

Commission for Aviation Regulation Annual Report



2020

Contents

Foreword	2
01. About the Commission for Aviation Regulation	3
02. Economic Regulation	6
03. Air Carrier Licensing and Groundhandling Approvals	12
04. Travel Trade Licensing	19
05. Air Passenger Rights	25
06. Corporate Services	32
07. Financial Information	37
08. Appendix	45

Foreword

The impact of COVID-19 on the aviation and travel industries has been devastating. This is evidenced by the fact that 32.9m passengers passed through Dublin Airport in 2019 and this figure dropped to 7m last year. During 2020, we tailored our work programme to ensure that we could respond to passengers and provide regulatory responses and support to the industries we regulate.

Through the work of our Air Passenger Rights team, we advised 6,850 individuals on their rights, resolved 3,947 complaints and helped passengers to obtain €1.25m in payments.

It was a very difficult year for the travel trade sector. By year end, 181 tour operators and travel agents were licensed compared to 211 in 2019. Some companies exited the market, others did not require a licence (because of Brexit) and there were 6 insolvencies. Following the insolvencies, we received 3,620 claims from customers against the insolvency protection scheme.

In October 2019, we published our decision on the maximum level of charges at Dublin Airport and this was appealed by Ryanair and Dublin Airport. The Minister for Transport established an appeal panel in early 2020 and this panel rejected all but two points of appeal.

In June, we published a consultation paper to discuss how price regulation should respond to COVID-19. In December we issued a decision setting out how 2020 and 2021 maximum prices should be calculated. In the 2019 decision, we approved a €2.4bn investment programme. In 2020, we set out a process to determine the timing of large capital projects in the context of the pandemic.

We suspended applying financial penalties where quality of service targets were not met by Dublin Airport; due to restrictions and social distancing measures that made it difficult for services to operate as normal. However, we monitored quality of service and published quarterly reports. We will probably carry out further reviews of the 2019 decision, as the situation surrounding COVID-19 evolves.

I was a member of an aviation taskforce established by the Minister for Transport and chaired by Dr Chris Horn. In July, a report was published, making 12 recommendations aimed at ensuring that air travel is reopened in a safe manner and that Ireland's global



Cathy Mannion
Commissioner

connectivity can be recovered over the next number of years as part of the overall recovery of the Irish economy.

In 2020 we started in our new role as economic regulator of the Air Navigation Service Provider division of the IAA. As a result of the pandemic, the Irish performance plan and ANSP charges need to be revisited. We published a consultation paper in November and expect to submit a revised performance plan to the EC in the Autumn of 2021.

In 2020, there were 17 licensed air carriers and 45 groundhandlers. In April, an examiner was appointed to CityJet DAC and in August, the company exited examinership. In December, an examiner was appointed to Norwegian Air International Limited. The process was ongoing at year end.

The UK withdrew from the EU on 1 February 2020 and, during the year, we worked with licence holders and stakeholders in the context of licensing and approval implications as a result of Brexit.

We continued to work closely with the Department of Transport and our colleagues in the IAA to progress the regulatory reform programme and anticipate that this will conclude in the second half of 2021.

Finally, I would like to acknowledge the hard work and dedication of my staff and the 11 temporary staff members we welcomed to the Commission to help us with our consumer-focused work; most of whom worked from home since March 2020. As evidenced above, the work has been challenging and for the most part unplanned at the start of the year.

Looking forward, we will work closely with our stakeholders and continue to reprioritise and deliver on our work programme, to play our part in facing the challenges posed by COVID-19 on this sector.

01.

About the Commission for Aviation Regulation



The Commission is Ireland's independent economic aviation regulator and was established in 2001. The Commission's responsibilities are outlined below.

Economic Regulation

- Sets and monitors a price cap limiting the revenue per passenger that daa can collect from airport charges at Dublin Airport.
- Ensures compliance with the European Airport Charges Directive (2009/12/EC), which sets out minimum standards in relation to consultation and non-discrimination in an airport's charging strategy.
- Approves, as required, the charges airports levy on airlines to fund services for passengers with reduced mobility.
- Approves fees charged by the airport authorities at Dublin, Cork and Shannon airports for access to installations needed to provide groundhandling services.
- Designates the scheduling status of Irish airports under the Slot Allocation Regulation, appointing a schedules facilitator or coordinator where necessary. Declares the coordination parameters for Coordinated airports- currently, Dublin Airport is Coordinated while the other Irish airports are Uncoordinated.
- The Commission is the National Supervisory Authority (NSA) for the purposes of economic regulation of air navigation services under the Single European Sky regulations.

Licensing and Approvals

- Licenses Irish-based air carriers transporting passengers, mail or cargo for remuneration and/or hire.
- Regulates businesses established in Ireland and outside the EU who sell or offer for sale packages/linked travel arrangements in the EU/in Ireland respectively.
- Licenses Irish established travel agents and tour operators selling overseas travel.
- Administers a bonding scheme for licensed travel agents and tour operators and processes claims if a travel agent or tour operator goes out of business.
- Investigates instances of alleged illegal trading and prosecutes where necessary.

- Grants approvals to companies engaged in groundhandling activities at Dublin, Cork and Shannon airports.

Air Passenger Rights

- Investigates complaints about flight cancellations, delays of at least two hours and instances of denied boarding or downgrading for all flights due to depart from Irish airports and for flights arriving into Irish airports from non-EU countries (if operated by EU-licensed carriers).
- Investigates complaints relating to the assistance received by passengers with reduced mobility when making a reservation, travelling through an airport within Ireland or boarding a flight leaving from an Irish airport.

Key Statistics

Economic Regulation

70%

Air traffic at Dublin Airport in 2020 declined by more than **70%** from 2019 due to COVID-19.



Travel Trade

165

We licensed and bonded **165** travel firms.



Air Passenger Rights/Persons with Reduced Mobility

6,850

We advised **6,850** individuals on their rights by phone and/or email.



€1.25m

We commenced investigation of **4,543** complaints, concluding **3,947** and assisting passengers to obtaining a total of **€1.25** million in refunds and compensation.

Air Carrier Licensing and Groundhandling

45

We approved **45** companies engaged in groundhandling activities.



17

We licensed **17** Irish-based air carriers.

02.

Economic Regulation



Adrian Corcoran

Director of Economic Regulation

Adrian Corcoran is the Director of Economic Regulation. He is responsible for the economic regulation of Dublin Airport, slot coordination and the approval of fees relating to access to installations and passengers with reduced mobility. He was appointed to this role in December 2014 after previously working as an Economist at the Commission. He holds a PhD in Economics.

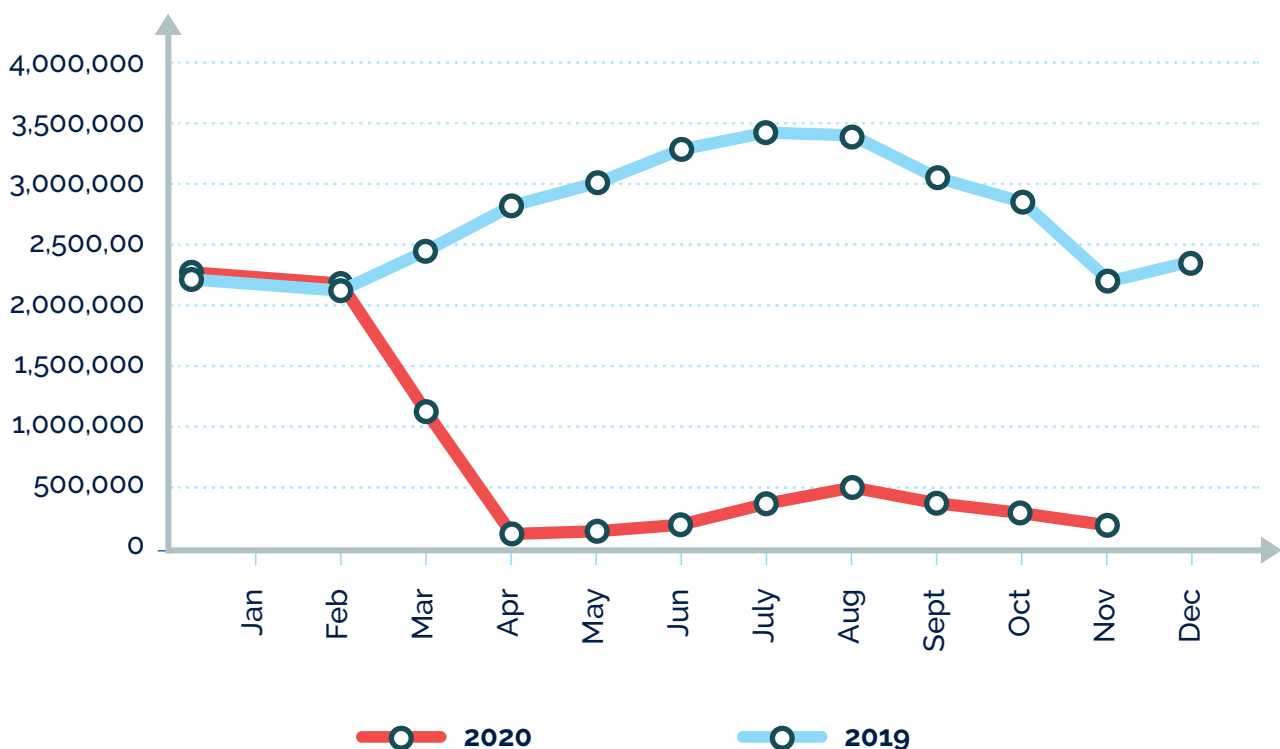
The Impact of COVID-19 on the Industry

COVID-19 has had a dramatic effect on the aviation industry in the past year, with European traffic in December being 63% lower than last year. Total passenger traffic at Dublin airport in 2020 was just over 7 million compared to 32.9 million in 2019. While Europe overall saw a slight temporary recovery in traffic over the summer of 2020, this was seen to a much lesser extent in Ireland. As COVID-19 restrictions have been tightening globally since August, flight and passenger numbers have continued to fall or remain depressed. As it stands, the aviation industry continues to face the challenge of cost containment while also having the capability to react quickly when traffic ultimately recovers. Planning for 2021 and beyond remains a difficult task as there is still great uncertainty about the recovery timeline with estimates ranging from 2 to 6 years.

7
million

Total passenger traffic at Dublin airport in 2020 compared to 32.9 million in 2019.

Chart 1: Passenger Numbers at Dublin Airport in 2019 Compared to 2020



Delivery Against Strategic Plan

The key strategic goal for the economics section is to incentivise efficient, high-quality and safety conscious airport services. Central to achieving this goal are four objectives and several actions. Chart 2 illustrates the focus of our work in 2020 which included our four objectives and a general Commission objective. The following paragraphs summarise the work undertaken in 2020 grouped by each of these objectives.

Set Efficient Charges at Dublin Airport

Appeals Panel of 2019 Determination

An appeal panel was established by the Minister for Transport on 4 February 2020 to consider appeals by Ryanair and Dublin Airport regarding the 2019 Determination on the maximum level of airport charges at Dublin Airport. Following written submissions and oral hearings the panel reached a decision in May. The panel rejected most points of appeal, concluding CAR did not err and gave proper consideration to material. The appeals process did not consider events subsequent to publication of the 2019 Determination, most notably the onset of the pandemic.

It did refer two points back to CAR for further consideration. The first looked at whether a four-year glidepath was necessary for Dublin Airport to achieve operating cost efficiencies. The glidepath outlined OPEX allowances for Dublin Airport that mapped out a smooth transition to a more efficient OPEX expenditure level over the determination period. Secondly, further consideration of the mathematical application of the OPEX cost pass through formula was suggested (a referral which CAR supported). Following consultation, CAR decided to remove the OPEX glidepath for 2022 and 2023, as upon further consideration a two-year period was deemed sufficient to reach the appropriate efficient level of OPEX. This resulted in a marginal decrease in the maximum level of airport charges per passenger, as shown in Table 1 on the next page.

The operating costs passthrough mechanism was also amended to more consistently allow for costs that are uncertain at the time of determination and outside the control of Dublin Airport to pass through to the price cap within the determination period. The formula was designed to allow Dublin Airport more flexibility during the determination period in relation to unavoidable costs.

Chart 2: Strategic Objectives We Worked On in 2020



Table 1: Change in Maximum Airport Charges Due to Appeals

	2020	2021	2022	2023	2024	Average
Maximum Revenue Per Passenger (2019 Determination)	€7.50	€7.50	€7.88	€8.12	€8.32	€7.87
Maximum Revenue Per Passenger (2020 Appeal)	€7.50	€7.50	€7.75	€8.05	€8.32	€7.82

Price Regulation Response to COVID-19

In June 2020, we published a consultation to discuss how price regulation should respond to COVID-19. After consideration of the responses to consultation, a Draft Decision on an interim review of the 2019 Determination was published. This proposed to remove all triggers and adjustments to the price caps for 2020 and 2021, as well as removing adjustments relating to these years that would affect the price cap in later years. Many of these triggers and adjustments were based on Dublin Airport delivering capital projects. Given current circumstances, these incentives are no longer appropriate and may have led to undesirable consequences.

We introduced a new consultation process for the timing of substantial allowed capital projects, given the need for these projects to be reconsidered in the context of the pandemic. In the Draft Decision, it was stated that there should be agreement among airport users that the project is still required, or that it is necessary for safety or regulatory compliance. The Final Decision specified that 50% of passengers represented by airlines that make submissions in response to consultation must agree with Dublin Airport on the need to progress certain substantial capital projects in 2021.

In 2020, there was overcollection on the ex-ante price cap by Dublin Airport despite our estimate in the final decision that revenue would be 65% below forecast. Because of COVID-19 restrictions, there were significantly less passengers per flight, and a greater proportion of cargo being processed than normal. Having reviewed the evidence on this matter, it was clear that Dublin Airport had originally set its menu of charges to comply with the price cap, and this was an overcollection generated by circumstances specific to 2020 and

the onset of the pandemic. As such, we suggested that the most appropriate measure would be to replace the ex-ante cap with a series of caps matching the menu of charges that were in effect at Dublin Airport in 2020. This meant that Dublin Airport would not have to issue rebates in relation to 2020. This was only the case for 2020, with the global price cap of €7.50 remaining in place for 2021.

The Final Decision on the Interim Review was published in December 2020, and it remained broadly in line with the Draft Decision. It is expected that there will be a further review or reviews of the 2019 Determination as the period continues, and the situation surrounding COVID-19 evolves.

Annual Review of Consultation

The annual consultation on airport charges at Dublin Airport occurred in December 2020, with Dublin Airport engaging with stakeholders and meeting its obligations under the Airport Charges Directive.

Suspension of Quality of Service Penalties Due to COVID-19

In March, we announced that financial penalties associated with quality of service targets would be suspended. This measure was necessary due to increasing restrictions and social distancing measures making it more difficult for services to operate as normal. The restrictions also made it challenging to collect data on the quality of service at the airport with social distancing requirements making face to face passenger surveys more difficult.

We continue to monitor quality of service at the airport with the available measures and reports are still being published on our website quarterly.

This decision was initially for March and April, but later extended indefinitely. Following the Interim Review, there are no penalties for 2020 or 2021.

Increase Stakeholder Involvement in Decision Making

Implement the StageGate Process for Capital Investment Projects

In the 2019 Determination, we introduced a new process, StageGate, for large scale CAPEX projects. The StageGate process will allow for greater flexibility in the scope and cost of large capital projects throughout the regulatory period. Dublin Airport, airport users, the Commission and an Independent Fund Surveyor (IFS) continue to assess the cost development of projects which then ultimately affects the final cost allowance for the project. 17 projects were given initial, StageGate 0 allowances at this time. In July 2020, we concluded the first round of the StageGate process, relating to two projects: the Taxiway W2 Rehab and the Hold Baggage Screening Standards in Terminal 2. In its review of Dublin Airport's proposal for the scope and cost of the Taxiway, the IFS observed a 5% increase in the StageGate 1 allowance compared to StageGate 0. Airlines also raised concern on this point but on reviewing the associated evidence, the IFS concluded that this increase was reasonable. There were no significant points of disagreement on the proposal for the HB3 project in Terminal 2, and the allowance was confirmed to remain unchanged from StageGate 0.

A second round was held in October, focusing on Hold Baggage Screening Standard 3 in Terminal 1. Dublin Airport proposed a StageGate 1 allowance of €192m, however the IFS concluded the efficient cost was €183m, which was subsequently accepted by Dublin Airport and not objected to by most airlines. However, Ryanair did not consent to the project proceeding through StageGate 1 on the basis of the IFS' recommendation of €183m. Consequently, the StageGate 1 allowance for this project currently remains in line with StageGate 0, at €160m.

Promote Competition and Facilitate New Entry

Rolling Forward Coordination Parameters

In April, we set the coordination parameters for Winter 2020 in line with the International Air Transport Association calendar for slot coordination. We later declared the parameters for Summer 2021 in September. The coordination parameters for these scheduling seasons were left unchanged from those in 2019. This was due to lower demand expectations and an inability to accurately forecast traffic as a result of COVID-19.

New Local Rule to Implement Capacity Reduction

We published a Local Rule in July 2020 to establish a process for the management of reduced capacity, should the need for this arise by measures relating to COVID-19. As traffic levels have remained very low, it has not yet been necessary to trigger this process.

Under this rule, carriers will be given an indication of the reductions required, and this reduction would be measured based on hourly and daily capacity to ensure that the allocation is fair across carriers. The non-use of historic slots in these circumstances would not impact future historic entitlements.

Sanctions for Slot Misuse

There were several warnings issued by the Dublin Coordinator in 2020, but none of these led to financial sanctions.

Charging and Performance of Air Navigation Services Under Single European Sky Regulations

Implementing EU Emergency Regulation for Air Traffic Targets

The EU introduced emergency air traffic regulations on exceptional measures for reference period 3¹ (2020-2024) of the Single European sky performance and charging scheme due to the COVID-19 pandemic². This stated the

¹ Reference period 3 (RP3) refers to the third regulatory period of the Single European Sky Performance Scheme, 2020-2024.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1627&qid=1604477086805&from=EN>

necessity to revise the performance targets and plans that were submitted in 2019. In line with these new regulations we provided information about traffic forecasts and costs of the IAA air navigation service provider, meteorological services and NSAs to enable the setting of Union-wide performance targets. These targets will be finalised in early 2021.

Develop a New Performance Plan

Based on this new regulation, we began working on a revised Irish performance plan, publishing a consultation in November 2020. This consultation laid out a proposed timeline as well as potential methodologies for the establishment of the performance plan. This timeline was later confirmed in December, and we have since begun work on developing the Performance Plan.

Consultation on Unit Rates for 2021

In July 2020, we carried out a consultation with airspace users on the unit rates of air navigation services for 2021. It also looked at the cost risk sharing mechanism which allows the air navigation service to retain any funding resulting from an underspend on certain projects, but in the case of an overspend, they are required to cover the difference. There was no disagreement on the implementation of the cost risk sharing mechanism and it was finalised as originally proposed. This mechanism will be replaced in reference period 3.

Regulation that Represents Best International Practice

Actively Participate in the Thessaloniki Forum of European Airport Charges Regulators

We worked on two papers this year with the Thessaloniki Forum. The first looked at the regulatory till and cost allocation and we chaired the subgroup which wrote this paper. The paper considers the potential cost allocation methodologies for dual and hybrid till systems in particular, as well as the challenges faced by ISAs verifying the allocation of costs. We were part of the writing team for the second paper: Airport Charges and Environmental Issues. This paper examined variations in airport charges for environmental objectives. We will continue to actively participate in the Thessaloniki Forum.

Looking Forward to 2021

As a result of COVID-19, it is difficult to forecast when recovery of the aviation industry will start. Currently, it appears that passenger numbers will remain suppressed in the first half of 2021. It is likely that a further interim review of the 2019 Determination will need to be carried out in 2021.

We are continuing to engage with stakeholders and develop a strategy regarding the release of capacity onto the market associated with the completion of the North Runway at Dublin Airport. We will also declare the capacity parameters at Dublin Airport in accordance with the timeline for coordination activities.

We are continuing to work on the development of the revised performance plan for Ireland for the reference period 3 under the Single European Sky regulations. This plan is due to be submitted to the European Commission on 1 October 2021.

We will continue to actively participate in the Thessaloniki Forum.



03

Air Carrier Licensing and Groundhandling Approvals



David Hodnett

Deputy Commissioner/Director of Legal Affairs

David Hodnett is the Commission's General Counsel and Deputy Commissioner. A solicitor, he joined the Commission in 2003. He is responsible for Legal Affairs, Air Carrier Licensing, Groundhandling Approval and Air Passenger Rights.

Licensing and approval regimes for air carriers and groundhandlers are administered in Ireland by the Commission. The table below summarises licensing and approval activity during 2020.

Table 2: Number of Licences and Approvals, 2020

	Air Carriers (Operating Licence)	Groundhandlers (Approvals)	
		Self-Handling Airlines	Third-Party Suppliers
Licence holders, 1 Jan 2020	16	9	40
New licences/ approvals	1	1	1
Licences revoked/ surrendered	0	0	3
Licence holders, 31 Dec 2020	17	10	38

The year was a challenging one due to the impact of the COVID-19 global pandemic. With regard to the team responsible for licensing air carriers and groundhandlers, the transition to remote working was managed well ensuring continuity of service. One team member was reassigned for a period of six months, on a part-time basis, in order to support our Travel Trade colleagues deal with a large number of claims arising from collapses as a result of the pandemic.

Brexit also impacted on the work of the team during the year as we engaged with licence holders and various stakeholders regarding licensing and approval implications as a result of Brexit.

Due to the COVID-19 pandemic and related Government/Public Health advice, it was not possible to conduct compliance visits to licence holders during 2020. The Commission will keep the situation under review and plans to

recommence compliance visits when conditions allow. Monitoring of compliance continued as normal remotely.

Air Carrier Licensing

At the end of 2020, 17 Irish based air carriers were licensed by the Commission to engage in commercial air transport operations. This represented an increase of one when compared to the previous year. A new operating licence was issued to Sonas Aviation Limited (now ACASS Ireland Limited) in March 2020.

Three new applications for an operating licence were received during the last quarter of the year and all remained in progress at the end of 2020. A full list of up to date operating licence holders is available on the Commission's website.

During the year, all licence holders were subject to regular monitoring to ensure compliance with the relevant licensing legislation concerning financial fitness, insurance cover and ownership and control. We continued to closely monitor the financial situation of air carriers, particularly those in a weaker financial position, through the submission of more frequent financial data and regular meetings.

Licences are subject to a review two years after they are first granted. In late 2020, one such review took place, and this remained in progress at the year end. It is expected that the review will be closed out by the end of January 2021.

To provide a readily identifiable means of confirming an operator is licensed, small aircraft and helicopter operators were issued with licence discs to display in each of their registered aircraft as listed on their Air Operators Certificate issued by the Irish Aviation Authority.

We received nine submissions during 2020 from Irish air carriers made under Article 8 (5) of the Licensing Regulation which requires the Commission to be notified in advance of any substantial changes in the scale of their activities³, in advance of any intended mergers/acquisitions or where there is a change in ownership and control. In addition to the air carrier setting out

³ The relevant changes can include the operation of a new air service to a continent or world region not previously served, changes in the number of aircraft operated or their type or any other change in the scale of its activities.



Air Carrier Licence Disc 1

the precise changes in detail, the Commission can require the submission of a revised business plan if the changes notified are deemed to have a significant bearing on the finances of an air carrier. Where changes relate to the operation of new aircraft, the Commission is required to examine insurance details to ensure they meet the relevant requirements and details of the method of acquisition (e.g. purchase/leasing) and the terms and conditions associated with the contract.

Table 3 below shows a summary of the numbers of submissions received under this Article in 2020 by type of notification:

Table 3: Article 8 (5) Submissions, 2020

Article 8 (5) Notification Type	Number of submissions 2020
In advance of any substantial changes to scale of activities (includes changes in the type or number of aircraft used)	3
In advance of any intended mergers or acquisitions	0
Change in ownership and control	6

COVID-19: Relief Measures for Aviation at EU Level

Due to the COVID-19 pandemic, the European Commission introduced temporary modifications during 2020 to certain existing provisions under Regulation (EC) No 1008/2008. The intention of the temporary modifications was to allow the European Commission and national authorities to more easily address a number of negative consequences of the COVID-19 pandemic, and to mitigate the impacts on the aviation sector for the duration of the crisis. These temporary measures included an amendment to the air carrier licensing rules in the case of financial problems caused by the COVID-19 pandemic.

In accordance with Article 9 (1) of Regulation (EC) No 1008/2008, Member States must suspend or revoke the operating licence of an air carrier when, based upon an assessment, it is clear that the air carrier is no longer able to fulfil its actual and potential obligations for the next 12 months. Alternatively, a temporary licence may also be granted. It is likely that many airlines, which were financially healthy before the COVID-19 crisis, will end up in a situation whereby their liquidity positions lead to the legal need for their operating licence to be suspended, revoked or replaced by a temporary licence. In the context of the current crisis, this may create an unnecessary administrative burden without a clear economic or safety benefit. The European Commission therefore temporarily suspended this formal obligation for Member States in relation to assessments carried out under Article 9 (1) from 1st March 2020 until 31st December 2020, provided safety is not at risk and that there is a realistic prospect of a satisfactory financial reconstruction within the following 12 months.

During this period, Member States maintained their obligation to monitor the financial fitness of their air carriers to protect passengers from undue safety risks and be able to provide relevant information to safety authorities.

In December 2020, the European Commission extended the above temporary modifications until 31st December 2021 due to the ongoing reduction in the level of air traffic as a result of the COVID-19 pandemic.

CityJet DAC

In April 2020, an Interim Examiner was appointed by the High Court to CityJet DAC. The company operates primarily as a 'wet lease' operator for other air carriers and is the holder of a Category A operating licence issued by the Commission.

The practice of wet leasing is an arrangement whereby one airline uses its aircraft and crews to operate flights on behalf of a customer airline.

The company sought the protection of the court from its creditors due to financial difficulties which were exacerbated by the onset of COVID-19.

The Examiner was formally appointed on 27th April 2020 and work commenced on a Scheme of Arrangement to be agreed with all of the creditors of the company. The Examiner also worked with the company to secure equity investment in order to ensure the survival of the company as a going concern. On 11th August 2020, the High Court confirmed the proposals of the Examiner for a Scheme of Arrangement and the company exited Examinership. The Commission, as the licensing authority, was a Notice Party to the above proceedings. The powers of a licensing authority in relation to the continuation of a licence in the context of financial difficulties are set out under Article 9 of Regulation (EC) No. 1008/2008. In that context, the Commission must carry out an in-depth review in its own right of the financial situation of the company and on the basis of its findings review the status of the operating licence. Our position as regards the Examinership process was that the Commission was neutral in relation to that process and would await the relevant financial information required in order to commence our role under Article 9 of the licensing Regulation. This review was completed during January 2021 and did not result in any change to the status of the Operating Licence held by CityJet DAC.

Norwegian Air International Limited

On 18th November 2020, an Interim Examiner was appointed by the High Court to Norwegian Air International Limited (NAI) and several related companies in the Norwegian Group. NAI is the holder of a Category A operating licence as issued by the Commission in 2014. NAI was the Group's first EU licensed airline and operates on routes within Europe. A simultaneous reconstruction process was also initiated under Norwegian law.

The Examiner was formally appointed on 7th December 2020. As with the process described above in relation to CityJet DAC, work commenced on the full implementation of a restructuring plan and sourcing of additional finance for the relevant companies. At the end of 2020, the Examinership process was ongoing with the Commission, as licensing authority, a Notice party to proceedings.

As with the CityJet Examinership case, the Commission must carry out an in-depth review in its own right of the financial situation of the company and on the basis of its findings, review the status of the operating licence in the context of Article 9 of Regulation (EC) No. 1008/2008. The Commission awaits the relevant financial information to enable it carry out this review under Article 9.

Brexit

The United Kingdom withdrew from the European Union on 1st February 2020. The Withdrawal Agreement, which entered into force on that date, set out the terms of the withdrawal of the UK from the EU and provided for a transition period during which Union law would continue to apply to and in the UK. This transition period ended on 31st December 2020 when the United Kingdom left the EU Single Market and Customs Union and all Union policies, and the application of EU law to and in the United Kingdom ceased.

An agreement on the future relationship between the EU and the UK was reached on 24th December 2020. This agreement included a Trade and Cooperation Agreement which incorporates a comprehensive Air Transport Agreement. The Agreement provisionally applies from 1st January 2021, pending ratification.

The Commission continued to engage with licence holders and stakeholders during 2020 in the context of licensing and approval implications as a result of Brexit.

Operating an Efficient Licensing System

During 2020, we delivered the remaining recommendations identified by a 2018 independent Audit of our Licensing processes in order to ensure the most efficient licensing system.

In January 2021, we issued our compliance calendar to licence holders which highlights key compliance dates arising during the year in order to

assist licence holders with the various information requirements arising during 2021. A summary of all monitoring and compliance requirements which arise, details of expected information for each submission plus a reminder of the list of events which require prior approval from or notification to the Commission accompanies the compliance calendar. The information summary sheet also includes the name of a contact person nominated by each company to liaise with the Commission on all compliance monitoring matters.

During 2020, we continued to work closely with our colleagues in the IAA on air carrier licensing issues in accordance with our existing information sharing agreement and we look forward to the planned merger between the Commission and the Safety Regulation Division of the IAA and the opportunities this regulatory reform process will bring to further coordinate our processes in the licensing area.

Co-operation

In early 2020, the Commission signed a Memorandum of Cooperation with the Civil Aviation Authority of Norway to provide a framework for cooperation and to establish a line of communication in areas such as financial oversight and ownership and control in particular in relation to air carriers which are part of larger Group structures and have separate operating licences in both Ireland and Norway. The Memorandum of Cooperation also provides scope for the sharing of information on topics of mutual interest for the purposes of our respective roles under Regulation (EC) No 1008/2008.

This step is in line with some of the suggestions put forward as part of the EC Evaluation of Regulation (EC) No 1008/2008 relating to cooperation among relevant authorities within each Member State on issues such as financial oversight and also has regard to Article 26 of Regulation (EC) No 1008/2008 on Cooperation.

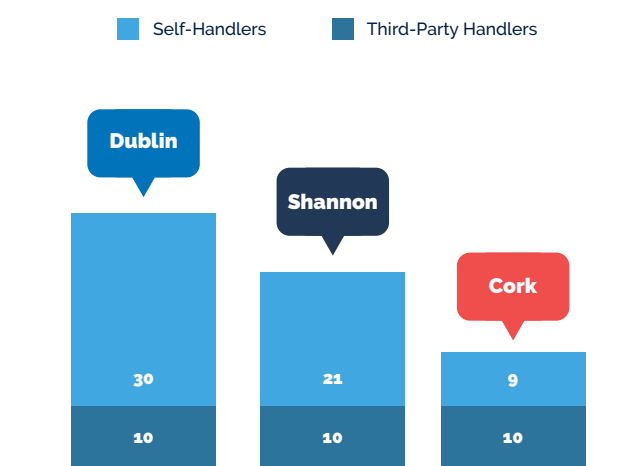
During 2020, we also held a number of meetings/discussions with our colleagues in other Member States on matters arising under Regulation (EC) 1008/2008, in particular in relation to air carriers who are part of Group structures and have a number of separate operating licences across the EU.

We intend to further progress any opportunities for closer cooperation with our colleagues in other Member States to strengthen our monitoring role in this area.

Groundhandling Approvals

At the end of 2020, there were 10 approved self-handlers (i.e. where an airline chooses to provide groundhandling services for itself) and 38 approved suppliers of groundhandling services or third-party handlers (i.e. a company engaged in the provision of groundhandling services, be it an airline or a dedicated groundhandling company). Of the approved self-handlers, 3 are also approved to provide groundhandling services to third parties. While the number of approved self-handlers increased by one during 2020, there was a decrease in the number of approved suppliers of groundhandling services with 3 approvals voluntarily surrendered. A full list of approval holders is kept up to date on the Commission's website. Chart 3 presents an analysis of the numbers of approved self-handlers and suppliers of groundhandling services by airport.

Chart 3: Approved Handlers by Type and Airport 2020



During 2020, the Commission received four new applications for approval as a self-handler/supplier of groundhandling services. Approvals were issued to the following companies during the year:

Company Name	Airport Location	Approval Type
American Airlines Inc.	Dublin, Cork, Shannon	Self-handling
Lightning Aviation Limited	Dublin, Cork, Shannon	Supplier of groundhandling services

Two applications remained under consideration at the end of 2020.

The third-party handling approval held by Etihad Technical Ireland Limited was voluntarily surrendered during the year following a decision by the company to wind down its maintenance operations at Dublin Airport. In addition, the third-party handling approval held by BCT Aviation Maintenance Limited, a UK established company, was voluntarily surrendered at the end of the year following the transfer of existing staff and contracts to Irish registered company, Lightning Aviation Limited. The purpose of the transfer was to ensure consistency of operations in the context of Brexit. In accordance with Regulation 7 (2) of S.I. 505 of 1998, suppliers of groundhandling services at relevant Irish airports must be established in the Community in order to access the groundhandling market and qualify for a Groundhandling Approval.

During the year, the Commission examined and approved an application from dnata Catering Ireland Limited to amend its existing approval to include the provision of groundhandling services at Shannon Airport. The Commission also approved an application from Delta Airlines Inc. to amend its existing self-handling approval to include certain groundhandling services relating to Ground Administration & Supervision and Passenger Handling at Dublin Airport.

In late 2020, Signature Flight Support Dublin Limited submitted an approval amendment application to have its existing approval amended to include Shannon Airport. This change was

the result of a decision at Group level to merge Signature Flight Support Dublin Limited and Signature Flight Support Shannon Limited, with Signature Flight Support Dublin Limited remaining as the approval holder for both airport locations going forward. The separate approval held by Signature Flight Support Shannon Limited was subsequently surrendered.

Approvals are issued for a period of five years. The Commission renewed nineteen approvals in 2020 following successful completion of the renewal process and this activity is summarised by approval type below:

Table 4: Groundhandling Renewals 2020 by Type

Approval Type	Number of Renewal Applications Processed
Self-handling Approval (i.e. self-handling airlines)	3
Third-party Approval (i.e. suppliers of groundhandling services)	12
Both Self-handling and Third-party Approvals (i.e. self-handling airlines who also engage in the provision of groundhandling services to other airlines)	2

Operating an Efficient Licensing System

During the year, all approval holders were subject to regular monitoring to ensure compliance with the relevant Regulations concerning financial fitness and insurance cover in particular.

One of our strategic goals is to focus on delivering safe and financially robust Groundhandlers in Ireland. In order to achieve this, our objective is to focus on operating an efficient licensing system and to make sure we are being effective. During 2020, we delivered the remaining recommendations identified by a 2018 independent Audit of our Licensing processes in order to ensure the most efficient licensing system.

In early 2021, all approval holders were issued with a compliance calendar which highlights

key compliance dates arising during the year. The compliance calendar was accompanied by a summary of all monitoring and compliance requirements which arise, the information expected for each submission plus a reminder of the events which require prior approval from or notification to the Commission. The information summary sheet also includes the name of a contact person nominated by each company to liaise with the Commission on all compliance monitoring matters.

In line with Regulation 18 of S.I. 505 of 1998, we examined the annual statistical returns submitted by Dublin, Cork and Shannon airports for 2019 to ensure accuracy of information in respect of the number and names of self-handlers and suppliers of groundhandling services operating in the market. This annual check also involves checking the relevant companies operating in the market are approved for the correct categories of services they undertake.

During 2020, we continued to work closely with the Aviation Security division of the IAA in relation to our oversight functions which overlap and we also discussed opportunities for further collaboration in the context of the planned merger between the Commission and the Safety Regulation Division of the IAA.

Working with Airports

Following on from our work in 2019 with airports on the development of a new escalation process for non-compliance with the Rules of Conduct applicable to groundhandlers at airports, our intention was to continue to work with airports during 2020 on the regulatory framework to support groundhandling.

A meeting was held in Q1 2020 with airports at Shannon airport to further our discussions in this regard. A number of action points were identified with a further meeting to follow in Q2/3 of 2020. However, the onset of the COVID-19 pandemic meant that more pressing issues needed to be prioritised by both the airports and CAR. As a result, it was decided that no further meetings would take place during 2020. We intend to further progress this important work in 2021.

New EASA Basic Regulation (EU) 2018/1139

In September 2018, the new Regulation for EASA and the European aviation system (Regulation (EU) 2018/1139) entered into force. The new Regulation includes requirements for the safe provision of groundhandling services. Work is underway at EASA level which will eventually result in the publication of implementing rules which groundhandlers will be required to comply with. The Irish Aviation Authority (IAA) is the competent authority for the new Basic Regulation. CAR and the IAA will work together on this as it will be necessary to consider how the implementing rules once published will sit with the existing groundhandling regime in place in Ireland and the Approvals process administered by the CAR. Further engagement took place between CAR and the IAA during 2020 in this area and the intention is to work towards developing guidelines and an enforcement process for non-compliance as work at EASA level progresses.

Ex-post Evaluation of Directive 96/67/EC on Groundhandling

During 2020, we provided contributions as appropriate to the Department of Transport in response to a questionnaire from the Steer Group who were appointed by the European Commission to support them carry out an ex-post evaluation of Directive 96/67/EC on groundhandling.

04

Travel Trade Licensing



Josephine O'Reilly

Director of Finance and Travel Trade Licensing

Josephine O'Reilly is a member of the Association of Chartered Certified Accountants in Ireland.

She joined the Commission in April 2001 and is Director of Finance and Travel Trade Licensing. She also provides support to the airline licensing and groundhandling areas.

What We Do

The Commission has many roles in this area, as follows:

1. Licensing travel agents and tour operators, established in Ireland, buying and selling overseas travel.
2. Administering a bonding scheme for travel agents and tour operators established in Ireland.
3. Administering the Travellers' Protection Fund (which was built up with a levy on passengers of tour operators between 1983 and 1987). This only applies for licensed travel agents and tour operators.
4. Processing claims for refunds and repatriation in the event of a regulated business being unable to meet its obligations. This relates to claims under the bonding scheme and also the refund credit note scheme introduced as a temporary measure in 2020.
5. Ensuring organisers established within the EU, selling or offering for sale packages and linked travel arrangements in Ireland comply with the requirement to inform the Commission of the security they have in place.
6. Ensuring organisers established outside the EU, selling or offering for sale packages and linked travel arrangements in Ireland provide security for their Irish sales.
7. Investigating instances of alleged illegal trading and, when necessary, prosecuting illegal traders.

Licensing and Bonding

Licences are issued to travel agents and tour operators who are established in Ireland and who are buying and selling overseas travel. The majority of their sales meet the definition of an overseas travel contract as per the Transport (Tour Operators and Travel Agents) Act, 1982. Where they have sales that do not meet this definition, but which are package travel/linked travel arrangements under the Package Holidays and Travel Trade Act, 1995, they provide the Commission with separate insolvency protection.

We have two licensing rounds each year, in May and November. As COVID-19 emerged in early March, we had already commenced our May licensing round. As the effects of the pandemic became clearer, we amended our processes; this involved engaging with each licence holder about their liquidity and also allowing them to revisit their turnover projections.

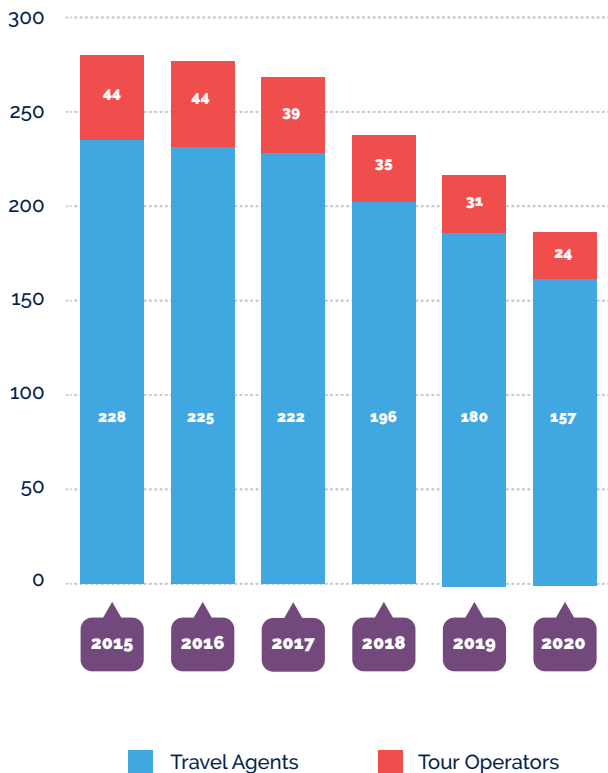
At the end of 2020, 165 travel firms were licensed by the Commission to operate as a travel agent or tour operator in Ireland. Some of these held both a travel agent and tour operator licence.

Table 5: Number of Licences 2020

	Travel Agents	Tour Operators	Total
Licence holders, 1 Jan 2020	180	31	211
New Licences	1	0	1
Licences not renewed	24	7	31

During the year, 8 firms exited the market entirely and are no longer licensed. A further 7 firms no longer have sales that require a licence, so are therefore also no longer licensed. At the end of the year we were still engaging with 8 firms (1 with both a travel agent and tour operator licence application) in relation to the renewal of their licences. There were 6 business failures (7 licences) during the year.

We issued a licence to 1 new applicant and received 46 new licence enquiries during the year.

Chart 4: Licensed Travel Agents and Tour Operators, 2020

As can be seen from the above, the number of licences issued has been reducing over the past few years. In 2019, this was due to the transposition of Directive EU 2015/2302 and in 2020, the impact of COVID-19 on the sector.



Key Performance Indicators

We have two licensing rounds each year (May and November). The key performance indicators that apply to these rounds are set out in the table below.

Table 6: 2020 Performance Indicators

KPI	Result
Respond to applicants within one week of initial contact	67%
Decision in Principle letter issued within one month of completed application submission date	88%
Licence issued within two weeks of Bond/all documents received	92%
Annual accounts examined within six weeks of receipt	82%
Percentage of licensees' premises visited per annum (Including meetings at CAR)	2%

Our KPIs have not met the standard we would strive to. Our performance has been affected by how we altered our processes due to the pandemic. Businesses were forced to close/ work remotely, this made it difficult for businesses to progress their licence applications with the Commission. We updated our processes to deal with the emerging situation, and spent more time working with licence holders examining their financial situations, their bonding requirements and the new refund credit note scheme. This work was not reflected in our KPIs.

We visited the premises of four licence holders at the beginning of 2020. Our visit plan was cancelled due to COVID-19 restrictions. We have continued to engage with our licence holders and representative bodies, remotely.

Entities Established in Another Member State

We verified that security was in place for 20 organisers established in other Member States, enabling them to trade in Ireland. 18 of these were

UK established businesses who since 1 January 2021 are now established outside the EU.

As the central contact point for Ireland under Directive (EU) 2015/2302, we have responded to queries from other Member States about the security in place for entities in Ireland.

Entities Established Outside the European Union

We received security from 3 organisers established outside the EU, enabling them to trade in Ireland.

Table 7: Licensable Turnover and Bonding

Licensed Entities	2020 (€m)		2019 (€m)	
	Bond	PLTO	Bond	PLTO
Travel Agent (4%)	22	542	42	1,083
Tour Operator (10%)	11	112	16	180
Totals	33	654	58	1,263

Traders Facilitating Linked Travel Arrangements

We received and verified security from 2 airlines established in Ireland in respect of the sale of travel packages/linked travel arrangements in the EU.

Financial Monitoring

Each business undergoes an assessment of its financial fitness as part of the licensing process and is also subject to ongoing monitoring. Due to the impact of COVID-19 on the industry, we worked closely with each licence holder to assess their liquidity as they faced such a devastating impact on their financial position.

Bonding levels are also the subject of ongoing monitoring. We introduced flexibility into our processes to allow businesses to reduce their bonding levels to take account of the expected fall off in sales.

We receive a combination of annual financial statements and management accounts on a quarterly, monthly or ad hoc basis. In 2020, we also received cashflow forecasts from each business.

For entities outside the licensing regime i.e. entities established outside the EU, we also perform an assessment of their financial fitness. Such businesses are also subject to financial monitoring albeit at a reduced level. This is because they are providing the Commission with full indemnity insurance for their Irish sales.

Monitoring Compliance

In 2020, we investigated 3 complaints about possible unlicensed trading. We also instructed one business not to advertise packages without a licence.

Consumer Protection

Table 7 illustrates the large fall off in projected sales and bonds in the year. The actual reduction would be higher due to the fact that businesses were projecting an improvement in sales, firstly in the Autumn and then in the Winter. As we know, no such improvement materialised.

Under current legislation, travel agents, tour operators, retailers and organisers are required to put in place arrangements to provide protection to the travelling public in the event of a collapse.

Licensed entities must provide a bond. The bond is calculated as a percentage of the firm's projected licensable turnover. Bonds are currently set at 4% for travel agents and 10% for tour operators. For all other package travel/linked travel arrangements, where the travel commences in any other EU Member State, they provide additional security to the Commission for these sales in the form of full indemnity insurance.

If the bond does not cover the cost of all claims, the shortfall is covered by the Travellers' Protection Fund. This only relates to licensed entities and

only to their sales that meet the definition of an overseas travel contract as per the Transport (Tour Operators and Travel Agents) Act, 1982 (as amended). At the end of 2019, the fund stood at €1.3m. With the onset of COVID-19 and the number of collapses occurring, the Department of Transport has topped up the fund to ensure that consumers are receiving the level of protection required under the Directive.

It is worth noting that the bond and the Travellers' Protection Fund are designed to cover overseas travel contracts. Therefore, there must be a travel element to the booking, and this must have a departure from Ireland. Many non-travel related services are not covered, including travel insurance, visa applications and accommodation only.

For traders established in Ireland who are facilitating linked travel arrangements in the EU, they have to provide full indemnity insurance for this exposure.

For entities established elsewhere in the EU, the consumer protection in place is in line with the requirements of that EU Member State.

For entities, established outside the EU, they need to provide the Commission with full indemnity insurance for any package travel/linked travel arrangements for sale/sold in Ireland.

In 2017, the Commission initiated a review of both the bonding arrangements in place and the operation of the Travellers' Protection Fund to ensure they continue to efficiently meet the objectives of the scheme and provide the travelling public with an appropriate level of protection.

In 2019, following the transposition of the Directive 2015/2302, we proceeded with this review and this culminated with the Commission issuing Commission Paper 9/2019 Travel Trade Consumer Protection Measures-Advice to the Department of Transport. Due to the pandemic in 2020, this work has not progressed any further. We plan to continue this work with the Department in 2021.

Company Collapses

There were 6 company collapses in 2020, resulting in claims against their bond. Details are as follows:

- Rathgar Travel Ltd on 11th March 2020. We received 89 claims.
- East West Travel Ltd on 16th March 2020. We received 136 claims.
- USIT Travel Ltd on 27th March 2020. We received 2,987 claims.
- Pamela Brownlee on 24th April 2020. We received 131 claims.
- SM Tech on 15th May 2020. We received 44 claims.
- King Travel Ltd on 2nd September 2020. We received 233 claims.

This demonstrates the difficulties faced by the industry during the year.

Refund Credit Note Scheme

The Package Holidays and Travel Trade Act 1995 gives travellers the right to a refund of all payments where a package holiday is cancelled by the traveller or organiser due to unavoidable and extraordinary circumstances. This was the case with COVID-19, and it gave rise to cashflow difficulties in the travel industry. The Government introduced a short-term measure called a Refund Credit Note Scheme. This scheme was established under the Transport (Tour Operators and Travel Agents) Act 1982 (Disbursements from Fund) Regulations 2020. It is available to travel agents and tour operators, licensed by the Commission, where the refund credit note will cover sales that meet the definition of an overseas travel contract.

The scheme allows customers to voluntarily accept a Refund Credit Note, to book another holiday in the future with their travel agent or tour operator. The Refund Credit Note provides important protections to the customer. In the event of a travel agent or tour operator becoming insolvent, the Refund Credit Note is government guaranteed.

Brexit

During the year, we updated our guidance to industry to highlight the requirements for any UK established businesses selling packages in Ireland. We worked with our UK colleagues to ensure a common understanding of the requirements and answered industry queries on this topic.

Website

During 2020, the Commission updated the travel trade part of its website to reflect the updated legislative requirements following the transposition of Directive (EU) 2015/2302 Package Travel and Linked Travel Arrangements. We introduced a search facility on our home page to make it easier for consumers to check what protections are in place before booking a holiday. We also prepared videos to assist applicants when they are preparing their applications and issued these in advance of the May and November rounds of licensing.

EGFATT

The Commission is a member of the European Guarantee Funds Association for Travel and Tourism. This is a Europe wide organisation that was set up in 2011 with the common goal to protect the travelling public against the financial insolvency of tour operators and travel agents and to share knowledge and best practice. We attended a meeting in January and two virtual meetings later in the year. At each, members provided updates on collapses in their countries, the status of different customer protection funds, developments since the introduction of Directive 2105/2302 and measures introduced to assist with dealing with the effects of COVID-19.

Looking Forward

2021 will be another busy year for the team. We will oversee two licensing rounds and continue to ensure that organisers selling or offering for sale packages and linked travel arrangements in Ireland/EU have the requisite security in place. We will close off the claims process for the collapses not yet finalised at year end and continue to work with stakeholders to investigate instances of alleged illegal trading. We will further simplify and streamline our processes and procedures and plan to work with the Department of Transport on consumer protection arrangements.

05.

Air Passenger Rights



2020 was a record-breaking year for the Commission's Air Passenger Rights team. The year began with average levels of contacts (approximately 60 queries and 35 new complaints a week), but from 12 March onwards as countries began to consider, and then implement, measures to control the spread of COVID-19 the number of written queries and calls rose steeply as passengers sought advice. From the beginning of April, the number of new complaints increased dramatically. By the end of December, despite the very low passenger numbers we were still receiving an unprecedentedly high number of queries and complaints.

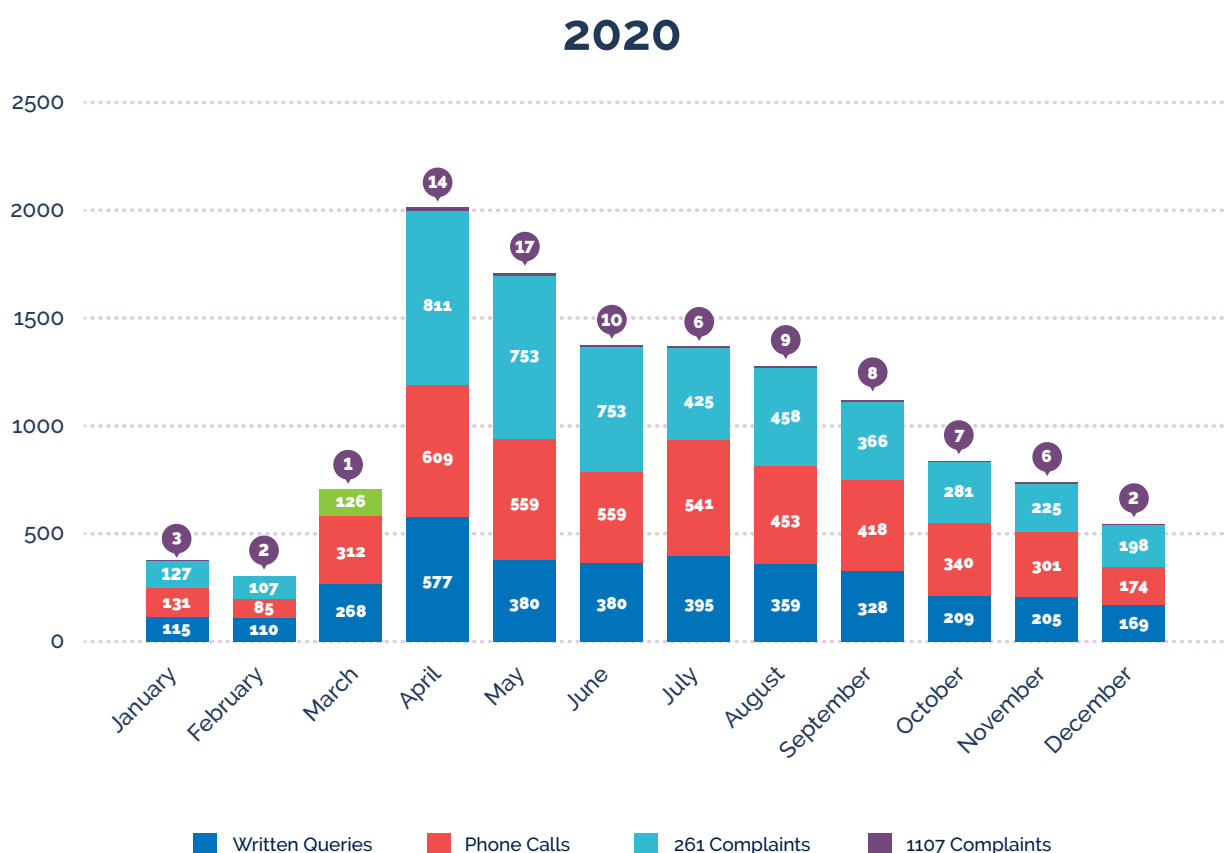
Chart 5 below shows the complaints and queries received each month broken down by type.

As in previous years a proportion of the queries we received were about matters outside of our remit, but in place of the usual baggage complaints and pricing queries this year they were related to refunds under the Package Travel Directive and rights when unable to travel on operating flights due to travel restrictions.

In total we advised over 6850 individuals on their rights by either telephone or email, referring them to the relevant competent authority if their query related to matters outside of our remit. The number of email queries (3,479) increased by 27% on 2019 while the number of telephone calls increased by 134%, from 1,857 to 4,342.

In 2020 a total of 4543 complaints were submitted

Chart 5: Complaints and Queries by Type



using our online complaint forms, 4458 using the form for complaints under EC261/2004 and 85 using the complaint form for EC1107/2006. This was an increase in submitted complaints of 134% on 2019, increases of 134.5% and 118% respectively by complaint type.

The peak was in April, but by December the team was still receiving more new queries and complaints on a weekly basis than in any previous year. At the beginning of March, we had 374 investigations in progress, and no backlog. By the end of June there were over 849 complaints under investigation and 1,229 complaints waiting to be examined.

To ensure we could respond to queries in a timely manner and avoid delays in complaint investigation it was necessary to increase the size of the team, on a temporary basis, from five to seven. From the beginning of July, the team concluded an average of 105 complaints a week while also responding to an average of 150 queries a week (65 written and 85 calls).

Cancellations, Delays, Denied Boarding and Downgrades

Due to the unusual travel conditions during the year the majority of the complaints related to flight cancellations, as opposed to Long Delays as in previous years.

6850

The total of individuals advised on their rights by either telephone or email.

Chart 6: Queries by Type and Outcome

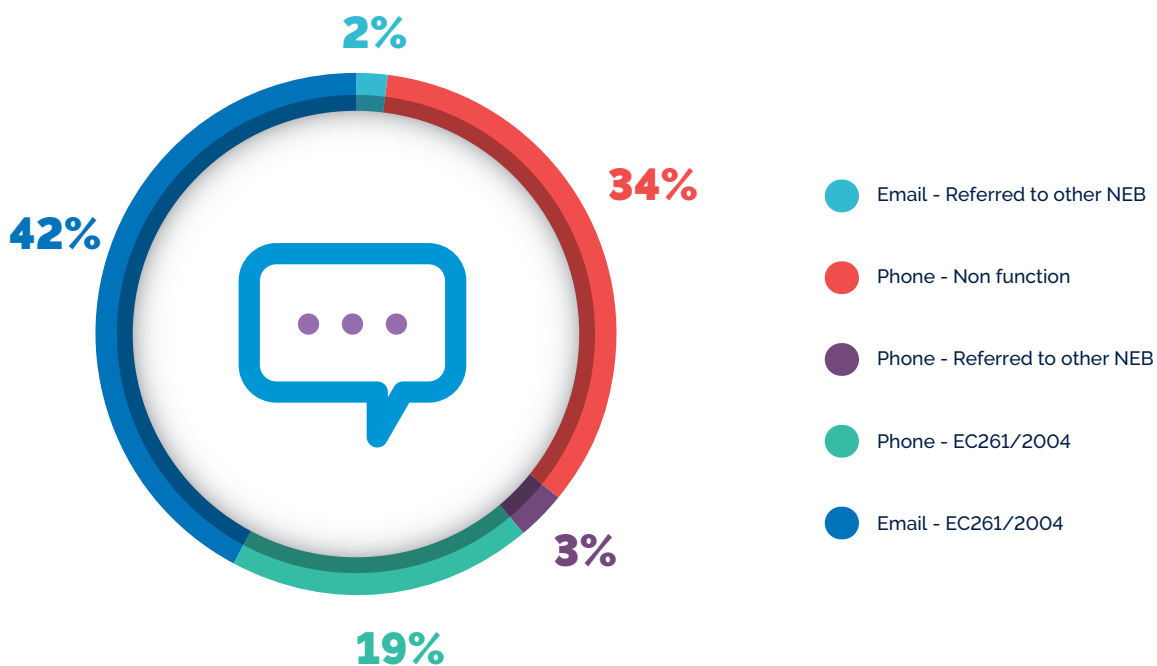


Table 8: Complaints by Type

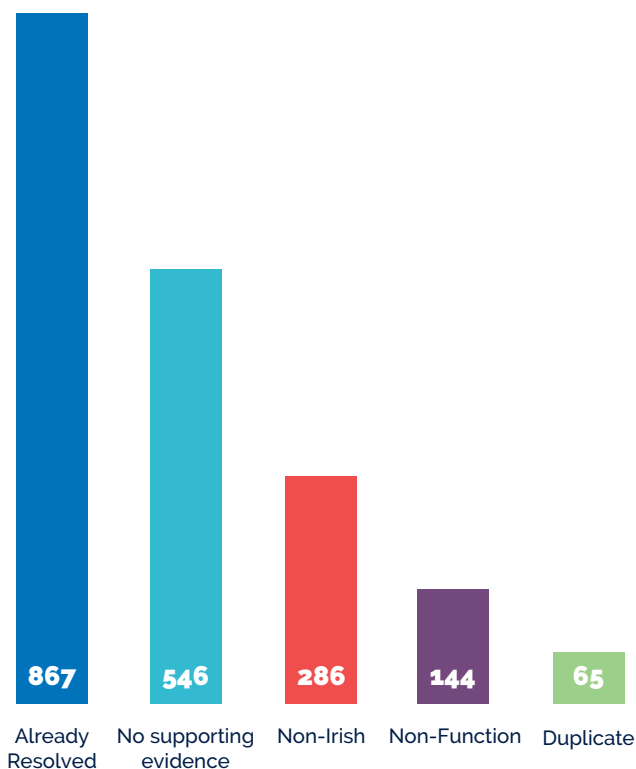
Type of Complaint	Number of Complaints	Number of Valid Complaints	% of Total Complaints
Cancellation	4099	2357	92%
Long Delay	286	173	7%
Denied Boarding	71	20	1%
Downgrading	1	0	0%
Upgrading	1	0	0%
Total	4458	2550	100%

Due to the very high volume of cancellations air carriers were struggling to process refunds in a timely manner, and some airlines were failing to correctly advise passengers of their rights regarding refunds.

On investigation 1,908 of the 4,458 EC261/2004 complaints submitted to the Commission in 2020 were found to be without merit. Chart 7 shows a breakdown of the reasons.

This left a total of 2,550 valid complaints requiring enforcement action.

By 29 January 2021 the majority of these 2,550 valid complaints, 2,039, had been resolved with the airline in favour of the passenger. In total the Air Passenger Rights team has completed the investigation of 3,947 of the 4,458 (EC) 261/2004 complaints received in 2020. Investigation into the remaining 511 complaints is ongoing, and directions have been issued to air carriers in 7 of those cases. A total of €1.14 million was obtained in refunds following our intervention and a further €112,000 in compensation was awarded to passengers in respect of the 2,039 valid complaints that have been concluded.

Chart 7: Complaints Withdrawn or Not Sustained by Reason

This left a total of 2,550 valid complaints requiring enforcement action.

€1.14
million

The total amount
of refunds obtained
following our
intervention

Ryanair (48%) and Aer Lingus (27%) were the subject of the majority of the complaints received with the remaining 24% of complaints relating to 84 other airlines. 94% of all Ryanair complaints and 87% of Aer Lingus complaints have been concluded and the outcomes are set out in the table below.

Table 9: Complaint Outcomes by Complaint Type

Outcome	Cancellation	Delay	Denied Boarding	Downgrading & Upgrading	Total
Compensation & Refund or Expenses	4	6	2		12
Compensation only	42	71	4		117
Duplicate	49	13	3		65
Extraordinary Circumstances & Infringement	4	4			8
Extraordinary Circumstances only	38	41			79
Infringement Only	1				1
Not Sustained	370	57	36	2	465
Refund or Expenses & Extraordinary Circumstances	1804	14	4		1822
Withdrawn	1179	35	11		1225
Total	3491	241	60	2	3794

Table 10: Complaint Outcomes by Airline

Airline	Total Complaints 2020	No of Complaints Concluded	No of Complaints Upheld	Complaints Upheld Against Airline (%)	Complaints Not Sustained	Investigations Ongoing
Ryanair	2188	2060	1021	50%	1039	128
Aer Lingus	1194	1040	524	50%	516	154
TAP Portugal	121	78	48	62%	30	43
KLM	90	82	58	71%	24	8
Air France	89	83	60	72%	23	6
Air Canada	79	71	49	69%	22	8
Lufthansa	65	53	27	51%	26	12
Turkish Airlines	47	40	17	43%	23	7
Westjet	41	31	25	81%	6	10
British Airways	36	25	10	40%	15	11
Ethihad	33	28	17	61%	11	5
Air Transat	31	16	2	13%	14	15
Vueling	31	29	20	69%	9	2
Emirates	27	21	12	57%	9	6
Aegean Airlines	25	13	8	62%	5	12
United Airlines	22	17	10	59%	7	5
Delta	21	16	8	50%	8	5
Iberia	21	16	9	56%	7	5
Blue Air	20	7	2	29%	5	13
Swiss Airlines	20	18	15	83%	3	2
Aeroflot	19	16	11	69%	5	3
Transavia	16	14	11	79%	3	2
Qatar Airways	16	11	3	27%	8	5
Icelandair	15	4	4	100%	0	11
62 other airlines	191	158	68	43%	90	33
Totals	4,458	3,947	2,039		1,908	511

A total of 456 (EC) 261/2004 investigations from previous years were also ongoing, bringing the total number of active complaints in 2020 to 4,914.

Persons with Reduced Mobility

A total of 81 of the 85 complaints submitted using the Regulation (EC) 1107/2006 complaint form concerned issues which could not be addressed under that regulation, these mainly comprised complaints about matters which did not fall under the remit of the Commission, and in 12 cases the passenger had completed the wrong form and was referred to the (EC) 261/2004 form.

The remaining 4, were valid complaints which required investigation. One of these complaints was forwarded to the National Enforcement Body in another Member State as it fell under their remit.

The issues raised in the remaining three, which related to incidents which occurred at Irish airports or during flights that departed from an Irish airport, were varied and included:

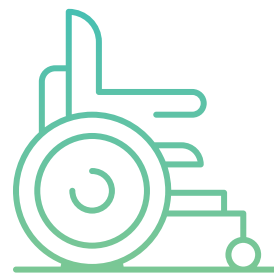
- Airline seating policies where passengers booked seats and were subsequently told that they could not use their booked seats, or, were moved at the time of boarding.
- The lack of public availability, in accessible format, of the safety rules and policies applied by airlines to the carriage of disabled persons and persons with reduced mobility, including those relating to carriage of medical and mobility equipment and seating policies.
- Lack of consistency in communication and application of airline policies and rules.
- The quality of assistance, as set out in the Regulation, provided to passengers whose mobility equipment was damaged.

One of the three complaints have been concluded and no infringement of the regulation was identified in that case. The other two are ongoing. None of the complaints received were in relation to journeys that took place, or were due to take place, in 2020.

Other Work

We attended and participated, remotely, in meetings nationally and internationally relating to both regulations, as well as to the ongoing impact and management of the viral pandemic. These included meetings held by the European Commission, the Department of Transport and the European Civil Aviation Conference.

In May 2019, the Commission directed Ryanair to pay compensation to five passengers whose flights were cancelled due to Ryanair pilot strikes in July 2018. Ryanair appealed this decision by way of an application for Judicial Review. The matter was listed for hearing before the High Court on 21 January 2020. Ms Justice Miriam O'Regan delivered her judgement in that case on 12 February 2020 in favour of the Commission, upholding our investigative processes and legal arguments that led to the decision made in those cases. Ryanair have chosen to appeal that decision and the case will be heard in due course.





Corporate Services



Brian Higgins

Director of Corporate Services

Brian Higgins is a Fellow of the Chartered Institute for Personnel and Development and joined the Commission in July 2016 as Director of Corporate Services following an HR and Operational career in manufacturing, finance, and aviation.

He is responsible for HR, corporate governance, health and safety, facilities, ICT management, procurement, and public relations.

Human Resources

The Commission employed an average of 22 full-time equivalent staff in 2020 (see appendix). Staff members are paid at rates that compare directly with Public Service posts and all rates have been sanctioned by the Department of Public Expenditure and Reform. The majority of Commission employees have been working remotely since the beginning of March 2020 due to COVID-19. A small number of staff continued to work in our office on a rotational basis to support our remote workers. In this regard, the Commission provided flexible working opportunities amid extraordinary circumstances and continues to do so.

The Commission implemented Phase 2 of its Work Force Plan, submitted in 2019 seeking additional resources, which was approved by the Department of Transport and the Department of Expenditure and Reform. The Commission began the recruitment process for these roles in December 2020 and expects to have all positions in place by second quarter 2021.

The Commission is committed to providing Learning and Development opportunities for its employees in support of its strategic objectives. The majority of external Learning and Development opportunities in 2020 were placed on hold, and an updated Learning and Development Plan was approved for implementation in 2021.

The HR division of the Commission carried out an employee Wellbeing Programme throughout 2020 which proved invaluable to remote workers and consisted of activities related to Physical Health and Nutrition, Mental Health, Connecting and Teambuilding, Social Responsibility, and Learning. The goal of this and future programmes is to provide a duty of care to employees and provide the necessary tools and support to increase positive employee wellbeing, which in turn supports our strategic objectives. The programme was well received, and wellbeing initiatives will continue in 2021.

Superannuation Schemes

The Commission operates two pension schemes. A defined benefit scheme was established under the Aviation Regulation Act, 2001. The Single

Public Service Pension Scheme applies to all new employees from 1st January 2013 (unless otherwise permitted to join the Commission's defined benefit scheme). Both pension schemes are administered in accordance with legislative requirements and the current active employees are divided 60/40 between SPSPS and DB schemes, respectively.

Health and Safety

In 2020, we updated our Health and Safety statement reflecting relevant changes to the evacuation procedures, risk assessment and safety protocol in light of COVID-19. The Commission continued to encourage staff to practice physical distancing using appropriate COVID-19 signage and posters, provision of Personal Protective Equipment (PPE) and requiring remote working for all staff with the exception of those providing essential support to the Commission. We will continue to promote safe practices in the office and ensure compliance with our Health and Safety statement as well as with the relevant safety legislative provisions.

Outsourcing and Procurement

The Corporate Services team continued to outsource some non-core administrative functions relating to internal audit, temporary staff recruitment, media relations, and IT support and payroll, while still playing an active role in quality service provision and management.

The Corporate Services team endeavours to procure service providers that have environmentally sustainable practices in place, as well as offering cost-efficient and quality services, utilising OGP frameworks, e-tendering, and competitive pricing as appropriate. A review of the Commission's procurement policies and procedures was jointly carried out by the Corporate Services and Finance functions of the Commission in 2020, including the approval and distribution of an updated Procurement Policy. The Corporate Services function also reviewed its current OGP frameworks and other service level agreements, of which there are 29 in total, and implemented changes as appropriate.

The Commission's procurement procedures comply with national and EU guidelines and

directives, where applicable. The value of the majority of the contracts is such that national guidelines tend to apply. The Commission has a procurement plan, setting out the areas in which it expects to tender for services.

ICT

A Cloud migration and hardware upgrade project was initiated in December 2019 to introduce a flexible work platform and provide for business continuity in the event of a crisis and was completed in February 2020. In addition to changes to our communications system, this allowed our colleagues to transition seamlessly to remote working during the pandemic. The Commission also underwent an ICT Security Risk Treatment Project beginning with a risk audit assessment and subsequent risk register and report. The Commission received a satisfactory rating arising from the evaluation. Any supplementary risks identified as part of the Risk Treatment Plan will be completed in Q1 2021.

Official Languages Act, 2003

The Commission for Aviation Regulation is listed as a public body in the First Schedule of the Official Languages Act, 2003. We are therefore required to both comply with the direct provisions of the Act, and to prepare and implement Language Schemes. The Language Scheme details how we will improve Irish language service provision and take measures to make members of the public aware that they can make use of our services through Irish, over an agreed time period. To this end, staff email signatures are now bilingual, details in relation to submitting Freedom of Information requests are published in both languages, and we have amended our websites so that it is clear that Air Passenger Rights related complaints can be made in either language. The current language scheme took effect in 2019 and will expire in 2022.

Facilities

Due to the decrease in staff numbers using our facilities, our energy consumption and activity level in 2020 reduced substantially resulting in a reduction in energy cost and facilities requirements. We continued to implement our policy to reduce energy consumption by powering

off lights and equipment when not in use. The Commission procures energy efficient and environmentally friendly products from third-party suppliers.

In 2020, the Commission implemented actions from its 2019 Statement to the Minister regarding waste disposal, food waste, and recycling. As part of the action plan, the Commission installed facilities for recycling and collaborated with our landlord on the provision of new, shared recycling facilities on site.

Diversity and Inclusion

The Commission is an equal opportunities employer and does not discriminate against individuals on the basis of gender, age, race, colour, nationality, ethnic or national origin, religion, marital status, family status, sexual orientation, disability or membership of the travelling community. The Commission is committed to a proactive approach towards diversity and inclusion initiatives and intends to review its current policies and practices surrounding diversity and inclusion in 2021 through an evidence-based assessment of equality and human rights issues at the Commission. The Commission continues to organise events and discussions surrounding global social justice events, such as International Women's Day and PRIDE and looks forward to building on this and future initiatives.

Data Protection

In 2018, we appointed and registered our Data Protection Officer with the Office of the Data Protection Commissioner in line with our responsibilities under the General Data Protection Regulation 2016/679 as supplemented by Data Protection Act, 2018. Our Data Protection Officer facilitates, monitors, and implements necessary policies and procedures to ensure compliance with relevant Data Protection legislations. The Commission was prepared for mobile working prior to the pandemic and was able to fulfil its regulatory obligations while promoting data security and data processing in accordance with the GDPR and Data Protection Act, 2018.

Corporate Governance

The Commission remains committed to maintaining the highest standards of corporate governance. It complies with the Code of Practice for the Governance of State Bodies 2016, where applicable for an organisation of its size. The Commissioner, as accountable person, is responsible to the Minister for Transport for good corporate governance and in support of this we have in place an oversight agreement which is renewed annually with the Department of Transport and we met twice during the year to review progress against our strategic plan.

Table 11: Summary of Corporate Governance

Commission Code of Contact	There is a code of conduct for Commission employees.
Investment Appraisal	The Commission did not incur any capital expenditure in 2020 coming within the scope of the activities envisaged in the Department's 2005's Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector.
Remuneration of Senior Management and Directors' Fees	The HR section of this document sets out the information in this area. The payment of director fees does not apply.
Reporting Arrangements	The Commission prepares reports for the Minister for Transport as required. The Commission has a fully developed accounting system, provided detailed monthly management and financial reports to senior management. We adopt Financial Reporting Standards 102 for our accounting. We calculate our accounts on an accrual accounting system, except where specified in the notes to the financial statements. These statements are audited by the Comptroller and Auditor General. The Commission has taken measures to comply with the obligation to keep proper books of accounts. These are kept at its sole office.
Strategic and Corporate Planning	The Commission's functions and responsibilities are set out in the Aviation Act 2001, the State Airports Act 2004, the Aviation Act 2006 and the State Airports (Shannon Group) Act 2014 together with various Statutory Instruments. The Commission reports annually to the Minister for Transport on the manner in which its functions have been discharged in the previous year. While we stated a consultation to extend our 2017-2019 strategic plan, we did not finalise this process given the impact that COVID-19 had on many aspects of our work and the need to refocus our efforts during the year.
Travel Policy	The Commission complies with Governmental travel policy requirements.
Disclosure of Interests	The Commission, its staff and all consultants and advisers are required to comply with the relevant disclosure requirements arising out of Section 18 of the Ethics in Public Office Act 1995 and Sections 17-18 of the Aviation Regulation Act, 2001.
Risk Management	The Commission maintains a risk register which is regularly reviewed by senior management and works with the Audit and Risk Committee to manage risks.

Transparency

The Commission carries out its functions as transparently as possible. All documents relating to consultations are published on our website (a list for 2020 is included in the appendix to this report). Since March 2012, the Commission has published quarterly notes on our website detailing its purchase orders for amounts in excess of €20,000. The Commission received 5 Freedom of Information requests, 3 Data Subject Access requests, and answered 5 Parliamentary Questions during the year.

Regulatory Reform

During 2020, the Commission worked with the Department of Transport and the Irish Aviation Authority to progress the regulatory reform process which will result in the merger of the Commission and the Safety Regulation Division of the Irish Aviation Authority. The Air Navigation and Transport Bill was published on 4th December 2020 and will progress through the Oireachtas in 2021. Diarmuid O'Conghaile was appointed as Chief Executive designate. He will take up his position in January 2021 in the IAA with responsibility for establishing the new regulatory authority.

Looking Forward

We will continue to ensure the organisation structure, systems, and processes are fully aligned with our strategic objectives to deliver efficient and effective service to our stakeholders, particularly the travelling public. We will continue to work with the Department of Transport and our Irish Aviation Authority colleagues on the regulatory reform project in 2021.

We will continue to facilitate innovation in our process and methodology ensuring the correct job roles, knowledge and expertise are recruited, developed and retained in order to support a regulatory framework that represents best international practice in support of our strategies and objectives.



Financial Information



Net Income fell by 20% in 2020 to €3.55m. In 2019, we had an increased need for external consultancy support regarding the Airport Charges Determination, the Package Travel Directive and the continued review of insolvency protection arrangements in the travel trade industry. We needed less external support in 2020 and our levy reduction reflects this.

Unfortunately, we had six collapses in the travel trade sector during the year and this is evidenced in the increased amount of other income. The €152k in income reflects our recovery of our costs for this work. In 2019, we had no new collapses and settled remaining claims from 2018.

Overall expenditure fell by 17% in the year to €3.6m driven by our decision to minimise all discretionary spending as a response to COVID-19.

The Statement of Financial Position includes €20.8m in travel trade cash bonds at the end of the year. This will reduce due to Covid-19 as businesses exit the market and sales are reduced.

The deficit on the Commission's retirement scheme has increased to €1.62m as at 31 December 2020 from €1.15m as at 31 December 2019. The principal factor behind the movement relates to actuarial changes in assumptions during the year; there was a fall in the discount rate of 0.4% resulting in a higher liability valuation at the Balance Sheet date. The liability on the SPSPS scheme stood at €326k at year end.

Statement on System of Internal Controls

The Commissioner has overall responsibility for ensuring that an effective system of internal control is maintained and operated in the Commission for Aviation Regulation. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016). The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it.

In order to discharge this responsibility in a manner that ensures compliance with legislation and regulations, the Commissioner has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The Commission has an Audit and Risk Committee (ARC) which operates under a written charter approved by the Commissioner and which consists of three external members, with financial and audit expertise, one of whom is the Chair. The ARC met four times in 2020.

The Commission also has an internal audit function that is outsourced. The work of internal audit is informed by analysis of the risks to which the Commission is exposed, and annual internal audit plans are based on this analysis and agreed with the ARC. All internal audit reports are presented to the ARC.

The Commission has developed a risk management policy which sets its risk appetite, outlines the risk management processes in place and details the roles and responsibilities of staff in relation to risk.

The Commissioner has confirmed, in the Draft Financial Statements for the year to 31 December 2020 that the Commission conducted a review of the effectiveness of the system of internal financial control and risk management.

The Statement on System of Internal Controls is reviewed by the OCAG on an annual basis.

Internal Audit

Crowe are the Commission's current internal auditors and were appointed in August 2020, the previous firm, BDO, having reached the end of their contract term. Crowe's contract runs to 31 August 2023 (with the option to extend for a further year). The internal auditor operates under the guidance of an external Audit and Risk Committee. In 2020, the internal auditors performed 2 audits:

- Workforce Planning and People Development Review
- Review of Internal Financial Controls

Audit and Risk Committee

The Audit and Risk Committee met 4 times during 2020. At each meeting the Committee was updated by the Commissioner on the Commission's activities, ongoing work and key issues. Key management staff attended meetings as required and where appropriate. The independent internal auditors also attended

meetings on a regular basis to update the Committee on the annual audit plan and related audit reports. The Audit and Risk Committee's annual report for 2020 did not raise any issues with the Commission's system of internal control.

The Office of the Comptroller and Auditor General's (OCAG) staff conducted their work virtually and met the ARC to discuss their work and findings in December 2020.

Prompt Payment of Accounts

The Commission acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 ("the Regulations"). Procedures have been put in place to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy is to comply with the requirements of the Regulations.

Disposal of Assets and Access to Assets by Third Parties

The Commission has no assets of the scale and value envisaged under the guidelines (€150,000). No significant asset disposals took place during 2020.

Investment Appraisal

The Commission did not incur any significant capital expenditure in 2020 coming within the scope of the activities envisaged in the Department's 2005 Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector.

Tax Compliance

The Commission is liable to pay PAYE, VAT and PSWT. The Commission has submitted all relevant tax returns for 2020 and is fully tax compliant.

Levy

Under Section 23 of the Aviation Regulation Act 2001, the Commission may make regulations that

impose a levy to meet properly incurred expenses in discharging its functions. The levy is payable by such classes of undertakings as may be specified by the Commission.

On 11 December 2020, the Commission made S.I. 601 of 2020 imposing the Levy for 2021. The Commission expects to receive revenues of €4.0m from the levy in 2021.

Levy income fluctuates in line with expected expenditure needs and cashflow requirements. Licence Fee income has reduced as businesses exit the market and consolidation within the market. Other Income is comprised of Interest income and Income from the Travellers' Protection Fund. The former moves in line with deposits and interest rates each year. The latter relates to instances where the Commission incurs expenditure in the administration of the Travellers' Protection Fund and Bond Accounts and recoups these costs from the fund or bond accounts. In 2020, there were six company collapses. We reclaimed the costs of dealing with those claims and administering the fund from the bond and fund respectively.

Table 12: Income 2019-2020

	2020	2019	% Change
Levy	3,294,723	4,246,389	-22.4%
License Fees	106,888	136,653	-21.8%
Other Income	152,279	7,939	+1,818.1%
Total	3,553,890	4,390,981	-19.1%

Financial Statements

On 28 February 2020, the draft financial statements for 2019 were submitted to the Comptroller and Auditor General for audit. On 16 October 2020, on completion of the audit, they were submitted to the Minister for Transport. They were laid before the Houses of the Oireachtas on 2 December 2020 and are available on the Commission's website.

Draft financial statements for the year ended 31 December 2020 have been prepared and were submitted for audit to the Comptroller and Auditor General on 25 February 2021. An extract from these draft statements is provided below. The statement of accounting policies and the notes to the financial statements, which are not presented below but will be part of the final published accounts, form an integral part of the financial statements.

Draft Statement of Income & Expenditure for the Year Ended 31 December 2020

	2020 € '000	2019 € '000
Income		
Levy Income	3,295	4,246
Licence Fees	107	137
Other	152	8
Gross Income	3,554	4,391
Transfer (to)/from Capital Account	(57)	(44)
Net Income	3,497	4,347
Expenditure		
Staff Costs	1,607	1,528
Pension Costs	328	286
Consultancy	364	1,385
Legal Fees	266	110
Rent	280	280
Schedules Facilitation	264	221
Operating Expenses	505	546
	3,615	4,357
Operating (Deficit)	(117)	(10)

Draft Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020 € '000	2019 € '000
Operating (Deficit)	(117)	(10)
Experience gains/(losses) arising on retirement benefit scheme liabilities	(17)	(2)
Actuarial gains (losses) on scheme assets	153	577
Changes in assumptions underlying the present value of the retirement benefit scheme liabilities	(553)	(798)
Transfers in for prior service	-	-
Actuarial gain/(loss)	(417)	(223)
Experience gains/(losses) SPSPS	(5)	(7)
Changes in assumptions SPSPS	(37)	(39)
Adjustment to deferred in funding	(42)	(46)
Total Recognised Gains/(Losses) relating to the Financial Year	(534)	(233)

Draft Statement of Financial Position as at 31 December 2020

	2020 € '000	2019 € '000
Property Plant and Equipment		
Property, Plant and Equipment	132	75
Current Assets		
Cash and Cash Equivalents	25,315	19,509
Long Term Deposits	-	1,000
Receivables and Prepayments	196	232
	25,512	20,741
Creditors (Amounts falling due within one year)		
Payables and Accruals	(287)	(227)
Cash Bond Accounts	(23,526)	(18,750)
	(23,814)	(18,977)
Net Current Assets	1,698	1,764
Total Assets less Current Liabilities	1,830	1,840
Net Retirement Benefit Liability	(1,623)	(1,155)
Net Assets including Retirement Benefit Liability	207	685
Representing		
Income & Expenditure Account	1,698	1,764
Capital Account	132	75
Retirement Benefit Reserve	(1,623)	(1,155)
	207	685

Draft Statement of Changes in Reserves and Capital Account as at 31 December 2020

	Income & Expenditure Account	Capital Account	Retirement Benefit Reserve	Total
Balance as at 1 January 2019	1,742	31	(899)	874
Operating Deficit	(10)			(10)
Movement during the year	-	44		44
Actuarial Gain/(Loss)	-		(223)	(223)
Transfer	32		(32)	-
Balance as at 31 December 2019	1,764	75	(1,155)	685
Balance as at 1 January 2020	1,764	75	(1,155)	685
Operating Deficit	(117)			(117)
Movement during the year	-	57		57
Actuarial Gain/(Loss)	-		(417)	(417)
Transfer	51		(51)	-
Balance as at 31 December 2020	1,698	132	(1,623)	207

Draft Statement of Cashflows for Year Ended 31 December 2020

	2020 € '000	2019 € '000
Net cash flows from operating activities		
Surplus/(Deficit) on Income and Expenditure	(117)	(10)
Difference between Retirement Benefit Cost and Employer Contribution	51	32
Depreciation	32	11
Bank Interest received net of bank charges paid	-	-
Amortisation of capital asset	57	44
Decrease/(Increase) in Receivables	(62)	77
Decrease/(Increase) in Prepayments	97	(7)
(Decrease)/Increase in Payables	59	12
(Decrease)/Increase in Accruals	13	8
Net Cash Inflow/(Outflow) from Operating Activities	129	167
Cash flows from Financing Activities		
Bank Interest	-	-
Bank Charges Paid	-	(1)
Payments to Acquire Tangible Fixed Assets	(88)	(54)
Net Cash Flows from Financing Activities	(88)	(55)
Cash flows from Investing activities		
(Decrease)/Increase in Cash Bond Accounts & TPF	4,765	(946)
Decrease/(Increase) in Funds on Term Deposit	1,000	(482)
Net cash flows from Investing activities	5,765	(1,428)
Net Increase/(Decrease) in Cash and Cash Equivalents	5,806	(1,316)
Cash and cash equivalents at 1 January	19,509	20,825
Cash and cash equivalents at 31 December	25,315	19,509

Numbers rounded independently, may not sum to total.



Appendix



- **Delivery of the 2020 Work Plan Against Key Performance Indicators**

- **Commission Papers and Other Documents Published in 2020**

- **Key Performance Indicators**

- **2021 Work Plan**



Delivery of the 2020 Work Plan Against Key Performance Indicators

Strategic Goal 1:

Efficient, High-Quality and Safety Conscious Airport Services

Objective 1: Set efficient charges at Dublin airport

Actions	2020 Key Performance Indicator	2020 Delivery
Consult on the appropriate price regulation response to COVID-19. Initiate any processes deemed appropriate following industry consultation and engagement.	Collaborative and proactive engagement. Responsive effective solutions.	In December 2020, we concluded an Interim Review of the 2019 Determination in response to COVID-19. This followed a consultation process where we considered feedback from both airlines and Dublin Airport.
Consult on the decisions of the 2020 Aviation Appeals Panel and decide if the 2019 Determination is to be varied in response.	Confirm or vary the 2019 Determination in line with statutory timelines.	We amended the 2019 Determination in July 2020 following consideration of the recommendations of the Appeals Panel. The changes made involved the shortening of the glidepath for OPEX efficiencies, and an adjustment to the OPEX cost passthrough mechanism.
Monitor the price cap limiting the revenue per passenger that daa can collect from airport charges at Dublin Airport	Publish price cap statements.	We continue to monitor the price cap compliance at Dublin Airport and published a price cap statement from Dublin Airport in 2020.
Ensure compliance with the European Airport Charges Directive, which sets out minimum standards in relation to consultation and non-discrimination.	Work with Dublin Airport in relation to a thorough assessment of its pricing structure, including Dublin Airport's plans to develop noise and environmental charging as an element of that structure.	The full assessment of the pricing structure has been deferred as it is not currently possible due to COVID-19. However, Dublin Airport is consulting on the introduction of a system of noise charging as of early 2021.
Regulate and monitor the cost-efficient provision of capital projects.	Publish quarterly reports on progress against timelines made by Dublin Airport on all outstanding allowed projects, as well as expenditure.	We published reports on capital project expenditure in Dublin Airport in Q2 of 2020.
Monitor the compliance of airport charges and the quality of service measures at Dublin Airport.	Publish quarterly results in relation to the 22 quality of service targets.	Due to COVID-19, it was not possible to collect passenger survey data for certain quality of service measures. We reported on other applicable metrics for 2020, namely security queue wait time, wait times for passengers requiring additional assistance, availability of baggage and IT systems, and self-service check-in kiosks and bag drop machines.

Objective 2: Increase stakeholder involvement in decision-making		
Actions	2020 Key Performance Indicator	2020 Delivery
Encourage increased level of consultation on charges and infrastructure.	Implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.	The first two rounds of StageGate were completed in 2020. In the first round, allowances were confirmed for StageGate 1 for two projects: the Taxiway W2 Rehab and the Hold Baggage Screening Standards in terminal 2. A second round held in October, looked at the project for Hold Baggage Screening Standard 3 in terminal 1.
	Publish a decision on guidelines for annual consultations on airport charges.	A decision on guidelines for annual consultations on airport charges was deferred due to COVID-19, which led to a requirement for an interim review. Due to COVID-19, it is challenging to provide accurate forecasts, which would be required to fulfil the requirements for these guidelines.

Objective 3: Promote competition and facilitate new entry		
Actions	2020 Key Performance Indicator	2020 Delivery
Declare slot-coordination parameters at Dublin Airport.	Conduct analysis and engage with stakeholders on the approach we should take in declaring the capacity of the new North Runway.	We conducted analysis and engaged with stakeholders on potential approaches we could take in declaring capacity of the North Runway. This will continue into 2021, as a final decision has yet to be reached and the runway has not been completed.
	Publish slot parameter decisions for Winter 2020 and Summer 2021.	We declared the coordination parameters for Winter 2020 and Summer 2021 in line with the International Air Transport Association timeline for slot coordination. The coordination parameters were unchanged in both cases due to COVID-19.
Enforce sanctions for airlines misusing a slot.	Report slot misuse sanctions.	There were no sanctions for slot misuse in 2020.

Objective 4: Performance and Charging regulation under the Single European Sky Scheme

Actions	2020 Key Performance Indicator	2020 Delivery
In relation to the regulation of charges for air navigation service providers, the work plan will depend on the decisions of the Single Sky Committee, but is likely to include the preparation of a new performance plan for Ireland for the RP3 period to 2024.	Conduct analysis, engage with stakeholders, and prepare a revised performance plan as required.	We provided revised cost inputs from Irish ANSPs and both NSAs to enable the setting of new performance targets for RP3, in line with new EU regulation implemented following the onset of COVID-19. Following this, we began work on the new performance plan for Ireland in November.
Monitor compliance of en route and terminal actual versus determined costs for 2019 (Reference Period 2) and intended unit rates for 2021 (RP3).	Conduct analysis and comply with monitoring obligations.	In July 2020, we began a consultation process with airspace users regarding the unit rates for 2021. These rates were later confirmed in November 2020.

Strategic Goal 2:

Safe and Financially Robust Airlines and Groundhandlers

Objective 1: Operate an efficient licensing system

Actions	2020 Key Performance Indicator	2020 Delivery
Deliver the remainder of the recommendations arising from a 2018 audit of our licensing processes in order to ensure the most efficient licensing system.	Implementation of the recommendations identified.	Completed in 2020.
Work closely with the Irish Aviation Authority and the relevant stakeholders in relation to how the implementing rules for the safe provision of groundhandling services under the new EASA Regulation will align with the with the existing Commission approval process in place.	Develop guidelines and enforcement process for non-compliance	Work on implementing rules for the safe provision of groundhandling services delayed at EASA level due changed priorities as a result of the COVID-19 pandemic. Work is due to start up again in this area during 2021.
Continue to work with airports to develop a more robust regulatory framework to support groundhandler compliance with Rules of Conduct.	Delivery of items identified to ensure appropriate enforcement compliance with the Rules of Conduct.	While work in this area continued in Q1 2020, the onset of the COVID-19 pandemic resulted in changed priorities for both airports and CAR and it was decided to pick up on this work stream again in 2021.
Continue to engage with licence holders and stakeholders in the context of licensing and approval implications as a result of Brexit.	Continuation of compliance with licensing requirements by licence holders.	Engagement continued during 2020 with licence holders and various stakeholders on a number of implications for licence/approval holders as a result of Brexit to ensure continued compliance.
Strengthen arrangements with European colleagues to underpin air carrier monitoring.	Enter into cooperation agreements with relevant parties.	Memorandum of Cooperation signed with the Civil Aviation Authority of Norway. Meetings/discussions also held with our colleagues in a number of other Member States on licensing issues with a view to establishing relationships and providing opportunities for further closer cooperation.

Strategic Goal 3:

Financially Strong Tour Operators and Travel Agents

Objective 1: Implement requirements of the Transport (Tour Operators and Travel Agents) Act, 1982 and the Package Holidays and Travel Trade Act, 1995.

Actions	2020 Key Performance Indicator	2020 Delivery
Continue to work closely with stakeholders to implement all necessary arrangements and ensure industry's understanding of these requirements. Improve the Commission's understanding of the market.	Number of entities visited. Number of industry meetings.	Unfortunately, we were unable to physically visit businesses/attend conferences, but we increased our engagement virtually. We updated our website to reflect updated legislative requirements. We updated our guidance to the industry to highlight the impact of Brexit. We accepted full indemnity insurance cover from Irish established entities for all EU sales not covered by existing bonding arrangements and for Irish established airlines operating as Linked Travel Organisers. We verified that security was in place for any organisers established elsewhere in the EU for package travel/linked travel arrangements offered for sale/sold in Ireland. We also accepted full indemnity insurance for organisers established outside the EU for any package travel/linked travel arrangements offered for sale/sold in Ireland.
Ongoing review of current processes and procedures.	Fit for purpose forms. Updated Guidance note if necessary. Fit for purpose processes.	Our processes were updated to deal with the emerging situation, so we spent more time engaging with licence holders about their financial situations, their bonding and the new refund credit note scheme. We updated our website to reflect updated legislative requirements.
Issue licences in accordance with Irish legislation.	Percentage of applicants responded to in 7 days. Percentage of decision in principle letters issued. Number of licences issued within 2 weeks.	We did not meet the standards set in recent years due to the pandemic. We are looking at ways to improve this as the current situation continues.

Actions	2020 Key Performance Indicator	2020 Delivery
Monitor security arrangements that are in place.	Continue to apply monitoring regime.	We introduced flexibility into our processes whereby we allowed businesses to reduce their bonding levels. We received a combination of annual financial statements and management accounts on a quarterly, monthly, or ad hoc basis alongside cashflow forecasts from each business. We verified that security was in place for any organisers established elsewhere in the EU for package travel/linked travel arrangements offered for sale/sold in Ireland. We also accepted full indemnity insurance for organisers established outside the EU for any package travel/linked travel arrangements offered for sale/sold in Ireland.

Objective 2: Provide adequate protection to travelling public		
Actions	2020 Key Performance Indicator	2020 Delivery
Implement current legislative insolvency measures.	Implement arrangements.	We obtained the relevant insolvency protection in relation to travel inclusive holidays.
Work with the Department to strengthen consumer protection arrangements.	Input to policy developments and implement any necessary new arrangements.	We provided a report to the Department in 2019 but work was deferred in 2020.
Investigate cases of alleged illegal trading.	Report on cases investigated.	We investigated three cases of alleged illegal trading.

Strategic Goal 4:

Robust Framework to Enforce Passenger Rights

Objective 1: Deal with passenger complaints effectively, efficiently and fairly		
Actions	2020 Key Performance Indicator	2020 Delivery - For 3,454 cases submitted between 1 July 2019 and 30 June 2020
Initiate investigations in a timely manner.	Preliminary review of complaints within one week - target 85%.	100% of preliminary reviews carried out within 1 week.
Pursue investigations with airlines in line with agreed response timeframes.	80% of investigations completed within 3 months. 95% of investigations completed within 7 months.	62% of closed complaints were resolved within 3 months and 94% within 7 months. 207 cases remain under investigation.
Issue directions where airlines do not comply.		87 Directions were Issued.
Inspect Irish Airports for compliance with both regulations.	100% of relevant airports in any given year.	Due to COVID-19 restrictions it was not possible to carry out any airport inspections in 2020.
Objective 2: Increase travelling public's awareness of air passenger rights		
Actions	2020 Key Performance Indicator	2020 Delivery
Develop and implement communications plan.	Implement communications plan.	Work commenced on a review of the content of www.flightrights.ie
Objective 3: Work to ensure greater industry compliance with the regulations, to reduce the volume of complaints requiring our intervention		
Actions	2020 Key Performance Indicator	2020 Delivery
Develop and implement plan for inspections, enforcement actions, visits and meetings.	Implement plan.	No inspections or visits could be conducted during 2020 due to restrictions.

Strategic Goal 5:

Regulation that Represents Best International Practice

Objective 1: Operate efficient and fit-for-purpose systems		
Actions	2020 Key Performance Indicator	2020 Delivery
Review and modify systems and processes to deliver best practice performance and customer service.	Collaborate with our colleagues in SRD to develop a digital platform that underpins best practice customer experience and service.	Work commenced on a new digital platform for many of our functions in March 2021.
Objective 2: Consult effectively with stakeholders		
Actions	2020 Key Performance Indicator	2020 Delivery
Encourage increased level of consultation on charges and infrastructure.	Implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.	The first two rounds of StageGate were completed in 2020. This led to the confirmation of StageGate 1 allowances for three projects following consultation with stakeholders.
Participate in the Thessaloniki Forum of European Airport Charges Regulators.	Chair the working group on regulatory till and contribute to the working paper on environmental modulation of airport charges.	We chaired the working group that wrote the paper on the regulatory till, and we were part of the writing team on the paper than looked at airport charges and environmental objectives.
Co-ordinate with other relevant agencies in relation to the regulation of Dublin Airport.	Engage with and share information with relevant agencies, as required.	We continue to engage with relevant agencies such as IAA-SRD in relation to the regulation at Dublin Airport.
Develop regulatory policy in preparation for our next Dublin Airport determination drawing from experience of other regulatory bodies.	Co-ordinate with other regulators in Ireland and in other Member States.	In June 2020, we published a consultation examining how price regulation should respond to COVID-19. Given that our next determination will be post-COVID-19, the questions that this paper examined on changes to the regulatory model due to COVID-19 will be particularly relevant for that determination.
Actively participate in the NSA Coordination Platform (NCP) that seeks a better implementation of the Single European Sky (SES).	Contribute to 1) EU discussions of relevant issues and solutions, 2) the identification of best practices to implement the SES and 3) the provision of mutual expert assistance between NSAs.	We actively engaged in the cost verification programme with Ernst & Young. This project aims to develop a method and e-learning material that is useful to NSAs in verifying the eligibility and allocation of costs charged to airspace users. We were also involved with the Department of Transport in developing Ireland's input on the European Commission's Single European Sky 2+ proposal.

Objective 3: Maintain a skilled and motivated staff		
Actions	2020 Key Performance Indicator	2020 Delivery
Continue to align and deliver on learning and development actions in support of our Strategic Plan.	Track Learning and Development Plan on a monthly basis.	The Learning and Development Plan was put on hold from March 2020 due to COVID-19 budget restrictions. A small number of approved learning and development requests were permitted due to the continuous nature of the programmes.
Following on from our review of organisation resilience, implement the 2nd phase of our work force plan.	Resources in place by Quarter 3.	The second phase of the work force plan was approved in Q3 and initiated in Q4 2020.

Strategic Goal 6: Implement Economic Regulation of Air Navigation Services

Objective 1: Implement economic regulation of air navigation services		
Actions	2020 Key Performance Indicator	2020 Delivery
Take up the newly reassigned role of National Supervisory Authority (NSA) for the purposes of economic regulation of air navigation services under the Single European Sky regulations.	Successful transition and implementation of the Commission's role in this area.	We have successfully transitioned into our newly reassigned role of National Supervisory Authority and have spent much of this year focused on the revision of RP3 targets. We will continue work on this into 2021.

Commission Papers and Other Documents Published in 2020

January	CN1/2020	Travel Trade Licensing Arrangements for Spring 2020
March	CN2/2020	COVID-19 and Quality of Service Penalties at Dublin Airport
April	CN3/2020	Draft Decision on Winter 2020 Coordination Parameters at Dublin Airport
	CN4/2020	Statement of Dublin Airport Price Cap, 2017 and 2019
	CN6/2020	COVID-19 and Quality of Service Penalties at Dublin Airport
	CN7/2020	Decision on Winter 2020 Coordination Parameters at Dublin Airport
June	CP2/2020	Consultation on Decisions of the Aviation Appeals Panel
	CP3/2020	COVID-19 Price Regulation Response Consultation
		Regulatory Accounts for Dublin Airport 2019
July		Submissions in response to the Consultation on Decisions of the Aviation Appeals Panel (CP2/2020))
	CP4/2020	Note Accompanying Varied 2019 Determination
	CN9/2020	Travel Trade Licensing Arrangements for Autumn 2020
	CP5/2020	Varied 2019 Determination pursuant to Appeals Panel
	CP6/2020	Consultation on 2019 Actual Costs and Intended 2021 Unit Rates of Air Navigation Services in Ireland
	CN8/2020	2020 Draft Decision on Local Rule A at Dublin Airport
	CN9/2020	2020 Decision on Local Rule A at Dublin Airport
	CN10/2020	StageGate Report – first cycle, 2020
August	CN11/2020	Statement of Dublin Airport Price Cap, 2018 and 2020

September		Responses to COVID-19 Price Regulation Consultation (CP3/2020)
	CN10/2020	Draft Decision on Summer 2021 Coordination Parameters at Dublin Airport
	CN11/2020	Decision on Summer 2021 Coordination Parameters at Dublin Airport
	CP7/2020	Final Report on the Costs Exempt from the Cost Risk Sharing Mechanism for 2015-2019 Air Navigation Services in Ireland
October	CP8/2020	Outcome of Consultation on 2019 Actual Costs and Intended 2021 Unit Rates of Air Navigation Services in Ireland
	CP9/2020	Draft Decision on an Interim Review of the 2019 Determination in relation to 2020 and 2021
		Responses to Consultation on 2019 Actual Costs and Intended 2021 Unit Rates of Air Navigation Services in Ireland (CP6/2020)
November	CP10/2020	Consultation: Work Plan to Establish an Irish Performance Plan Containing Revised Targets for the Third Reference Period 2020-2024 (RP3)
December	CP11/2020	Work Plan to Establish an Irish Performance Plan Containing Revised Targets for the Third Reference Period 2020-2024 (RP3)
		Responses to Draft Decision on an Interim Review of the 2019 Determination in relation to 2020 and 2021 (CP9/2020)
	CP12/2020	Decision on an Interim Review of the 2019 Determination in relation to 2020 and 2021
Quarterly		Dublin Airport Quality of Service Report
		Dublin Airport Capital Projects Delivery Report

Key Performance Indicators

Performance Indicator	2020	2019
Travel Trade Licensing		
Respond to applicants within one week of initial contact	67%	99.6%
Decision in Principle letter issued within one month of completed application submission date	88%	100%
Licence issued within two weeks of bond/all documents received	92%	98.7%
Annual accounts examined within six weeks of receipt	82%	98%
Number of licensees' premises visited (target: visit 20% pa)	2%	115%
Travel Trade Claims and Repatriations		
Number of claims received following collapses	3,620	n/a
Number of claims processed within two months	316	n/a
Number of claims processed within four months	607	n/a
Number of claims processed within six months	1,623	n/a
Administration costs as a percentage of total claims costs	TBC	n/a
Number of passengers repatriated	n/a	n/a
Passengers awaiting repatriation after scheduled return date	n/a	n/a
Passengers awaiting repatriation for more than a week	n/a	n/a
Consumer Protection (cases submitted between 1 July 2019 and 30 June 2020)		
Preliminary reviews of complaints completed within a week	100%	100%
Complaints referred to another NEB within a month of receipt	99%	78%
Investigations completed within three months of receipt	62%	57%
Investigations completed within seven months of receipt	94%	96%
Number of airport inspections	0	7

2021 Work Plan

Strategic Goal 1:

Efficient, High-Quality and Safety Conscious Airport and Air Navigation Services

Objective 1	2021 Priorities	Key Performance Indicator
Set efficient charges at Dublin airport.	Continue to consult on the appropriate price regulation response to COVID-19. Initiate any processes deemed appropriate following industry consultation and engagement.	Collaborative and proactive engagement. Responsive effective solutions. Work on an interim review as required.
	Monitor the price cap limiting the revenue per passenger that Dublin Airport can collect from airport charges at Dublin Airport.	Publish price cap statements.
	Ensure compliance with the European Airport Charges Directive, which sets out minimum standards in relation to consultation and non-discrimination.	Work with Dublin Airport in relation to a thorough assessment of its pricing structure, including Dublin Airport's plans to develop noise and environmental charging as an element of that structure.
	Regulate and monitor the cost-efficient provision of capital projects.	Publish quarterly reports on progress against timelines made by Dublin Airport on all outstanding allowed projects, as well as expenditure, adjusting the structure as necessary to ensure the reporting fairly represents the post COVID-19 situation.
Objective 2	2021 Priorities	Key Performance Indicator
Increase stakeholder involvement in decision-making.	Encourage increased level of consultation on charges and infrastructure.	Implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.

Objective 3	2021 Priorities	Key Performance Indicator
Promote competition and facilitate new entry.	Declare slot-coordination parameters at Dublin Airport.	Conduct analysis and engage with stakeholders on the approach we should take in declaring the capacity of the new North Runway.
		Publish slot parameter decisions for Winter 2021 and Summer 2022.
	Enforce sanctions for airlines misusing a slot.	Report slot misuse sanctions.

Objective 4	2021 Priorities	Key Performance Indicator
Performance and Charging regulation under the Single European Sky Scheme.	Prepare a new performance plan for Ireland for the RP3 period to 2024.	Conduct analysis, engage with stakeholders, and prepare a revised performance plan for Ireland.
	Monitor compliance of en route and terminal actual versus determined costs for 2020 and intended unit rates for 2022.	Conduct analysis and comply with monitoring obligations.

Strategic Goal 2:

Safe and Financially Robust Airlines and Groundhandlers

Objective 1	2021 Priorities	Key Performance Indicator
Operate an efficient licensing system.	Contribute to the development of a digital system as part of CAR-IAA merger in order to deliver further efficiencies in our licensing processes.	Delivery of tasks as required to facilitate a seamless transfer of records and switchover.
	Work closely with the IAA and the relevant stakeholders in relation to how the implementing rules for the safe provision of groundhandling services under the new EASA Regulation will align with the existing Commission approval process in place.	Develop guidelines and enforcement process for non-compliance.
	Continue to work with airports to develop a more robust regulatory framework to support groundhandler compliance with Rules of Conduct.	Delivery of items identified to ensure appropriate enforcement compliance with the Rules of Conduct.
	Evaluation of ownership and control compliance by air carriers, in particular following implications as a result of Brexit.	Continuation of compliance with licensing requirements by licence holders.
	Strengthen arrangements with European colleagues to underpin air carrier monitoring.	Enter into cooperation agreements with relevant parties.
Objective 2	2021 Priorities	Key Performance Indicator
Digitalisation Project.	Work to develop and implement a new IT solution to replace current manual processes.	Implement new system.

Strategic Goal 3:

Financially Strong Tour Operators and Travel Agents

Objective 1	2021 Priorities	Key Performance Indicator
Implement requirements of the Transport (Tour Operators and Travel Agents) Act, 1982 and the Package Holidays and Travel Trade Act, 1995.	Continue to work closely with stakeholders to implement all necessary arrangements and ensure industry's understanding of these requirements. Improve the Commission's understanding of the market.	Number of entities visited. Number of industry meetings. Conference attendance. Fit for purpose forms. Updated Guidance note if necessary.
	Ongoing review of current processes and procedures.	Fit for purpose processes.
	Issue licences in accordance with Irish legislation.	Percentage of applicants responded to in 7 days. Percentage of decision in principle letters issued. Number of licences issued within 2 weeks.
	Monitor security arrangements that are in place.	Continue to apply monitoring regime.

Objective 2	2021 Priorities	Key Performance Indicator
Provide adequate protection to the travelling public.	Implement current legislative insolvency measures.	Implement arrangements for Irish and Non-Irish established businesses.
	Work with the Department of Transport to strengthen consumer protection arrangements.	Input to policy developments and implement any necessary new arrangements.
	Investigate cases of alleged illegal trading.	Report on cases investigated.

Objective 3	2021 Priorities	Key Performance Indicator
Digitalisation Project.	Work to develop and implement a new IT solution to replace current manual processes.	Implement new system.

Strategic Goal 4:

Robust Framework to Enforce Passenger Rights

Objective 1	2021 Priorities	Key Performance Indicator
Deal with passenger complaints efficiently, effectively and fairly.	Initiate investigations in a timely manner.	Preliminary review of complaints within one week - target 85%.
	Pursue investigations with airlines in line with agreed response timeframes.	80% of investigations completed within 3 months. 95% of investigations completed within 7 months.
	Issue directions where airlines do not comply.	
	Inspect Irish Airports for compliance with both regulations.	100% of relevant airports in any given year.
Objective 2	2021 Priorities	Key Performance Indicator
Increase the travelling public's awareness of their rights.	Continue to develop and implement communications plan.	Implement communications plan.
Objective 3	2021 Priorities	Key Performance Indicator
Work to ensure greater industry compliance with the regulations, to reduce the volume of complaints requiring our intervention.	Continue to develop and implement plan for inspections, enforcement actions, visits and meetings.	Implement plan.
Objective 4	2021 Priorities	Key Performance Indicator
Digitalisation Project.	Work to develop and implement a new complaint and query IT solution to replace current Complaint system and manual processes.	Implement new system.

Strategic Goal 5:

Regulation that Represents Best International Practice

Objective 1	2021 Priorities	Key Performance Indicator
Operate efficient and fit-for-purpose systems	Review and modify systems and processes to deliver best practice performance and customer service.	Collaborate with our colleagues in SRD to develop a digital platform that underpins best practice customer experience and service.

Objective 2	2021 Priorities	Key Performance Indicator
Consult effectively with stakeholders.	Encourage increased level of consultation on charges and infrastructure.	Continue to implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.
	Participate in the Thessaloniki Forum of European Airport Charges Regulators	Contribute to the working paper on airport charges in times of crisis.
	Co-ordinate with other relevant agencies in relation to the regulation of Dublin Airport.	Engage with and share information with relevant agencies, as required.
	Develop regulatory policy in preparation for our next Dublin Airport determination drawing from experience of other regulatory bodies.	Coordinate with other regulators in Ireland and in other Member States.
	Actively participate in the NSA Coordination Platform (NCP) that seeks a better implementation of the Single European Sky (SES).	Contribute to 1) EU discussions of relevant issues and solutions, 2) the identification of best practices to implement the SES and 3) the provision of mutual expert assistance between NSAs.

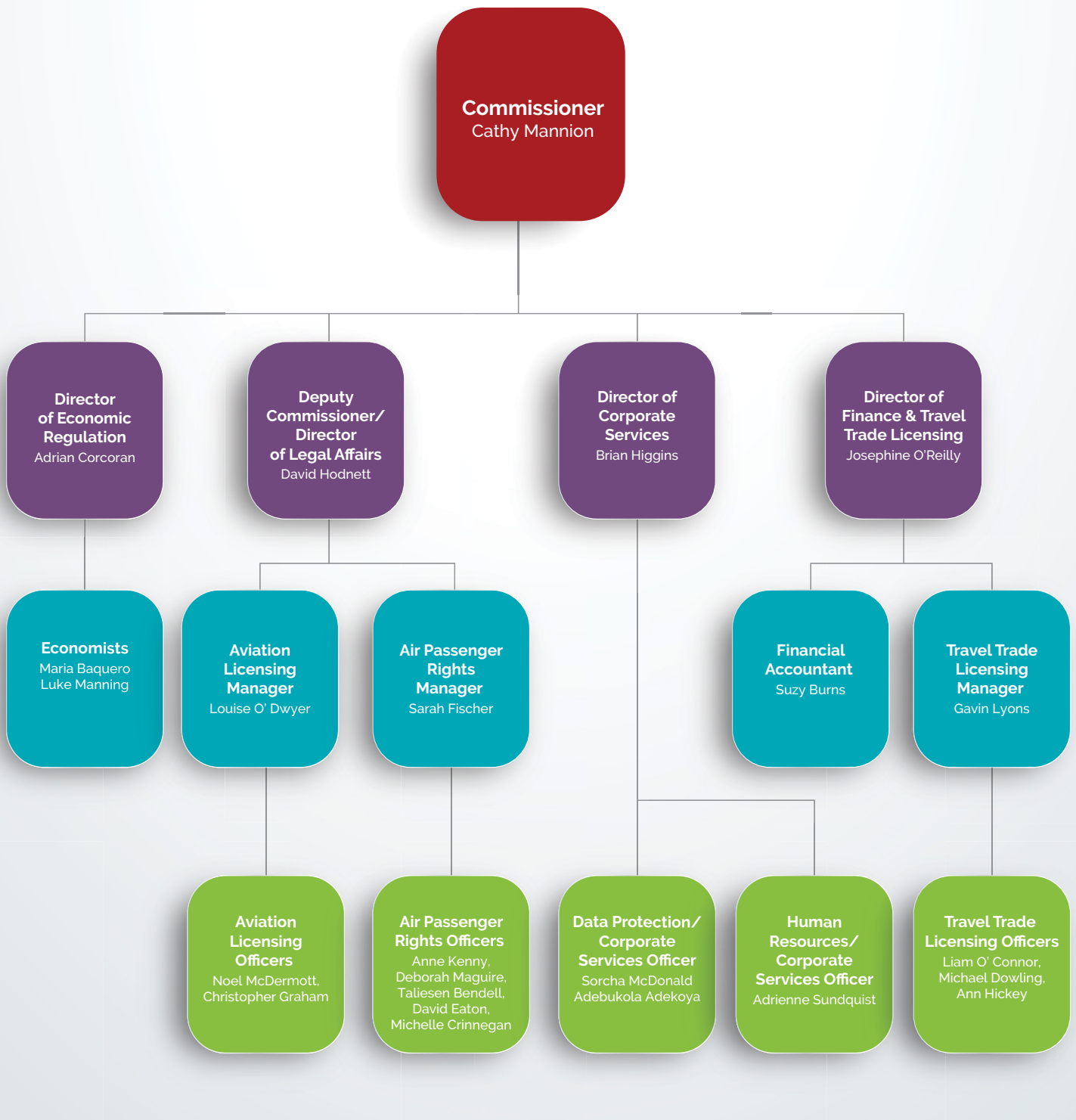
Objective 3	2021 Priorities	Key Performance Indicator
Maintain a skilled and motivated staff.	Continue to align and deliver on learning and development actions in support of our Strategic Plan.	Track Learning and Development Plan on a monthly basis.
	Following on from our review of organisation resilience, complete the third phase of our work force plan.	Resources in place by Quarter 2.
	Implement a comprehensive employee Wellbeing Programme in support of our employees and strategic objectives.	Track 2021 Wellbeing Plan on a monthly basis.

Strategic Goal 6:

Implement Economic Regulation of Air Navigation services

Objective 1	2021 Priorities	Key Performance Indicator
Implement Economic Regulation of Air Navigation services.	Continue to work on the development of the revised performance plan for RP3.	Conduct analysis, engage with stakeholders, and prepare a revised performance plan.

Organisation Chart





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