufficient account has been taken of the effect on the switch to more in-house retailing, which should in theory mean higher net revenues per passenger as overheads and profit margins will be excluded. With this in mind, Dublin Airport's reported retail revenue of €4.15 is not materially higher than Gatwick's €3.83. Dublin Airport would be expected to have a higher spend given its position as the primary airport serving Ireland, resulting in a stronger business and premium passenger mix than Gatwick, higher purchasing power in Ireland and the stronger transatlantic traffic, as well as its ability to maximise revenue through direct operation.
- 5.13 The anticipated net revenue from retailing projected by the IAA only shows 10% growth vs. 2025 despite the anticipated shift towards direct retailing before taking the Capex related project uplifts into account (Table 8.5). This is too low and we would expect the underlying target to at least match what was achieved over the 2019-24 period before accounting for Capex project driven uplifts.

Food and Beverage

- 5.14 The proposed F&B elasticity of <1 (0.94) with respect to passenger growth is unrealistic and unreasonable. Our Issues Paper response already outlined the clear evidence from other airports that post-C19 this is the area of highest spend growth (para. 8.16). The IAA also found that Dublin Airport expects strong revenue growth in this area (para. 8.58), so the use of an elasticity <1 is not credible.
- 5.15 Compared to other airports, Dublin Airport's €1.18 in F&B revenue per passenger in 2025 appears low. For example, in 2024, Gatwick achieved F&B revenue of €1.84 per passenger and €1.50 at Heathrow, which the CAA considered to be inefficient and proposed a baseline uplift to Gatwick levels.
- 5.16 The IAA appears to stand over its estimate because it is higher than Dublin Airport's, rather than considering more broadly whether the projection reflects realistic expectations of an efficient airport operator. This is not good enough.

Car Parks

- 5.17 Similarly, we do not believe an elasticity of 1 is appropriate and underestimates the potential for the growth of this commercial revenue stream. There has been significant historic outperformance relative to estimates in this area. Furthermore, Dublin Airport will take a number of initiatives to increase car park revenue, including but not limited to broadening the portfolio of products to drive revenue growth. Dublin Airport also acknowledges that there is likely to be undercapacity in car parking provision with the anticipated passenger growth over the period. Therefore, the risk of any shortfall in car parking revenue is much less than the potential for increases, so the adoption of an elasticity of 1 is inappropriate. Ryanair believes that the very fact of capacity constraint justifies an elasticity of greater than 1 to passenger growth.

Commercial Property

- 5.18 We reject the use of outturn GDP as the main input variable to estimate this revenue. Our arguments for GNI* over GDP for forecasting passenger traffic (as in sections 3.12-3.21), apply equally here. In general, all the models that use an economic performance explanatory variable should use GNI* over GDP. Therefore, going forward when the IAA assess the suitability of the various models, it should assess commercial revenues and GNI* not GDP.
- 5.19 In any case, the draft decision relies on both GDP and GNI* to forecast passenger traffic but relies solely on GDP as the economic variable to forecast commercial property revenue. This is inconsistent. As outlined above, we think all evidence suggests using GNI* over GDP, as it objectively is the better measure for Irish economic activity, but at the very least the IAA should remain consistent and use a blend commercial property if a blend is being used for traffic forecasts.

Summary

- 5.20 Dublin Airport has far outperformed both their own and the IAA's forecasts for the current Determination and indeed in previous Determinations. This demonstrates the need for IAA to reconsider the methodology used to estimate Commercial Revenues.

- 5.21 To improve the methodology, the IAA must remove the unfair and disproportionate rolling schemes, which are unjustified as the IAA themselves acknowledge there is no evidence they provide an incentive to Dublin Airport. The IAA must also set challenging but achievable targets for Dublin Airport to increase its commercial revenue per passenger over the period. We note that Ryanair, Aer Lingus and IAG are all calling for some form of management stretch.
- 5.22 We request clarity on how exactly Capex projects are impacting the forecasts, so users can clearly see the growth that is expected from the general trend of increased productivity expected in a growing economy, as well as the overlays from projects expected to uplift commercial revenue.

6. Cost of Capital & Financeability

6.1 Ryanair continues to believe the WACC for Dublin Airport is being set at a level far above the efficient cost of capital for a state-owned monopoly airport and consequently airport users are being overburdened with additional capital costs. It is disappointing that IAA or Europe Economics have not taken on board the feedback from Ryanair as part of our 8 May submission. Our proposals are in line with the regulatory best practice across the EU.

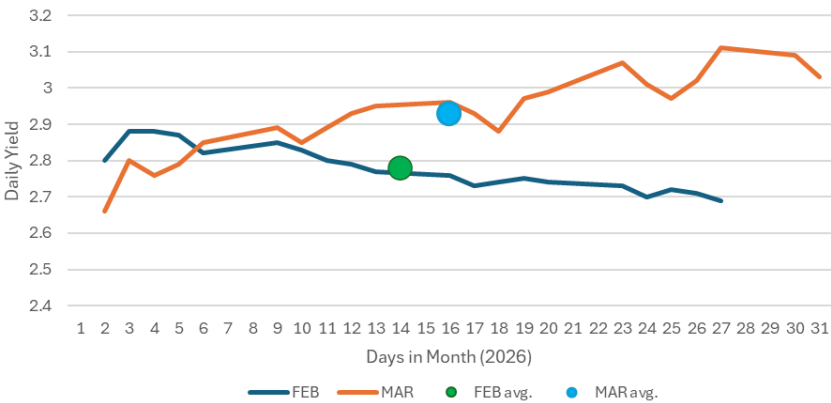
Risk-free Rate

6.2 Ryanair supports the IAA’s decision to no longer use forward rate evidence when estimating the Risk-Free Rate in light of their poor predictive power and the interest rate environment.

6.3 We support the continued use of a bond with a 10-year maturity. However, we are disappointed that neither the IAA nor EE showed any evidence of considering a period beyond 12 months, or Ryanair’s recommendation of a 3-year average period in particular – as shown in Table 3.2 of EE’s report, only 1- to 12-month periods were considered. In other regulatory decisions, sample periods of up to 5 years are used.

6.4 A 1-month period, as proposed, is overly exposed to outliers, as it includes only 31 data points. Such a small sample cannot be considered representative for the true risk-free rate in the economy. The justification provided by EE/IAA, namely that 1-month sample “provides a practical balance between reflecting current market conditions and smoothing day-to-day volatility” is weak and could arguably be used to justify any time period. This contrasts with the IAA’s views regarding the sample period for the asset beta, where it is deemed that “two-year estimates provide a strong balance between recency and precision”. Consider, as below, if the 1-month period was pre-28 Feb 2026 or post-28 Feb:

Table 3: Yield to Maturity on a 10-Year German Govt. Bond, February vs. March ‘26



6.5 We note that while EE pointed to lack of material difference in Irish and German government bond rates currently in order to justify the continued use of both, they made no consideration of the material difference in 1- and 12-month sample periods, as in Table 3.2 of the EE Report. We therefore cannot accept the lack of a material justification in itself as a reason to not use German government bonds.

6.6 We are disappointed that little consideration was given to solely using the euro area’s true risk-free asset, Bunds, as a proxy for estimating the Risk-Free Rate. Indeed, it is somewhat contradicted later in the decision when EE argue that “the Eurozone is a unified (albeit imperfectly) capital market... investors in Germany are free to invest in the ISEQ or any other

equity market in the eurozone as if it were say the DAX.” EE’s argument regarding the little material difference is moot; Irish government bonds have a lower credit rating than Bunds, they are less liquid and their market is shallower.

- 6.7 To ensure consistency with both the other parameters and the regulatory best practice in other member states, the Final Decision should estimate the Risk-Free Rate using the yield to maturity on a German 10-year bond and a sample period longer than 1-month.

Asset Beta:

- 6.8 We reject the IAA’s proposed 0.5 Asset Beta for Dublin Airport. This should be revised downwards to accurately reflect EE’s own analysis and Dublin Airport’s lower systematic risk relative to the listed international airport groups used in the comparator sample.
- 6.9 The relatively high Asset Beta value is a result of EE’s methodology, which arbitrarily excludes evidence that disagrees with their pre-determined opinion that asset betas should not be below a given value. This is particularly for the case of Fraport, where it is either excluded or its value replaced with that of Irish utilities (which we note below IAA refuses to include in the sample of companies used to estimate the Beta). Excluding evidence due to an ex-ante, self-decided “conceptual positioning analysis” is unacceptable.
- 6.10 We welcome the confirmation from EE that they will reconsider including Athens Airport in the sample for the Final Determination. However, we are disappointed that no consideration was given to other publicly traded entities with a similar risk profile to Dublin Airport, such as ENAV. The IAA did not address our specific request that they evaluate whether Dublin Airport’s exposure to systematic risk really is similar to a dual-till airport group with 400m passengers p.a. operating in Europe, Mexico, Jamaica, and Brazil.
- 6.11 We cannot accept the decision to choose a point estimate of 0.5 from a range of 0.35 to 0.50. There is no justification to pick a higher point estimate on the basis that making the sample smaller (i.e., arbitrarily removing Fraport evidence) results in the estimation increasing. We are also concerned that the decision to pick values between 2- and 3-year sample periods is arbitrary and amounts to cherry picking.
- 6.12 For the Final Determination, IAA must re-run the analysis using all available publicly traded entities whose risk profile is similar to that of Dublin Airport (i.e., European airports, ATC providers, and utilities), not make any arbitrary exclusions, and align the sample period with the Risk-Free Rate.

Equity Beta:

- 6.13 We do not support the move away from the Hamada formula and believe the proposal to replace it with the Harris-Pringle formula is not justified and is out of line with other regulatory decisions.
- 6.14 Europe Economics justify using the Harris-Pringle formula on the basis that Frontier and CEPA use it in their submissions. Europe Economics also justify it on the basis that it is “*commonly used in currently regulatory practice*”. We strongly dispute this and request Europe Economics justify this position by listing the airport charge regulatory decisions in Europe adopting this approach. We note the following regulators do not use the Harris-Pringle formula:

- The Spanish Regulator (“CNMC”) uses the Hamada Formula in their 2027-31 DORA III recommendations³, which is applicable at all Spanish airports including Madrid and Barcelona.
- The Italian Regulator (“ART”) uses the tax shield in their 2026 Cost of Capital Determination⁴, which is applicable at all Italian airports 1m passengers including Rome-Fiumicino and Milan-Malpensa.
- The French Regulator (“ART”) uses the Hamada Formula in their WACC guidelines⁵, which is applicable at all French airports over 5m passengers.
- The Finnish Regulator (“Traficom”) instructs the use of the Hamada formula, which is applicable at all Finnish airports including Helsinki⁶.
- The Belgian Regulator (“ART”) uses the tax shield in their ruling on 2023-28 charges at Brussels-Zaventem Airport⁷.

- 6.15 Companies, including airports, often receive a tax benefit from debt financing because interest payments are generally deductible for corporation tax purposes. This is also relevant in Ireland, although deductions are subject to applicable restrictions such as the Interest Limitation Rule. The tax deductibility of debt is one of the reasons debt can be more attractive than equity as a source of funding and reflects normal corporate financing practice. In our view, this should be recognised when adjusting betas for leverage and tax, as the tax shield associated with debt is an important part of the economic relationship between capital structure and the cost of capital
- 6.16 It is patently untrue in the European airport regulation context that the Harris-Pringle method is widely used and therefore this cannot be a justification to change the approach in calculating the Equity Beta. Unless there is a well-reasoned justification for moving away from the European regulatory norms or the previous approach adopted by IAA, the Final Determination must use the Hamada Formula.

Debt Beta

- 6.17 We cannot accept IAA’s assumption of a zero-debt beta given EE’s own analysis does not support that position. Using its market-based assumptions for the risk-free rate, equity risk premium, debt premium, probability of default and loss given default, EE derives an illustrative debt beta of 0.17.

³ Comisión Nacional de los Mercados y la Competencia: [Acuerdo por el que se emite el informe previsto en el artículo 25.3 de la Ley 18/2014, de 15 de octubre, de aprobación de medidas urgentes para el crecimiento, la competitividad y la eficiencia, en relación al Documento de Regulación Aeroportuaria](#), page 72.

⁴ Autorità di regolazione dei trasporti: [Misura 10.5 della delibera n. 38/2023. Determinazione del valore del tasso di remunerazione del capitale investito da utilizzarsi per l'elaborazione delle proposte di revisione dei diritti aeroportuali](#), point 3.5.

⁵ Autorité de régulation des transports. [Lignes directrices relatives à l'appréciation des niveaux de coût moyen pondéré du capital \(CMPC\) des périmètres régulés des aéroports relevant du champ de compétence de l'Autorité de régulation des transports – Décision n° 2023-052 du 9 novembre 2023](#), point 44.

⁶ Traficom. [Traficom's Instructions for the Setting and Estimation of the WACC](#).

⁷ Regulatory Body for Rail Transport and Brussels Airport. [Decision D-2022-04-LA on the tariff system and formula for tariff control for the regulated period from 1 April 2023 to 31 March 2028, as per the final proposal of Brussels Airport Company](#), point 6.1.2.

⁶ Berc Report on WACC parameter calculations according to the European Commission’s WACC Notice of 6th Nov. 2019 (2026), p63

- 6.18 EE acknowledge that a zero debt beta increases the WACC because when comparator betas are re-levered to the IAA's notional gearing, all systematic risk is allocated to equity. On the other hand, EE show that a 0.17 assumption would reduce the central equity beta from 1.00 to 0.93 and lower the real pre-tax WACC from 4.56% to approximately 4.31%.
- 6.19 While there is a case to be made for regulatory consistency, we cannot accept this given a number of changes are already proposed to be made to the WACC by EE/IAA. It would be unjustified to only retain the assumption that is embedding an upward bias in the WACC for the sake of regulatory consistency while other parameters change. The Final Determination should therefore adopt a positive debt beta as the evidence suggests.
- 6.20 This conclusion is further reinforced by the IAA's financeability assumptions. While the dividend assumption does not mechanically determine the appropriate numerical debt beta, it strengthens the case that a zero debt beta is not an appropriate central estimate. The IAA recognises in 11.40 that "*payment of dividends during a period of expansionary Capex will increase the actual net debt requirement*". In its base case, the IAA assumes that Dublin Airport continues to pay an annual dividend of 30% of profit after tax (PAT) while the full allowed Capex programme is funded through retained earnings and new debt. This implies rising debt and potentially higher leverage over the regulatory period. In that context, it is difficult to reconcile the assumption of a zero debt beta with the IAA's own financing assumptions. A positive debt beta would better reflect that debt is not risk-free and that some systematic risk is borne by debt holders, particularly where the business is expected to raise additional debt.

Equity Risk Premium

- 6.21 We support the continued use of the Total Market Returns approach and the use of the Dimson, Marsh and Staunton data set.
- 6.22 We do not support the proposed use of the arithmetic mean rather than geometric mean (or a blended approach) and believe the IAA have not justified this decision. The approach by EE assumes there is a settled consensus on geometric vs. arithmetic – there is not. This is evidenced by the approach taken by other regulators to use, as suggested by Ryanair, such as the French, Italian, Spanish and Dutch regulators, all of whom specifically acknowledge the absence of consensus and use a blended approach accordingly. Likewise, the data set presents both mean calculations to address the upward bias of the arithmetic mean and the lack of consensus on the best approach.
- 6.23 EE's claim that arithmetic as the correct averaging approach is "*clear and unambiguous*" is patently untrue. In addition to the widely acknowledged lack of consensus, EE's own assumptions used to justify the approach are themselves unclear. For example, it appears the measurement interval used to estimate the arithmetic mean by EE is 1 year. This of course is arbitrary – why was, for example, 1 month not chosen? The arithmetic mean of monthly returns, annualised, is materially higher than the arithmetic mean of annual returns, so the answer to this question is highly relevant. Furthermore, EE's claim that "*The only context in which geometric means would be relevant [...] if marginal investors [...] faced obligations to hold assets for extended periods*" is inconsistent as they themselves assume the investor must hold for 1-year (rather than 1 day, 1 month, etc.).
- 6.24 Additionally, the arithmetic approach is also inconsistent with the rest of the proposed WACC. Notably the Risk-Free Rate, which is based on the yield to maturity of 10-year IE/DE

government bonds, reflects annual compounding returns (i.e., geometric). Under the TMR approach, this means IAA subtract a compounded return from a simple return.

- 6.25 If we accepted EE's view that the long run data should be used only as a proxy distribution for investor expectations for future outcomes, the IAA should consider that the current macroeconomic environment and outlook suggest materially lower returns. Analysis from the ECB shows that higher discount rates and weaker growth expectations can materially reduce equity valuations, such as 2022 Ukraine-War and 2024 Tariffs. Given the current euro-area macroeconomic conditions and outlook, including a rise in interest rates last week, a TMR closer to the lower end of available evidence would therefore seem appropriate than the IAA's central estimate of 6.98%.
- 6.26 The proposed arithmetic approach overstates Dublin Airport's cost of equity. Given the lack of consensus, the flawed justification by EE, the incoherence in their approach, the IAA must reconsider this approach for the Final Determination.

Aiming Up Allowance & Triggered WACC

- 6.27 We welcome the IAA's removal of the aiming up allowance, which now removes Dublin Airport as an outlier in the EU airport economic regulatory context. In the current regulatory period Dublin Airport has consistently outperformed its allowable profit margin / cost of capital, but has nevertheless failed to invest in line with its own CIP or the IAA's capital allowances. This undermines the IAA's view expressed in previous determinations that the cost of capital must be set higher than the point-estimate of the true cost of capital in order to protect incentives to invest. It is clear that an aiming up allowance did not avoid this supposed welfare loss and simply burdened airport users with higher capital costs than was necessary.
- 6.28 We also welcome the IAA's rejection of Dublin Airport's proposed inflation adjustment. As shown, there is no evidence that Irish CPI is consistently below the inflation estimates to deflate the WACC. In any case, it is inherent to the model at Dublin Airport that regardless of the estimate used to deflate the WACC over 5-years, this will likely never match the outturn inflation.
- 6.29 However, the proposed 5.23% WACC for triggered projects appears excessive, as it is based on the assumption that all incremental triggered investment is financed through 100% new debt. The IAA acknowledges this is unlikely to reflect the actual financing mix and that the assumption includes an element of upward bias, noting that triggered projects would not in practice be expected to be financed entirely through new borrowing. This amounts to an additional conservative financing assumption on top of the core WACC.
- 6.30 A more balanced approach would be to apply the same debt mix used in the core WACC, or only a modestly higher new-debt weighting if there is clear evidence that incremental borrowing is required. This would reduce the risk of over-remunerating triggered investment while still allowing for any genuine increase in financing costs associated with new projects.

New Debt

- 6.31 We support continuing to estimate the cost of debt by estimating the cost of embedded debt and the cost of new debt. However, recent European airport bond issuance suggests the proposed broad iBoxx A/BBB non-financial corporate benchmark (4.04% to 4.10%), may overstate the efficient cost of debt for an airport with strong credit like Dublin Airport.

- 6.32 Aena issued a €500 million 10-year bond in January 2026 at a yield of 3.60%, around 44 bps below the A-rated index and 50 bps below the BBB-rated index⁸. Aena was also rated A with a stable outlook by Fitch at the time and the issue was heavily oversubscribed, demonstrating that an airport operator with strong credit quality could access long-term debt materially below EE's proposed benchmark. Schiphol issued 12-year bond in September 2024 with a 3.375% coupon⁹ and an implied yield of around 3.5%, while the proposed benchmark at the time was between 3.65% to 3.8%. This issuance was c. 15bps below the A-rated benchmark and 30 bps below the BBB benchmark¹⁰. Taken together, these transactions show that strongly rated airport operators can raise 10+ year debt below broad corporate index levels.
- 6.33 Given Dublin Airport's own "A" rating, as reaffirmed on 24 July 2026, greater weight should therefore be placed on actual airport and infrastructure issuance and on A-rated evidence. A conservative way of reflecting this evidence would be to apply a modest 20 bps downward adjustment to EE's 2.14% real cost of new debt estimate. This would reduce the real cost of new debt to 1.94%. This is still relatively cautious in comparison to the discounts observed on the Aena and Schiphol transactions, while better aligning the allowance with the financing costs actually achievable by strong airport credit metrics.

New vs. Embedded Debt Weighting

- 6.34 We do not support the proposed 48% weighting for new debt, which is derived from the €1.5bn new debt needed for untriggered Capex. This weighting is too high given the historic level of investment carried out by Dublin Airport and its dividend policy.
- 6.35 As IAA acknowledges, Dublin Airport delivered only around 57% of untriggered Capex allowances in the 2023-26 period (€883m spent vs. €1.544bn allowance). This has resulted in €116m being returned to users in 2027-31 for capital costs relating to investments which were never carried out. In this period the IAA assumed 27% new debt. Against this backdrop, a proposal to increase the proportion of assumed new debt from 27% to 48% risks rewarding Dublin Airport for financing costs for investments that may be delayed or not even delivered within the period. We cannot accept this.
- 6.36 Furthermore, a 48% new debt assumption suggests that that debt is being raised to fund dividends to shareholders rather than to fund investments. The IAA acknowledge that that dividend payments during a period of Capex expansion increases the actual net-debt requirement (section 11.40 of DD). The IAA also run the financeability assessment on cash flows post dividends. If there were no dividend payouts, the net debt requirement would be less than €1.5bn and therefore the new debt assumption would be less than 48%. It is unfair to penalise users with higher capital costs as a result of Dublin Airport's dividend policies and the IAA's financeability adjustments. To illustrate the above point, adjusting for dividend distributions would reduce the IAA's new debt weighting to c. 40%.
- 6.37 Considering the historical inability for Dublin Airport to deliver Capex, as well as the new debt requirement excluding dividends, we believe that IAA should consider a range of new debt weighting between 27-40%. The lower bound reflects regulatory precedent while the upper bound reflects a conservative adjustment to financing assumption for new borrowing to fund

⁸ Aena (2026) 'Aena issues a 10 year bond for an amount of €500 million with an annual coupon of 3.5%', 16 January 2026.

⁹ Royal Schiphol Group (2024) 'Royal Schiphol Group issues €600 million in bonds for investments in infrastructure', 11 September 2024; Royal Schiphol Group (2026) EMTN Programme – Outstanding Bonds.

¹⁰ Royal Schiphol Group (2026) Credit Rating.

continued dividend payments. A midpoint estimate of 35% is a more balanced weighting that recognises higher expected investment while avoiding burdening users with capital costs relating to new debt that may not be required.

Financeability

- 6.38 Ryanair reiterates its opposition to any financeability adjustment. The legislature clearly removed the obligation of the IAA to ensure financeability from the Air Navigation and Transport Act 2022. Continuing to apply such an adjustment amounts to ignoring the wishes and intentions of the legislator.
- 6.39 The IAA concludes that Dublin Airport could execute €570m Capex p.a. for the period without financing issues, even in periods of stress, such as falls in traffic or commercial revenues. The IAA acknowledge the stress tests which result in a net downside for Dublin Airport have historically not occurred outside of the Covid-19 period. This must be the starting point – the proposed settlement is entirely financeable with a level of Capex p.a. that many airports spend in an entire regulatory period. For example, Brussels Airport will invest just under €600m in the 2023-28 period. It therefore does not appear warranted to grant any pre-financing through the use of triggers. If Dublin Airport wishes to spend beyond €570m in a given year, users should not have to prefinance that.
- 6.40 We disagree with the IAA's point in 11.44 and believe the IAA must reconsider the treatment of dividends during financeability tests. While dividends are removed in the stress tests, the base case financeability tests appear to include a 30% payout. The IAA acknowledges that dividends during an expansionary investment period increase the airport's net-debt requirement and that the Government's 30% figure is only a guideline which must reflect financial circumstances and investment plans. Regulation is meant to emulate a competitive market, and in a competitive market, during periods of high Capex, a firm must adjust its behaviour – whether that is dividend restraint, Capex reprofiling or even seeking equity injections. Therefore, the point is not moot and the IAA must explore these options before treating additional revenue from users as necessary.
- 6.41 Any additional support should consequently be conditional, project-specific and activated only when efficient investment is actually delivered and a financing need is demonstrated. Financeability can be considered a cross-check on an efficiently determined settlement, but cannot be a mechanism for transferring delivery, financing, and dividend-policy risks to users.
- 6.42 Notwithstanding this, we support IAA's proposal to only allow "A triggers" if Capex is materially higher than the untriggered / financeable scenario i.e., if Capex to date is higher than €570m p.a. This correctly acknowledges that Dublin Airport's Capex spend will likely consist of triggered and untriggered projects, and so it would be unwarranted to grant pre-financing of triggered projects if untriggered Capex is not progressing as planned.

Summary

- 6.43 The IAA's proposed real pre-tax WACC of 4.56% for Dublin Airport overstates the efficient cost of capital for a state-owned monopoly airport. The WACC estimation is the result of a number of flawed assumptions when estimating the individual parameters which diverge from the regulatory best practice across the EU, as outlined above. Where IAA seeks to maintain this position in the Final Determination, it must justify this divergence to users.

7. Capital Costs and Capital Investment Programme (CIP) 2027-31

- 7.1 The IAA's proposal to approve in principle Dublin Airport's €5.6bn CIP with only minor cost reductions (i.e. €5.4bn in nominal terms, a c. **-3%** reduction) and refusing only 2 projects represents a complete abdication of its responsibility to protect users and their passengers from market power abuse on the part of the Dublin Airport monopolist. The reality is that Dublin Airport needs nowhere near €5.4bn worth of investments and this is simply a way to hike charges with gold-plated infrastructure that the vast majority of passengers don't need but will be forced to fund, not only for 2027-31 but also beyond due to the long-term impact of Capex on charges.
- 7.2 The IAA's approval of €5.4bn Capex (nominal terms, unlike the IAA's press release which used real terms), of which €4.1bn could be delivered within the 2027-31 period, is unprecedented, excessive, and bears no relationship to need or Dublin Airport's ability to deliver such a programme. As stated in the July 2025 Issues Paper, the most Dublin Airport has delivered over a 5-year period is €1.7 billion (in 2025 prices) and this involved building a new terminal in a defined part of the campus. Even Dublin Airport in their financeability analysis expects to not deliver more than 50% of its planned Capex (IAA Draft Determination Section 10.52).
- 7.3 It is poor regulatory practice to allow significant Capex (even if subject to triggers) where the regulator (and airport) know it is undeliverable over the regulatory period. A more realistic, right-sized programme of Capex would send the correct signal to the regulated entity, airport users and financial markets. It would also remove the uncertainty regarding how charges will develop over the period – the IAA proposes a Price Cap range of €7.50 to €11.05 by 2031 depending on Capex triggers.
- 7.4 There is a lack of evidence that the IAA has incorporated users' views in a meaningful way, given that it proposes to allow €2.6bn untriggered and €1.5bn triggered Capex within the period, with the remainder to be spent in future periods. This very large allowance given the concerns expressed by Ryanair and that only 34% of the projects proposed gained support from one or maximum two out of the eight stakeholders that responded to Dublin Airport's proposal. There does not appear to be a broad backing of the current airport users. While the IAA may also consider potential future users when assessing need, no evidence has been provided to demonstrate which projects future users need/ support and current users oppose.

Deliverability

- 7.5 We do not believe that Dublin Airport will be able to carry out the investments that the IAA has approved. This will result in charges being set too high and airport users paying for investments which don't take place – as happened over 2023-26, resulting in €162m in capital costs being returned to users in 2027-31.
- 7.6 We welcome the IAA's acknowledgment of this historic under-delivery of Capex, with 43% of untriggered allowances in 2023-26 being unspent and a majority of trigger projects never materialising. IAA has attempted to address this historic underspend by making remuneration for more projects subject to construction actually beginning (i.e., triggers) and by reducing the overall non-triggered allowance envelope for two groups (Commercial and Asset Care) by c. 30%. However, this does not go far enough and will likely still result in airport users paying more capital costs throughout the period than is required.

- 7.7 In particular, IAA propose a €2.6bn untriggered Capex allowance. Of this, €812m relates to ongoing investments from 2023-26. The remaining €1,772m relates to new investments, which means Dublin Airport will receive over €1.7bn upfront, with no need to provide evidence of investments actually being undertaken. This is increasing charges and meaning users are paying more than they would otherwise. We cannot accept this.
- 7.8 Of the total €2.6bn, only €0.4bn relates to projects to expand capacity (80% of capacity projects are triggered). When benchmarked alongside European comparisons, this amount is excessive – many airports spend less overall while undertaking expansions. We cannot see any evidence that IAA seriously considered this.
- 7.9 In terms of the increase, IAA expects that Dublin Airport will be able to increase spend on Capex from less than €300m in 2025 to over €800m per annum in 2031 (Figure 10.8 of DD). An increase in investment of this magnitude would be challenging for any organisation, not least Dublin Airport who demonstrated historically they are unable to do so. An increase in this magnitude also raises concerns on efficiency, value for money and cost controls – we do not see any evidence IAA has considered this.
- 7.10 Additionally, there are several projects which Dublin Airport has not applied or received planning approval for yet. Given the delays associated with planning applications, the proposal to include such projects within the period allowance is irrational, even if they are subject to triggers.
- 7.11 Finally, we cannot see sufficient evidence that the IAA has considered that even if Dublin Airport was able to deliver all approved projects and max out Capex allowances, it would cause substantial operational disruption and detriment to current users and their passengers. This is particularly concerning given that majority of the projects are not critical or demanded by users.
- 7.12 In light of the clear deliverability concerns, IAA must provide even steeper headline reductions in the allowances for all Capex. IAA must outright reject a number of trigger projects.

Consultation

- 7.13 As set out in the Airport Charges Directive 2009/12/EC Article 6 (2) airports must consider users' views before finalising investments. Dublin Airport placed no weight on users' views: only 39 out of the 116 projects presented in the proposal were supported by 1 or 2 out of 8 stakeholders who made submissions in response to the CIP27 consultation. Some projects were supported but not at the scope / cost proposed, yet no changes were made – Dublin Airport took a cavalier approach to considering users' views on scope and need.
- 7.14 In any case, the IAA propose to approve 77 projects that have not received any user support. Neutrality or support at reduced cost does not equate to user support for the projects as scoped. To ensure that that users were provided a meaningful consultation the IAA must take into account users' actual demands to justify a CIP of this magnitude.
- 7.15 We support the IAA's decision to require Dublin Airport to report quarterly on delivery against planned timelines.

Assessment of Efficiency & Need

- 7.16 We repeat our concerns raised that the process for approving capital investments at Dublin Airport is entirely flawed. The IAA (and their consultants) continue to ask the wrong question when evaluating the efficiency of an investment, by focusing on solely whether proposed cost of the investment, as specified by Dublin Airport, is generally line with cost benchmarks. The IAA and IFS do not evaluate if the proposed investment is the most efficient way of meeting the identified need i.e., the IFS is not challenging the scope relative to the need in a meaningful way.
- 7.17 Many projects are carried over from the previous regulatory period. However, their scopes and costs have changed considerably – which undermines the previous evaluation that they were efficient and planned with future needs. The IFS should therefore include a comparison of scope, efficiency, and cost comparison for all projects carried over. The IFS must explain cost increases and how these new scope/cost remains efficient.
- 7.18 Furthermore, the assessment for capacity of Dublin Airport also asks the wrong question. The work undertaken by To70 seeks to analyse whether the proposed CIP will accommodate the expected demand. This analysis would be helpful in the instance where users had concerns about underinvestment and capacity investment plans – which is clearly not the case at Dublin Airport. The assessment addresses adequacy, not need, which is the wrong question. Instead, a more meaningful assessment would be what is the required efficient scope of investment in order to cater to expected future demand rather, than whether there is more than sufficient capacity. The latter question leads to over delivery and provides no incentive for Dublin Airport to assess what is actually required.
- 7.19 It is unclear why the airport comparison group is limited to the small sample of UK and Irish airport expansions. There are many good examples of efficient airport expansions which should provide not only a benchmark for Dublin Airport's CIP but indeed also a blueprint for efficient expansion. For example, the recent efficient expansion at Milan-Bergamo added security screening, gate, and stand capacity.
- 7.20 The main driver used to assess the need for a project must be user demand, as ultimately they are the ones that pay for and use the infrastructure. It is unclear how with such limited user demand, Dublin Airport was awarded essentially the entire CIP27 proposal.
- 7.21 The assessments that the IAA has relied upon by the IFS and To70 do not address the need and timing of projects. The IAA has essentially adopted Dublin Airport's method of assessing capacity and equating this to assessing need, which is incorrect. This exercise assesses sufficiency, not need. For example, To70 assesses whether the CIP27 provides sufficient capacity, not whether the project is needed within the regulatory period.
- 7.22 This results in a situation where IAA approves projects that deliver far more capacity that what is required over the short-to-medium term, which is premature, especially as long-term projects are not solidified. This risks a situation where users pay for projects now without receiving any benefits in the medium- to long-term due to potential interference with long-term projects, which deem the capacity enhancing project started now obsolete.
- 7.23 In general, the IAA must not rely on benefits to unspecified potential future users in assessing the need for projects in the near-term.

Inflation

- 7.24 Ryanair completely rejects the IAA's proposed acceptance of Dublin Airport's bogus "inflation" cost line added to every project except IT projects. This "inflation" surcharge adds €636m (+11%) to the total cost of the CIP. The IAA has provided no justification for the inclusion of such a surcharge in each project – which is a departure from the approach taken when estimating Opex, where real / above inflation increases in costs are only permitted after scrutiny and consideration of broader market factors. It simply is not credible that every project requires an inflation uplift.
- 7.25 Additionally, we remain concerned about the validity of the proposed inflation measure. It is unacceptable to use a construction inflation "forecast" using backward looking data from an industry body. If any inflation surcharge forecast were to be used, it must be an independently verifiable and transparent forecast. The IFS has assessed the construction inflation assumptions made by Dublin Airport using UK data. Given that Dublin Airport's justification for the inflation surcharge is broader price pressures in the Irish construction market, the use of data from a separate market is inappropriate. We therefore cannot accept it has been robustly tested.
- 7.26 Ryanair supports IAA's continued annuity-based approach to setting of depreciation. This allows costs are spread across the full asset life opposed to users bearing a disproportionate share of the costs now.

Untriggered Capex

- 7.27 The proposed €2.6 billion allowance for untriggered projects is excessive. As outlined above in the Deliverability and Need sections, we believe this bears no relationship to either need or the likelihood of deliverability. By proposing this level of Capex within the base Price Cap, IAA is rewarding Dublin Airport with revenue that it has no right to earn as it will simply not be able to deliver this proposal within the period. The fact that underspending will be clawed back at the start of the next regulatory period will not negate the fact that charges had been set too high during the period damaging users' interests, growth of the Irish air transport market, and ultimately the Irish economy.
- 7.28 We welcome the IAA's cost reductions proposed by the IFS and reducing Asset Management and Commercial envelopes by roughly 30% due to severe underspending in the previous periods. However, the reduction amount is arbitrary and there is no evidence to suggest that Dublin Airport will deliver more than in the previous period. Therefore, we call on the IAA to further reduce the magnitude of all of the envelopes to bring it in line with historical expenditure.
- 7.29 Disappointingly, the IAA has disallowed only two proposed projects from the RAB and even with the IFS cost reduction, there has been a lack of scrutiny on the projects' need and benefit to users. IAA has again not demonstrated how it had substantially considered users' comments regarding whether certain projects can be deferred, are the most cost-efficient and effective manner to meet the stated goal, and whether these projects can achieve cost savings via alternative funding (e.g., environmental initiatives for sustainability projects).
- 7.30 In general, Ryanair considers that the totality of flexible allowances across all untriggered projects is excessive given both the increase in magnitude and the persistent under-spending

by Dublin Airport. The IAA should reduce the envelopes further and also limit the envelopes of other areas such as IT and sustainability.

StageGate

- 7.31 Ryanair generally supports the StageGate process. It is critical that Dublin Airport continues to adhere to the principles underpinning the process, including the rigour of assessment and allow for complex and critical projects with potential for delays to enter the process regardless of if it does not meet the set thresholds.
- 7.32 We welcome IAAs decision to not be bound by the StageGate threshold amounts by including the bolt-on projects and water expansion, but we urge IAA to apply this more frequently and not be constrained by total cost.
- 7.33 Ryanair continues to push for StageGate projects not to be limited to a certain threshold. Given the size of CIP27 many projects are not able to consider the potential impacts of long-term investments, therefore users should not be burdened with the cost of these projects only for them to be aborted before the end of the asset life.

Trigger Projects

- 7.34 The proposed allowance of up to €1.5bn triggered Capex for the regulatory period validates the unprecedented levels of Capex spending proposed by Dublin Airport. With that said, Ryanair continues to support the IAA's use of triggers for large capital projects and its decision to reject Dublin Airport's proposed pre-project commencement trigger. Given the magnitude of the CIP, Dublin Airport's historic underinvestment, and delays related to planning permission, it would be put users under undue cost pressure if the projects entered the RAB before evident deliverability commitments.
- 7.35 Indeed, to ensure efficient cost forecasts, all StageGate 0 allowances, which determine the trigger amount, must be adjusted downwards. We note that in the current period some StageGate 1 allowances were lower than the SG0 allowance. While we of course welcome value for money on investments, we do not accept that Dublin Airport received a trigger based on a higher SG0 allowance when the SG1 allowance was reduced.
- 7.36 Ryanair does not support the percentage split proposed by the IAA between Trigger A and B. Currently the allowance split of 79% for Trigger A acts as pre-financing, as 79% of the capital cost enters the RAB when Dublin Airport obtains the planning permission and commences construction. Instead, more weight should be placed on Trigger B. Currently, Dublin Airport can take advantage of slow project delivery and an inflated RAB, while users carry the burden. If more weight was placed on Trigger B, Dublin Airport has stronger incentives to complete the project in a timely manner. The weights between Triggers A and B should therefore be reversed, where majority of the cost should be obtained when the project is completed.
- 7.37 IAA must continue prevent any additional allowances for trigger projects if there is material underspending on the rest of the CIP. We support the overall Capex spending condition before a trigger is unlocked as proposed by IAA.
- 7.38 Finally, only necessary and thoroughly evaluated projects should be included in the CIP and triggers to prevent situations like with *West Apron Underpass*, where Dublin Airport is now

proposing to close Rwy 16/34, making the project obsolete. Ryanair continues to oppose the project and calls on the IAA to exclude it from the RAB as it is a wholly abortive expenditure.

Individual Projects

- 7.39 Ryanair has engaged significantly with both Dublin Airport and IAA on the CIP, particularly in our 8 May submission. Given the limited adjustments proposed since then, our feedback broadly remains unchanged. We outline our feedback to each envelope and project in an appendix to this document. Below we provide some specific feedback on the IAA's proposed approach to dealing with each project.

Airport Development

- 7.40 Ryanair supports that majority of the expenditure in this envelope is triggered in light of the planning and deliverability challenges. However, €412m for the untriggered unspecified works with generic headings is excessive.
- 7.41 Ryanair continues to query the excessive expenditure proposed for projects with vague information and justifications, e.g., Airfield Safety Projects, Airfield Operational projects. It is unsatisfactory that the IAA is proposing to allow such high levels of expenditure for these, as it provides Dublin Airport a carte blanche to spend money without necessary scrutiny or justification, especially as many of these projects sit outside the StageGate process.
- 7.42 Allowing capital funding for feasibility work only on the Pier bolt-ons is not appropriate and these costs must be disallowed until there is certainty that the projects will proceed to ensure that users do not pay for investments which may not proceed and which users cannot benefit.

Pier 1 East

- 7.43 While we continue to support a low-cost, efficient expansion of Pier 1, with a simple scope and walk on, walk off contact stands, we cannot support the IAA's proposed approval of Pier 1 East in its current scope. The design of the pier remains over-scoped given that the project includes elements, such as lounges and fixed links, that the principal user (Ryanair, who are 75% of T1 traffic) does not require.
- 7.44 We reject the IAA's claim that air bridges are cost neutral for users that don't use them, such as Ryanair. The reality is the new investments alone will far outstrip the existing revenue raised from the airbridge charge: Dublin Airport collected €2.6m in airbridge charges last year (+2% YoY, despite a +12% increase in the unit rate), but on the other hand the revenue requirement (depreciation + return) for the new airbridge investments is estimated at €3.46m p.a. in real terms¹¹. This is in addition to the existing airbridge and fixed link investments in T1 and T2, as well as the proposed airbridges on Pier 5. It is therefore clear that airbridge charge revenue does not cover their costs and are not cost-neutral.
- 7.45 In section 2.7 of Appendix 1 (CIP review by project), we note the IAA has omitted the second half of the IFS's conclusion, which we insert here with our emphasis: "*While we note that there has been some disagreement over the inclusion of fixed links and airbridges, **we note that this relates to the need for the project output as scoped and so is a matter for the IAA***"

¹¹ Source: IAA's Draft Financial Model, depreciation and WACC costs for 2027-31 for the projects *Dual Passenger Boarding Bridge to Stand 315C* and *Passenger Boarding Bridges and Fixed Electrical Ground Power Upgrades*, as well as 5% of those costs for *Pier 1 East*.

to decide, rather than a scoping inefficiency.” This confirms Ryanair’s position as outlined above – the IFS’s analysis is too narrowly defined by the IAA and cannot evaluate if Dublin Airport’s proposed scope is necessary to meet an agreed output.

- 7.46 The IAA’s decision in this regard cites the “*flexibility*” and “*future-proofing*” of multi-functional facilities. We note this approach is not considered elsewhere, for example, with the lack of such facilities in the proposed PBZ. Additionally, the IAA justifies this with a reference to Lufthansa’s desire for airbridges in T1, of which there are already plenty, and the Passenger Advisory Group’s opinion. The PAG do not pay airport charges so their position should not be considered a counterweight to an airport user’s in this context. This is a very weak justification and amounts to the IAA waiving through the monopolist’s request – from which they will earn considerable extra revenue at the expense of all airport users.
- 7.47 It is concerning that Modules 2 and 3 have not been submitted for planning. This reduces the likelihood that the works will commence within the next regulatory period and highlights the systematic inability for Dublin Airport to deliver on its CIP.

Terminal 2 CBP and Transfer Extension

- 7.48 This project should be deferred until there is a cost-efficient and “future-proof” plan established. The IAA approve the project on the basis of user support and because it is subject to StageGate. However, only 2 out of the 8 stakeholders that responded support it
- 7.49 Furthermore, it has failed the IFS assessment. Even under StageGate, Dublin Airport should not be awarded for incomplete and future-uncertain projects. The cost for this project has increase by +101% from the previous allowance, without any substantial reasoning provided. Ryanair’s queries about how “Design Refinement and Rate Escalation” has increased by +€64m continues to be unanswered. Furthermore, the IFS deems this project to not meet the necessary standard of efficiency and the intended scope. It is also at risk of having to be reconfigured in the future due to limited built in flexibility.
- 7.50 Additionally, the IFS has deemed this project’s objectives cannot be delivered in full, the scope cannot be deemed efficient, and there is potential double counting. Additionally, costs for E-gate and one-way corridor are omitted due to duplication of costs that Dublin Airport has also confirmed. Despite this, the IAA has still approved the entire project with only a -5% cost reduction, with extra conditions for Dublin Airport to meet. We cannot accept this.

Pier 5, South Apron Expansion, and Gate Post 4 Relocation

- 7.51 The costs for these projects remain excessive and unjustified, regardless of multiple queries and concerns that Ryanair has raised throughout the consultation period. It is unclear how the original cost of the three projects was €502m but separated out they will cost €689m: Pier 5 is now €443m, South Apron Expansion €226m, and Gate Post 4 Relocation at €20m. The costs must be value engineered to ensure that the project is delivered at the original agreed cost. The increase in costs is completely untransparent.

Eastland Cargo

- 7.52 This project has been approved in full before Dublin Airport was required to address any of the queries raised by Ryanair, Aer Lingus, IAG, and Worldwide Flight Services. Neither the IAA nor Dublin Airport, have addressed Ryanair’s concerns about the fact that the West Apron

Underpass was previously supported by cargo operators, yet now the operations appear to be moved to the East.

- 7.53 Furthermore, this project remains unnecessarily complex by needing to construct a bridge over the main airport access road. We do not accept the IFS's claim that alternative options were discussed before the final proposal was put forward – this implies the IFS is relying on Dublin Airport's optioneering process and not their own, independent process to identify cost-effective alternatives. Dublin Airport must propose more cost-efficient and simpler alternatives.

Wide Body Engine Test Facility

- 7.54 The business case for this project has not been justified. The IAA have not acknowledged that given the proposed cost, asset life and usage estimates, the proposal equates to upward of €20,000 per use. This project has been rolled over from the 2023-26 with no substantive changes in scope, yet Dublin Airport is looking for an extra €21m. Furthermore, this project was originally supposed to be operational in 2023, which again shows Dublin Airport's inability to deliver projects as planned.

MV/HV Network Expansion

- 7.55 The proposed costs for this project have escalated dramatically (+615%) without adequate explanation. The need for a new comprehensive study suggests that the original study was not appropriate. Therefore, instead of approving an excessive project the IAA must ensure that the scope is efficient and necessary, and users are not left paying for another inadequate study.
- 7.56 Additionally, the need for full scale of works within the next 5-year period has not been justified. The works should be phased over a longer period.

Integrated Transport Hub

- 7.57 This project remains grossly over-scoped, appears rushed and ill-thought out, and the scale is not justified in relation to the expected commercial revenues.
- 7.58 Dublin Airport's justification for the project is passenger experience improvements, albeit that is highly questionable. T1 passengers will be disrupted by the demolition of the multi-storey car park once it reaches its asset life, and the current plans provide no comfortable access point for T2 passengers. The IAA also deem the project in the interest of passengers, without taking into account the fact that it is limited to T1 passengers and does not last for the entire duration of the new station's asset life. The level of improvement is overstated by Dublin Airport and IAA.
- 7.59 The project appears poorly thought out. Dublin Airport claim it will be linked with the metro station and T2, yet this has not been included in the planning permission for the project. Furthermore, the project fails to consider the impact of T1 long-term plans. It is unreasonable to spent €140m on a bus station with an asset life of 25 years if it will become incompatible with other future projects. Ryanair agrees with the IFS that this project cannot begin before a decision is made about the future plans of T1.

- 7.60 Evidently, the project remains over-scoped and includes unnecessary gold-plating, while not delivering the “future-proofing” and “consumer benefits” presented by Dublin Airport, and reiterated by IAA.

Existing Pier 2 and 3 Optimisation Refurbishment

- 7.61 These two refurbishment projects’ costs are excessive given that these do not increase capacity and, uncertainties about the future of these two piers, could lead to the projects being aborted.
- 7.62 The need for this this project is unclear given that both projects were supported by only 1 out of the 8 stakeholders. This demonstrates that users’ views were not sufficiently considered or certain user’s views are overstated. Either way the IAA has failed to correctly incorporate the views of users.
- 7.63 Specifically for the Pier 3 project, Ryanair asked for clarity on the F&B fit out costs. We also raised that Pier 2 facilities have been recently renovated. However, no information has been provided concerning how these costs were absorbed in the March submission compared to the November one given the scope remained unchanged.

PBZ Relocation

- 7.64 Ryanair supports the PBZ relocation over the unnecessary Pier 6 project that was originally proposed. However, the IAA must ensure users that this will be treated as a permanent solution and not subsequently written off for the construction of Pier 6.
- 7.65 We note the cost per gate, cost per sqm, and cost per stand for this project is substantially lower than, for example, the Pier 1 East project. We accept there are differences in standards and passenger flows (departing vs. arriving and departing flows). However, it is notable that Dublin Airport can propose more efficient, low-cost scopes when it wants to.

Sustainability

- 7.66 Ryanair is Europe’s greenest major airline, and we have a number of next-generation, quieter aircraft based in Dublin Airport and across Europe. We continue to invest in more environmentally efficient aircrafts, with MAX 10s arriving from next year. Nevertheless, Ryanair does not support excessive spending on inefficient projects, just because these are deemed “sustainable”.
- 7.67 Dublin Airport must still ensure that only the necessary, sustainable, and cost-efficient projects are included in the CIP27, with all the possible cost-saving measures considered. For example, where possible, majority of projects should be funded by publicly available environmental funding rather than by users, especially as the airlines are already directly contributing to sustainability via their own operations through purchase of SAFs and investing in new, more fuel efficient, fleets.
- 7.68 Given the gross under-investment in this area (only 18% of the untriggered 2022 allowance spent), Ryanair does not support increasing the allowance of untriggered Capex in this area to 60-70%. No allowance of more than 20% should be given to be consistent with past performance.

Terminal 1 & Pier 1 Renewable Heating

- 7.69 As Ryanair has consistently shown that many sustainability related projects can avail of grants. The report from the IFS is specific that this project may avail of 60% grant support from the CEF AFIF programme, which would allow for a cost saving. As a result, the IAA must reduce the cost allowance accordingly as approving the full amount provides no incentive for Dublin Airport to actually source the grant. The Trigger amounts must be adjusted accordingly.

Biodiversity & Natural Habitat Restoration

- 7.70 Neither the IAA nor Dublin Airport, have addressed Ryanair's concerns about double charging. Dublin Airport already charges airlines to protect rivers from de-icing fluid run off as part of its annual fees. The IFS assesses only if there is no double counting between projects proposed, but not with other services. Therefore, airlines need to be ensured that they are not double paying for this service.
- 7.71 The IFS has identified issues with the location for the project. These include the potential need for Dublin Airport to purchase land in case the established areas cannot be made into new biodiversity corridors or are found unsuitable. Secondly, the proposed site may lead to a risk of bird strikes. This should be identified and verified prior to starting the project, and these risks must be mitigated before approving €20m for the project.

Asset Management

- 7.72 Dublin Airport severely underspent within this category. It spent only 44% of the CIP20+ allowance between 2023-26. Ryanair supports IAA's decision to limit the envelope to 66% of the total proposal, given that all the projects within this envelope are untriggered. Nevertheless, this remains too high and must be further reduced.
- 7.73 Additionally, Ryanair's questions concerning the very high capital costs proposed for most maintenance items and whether the totality of airside maintenance works could be completed within the period without undue disruption to airport operations remain unanswered.

Commercial

- 7.74 Dublin Airport spent only 32% of its commercial allowance in the last regulatory period, yet it was able to generate commercial revenues substantially higher than what was forecasted by the IAA and in its Regulatory Proposition. It is therefore critical that the IAA revisits its commercial revenue forecasts to ensure that it does not continue to under-forecast the potential gains, especially as IAA is proposing to increase the level of permitted commercial spending.
- 7.75 Factoring in the proposed Capex allowances, Ryanair expects to see significant revenue uplifts related to new Capex projects recognised in the calculation of commercial revenue allowances over and above the base level allowances.

Security

- 7.76 Ryanair rejects IAA's full allowance for all security projects, apart from the Remote Screening Project, as costs for several projects have risen without explanation compared to the last CIP.

This is consistent with Dublin Airport's tendency to attempt to creep in Capex increases. The allowance should be pared back to match the allowances previously considered efficient.

IT

- 7.77 Ryanair strongly objects to the process for granting Dublin Airport a €145m allowance and believes this allowance is entirely unwarranted. Dublin Airport spent 68% of the CIP20+ allowance (€82.3m), which implies that it spent roughly €56m of the allowance. Expecting Dublin Airport to now spend over double the amount is unjustified and unrealistic.
- 7.78 From the outset it must be noted that IT was the only project area where no scope or cost reductions were presented between the €9.2bn proposal of November '25 and the €5.6bn proposal of February '26. Dublin Airport provided no justification for the fact every IT project scope and cost was unchanged. We also note only 2 projects out of 14 approved were supported by 1 out of the 8 stakeholders.
- 7.79 The reality is that no serious assessment of IT projects has been carried out by the IFS. This is evident in the IFS using a different methodology for IT than all the other project areas. The IFS appear to blame this lack of assessment on Dublin Airport's failure to provide sufficient information on cost estimates. These projects should not be subject to less scrutiny on the grounds that Dublin Airport provided less transparency. Given no assessment has been undertaken, it is not acceptable that the IAA has approved the allowances as requested by Dublin Airport with no adjustment.
- 7.80 Unlike all other projects, IFS use a top-down estimate to "ensure the IT costs are efficient". This approach is flawed. Firstly, it uses a backward-looking analysis and claims Dublin Airport spends consistently less than a benchmark in order to inform the relevance of Dublin Airport's planned future spend. Although Dublin Airport's IT Capex to airport revenue ratios were 2.3-2.5% in 2023-25, for 2027-31 they are forecast to be 3.1-3.5% – so Dublin Airport's proposed allowance will not be "consistently less" than the benchmark (2.9%-3.7%).
- 7.81 Furthermore, we have concerns about the benchmark and methodology used for assessment. SITA appear to offer IT solutions to airports – we cannot accept their benchmark for how much a sample of airports spend on IT solutions as unbiased. We are also unsure of the relevance of Capex to revenue, particularly in light of the debt financing that Dublin Airport (and many other airports) will undertake to fund such investments. Additionally, Heathrow is not a relevant comparator for Dublin Airport and any analysis relying on such a comparison is flawed.
- 7.82 We also cannot accept that the IAA has approved the entire IT envelope without doing any under-delivery assumption. Dublin Airport should not be awarded for lack of transparency and clarity on costs withing this envelop by approving it in its entirety on the basis that 68% of the 2020+ allowance was spent. Already in the 2019 Determination the IAA (then CAR) acknowledged that the IT envelope was "considerably higher" than the previous allowances. This allowance was increased further from €78m in the 2019 Determination to €82.3m for 2023-26.
- 7.83 The reason for the original increase in the IT budget was justified by CAR because it claimed that investment in IT will assist Dublin Airport from achieving targets in other building blocks by increasing efficiency through cost reductions and processing improvements. Given that Opex per pax is expected to grow in nominal terms, it is not evident that further expenditure on IT is delivering the cost-efficient savings that underpinned their acceptance.

- 7.84 The IAA must show that the 75% increase in IT envelop for the next period compared to 2019 Determination is justified given efficiency savings in Opex or higher commercial revenue. The IAA must also reduce the envelope for IT in light of the lack of cost efficiency assessment and the historic underdelivery by Dublin Airport.

Other

- 7.85 Ryanair rejects IAA's proposal to allow for all projects within this category. As Ryanair has consistently pointed out over several regulatory periods, *Programme Management* remains excessive and duplicates cost allowances made within each individual project leading to double counting.

Summary

- 7.86 Our position remains unchanged that the CIP is excessive, overscoped and unwarranted. It appears that the IAA has waived through projects without adequate scrutiny of scope and efficiency. Whether the IAA believes the investments will be scrutinised as part of the StageGate process, or that they won't be carried out at all, it is poor regulatory practice to approve in principle investments which are excessive and not supported by users.
- 7.87 Ryanair calls on the IAA to provide a headline reduction to all project allowances, to reduce the trigger amounts, and to reduce the envelopes of all project areas.
- 7.88 Our position remains unchanged that the CIP is excessive, overscoped and unwarranted. It appears that the IAA has waived through projects without adequate scrutiny of scope and efficiency. Whether the IAA believes the investments will be scrutinised as part of the StageGate process, or that they won't be carried out at all, it is poor regulatory practice to approve in principle investments which are excessive and not supported by users.
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8. Quality of Service (QoS)

- 8.1 Efficient services and functioning infrastructure are basic expectations in return for paying airport charges. Dublin Airport should not be financially rewarded if it successfully provides these – users paying airport charges is sufficient.
- 8.2 Dublin Airport has received more bonuses than rebates in 2023 and 2024, demonstrating that the targets are too easily achievable. However, this unsurprising as Dublin Airport is essentially earning bonuses in return for providing basic services and facilities (which are expectations of paying airport charges). As outlined previously, Ryanair maintains its position that Dublin Airport should only be penalised for not providing expectations of QoS, rather than being awarded for carrying out basic expectations required for the running of an airport.
- 8.3 Levying penalties but not bonuses for a set target service level also avoids overspending or overspecification of services/facilities, while guaranteeing basic requirements are met. Dublin Airport must not be further awarded for overperformance in general. The QoS standards are set by IAA at a level that effectively meets user and in turn, passenger demand. Therefore, there is no need to over-deliver on what is generally demanded.
- 8.4 Moreover, there is no reason presented by the IAA to why Dublin Airport should be financially compensated for over-delivering and providing a service that is not necessarily required by users. If Dublin Airport was operating in a competitive market it would seek to optimise and provide the best product possible regardless of a monetary compensation.
- 8.5 Any targets within the Passenger Satisfaction and Asset Availability metric that have seen an increase due to Dublin Airport consistently meeting these or due to the fact that not meeting these will reflect a significant deterioration in services, should not allow Dublin Airport to later in the period argue for higher Opex. All targets need to be met in a cost-efficient manner
- 8.6 We reject the IAA's proposal to increase the limit on subjective metrics to €0.22 from €0.15 (+47%). These are hard to measure in the first instance. Furthermore, the IAA has provided no justification for what better quality or services Dublin Airport has provided that would warrant this increase.
- 8.7 The QoS scheme proposed by IAA continues to unnecessarily reward Dublin Airport for providing facilities and services which are basic requirements in return for users paying airport charges.