UPS Response 2019 Draft Determination

July 2019

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 1,400 employees across 22 facilities. UPS recently acquired Nightline in Ireland, which includes the Parcel Motel brand. UPS operates two daily flights from Dublin Airport, which connect Dublin and Shannon to our main air gateway in Cologne, Germany.

Importance of Air Freight

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 express carriers such as UPS have to move shipments internationally is at night and by air to meet these commitments. With the uncertainty of what a Post-Brexit economy will look like, Dublin, and Ireland as a whole, is well placed to provide international connectivity both across the Atlantic and into the Continent. Having flexibility within its air operations and support for air freight will be critical for Ireland's competitiveness and potential for growth.

2019 Draft Determination

UPS is concerned about the reduction of charges over the next five years and the impact this will have to infrastructure at the airport, especially at such a critical time. In order to support the planned growth in both passengers and freight, UPS agrees with DAA that current charges should remain static over the next five years rather than be reduced. With the new runway due to be delivered in late 2021 under current regulatory finance model, 2014-2019 Determination, additional investment in infrastructure is required to balance that delivery with piers and terminals which is necessary to maximise the access demands required for the orderly airport

development. Given the investment and additional capacity that will be delivered with the new runway, it would seem prudent to support this with similar capacity in other parts of the campus, namely piers, stands and terminals.

In summary, UPS supports Dublin Airport's position to keep charges at a static level for the next five years in order to invest in infrastructure to support future growth at the airport.

For more information, please contact:

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