

UPS Response to Draft S23 Declaration of Coordination Parameters

September 2022

Background

UPS is one of the world's largest logistics companies, playing a vital role in the collection, warehouse and delivery of goods as well as having the world's largest in-house customs brokerage operations. Our current operations in Ireland includes over 1,200 employees across 20 facilities.

Response to Draft S23 Declaration of Coordination Parameters

UPS supports CAR's Draft position to make no changes to the R60 runway limits in the night hours. We feel this is imperative in order to continue to support current movements at the airport, especially air cargo which fly at night out of necessity not choice, as any reduction in current slots would have a significant impact on our operations and our ability to support businesses in Ireland. Any reductions in our night slots would mean that we would lose our ability to provide Express services, reducing our ability to deliver time critical shipments and incurring a one-day delay to goods entering or leaving the country. This will have impacts along the supply chain and ultimately affect Ireland's competitiveness in the global marketplace.

Value of Night Flights – Air Cargo

Air cargo night flights via Dublin Airport will be key in supporting Ireland's economic recovery from the coronavirus pandemic as well as providing international connectivity both across the Atlantic and into other EU Member States in a post-Brexit world. Having flexibility within its air operations and support for air freight will be critical for Ireland's competitiveness and potential for growth.

Recent research commissioned by the FTAi (Freight Transport Association Ireland) and supported by UPS, DHL and FedEx/TNT, "The Economic Impact of Cargo Night Flying at Dublin Airport," highlighted the importance of goods flown at night to the Irish economy. The key findings include:

- Night flights carry around €19 billion worth of imports and exports every year

- Cargo night flying supports €1.1 billion in GDP and 15,000 jobs
- Night flights are vital for some of the fastest growing sectors in Ireland including pharmaceuticals, hi-tech and retail.
- Cargo night flying at Dublin Airport directly supports around 330 jobs and €27 million in GDP each year at Dublin Airport.

Aviation is key to the supply chain, enabling Irish businesses, especially in the hi-tech, retail, pharmaceutical and healthcare industries to send and receive just-in-time deliveries. Protecting air freight is critical to economic growth and keeping Irish businesses competitive in a 24-hour global economy. With customers requiring late afternoon collections and early morning deliveries, the only time we can move export and import shipments is by air and at night.

Regulation (EU) No 598/2014

We would also highlight sections 3.61 and 3.62 in CAR's draft proposal which highlights the need to notify the EU Commission and Member States of any change to noise regulation:

3.61 For an Operating Restriction in the form of an NQC scheme to be introduced within the meaning of Regulation (EU) No 598/2014, it must follow the introduction process as outlined in that Regulation and also the Aircraft Noise (Dublin Airport) Regulation Act 2019. 14 Article 8 of the Aircraft Noise Regulation obliges competent authorities such as ANCA to give to the Member States, the Commission and the relevant interested parties six months' notice, ending at least two months prior to the determination of the slot coordination parameters for the relevant season in which the Operating Restriction is to be introduced.

3.62 As the NQC Operating Restriction has not yet been notified to relevant parties (and in any case is subject to appeal), it has not been introduced in time for Summer 2023 and is therefore not a relevant constraint for Summer 2023.

We do not believe that the NQC Operating Restriction proposed by the daa, nor Condition 5 in the original planning permission, are compliant within the requirements of Directive 2002/30/EC and the associated implementing SI from 2003 which require notification to the EU Commission and Member States and as such would not be eligible to be introduced in S23.

In addition, as we have argued previously, Condition 5 does not sufficiently account for the requirements of Regulation EC 95/93 for neutral, transparent and non-discriminatory rules and the requirement to provide a "fair and equal opportunity to compete" under the U.S.- EU Open Skies Agreement. We also do not believe that Condition 5 complies with EU Regulation 598/2014 which includes a "balanced approach" to noise management, which is why we have

supported daa's proposals to amend this condition with a noise quota system and we have welcomed both ANCA's and Fingal County Council's decision to accept daa's proposals.

In summary, we support CAR's proposal to make no changes to the S23 declaration in the night hours. If Condition 5 were to be implemented, or any reduction of slots to the night period were to be introduced, this would have a major impact to our business and the way that we serve Irish businesses. We would continue to challenge any decision that we feel impacts our competitiveness, violates EU – U.S. Air Agreements, does not take into account the "Balanced Approach" and ultimately restricts growth of our business and the Irish economy as a whole.

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