



2026 REGULATORY DETERMINATION

daa response to Timeline Consultation
28 April 2025



Contents:

1. Introduction 1

2. Regulatory Approach 2

3. Proposed Timeline 5

4. Regulatory Period 6

5. Issues Paper 6

6. Independent Reporter 7

Figures:

Figure 1. Dublin Airport Determination Objectives 1

Figure 2. Proposed Timeline 5

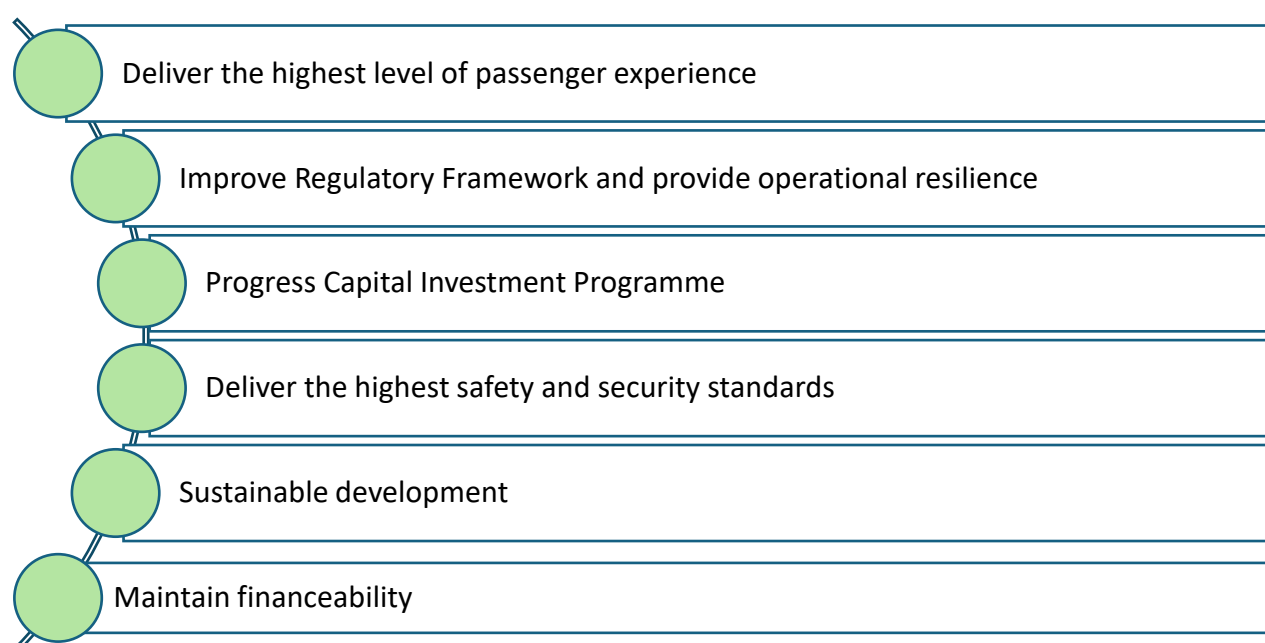
Tables:

Table 1. Airline capacity flexibility 4

1. Introduction

- 1.1. daa welcomes the opportunity to respond to the IAA consultation on the Timeline for the upcoming 2026 Determination.
- 1.2. daa's objectives for engaging in the forthcoming Determination are set out in Figure 1 below.

Figure 1. Dublin Airport Determination Objectives



- 1.3. The above objectives will frame engagement with airport users and the IAA with regard to the regulatory proposition and associated Issues Paper response. daa requests that the IAA make consideration to the above and outline how making a Determination will help achieve each objective.
- 1.4. daa also points to the IAA Statement of Strategy¹ which could provide an opening to a review of the regulatory approach applied by the IAA as part of the 2026 Determination. The objective to *"Deliver Airport charges regulation which is in the best interest of users of Dublin Airport"* should be considered, with objective evidence provided.

¹ [Statement of Strategy Final version](#)

2. Regulatory Approach

- 2.1. With the enactment of the Air Navigation and Transport Act 2022 (“the Act”), daa believes this Determination is an opportune time to review the IAA’s Regulatory model. This may form part of the Issues paper, external engagement and/or a separate consultation process.
- 2.2. daa requests that the IAA ensures that the 2026 Determination is fit for purpose. This will involve questioning the approaches used in the 2019 Determination, with the aim of avoiding a mechanistic process where past methodologies are rolled forward without critically assessing their appropriateness in the context of the future challenges facing Dublin Airport.
- 2.3. For example, daa believes that the validity and appropriateness of the existing regulatory single till structure should be examined as part of the early engagement for the next price control. We believe that the single till mechanism weakens price signalling in the market for aeronautical services as airport charges are artificially low given that aeronautical revenues are supplemented by non-aeronautical revenues. In addition, the single till approach gives rise to an aeronautical pricing structure, which introduces or accentuates allocative inefficiency. Such issue is particularly critical and problematic at congested airports like Dublin Airport, as it can distort airlines’ incentives to use infrastructure efficiently, thereby worsening capacity constraints.
- 2.4. We also have concerns that over time the single till mechanism can distort investment incentives in both aeronautical and non-aeronautical activities, and it extends the remit of regulation beyond the confines of aeronautical charges into non-aeronautical activities, which are already subject to market competition.
- 2.5. The Act outlines the need to encourage competition at Dublin Airport through regulated airport charges. Below outlines each objective in relation to encouraging competition in Section 33, subsection 2, part (j). daa would consider a high degree of competition has been achieved through Dublin Airport’s objective of passenger growth, and not the current regulatory approach.

- (i) *“improve capacity”*. Dublin Airport is capacity constrained with the passenger cap and associated slot coordination decisions made by IAA imposing a seat cap for W24² (S25 and W25 seat caps stayed by High Court order).
- (ii) *“provide choice on routes”*. Dublin Airport currently serves over 190 routes, the most on record.
- (iii) *“provide choice between airlines”*. 50 Airlines serve Dublin Airport.
- (iv) *“improve international connectivity”*. Dublin Airport is the 4th most connected airport in Europe to North America.

2.6. Pursuant to Section 8b of the Act, daa requests a market power assessment (“MPA”). This is because of the arguments outlined in paragraph 1.3, but also because the most recent MPA, conducted in 2016, has significant shortcomings and does not reflect Dublin Airport’s current situation due to significant changes in the operating environment post-COVID.

2.7. The previous MPA failed to take account of a number of significant factors which affect the degree of market power held by Dublin Airport.³ For example:

- (i) *The market definition* was overly simplistic, with a) no distinction made between separate passenger groups, b) the unjustified exclusion of two of Ireland’s largest airports from the market definition, and c) the failure to consider other European hubs.
- (ii) *Market power* was determined based on a critical loss analysis using unevidenced elasticity assumptions for airport services, and without considering the existence and strength of competitive constraints from within or outside the relevant market.
- (iii) An incomplete consideration of *countervailing factors*, including the failure to account for airlines’ ability to limit an airport’s market power by threatening to switch capacity, redirecting growth to other airports, and the significant historical reduction in frequencies or routes offered by some airlines.

2.8. Such an assessment should consider the countervailing buyer power of airlines. Airlines that make up a significant portion of passenger numbers at Dublin Airport have flexibility

² [w24-final-decision_final.pdf](#)

³ We also noted that the assessment of market power was treated as a binary question (i.e. ‘market power or no market power’ and ‘price cap or no price cap’), which departs from the approach in other jurisdictions, where it is generally considered a matter of degree.

to move capacity to competitor airports. This is outlined in **Error! Reference source not found.**, which shows Ryanair's considerable countervailing buyer power with direct impacts to airports served. This can result in downward pressure on the level of airport charges.

Table 1. Airline capacity flexibility

Ryanair reduced seats s25 vs s24 due to charges dispute				
Airport	Seats Removed	Reason	Airports affected	Link
Denmark	-1.25M	Aviation Tax & Airport charges agreement	2	link
AENA	-0.8M	Airport Charges Dispute	7	link
Germany	-1.8M	Tax, security & ATC charges	5	link

2.9. Similarly, airlines may have more certainty in airport charges in the form of multi-year agreements, as opposed to a complicated price control structure that is difficult for airlines to assess. An MPA would also help inform the upcoming review of the National Aviation Policy.

2.10. Dublin Airport's behaviour and outcomes (e.g. achieved efficiencies, service quality performance, discounts offered to airlines) were excluded from the analysis, despite being a relevant proxy for the competitive pressure faced by Dublin Airport.

2.11. daa requests that the IAA also make consideration to Section 33 of the Act, which set the objectives when making a Determination and are outlined below.

(i) Promote safety and security at Dublin Airport.

(ii) Facilitate the efficient and economic development and operation.

(iii) promote high-quality and cost-effective airport services at Dublin Airport

(iv) Take account of the policies of the Government on aviation, climate change and sustainable development.

2.12. For reasons outlined in this section, daa requests that the regulatory approach applied to Dublin should make up a significant element of the Issues Paper. This might include:

(i) Outline of the current regulatory approach including its pros and cons.

(ii) Outline other approaches that may be applied to Dublin Airport.

(iii) Consult with airport users on their preferred approach.

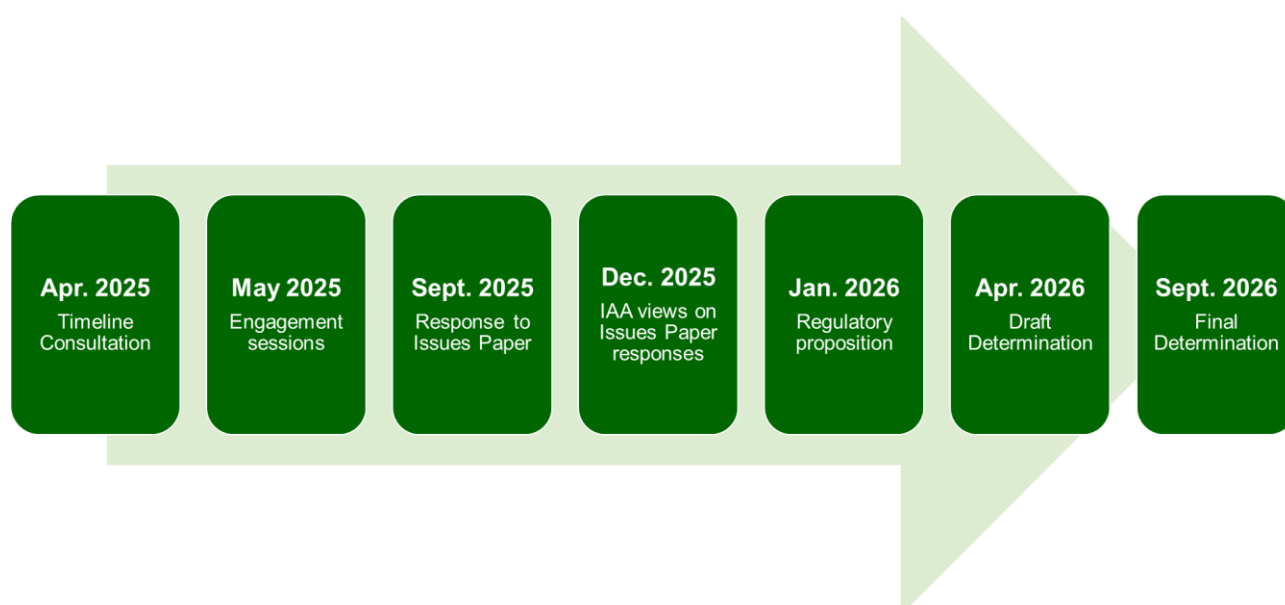
(iv) Hold a consultation meeting on the regulatory model prior to Issues Paper response deadline.

- (v) Externalities as a result of the current regulatory model.
- (vi) Examine how the outcomes of the current regulatory model have discharged the IAA's compliance with Section 33.
- (vii) Explain the potential impacts of moving away from the current regulatory model, referencing; a. the ability of airlines to move capacity to other markets if Dublin Airport becomes uncompetitive and, b. Dublin Airport strategic objective to grow passenger traffic and, c. How the regulatory model meets the needs of future challenges i.e. planning and passenger caps.

3. Proposed Timeline

- 3.1. daa propose the timeline be amended as outlined in FIGURE 2.
- 3.2. As well as timelines brought forward marginally, daa request that an updated Issues Paper in response to stakeholders' submitted feedback, or, the publication of a summary document responding to stakeholders' views be considered. This would help inform the Regulatory Proposition.

Figure 2. Proposed Timeline



- 3.3. Early engagement and workshops / sessions with the IAA, its advisers and airport users should be promoted to find common ground on the most appropriate approaches for the 2026 Determination.
- 3.4. Early engagement as part of the 2026 Determination would also enable the IAA, daa and Airport Users to consider the effectiveness of the current regulatory approach.

Therefore, it is essential that adequate time be allocated to this process before the publication of the Issues Paper, and the Draft Determination.

- 3.5. The above timeline would allow daa reasonable time to consult with airport users on any changes to airport charges that may come into effect in March 2027, while avoiding a time-constrained and reduced-scope Airport Charges Consultation for 2027, this would be of benefit to all stakeholders.

4. Regulatory Period

- 4.1. daa proposes that the next regulatory period extend beyond 5 years, for an additional year for the following reasons:
- (i) Capacity constraints.
 - (ii) Predictability, airport users and daa can better plan operations with greater certainty of future trajectory of airport charges.
 - (iii) Reducing the cost, time and labour resources required to engage in the regulatory determination process.
- 4.2. The regulatory model and price control timelines for the upcoming determination period must set up Dublin Airport to meet market expectations. This will revolve around, but not be limited to:
- Dublin Airport's Credit Rating
 - Dublin Airport's ESG targets and credibility
 - Dublin Airport's liquidity
- 4.3. The IAA can then use the Review process if circumstances change materially.

5. Issues Paper

- 5.1. daa welcomes the IAA offering their proposed approach to the building blocks from the early stages of the regulatory process. However, the IAA should give a clear justification and historical context to the regulatory approach at Dublin Airport, as outlined in Section 2.
- 5.2. Given that the IAA's strategy statement outlines sustainability as a criterion when making regulatory decisions, daa requests that environmental modulation is included as part of the Issues Paper. This is especially in the context of Section 33 of the Act

whereby accounting for government policy on climate change must now be considered when making a Determination.

6. Independent Reporter

- 6.1 daa proposes that an independent reporter, agreed by both airport users and the airport body, be present for each round of stakeholder engagement. Similar arrangements have been made for price controls in other jurisdictions. This allows engagement to be summarised factually and objectively and reasonably account for the competing positions that may exist between different airport users and the airport managing body. It also provides reassurance to both airport users and the regulator that all views are being considered.
- 6.2 daa would envisage that an independent reporter would be jointly nominated by both daa and airport users, with oversight and ultimate sign-off from the regulator. The nominated Independent Reporter will then set out their intended reporting procedure and will summarise factually and objectively any agreements made between parties and the next steps committed to by each party. The Independent Reporter would then submit their own report detailing the Dublin Airport Community Engagement Sessions to the IAA informing the Issues paper and Draft Determination.