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By email to: consultation@iaa.ie

Vueling Response to the IAA 2026 Issues Paper on Dublin Airport Charges

Dear Adrian,

Vueling, as part of International Airlines Group (IAG), welcomes the opportunity to respond to the IAA's Issues Paper. This submission should be read alongside the detailed responses from Aer Lingus and IAG, with which Vueling is fully aligned. Our aim is to reinforce the key arguments and set out Vueling's perspective as a user of Dublin Airport.

Vueling looks forward to engaging further throughout this determination process.

Sincerely,



Jordi Pla Pintre

Chief Network & Strategy Officer

Vueling Airlines

1. Regulatory Framework and Approach

Vueling supports both the single till and the building blocks framework as the foundations of regulation at Dublin Airport. The single till is the strongest safeguard for users, ensuring that non-aeronautical revenues offset aeronautical charges. For a carrier such as Vueling, focused on affordable fares and expanding connectivity, sustainable airport charges are essential to supporting our network and adding capacity. The single till framework underpins this by ensuring passengers benefit fairly from Dublin Airport's strong commercial performance.

Accurate forecasting is equally critical. When forecasts reflect reality, charges are set at levels that are fair, transparent, and directly to the benefit of passengers. However, to date, overly conservative forecasts — particularly for passenger traffic and commercial revenues — have inflated charges and delivered persistent excess returns for daa. Stronger, evidence-led forecasting must therefore be at the heart of the IAA's approach.

2. Passenger Forecasts

Passenger forecasts are the most material driver of charges. For more than a decade (excluding COVID years), daa has consistently significantly under-forecast demand, to its own financial benefit. Underestimating volumes inflates per-passenger charges and has led to systematic over-recovery. The consequence has been unwarranted higher costs for passengers.

The IAA's commitment to developing independent forecasts is welcome, but these must be rooted in robust evidence and the principle of a "fair bet." Airline-provided bottom-up forecasts, grounded in real network and fleet planning, should be central to this assessment. Getting this right will ensure more balanced risk-sharing and deliver fairer outcomes for passengers.

3. Operating Expenditure (Opex)

Opex allowances must replicate the pressures of competition. Despite flat costs per passenger, inefficiencies remain, particularly in categories like security and cleaning. Where capital projects were justified on efficiency grounds, these savings must be delivered.

Vueling supports the IAA's base-trend-step approach as a foundation but along with Aer Lingus and IAG recommends:

- Deeper efficiency assessments where outturn costs exceed allowances or where service quality underperforms.
- Clearer links between capex justifications and realised opex savings.
- An ongoing efficiency challenge, as used at other airports and in other regulated sectors, to replicate competitive discipline.
- A realistic but not overly long glidepath to efficient costs.

Responsibility for overspend must remain with daa, not users.

4. Commercial Revenues

Daa's treatment of commercial revenues mirrors its approach to passenger traffic: persistent under-forecasting. Outturns have consistently exceeded projections, with IAA analysis showing that in 2023 and 2024, 70–86% of outperformance was driven not by passenger growth but by daa's own revenue initiatives.

This matters because conservative forecasts inflate aeronautical charges under the single till, leaving passengers paying more than necessary. The IAA must therefore strengthen its methodology:

- Move beyond elasticity-based models and adopt econometric tools with stronger explanatory drivers.
- Benchmark against peer airports and daa's own performance.
- Apply justified "stretch" where new opportunities exist (e.g. expanded retail in T1).

5. FastTrack

FastTrack must remain within the regulatory till. Recent attempts by daa to restrict airline access while simultaneously increasing promotions of direct sales channels, illustrate monopolistic behaviour. This undermines airline premium offerings and distorts competition.

The IAA must impose clear governance, require transparent demand and capacity forecasts, and enforce rules that prevent unilateral restrictions. Protecting fair access ensures eligible passengers receive the quality of service they are entitled to without unnecessary increases in cost.

6. Capital Expenditure (Capex)

Capex delivery has fallen short since 2022, with planning failures and delays constraining growth and undermining user confidence. Vueling supports the RAB-based approach, StageGate process, and the use of triggers, but stronger discipline is needed:

- Reverse triggers to claw back allowances where avoidable delays occur.
- Only efficient, in-use assets to be added to the RAB.
- Allowances limited to efficiently incurred projects delivering tangible value.
- Sustainability spend limited to compliance; ambition beyond this should be funded by daa.

Timely and efficient delivery of capex is essential to providing passengers with the facilities and service levels they expect.

7. Quality of Service (QoS)

The current incentive regime has not adequately protected passengers. Daa has missed minimum standards in areas such as security and cleanliness while still earning bonuses elsewhere.

Reform is needed to:

- Set stretching but attainable targets, benchmarked internationally.
- Expand coverage to include baggage delivery, transfer passengers, and airside operations.
- Improve transparency through real-time reporting and broader feedback.
- Ensure bonuses apply only for genuinely exceptional performance.

A recalibrated scheme will better safeguard service quality for passengers while ensuring value for money.

8. Cost of Capital (WACC)

Previous determinations overstated risk by setting WACC above daa's true cost of capital. Assumptions on beta, gearing, and the 50bps "aiming up" uplift were too generous.

Adjustments required include:

- Lower beta to reflect daa's low-risk, single-till monopoly model.
- Debt costs benchmarked to daa's actual A- rating.
- Gearing assumptions aligned to peers, without financeability uplifts.
- Removal of the unjustified 50bps aiming up allowance, which lacks credible evidence of being included for this determination period.

A more realistic WACC will ensure passengers are not overcharged to fund returns that exceed daa's genuine risk profile.

9. Risk, Return and Financeability

Financeability should be assessed on a notional basis, with daa expected to manage its own financing choices. Passengers should not be asked to subsidise the airport's individual decisions. Scenario analysis must consider both upside and downside risks, using realistic probabilities. At present, the framework places too much weight on protecting daa from downside scenarios, while allowing it to retain the full upside from stronger-than-forecast passenger traffic and commercial revenues. A more balanced approach is required to ensure passengers are protected from inflated charges

10. Conclusion

Vueling fully supports the submissions from Aer Lingus and IAG. The regulatory priorities are clear:

- The single till must be preserved as the best safeguard for users.
- Passenger and commercial forecasts must be evidence-based, not conservative.
- Opex and capex allowances must replicate the pressures of competition.
- Airline FastTrack access should not be limited as demand is clearly actively managed.
- WACC must reflect daa's true low-risk profile, without unwarranted uplifts.
- QoS incentives must protect passengers and reward only genuine excellence.

For Vueling and IAG, sustainable airport charges are not just a financial consideration but a critical enabler of network growth and additional capacity at Dublin. Lower charges directly support route development, passenger choice, and wider connectivity. The single till framework underpins this by ensuring commercial revenues flow through to reduce aeronautical costs, aligning the airport's incentives with those of its users.

Sincerely,



Jordi Pla Pintre

Chief Network & Strategy Officer

Vueling Airlines