



## StageGate Concluding Report Iteration 1 and 2 2025

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- 1.1 This report concludes the first and second iteration of the StageGate process for 2025. This cycle focused on the StageGate 1 assessment of **(i) Taxiway Whiskey 1 Rehabilitation** CIP 20.09.003, **(ii) Upgrade to Hold Baggage Sortation System #2** CIP 20.07.036, **(iii) Airport Charging (Landside EV Bus Project)** CIP 20.09.001, **(iv) Terminal 1 and Campus Sustainability Feasibility** CIP 20.09.009 and **(v) Interim Consultation assessment of Appendix F - Security** at Dublin Airport.<sup>1</sup>

### StageGate Process

- 1.2 The 2019 Determination on the maximum level of Airport Charges at Dublin Airport introduced a new process for certain large-scale capex projects, known as StageGate. Initially, 17 projects were identified for inclusion in the process. This was increased to 27 projects in the Interim Review of the 2019 Determination in relation to 2023-2026.<sup>2</sup>
- 1.3 StageGate is a rolling iterative process intended to add flexibility for the scope and/or cost of the StageGate projects, to develop over the regulatory period. A key component of the process is the Independent Fund Surveyor (IFS) which provides independent expert views on any such developments to inform airport users and the Irish Aviation Authority (IAA). The IAA has appointed Steer to function as the IFS.
- 1.4 The 2019 Determination (and subsequently the Interim Review of the 2019 Determination in relation to 2023-2026) provided initial allowances for each of the StageGate projects; these are termed the StageGate 0 allowances. When a project has reached a sufficiently detailed level of design and is ready to be progressed, the project is advanced to StageGate 1. At this stage Dublin Airport provides an up-to-date costing, together with supporting detail, to the IFS for assessment. The IFS then assesses the Dublin Airport proposal, and if it considers the project to be reasonably costed and effectively scoped, it will agree with the proposal.
- 1.5 There are two factors which drive the decision on the StageGate 1 allowance: the IFS' conclusions on technical scope/cost efficiency, and the views of airport users.
- 1.6 Following the completion of the StageGate 1 phase, the project enters StageGate 2. This phase allows for ongoing consultation as the project is being delivered. Any stakeholder may submit material for IFS consideration during

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<sup>1</sup> The StageGate 1 assessment of CIP.20.01.003 – Taxiway Rehabilitation – Whiskey 1 was initially included in the scope of this cycle. However, the submission of this project was withdrawn by Dublin Airport ahead of the consultation meeting.

<sup>2</sup> [https://www.iaa.ie/docs/default-source/car-documents/1c-economic-regulation/final-decision-on-the-maximum-levels-of-airport-charges-at-dublin-airport-2023-2026.pdf?sfvrsn=6b8110f3\\_1](https://www.iaa.ie/docs/default-source/car-documents/1c-economic-regulation/final-decision-on-the-maximum-levels-of-airport-charges-at-dublin-airport-2023-2026.pdf?sfvrsn=6b8110f3_1)



this phase, which the IFS will report on in the subsequent iteration of the process. In the absence of any further developments being highlighted to the IAA and the IFS, no further assessments will be conducted.

- 1.7 The outcome of the StageGate process drives the final level of remuneration for the project over its asset life. When reconciling actual expenditure against the allowance in the subsequent determination, the IAA's starting point will be the StageGate 1 allowance. The IAA will also consider any developments which may have occurred and been consulted on during the StageGate 2 phase.

## 2025 – First and Second Iteration

- 1.8 The IAA held a combined consultation meeting for StageGate projects submitted by Dublin Airport in Q1 and Q2 2025. Dublin Airport had initially put forward just one project for StageGate 1 assessment in Q1, the T1 Sustainability study. We considered it a more efficient use of stakeholder time to combine the consultation on the T1 study with the Q2 projects. Consequently, the IFS produced one report combining cycle 1 and 2 2025.
- 1.9 Four projects were included for StageGate 1 assessment in the first and second StageGate cycles in 2025:
  - Taxiway Whiskey 1 Rehabilitation
  - Upgrade to Hold Baggage Sortation System
  - Airport Charging (Landside EV bus Project)
  - Terminal 1 and Campus Sustainability Feasibility
- 1.10 There was no StageGate 2 projects included in this iteration.
- 1.11 The final IFS report on these projects was circulated on **05 June 2025**. A videoconference was then held on **12<sup>th</sup> of June 2025**, with presentations from the IFS, and Dublin Airport.
- 1.12 As per the StageGate process, airport users were invited to provide written submissions, which should include an indication of whether it objected to or supported the proposed project as per the IFS' recommendation.
- 1.13 Separate to the StageGate process, an interim consultation on the security grouped allowance also took place during the videoconference. Dublin Airport presented on why it considered that the initial grouped allowance for security projects was no longer sufficient. The IFS presented its assessment of Dublin Airport's request for additional capital expenditure.



## StageGate 1

### *Taxiway W1 Rehabilitation*

- 1.14 Dublin Airport estimated a StageGate 1 cost of €13.04m for this project.
- 1.15 The IFS' report detailed its main findings at the StageGate 1 phase. These are summarised as follows:
- The IFS assesses that this project as presented, will meet the primary stated objectives of rehabilitating the Taxiway Whiskey 1 surface.
  - However, while acknowledging that partially hard surfaced shoulders are a solution adopted by Dublin Airport on many of its taxiway projects, the IFS considers that in this project, Dublin Airport's inclusion of partially hard surfaced shoulders is not required and assesses that a solution with unpaved shoulder would be more efficient.
  - The IFS determines that given its experience with the surrounding poor quality and contaminated ground in some of Dublin Airport's other airfield projects, it is unconvinced that Dublin Airport has thoroughly evaluated the risks in this regard to Taxiway Whiskey 1 and the potential additional costs that can arise from such risks.
  - Relative to the Dublin Airport submission, the IFS, in its cost assessment, reduces the costs associated with paved shoulders, saw cutting requirements, contractor preliminaries and LVP/AOR allowances
- 1.16 The IFS therefore proposed an alternative allowance of €9.61m for this project, which is its estimate of the efficient cost of delivering this project.

### *Stakeholder Views*

- 1.17 Aer Lingus recognises the importance of rehabilitating works to Taxiway Whiskey 1. However, it raises concerns over Dublin Airport's plans to manage the risk of poor-quality ground and PFAS contamination that may be present in the area. Aer Lingus emphasises the need for coordination between this project and the West Apron Underpass project, to avoid delays.
- 1.18 Dublin Airport does not agree with the IFS' reduction to its submitted LVP/AOR allowance stating that for the duration that Taxiway Whiskey 1 is closed it will remain at the centre of a live operation. Dublin Airport states that while construction works are permitted to proceed in areas that do not impact on operations, this is subject to a risk assessment which has yet to be carried out in respect of the Taxiway Whiskey 1 works.
- 1.19 Responding to the IFS assessment regarding the efficiency of unpaved



shoulders relative to its hard shoulder submission, Dublin Airport states that this design approach is consistent with all recent Dublin Airport taxiway projects, where hard shoulders are adopted to meet durability, maintenance, and safety expectations in an airside environment. Nevertheless, Dublin Airport acknowledges the IFS' assessment value and will advance the project in line with the proposed budget, while also pursuing any deviations that are substantiated by evidence during the StageGate 2 process.

- 1.20 IATA questions whether the widening works are a regulatory requirement mandated by an IAA inspection finding noting that there is a low probability of aircraft deviating from the section of taxiway in question. IATA also raises further operational queries relating to the materials that will be used to carry out the widening works and Dublin Airport's procurement frameworks.
- 1.21 Ryanair welcomes the IFS' challenge to the proposed scope of the Taxiway Whiskey 1 Rehabilitation project stating that airport users should not be forced to pay for investment overspend from Dublin Airport. Ryanair requests that only the lower IFS estimated amount enter the RAB in the upcoming regulatory period.

### *Upgrade to Hold Baggage Sortation System*

- 1.22 Dublin Airport estimated a StageGate 1 cost of €53.65m for this project.
- 1.23 The IFS' report detailed its main findings at the StageGate 1 phase. These are summarised as follows:
  - The IFS assesses that Dublin Airport's adaptation of the project from a "like for like" replacement of the T1 arrivals flatbed reclaim devices to incline reclaim devices will meet the required outputs/ outcomes of increasing T1 arrivals capacity to meet the 40mppa scenario while also increasing the reclaim device reliability and improving energy efficiency.
  - The IFS considers the scope of the project to be efficient and aligned to the capacity development plan and Dublin Airport's masterplan, which addresses the needs for enhanced capacity and accommodation for future passenger demand and increased operational efficiency. The IFS finds that while no technical documentation has been provided for the replacement of the T1 outbound delivery conveyors, this aspect of the project can likely be easily developed as part of this reclaim project.
  - The IFS determines that the sub-contractor management fees included in Dublin Airport's submission are too high and has reduced them in its assessment. This has led to adjustments in the IFS assessment, with consequential impacts on preliminaries, contractor fee percentage, internal & external fees, and risk/ contingency/ inflation



- 1.24 The IFS proposed an alternative allowance of €45.56m for this project, which is its estimate of the efficient cost of delivering this project.

### *Stakeholder Views*

- 1.25 Aer Lingus supports the modernisation of critical baggage systems at Dublin Airport but requests that the IAA approve only the IFS cost assessment and disallow the €8 million overrun until Dublin Airport submits a complete and technically verified design for the T1 outbound conveyor and OOG handling systems.
- 1.26 Dublin Airport disagrees with the IFS' cost reductions, particularly the subcontractor expenses, which it believes reflects the rates available currently in the Irish market. Dublin Airport maintains that the costs submitted are appropriate, evidenced, and reflect a genuine estimate of the costs to Dublin Airport in delivering this project.
- 1.27 Dublin Airport states that it will move forward with the project while actively seeking cost savings as it progresses through detailed design and procurement. It states that it will submit the final tender outcome costs at StageGate 2 for further assessment should it transpire that the IFS StageGate 1 assessed value is inadequate.
- 1.28 IATA notes Dublin Airport's claim that the improvements to HBS will reduce operational costs by 15-20% and asks whether the stated efficiencies expected from delivering this infrastructure will be reflected in lower operational cost allowances in the IAA's forthcoming determination on the maximum level of airport charges.
- 1.29 IATA also asks whether the increase in investment amount for this project relative to its SG0 allowance will be compatible with the future plans for Terminal 1. IATA stresses that in order for the extra investment to be worthwhile for airport users, the asset should at least reach its asset life.
- 1.30 IATA also raises further operational concerns relating to the re-orientation of the carousels to the left of the baggage hall and raises the potential for efficiencies to be realised through alternative procurement strategies at Dublin Airport. The observations regarding carousel layout and procurement are supported by the Aer Lingus submission.
- 1.31 Ryanair requests that only the lower IFS estimated amount enters the RAB for this project in the upcoming regulatory period. It states that any overspend should be funded by Dublin Airport to ensure budgeting accountability.

### *Airport Charging (Landside EV bus Project)*

- 1.32 Dublin Airport estimated a StageGate 1 cost of €17.86m for this project.



1.33 The IFS' report detailed its main findings at the StageGate 1 phase. These are summarised as follows:

- The IFS determines that the scope of this project, as presented, should be capable of meeting the required outcomes. The IFS acknowledges that while the redesign of the Ground Transport Centre (GTC) T1 horseshoe area may lead to further scope changes in the future, its delivery timeline is outside the full control of Dublin Airport due to planning delays associated with its Infrastructure Application. The IFS still considers it reasonable that Dublin Airport will deliver this project.
- The IFS finds a lack of evidence that Dublin Airport has verified the bus operators stated EV charging requirements, number of slow charging units and pantograph utilisation. The IFS therefore assesses that as the detailed scope of this project is yet to be fixed and that the sizing of MV network substation transformers still needs to be agreed with the Airport's Electrical Engineering Department this may lead to scope and/or specification inefficiencies in the future.
- In its cost assessment for this project, the IFS reduced the contractor's fees and the risk/contingency allowance relative to Dublin Airport's submission. The reduction in contractor's fees was based on the IFS's experience in assessing other similar projects while Dublin Airport stated that returned market prices had given greater price certainty such that it was willing to accept a lower risk/contingency allowance.

1.34 The IFS proposed an alternative allowance of €17.04m for this project, which is its estimate of the efficient cost of delivering this project.

### *Stakeholder Views*

1.35 Aer Lingus supports sustainability initiatives at Dublin Airport but remains concerned about the unproven nature of the proposed pantograph charging infrastructure in the Irish Context. And questions whether Dublin Airport has tested this technology or engaged the bus operator to ensure the system meets actual operational needs.

1.36 Aer Lingus states that the IAA should condition any approval of the project cost on Dublin Airport providing validated use cases and conducting stakeholder engagement with the bus provider to demonstrate the value of the service to airport users.

1.37 Dublin Airport disagrees with the IFS' reduction of construction risk allowance to 2.5% due to this project being carried out during peak summer in heavily congested areas and dealing with live operations.

1.38 IATA raises the potential for this project to be profit making for Dublin Airport



stating that the charging facilities could be used by other bus companies which would result in a commercial revenue stream for Dublin Airport.

- 1.39 Referring to the point made by the IFS regarding the potential for the GTC to ultimately impact on the location of the charging infrastructure, IATA asks if the chargers will be installed in such a manner that they can be disassembled and reassembled at minimum cost in a future location if necessary.

### *Terminal 1 and Campus Sustainability Feasibility*

- 1.40 Dublin Airport estimated a StageGate 1 cost of €2.29m for this project.
- 1.41 The IFS' report detailed its main findings at the StageGate 1 phase. These are summarised as follows.
- The IFS determines that the scope of this project should achieve the stated main objectives of determining the preferred future development path of T1 and associated buildings, ahead of CIP2027 consultation and submission cycle. However, the IFS determines that some elements of the scope related to BHS seem unnecessary to achieve the projects objectives. In particular, the IFS notes that the involvement of baggage specialists to present alternatives to key external stakeholders to gather views and feedback should not be required since the task will be high level.
  - The IFS assesses that the costs of the study submitted by Dublin Airport are not efficient as some scope elements and specific resources are not required with certain tasks carrying very high time dedication. Following a bottom-up assessment the IFS reduced the cost of each individual project task relative to that proposed by Dublin Airport to conduct the feasibility study.
- 1.42 The IFS proposed an alternative allowance of €0.94m for this project, which is its estimate of the efficient cost of delivering this project.

### *Stakeholder Views*

- 1.43 Aer Lingus notes that the outcome of this study will have significant implications for future capex decisions. It acknowledges the IFS' revised budget which excludes what it considers to be unnecessary specialist resources and inefficient project scoping.
- 1.44 Dublin Airport accepts that as the project advanced some of the initial elements of the brief were no longer necessary such as thermodynamic modelling and the structural building condition survey, thus reducing the overall cost of the project relative to the SG1 submission. However, Dublin Airport maintains that conducting a comprehensive evaluation of baggage requirements was essential to the study. Dublin Airport will use the outcome of the study to inform





the CIP27 consultation.

- 1.45 Ryanair welcomes the IFS' challenging of the proposed scope for the project stating that airport users should not be forced to pay for investment overspend. Ryanair asks that the IFS apply the same critical approach to all StageGate projects, particularly the upcoming larger expansions at Dublin Airport.

## Conclusions

### StageGate 1

#### *Taxiway Rehabilitation Whiskey 1*

- 1.46 This project is being funded from CIP 20.01.003 Airfield Taxiway rehabilitation Programme and will have a StageGate 1 allowance that is €3.4m less than the proposal submitted by Dublin Airport. CIP 20.01.003 has no remaining SG0 allowance and therefore the whole cost of Whiskey 1 Rehabilitation project is an increase in cost versus the SG0 allowance.
- 1.47 While Dublin Airport does not agree with the IFS' assessment that a solution with unpaved shoulders would be more efficient, it agrees to progress the project in line with the IFS budget and will return for further assessment at StageGate 2 if necessary.
- 1.48 We note Aer Lingus' support for necessary rehabilitation works to Whiskey 1, noting the operational importance of the Taxiway. We also acknowledge Aer Lingus' concern for additional costs that may arise due to unidentified PFAS contamination in the area. Aer Lingus and Ryanair request that only the IFS cost assessment for the project enters the RAB.
- 1.49 In response to IATA, Dublin Airport states that the widening of the taxiway is being carried out to ensure full compliance with EASA aerodrome design standards and that EASA standards apply uniformly across all taxiway segments, regardless of curvature.
- 1.50 We note the comment from IATA that any rehabilitation works should be included in the relevant determination. In the case of Whiskey 1, it was not included in the original CIP2020 submission due to its residual life at the time of submission by Dublin Airport. CIP2020 was subsequently extended to cover until 2026, when this project would have been included as the asset deteriorated.
- 1.51 No airport user has objected to this project. As per the StageGate 1 rules, the StageGate 1 allowance is in line with the IFS' assessment of €9.61m, as shown in Table 1 below.





### *Upgrade to Hold Baggage Sortation*

- 1.52 This project is being funded from CIP20.07.036- Upgrade to Hold Baggage Sortation Equipment which comprises of 6 project scopes. The StageGate 1 application in this cycle covers the cost of: replacement of end-of-life T1 arrivals carousals 2 to 5, replacement of end-of-life T1 Arrivals delivery lines and carousals 6-10, end of life of Terminal 1 check in outbound delivery conveyor replacement. A separate SG1 submission for the other upgrade elements was assessed at Cycle 2 2024.
- 1.53 This part of the Upgrade to Hold Baggage Sortation Equipment project will have a StageGate 1 allowance which is €8m below the proposal submitted by Dublin Airport in this cycle. Although Dublin Airport does not agree with the IFS reduction of the subcontractor fees relative to its own submission it will progress the project in line with the IFS budget, seeking cost savings as it advances.
- 1.54 We note Aer Lingus' support for modernisation of critical baggage systems and also its concerns regarding passenger flow implications arising from the carousel reorientation. Aer Lingus and Ryanair request that only the IFS cost assessment for the project enters the RAB.
- 1.55 In response to IATA's point on the reduction of operational costs arising from this infrastructure, we have previously taken account of such opex reductions following the implementation of efficiency generating capex investments and we expect to continue to take account of such factors, where relevant and material, in future determinations.
- 1.56 In response to IATA's question on the compatibility of the increased investment amount with the future plans for Terminal 1, Dublin Airport asserts that the former strategy of a like for like replacement of the reclaim carousels was considered no longer suitable to meet the forecast demands for T1. It states that the scheme now advanced has been assessed to best meet Dublin Airport's forecast to 40mppa.
- 1.57 In addressing the operational concerns raised by both Aer Lingus and IATA, Dublin Airport states that the layout proposed maximises the efficiency from an offload and pick process within the spatial constraints that exist in the current T1 Baggage Reclaim Hall. It adds that the proposed scheme will be developed further by bidders (baggage integrators) to maximise the efficiency of the passenger process around the carousels. Dublin Airport concludes that the scheme and number of carousels must be cognisant of the offloading operation to each carousel from the baggage hall.
- 1.58 No airport user has objected to this project. As per the StageGate 1 rules, the StageGate 1 allowance is in line with the IFS' assessment of €45.6m, as shown in Table 1 below.



### *Airport Charging (Landside EV bus project)*

- 1.59 This project is being funded from CIP 20.09.001 Airport Charging which has an overall SG0 allowance of €87.114m. CIP 20.09.001 consists of 11 sub projects including the Landside EV bus project which will have a StageGate 1 allowance that is €0.8m less than the proposal submitted by Dublin Airport. Dublin Airport acknowledges the IFS' assessment value and agrees to progress the project accordingly within the proposed allowance.
- 1.60 We note Aer Lingus' support for sustainability projects at Dublin Airport and its concern around what it considers to be unproven operational benefits arising from this particular project and charging infrastructure.
- 1.61 Dublin Airport confirms that the pantographs can be relocated to the T1 Road when required by the Ground Transport Centre development though new containment will need to be provided in these new locations to power and operate the pantographs.
- 1.62 In response to IATA's comment regarding the potential for commercial revenue generation from the charging infrastructure, we considered factoring in a commercial revenue uplift for this project at the time of the 2022 Determination though ultimately, we concluded that too much uncertainty remained around the business model for the infrastructure to reasonably forecast a level of revenue. This may be considered further in future determinations.
- 1.63 No airport user has objected to this project. As per the StageGate 1 rules, the StageGate 1 allowance is in line with the IFS' assessment of €17.04m, as shown in Table 1 below.

### *Terminal 1 and Campus Sustainability Feasibility*

- 1.64 This study is the first phase of CIP 20.09.009- Terminal 1 Sustainable Upgrade Feasibility and it will have a StageGate 1 allowance which is €1.3m below the Dublin Airport submission. Both Aer Lingus and Ryanair request that only the IFS cost assessment amount enter the RAB for this project.
- 1.65 No airport user has objected to this project. As per the StageGate 1 rules, the StageGate 1 allowance is in line with the IFS' assessment of €0.94m, as shown in Table 1 below.

**Table 1: StageGate 0 and StageGate 1 allowances in nominal prices**

CIP Code	Project	StageGate 0 Allowance	IFS recommendation	StageGate 1 Allowance
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<b>CIP 20.01.003</b>	Taxiway Rehabilitation Whiskey 1	€20.46m <sup>3</sup>	€9.61m	€9.61m
<b>CIP 20.07.036</b>	Upgrade to Hold Baggage Sortation	€48.83m	€45.56m	€45.56m
<b>CIP 20.09.001</b>	Airport Charging (Landside EV Bus Project)	€87.11m	€17.04m	€17.04m
<b>CIP 20.00.009</b>	Terminal 1 and Campus Sustainability Feasibility	€6.43m	€0.94m	€0.94m

## Interim Consultation on Security Allowance

### Background

- 1.66 In the Interim Review of the 2019 Determination in relation to 2023-2026 (*“The 2022 Interim Determination”*), Dublin Airport was allocated a capital allowance of €111.2m (in nominal terms) for projects included in Appendix F – Security. As noted at paragraph 11.27 of that determination: *“If it [Dublin Airport] believed it would exceed an allowance on a particular group, it should consult with users. If users agreed to that overspend, when reconciling outturn expenditure in the next determination we would increase the allowance by the amount established through the consultation”*.
- 1.67 Similarly, the IAA noted in the Draft Decision of the 2022 Interim Determination at paragraph 11.68 that *“If, during the upcoming regulatory period, Dublin Airport believes that one (or more) of the grouped allowances is insufficient, it should either: (i) Carry out an interim consultation in which it demonstrates to users why, at a group level, the allowance is no longer sufficient to provide capital investment which is in the interests of airport users, or (ii) request a supplementary Capex allowance, in order to obtain full certainty over remuneration”*.
- 1.68 In June 2025 Dublin Airport conducted an Interim Consultation to increase the capital allowance for the Appendix F – Security projects by €28.68m, on the basis, firstly, that it seeks to deliver an additional project under this allowance, the Non-Passenger Screening (NPS) project estimated at a cost of €42.787m and, secondly, that the remaining budget of Appendix F not already spent or committed is €14.11m which was insufficient to deliver the NPS project.
- 1.69 The timing of the interim consultation coincided with the videoconference for StageGate cycles 1 &2 and as a result both consultations were held together online.

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<sup>3</sup> The project has no remaining SG0 allowance and therefore the whole cost of Whiskey 1 Rehabilitation project is an increase in cost versus the SG0 allowance.



### *IFS assessment*

- 1.70 The IFS assessed the efficiency of Dublin Airport's request, which included an overall assessment of the expenditure on projects previously included in the security grouped allowance and an assessment of the Non-Passenger Screening project.
- 1.71 The IFS' report detailed its main findings. These are summarised as follows:
- The IFS assesses that this project will enable Dublin Airport to achieve the required outputs for non-CSA and Persons Other Than Passenger (POTP) security areas. The IFS also states that the deployment of EDS C3 equipment for screening of cabin baggage and Security Scanners for screening of passengers can be achieved by 31<sup>st</sup> December 2025.
  - The IFS determines that the proposed security equipment deployment is efficient. However, the IFS also notes the project's interference with the Platinum Services Upgrade project which may lead to a doubling of works.
  - The IFS assesses that it appears reasonable to increase the grouped Security allowance to fund the TSA work and equipment scope, as well as the additional construction works included in the NPS project. The IFS determines that the remaining non-committed budget of the security grouped allowance is €14.11m. With an efficient cost of the NPS project evaluated to be €34.53m, the IFS concludes that the security grouped allowance should be increased by €20.42m.<sup>4</sup>

### *Stakeholder views*

- 1.72 Aer Lingus states that while achieving regulatory compliance with the NCASP by December 2025 is critical, this does not exempt Dublin Airport from rigorous cost control. Aer Lingus requests that the IAA should increase the security allowance by no more than the IFS- recommended figure.
- 1.73 Dublin Airport acknowledges the IFS assessment and agrees to progress the NPS project in line with the IFS cost assessment though it does not agree with some of the IFS' reductions in particular in relation to contractors' fees and costs associated with removal and storage of existing security lanes which it says are based on tendered rates.
- 1.74 In its response IATA raises several operational queries for Dublin Airport relating to the introduction of the new screening equipment and whether any residual value remains on the machines that are being removed.

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<sup>4</sup> Approximately €8m of the NPS project is needed to deliver the TSA work and equipment scope. This scope is brought forward from CIP 20.03.030 Expansion of US Pre-Clearance Facilities and will be excluded from CIP 20.03.030 costs when it is submitted by Dublin Airport for its SG1 assessment.



- 1.75 IATA also asks if the cost of the TSA equipment included in the NPS project which is a scope element brought forward from CIP.20.03.030 will be deducted from the allowed capital costs in the next determination.

### *Conclusion*

- 1.76 The IFS determines that it is efficient to increase the security grouped allowance by €20.43m relative to the allowance from the 2022 Interim Determination. As no user objected to this increase to the security grouped allowance, the IAA will use this increased amount as the starting point when evaluating total outturn capital expenditure against the allowance ahead of the 2026 Determination.
- 1.77 We acknowledge Aer Lingus' request for a further breakdown of the proposed construction works in the NPS project and also its recognition of the importance to Dublin Airport of reaching NCASP compliance by December 2025.
- 1.78 In response to IATA, the IAA will assess the status of CIP.20.03.030 ahead of the 2026 Determination. If the project has not reached StageGate 1 ahead of the Final Determination, then the SG0 allowance will be reset as part of the 2026 Determination process to account for the TSA works already delivered under the NPS. In any event, double-counting within the forward allowances will be avoided.
- 1.79 In response to IATA's question regarding the residual value of the machines which are being removed, Dublin Airport confirms that these machines are between 10-14 years old and are now fully depreciated. It states that where possible, Dublin Airport sells this equipment to an approval company with the required licenses to manage radiological equipment for a nominal transaction value, which relieves daa of the costs of disposal and this assumption has been factored into the proposal. No residual value has been realised against the cost of the project.
- 1.80 Ahead of a full final review of capital expenditure in the security grouped allowance, the efficient grouped allowance is increased to €111.2m as a result of the interim consultation. The final grouped allowance is also dependant on Dublin Airport delivering the Deliverable project from the security grouped allowance.