



Date 31/07/25

**Mr. Luke Manning,
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Ref; Revised Performance Plan for Ireland- Reference period 4 2025-2029

Dear Mr. Manning

Thank you and your colleagues for the consultation on the draft revised Performance plan for Ireland for Reference Period 4 (RP4). We appreciate the material developed to support the consultation, including additional information on potential options.

IATA retains the opinion that the PRB/EC observations on the incompatibility of the cost efficiency elements of the plan remain. Based on the EC and PRB assessments, it was surprising that the Irish Aviation Authority (IAA) did not present any scenario`s to deliver the Cost Efficiency targets. Instead, despite the negative assessment from the EC, insist the plan to deviate on Cost Efficiency to deliver additional Capacity is justified. While we acknowledge that there has been additional optioneering presented by Air Nav Ireland (ANI) and the IAA, its falls short of meeting the requirements set forth in Annex IV (1.4(d)): Allowing deviations from cost-efficiency targets only if they are "necessary and proportionate," and "exclusively linked to capacity improvements." It can be argued that many of the additional cost proposals are not exclusively linked to Capacity improvements, equally there is no evidence of any prolonged Capacity issues in Ireland.

The evidence presented in support of the deviation of Cost Efficiency targets, lacks sufficient justification. The IAA have indicated that their preference is to set more stringent Capacity targets to be developed and implemented at a Local level, and in setting these, the IAA believe a deviation is warranted by ANI to achieve the Local targets, which are on average - 50% below the indications derived from the performance scheme. During the consultation we noted that ANI already had a zero-delay performance internal ambition, a point that was not supported by airlines on the day. As with all service providers airspace users expect efficient cost for the appropriate level of service quality. It must be pointed out that during RP2(used as a comparator for the last full reference period) ANI underspent on all areas of determined cost, while managing traffic significantly above plan (avg +8%), with no service quality issues, and in fact bonuses awarded for Capacity delivery.

When we look at the specific indicators of performance, over the last 10 years in Irish Airspace, we see very little evidence to persuade us of the need to enable some €116.4m (scenario 1.2 indicated as the preferential by the NSA) additional cost in RP4. Ireland and Air Nav have continually outperformed on their enroute Capacity targets in every year of the past 10. Similarly, although some challenges for delivery appear in the Terminal area; with a small performance related penalty to be paid in relation to 2024 performance, overall, it can be said that Air Nav have delivered their targets, again over the past 10 years. When referencing linked performance, including Safety and Environmental performance, Ireland has also delivered its targets in relation to same, while maintaining an excellent Cost Efficiency Performance. This was also supported by the PRB assessments in March 2025, and makes the continued push for additional cost difficult to comprehend.

During the consultation, descriptions of the operational challenges it was facing were presented by ANI. However, the challenges do not appear to be any more significant or different to similar European ANSP`s. Despite the challenges we note that ANI have continued to post significant net profits through 2022-2024¹. Challenges on Hiring and Training seem to be rooted in the COVID period, which prevented ANI to deliver additional ATCO`s due to a pause in the training plan. However, based on the additional information on hiring, training and retaining ATCO`s, it appears that the classes "missed"

¹ Air Nav Ireland Annual Reports 2023-2025



during the COVID period should have been caught up by now, either through enhanced training and or direct entry hiring, and could have provided some alleviation to the ongoing proposed cost developments. We also noted that during the discussion ANI indicated that the pass rate for current Trainees had disimproved, the plan assumes a +65% pass rate, but the early indications are that a pattern is emerging of earlier failure rates, and as a result an additional class of trainees was being considered for 2026. ANI also stated it had a reliance on overtime, which if given the additional costs would be alleviated in the medium term. This again does not tally, as additional training staff would be required to enable the training plan and would in turn surely generate additional overtime to cover their absence in the front-line operation for instructors and OTJI in the various working positions.

The deviation from Cost Efficiency also cites the requirement to hire additional Engineering staff to enable the deployment of the CAPEX plan. However, it remains unclear as to the exact number required and for what functions they will be deployed. This is further evidenced by the IAA, who for the revision process have indicated a willingness to further reduce the CAPEX plan by a blanket top down -30% (Scenario 1.3) which seems at odds to the indication of a required uplift in Engineering headcount to deploy not only the planned CAPEX, but additional measures listed in Annex R.

To support this endeavor, we were presented with a proposal to add additional annual targets, supported by a penalty only scheme for ANI, related to the achievement of additional headcount based on traffic developments for ATCO and Engineer FTE`s. While additional monitoring and penalty for non-delivery is usually welcomed by airspace users, we believe that the incentive should be reconsidered. The linkage between staffing, capacity, and traffic forecasts requires further clarification and validation. Similarly, the targets are based solely on hiring numbers, not on improved performance or deployment of new systems/CAPEX. Consideration should also be placed on outcome-based measures and delivery as this would reduce the risk of perverse or inefficient results. We would also like to understand what the timelines for these proposed measures are (limited for RP4 or into RP5) and to ensure that they reflect the failure of ANS providers to plan and recruit adequately during the period associated. If the plan was to be accepted by the EC /PRB these additional measures shall not be used justify changes to the WACC or the risk profile of ANI.

The IAA's interpretation of the IR also appears selective and inconsistent with established precedent. The refusal to incorporate ex-post data, namely the uplift of the latest STATFOR Feb 2025 forecast contradicts the principles of adaptive and evidence-based regulation. While we understand that the situation appears preferable to airlines, we would point out that the PRB insist that most recent forecast available² should be used when developing a Performance Plan revision to be submitted. While we accept there are specific factors that make the use of the STATFOR February 2025 traffic forecast less advantageous to airlines such as factors affecting the terminal area to do with the imposition of a seat cap at Dublin Airport in Winter 2024/25, which has just recently been lifted, but subject to a review by the ECJ.

Using the Feb 2025 forecast could be seen as limiting Dublin Airport forecast capacity delivery compared to actual and would likely require the IAA to comprehensively reassess the effect of this constraint on all the other building blocks and require a completely revised business plan from ANI. However, applying the additional actual results in relation to the uplift of ICAO Space WX costs, return of CEF funding, reductions in Pension costs, application of actual 2024 costs and traffic and updating the new baseline for latest IMF inflation figures, without applying the updated forecast appears inconsistent. IATA do not believe that the "Mix and Match" approach will be received positively by the EC and will likely mean that the Irish RP4 plan will be subject to a more detailed examination procedure.

In conclusion, IATA do not see sufficient evidence to support the application of Annex IV (1.4(d)) to the Irish RP4 plan. We urge the IAA to reconsider its position and to develop a revised plan that demonstrates compliance with the EU Targets on Cost Efficiency.

We remain committed to constructive dialogue and look forward to a revised plan that better reflects the interests of airspace users and the broader aviation community.

² paragraph 98 of the PRB guidance on the development of RP4 performance plans October 2024



Yours Sincerely,

A handwritten signature in black ink, appearing to read "R. Sergison", is written over a light gray rectangular background.

Rory Sergison,
Head, ATM Infrastructure, Europe
Flight and Technical Operations,
IATA

C.C. PRB Support
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