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Dublin Airport Aeronautical Charges and Incentives

30 Mar 2025 – 28 Mar 2026

*Consultation*

25 October 2024

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## Executive Summary

Following the *Proposal for Stakeholder Consultation on aeronautical charges and incentives* for the period 30 March 2025 to 28 March 2026 (“the Proposal”), this document outlines daa’s proposed aeronautical charges for Summer and Winter 2025-26. This Stage 2 Consultation also considers the user responses received to the Proposal issued on 3 October.

As previously highlighted, the expected price cap for 2025 is anticipated to be broadly flat year-on-year. As a result, it is anticipated that aeronautical revenues collected will remain at similar levels in 2025.

Following a review of the Stage 1 Consultation responses daa’s proposal for 2025 aeronautical charges is as follows:

- (i) No charge increases will be applied to Passenger Service Charge, Parking & Airbridge.
- (ii) Decrease the Runway Movement Charge by 25% for S25 (when compared to Band 1).
- (iii) Remove Band 2 and a single rate per MTOW of €5.50/€2.75 for S25/W26 with seasonal differentiation retained.
- (iv) Discounted transfer passenger charge of 70%.
- (v) Pending a final review and engagement with airport users and the IAA, daa will withdraw the Low Emissions Aircraft Discount incentive scheme and remove the NOx charge for 2025<sup>1</sup>.
- (vi) New 3 band PRM charge structure whereby airlines who achieve a pre-advised rate of below 70% will pay the base rate of €0.90, those with pre-advised rate between 70% to 80% will pay €0.85 and those that achieve above 80% will pay €0.74.
- (vii) All growth incentives will continue to be suspended pending the outcome of the High Court Judicial Reviews and injunctive proceedings pertaining to the passenger cap.

With the above structural changes considered, the menu of aeronautical charges is set out in Section 2 along with a detailed revenue and cost breakdown provided in Section 4. The passenger forecast used to set airport charges for 2025 is 33.45mppa which is c. 1mppa down on 2024 due to measures imposed by the IAA to comply with the passenger cap, further details are outlined in Section 2.

Following a consultation meeting on 30<sup>th</sup> of October, daa will issue a Final Decision pending the outcome of the meeting and airport users written responses.

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<sup>1</sup> Industry engagement on the issues of environmental modulation will continue to be considered in the short and medium term.

# 1. Introduction

## 1.1 Recap on Stage 1 Consultation

- 1.1.1 This paper sets out Dublin Airport’s proposed Aeronautical Charges for 2025-2026 following the consultation process which began on the 3<sup>rd</sup> October 2024.
- 1.1.2 The process of engagement between Dublin Airport and airport users setting the 2023 airport charges at Dublin Airport, was undertaken in accordance with the ***European Communities (Dublin Airport Charges) Regulations 2011***<sup>2</sup>.
- 1.1.3 Dublin Airport’s pricing proposal is in compliance with the 2025 price cap set by the IAA, as outlined in the Final Decision on an Interim Review of the 2019 Determination in relation to 2023 – 2026<sup>3</sup> (“Final Decision”), which was published on 23<sup>rd</sup> December 2022. A detailed breakdown of the component adjustments of the price cap was detailed as part of the Stage 1 Consultation published and circulated to Airport Users on the 3<sup>rd</sup> October 2024.
- 1.1.4 Following the Stage 1 consultation, 9 responses were received.

### **2024 Price Cap**

- 1.1.5 The price cap for 2024 is expected to be €9.47, based on adjustments made to allow for CPI, w factor, k factor, SQM and capex triggers. This is consistent with the IAA Decision for setting the price cap up to 2026<sup>4</sup>.

### **2025 Price Cap**

- 1.1.6 In setting the proposed Aeronautical Charges for 2025, Dublin Airport is modelling the application of the charges to a price cap of €9.43, based on adjustments made to allow for CPI, W factor, Y factor, K factor, Z factor, SQM and capex triggers. This represents an €0.08 decrease from the price cap in stage 1, due to a revised 2025 inflation forecast released by the IMF on October 22<sup>nd</sup> <sup>5</sup>.

## 1.2 Airport User Responses

- 1.2.1 User 7 highlighted the differences in the expected price cap used in the 2024 charges consultation (€9.20) and the updated price cap for 2024 outlined in the 2025 Stage 1 Proposal. User 7 rejected the use of the Opex passthrough mechanism and claimed that this is an abuse of market power and that no firm can pass costs on in full without absorbing some element of cost increases. User 7 suggested that the revenue per passenger was revised upward and asserted that this was a result of lower discounts paid out to users due to a lower uptake of the LEAD scheme.

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<sup>2</sup> <https://www.irishstatutebook.ie/eli/2011/si/116/made/en/print>

<sup>3</sup> [Final Decision 2022\\_23Dec\(2\).pdf \(aviationreg.ie\)](#)

<sup>4</sup> [final-decision-on-the-maximum-levels-of-airport-charges-at-dublin-airport-2023-2026.pdf](#)

<sup>5</sup> [World Economic Outlook, October 2024: Policy Pivot, Rising Threats](#)

### 1.3 daa Response

- 1.3.1 User 7 is correct in its analysis that no firm can fully pass on costs, that's why daa have absorbed the materially higher Opex it has incurred since 2023 compared to what was used by the IAA in its Final Decision to set base price caps. However, unlike a normal firm, Dublin Airport is subject to stringent ex-ante regulatory control over the amount of aeronautical revenue that can be collected through airport charges. A key building block to this is Opex, which again is determined ex-ante. As a result, the IAA in their Final Decision have included a price cap adjustment mechanism for material variances in legislatively mandated costs or rates associated with the Opex forecast which was used to set the maximum level of aeronautical revenue. Therefore, the argument by User 7 is irrelevant to this process.
- 1.3.2 User 7 has misinterpreted the application of revenue per passenger and the price cap. daa did not provide increased revenue per passenger forecasts but an increased price cap (€9.47 vs. €9.20) which is the maximum 'revenue per passenger' allowed to be collected. This increase is due to the cost-passthrough mechanism outlined in paragraph 2.1.4 to 2.1.9 of the Initial Proposal. The level of discounts paid to airlines through incentives is unrelated to this increase as suggested by User 7. However, in the interest of transparency and to correct User 7's assertion that the uptake of the LEAD scheme is materially lower, year-to-date the LEAD scheme has paid out €5.3m in discounts to airlines. The full-year 2024 forecast is €6.6m, compared to a budget of €7.2m used to the set airport charges for 2024. The 8% variance in Forecast vs. Budget is driven by equipment changes of non-based long haul carriers.

## 2. 2025 Aeronautical Charges Final Proposal

### 2.1 Passenger Forecast

- 2.1.1 The forecasts for 2025 will not follow the typical growth trend Dublin Airport has experienced in recent years. The IAA have introduced a passenger air traffic movement (PATM) seat cap for W24/25 and S25. It is expected that any new routes, frequency increases or potential new entrants will be allocated within the PATM limits in summer and winter seasons.
- 2.1.2 While growth in seats will not be achievable, due to the PATM limits, load factors are expected to increase as demand for travel remains strong and as a consequence of the capacity constraint. As a result, a passenger forecast of 33.45mppa is used for the setting of 2025 airport charges<sup>6</sup>.

### 2.2 Proposed Pricing (30<sup>th</sup> March 2025 – 29<sup>th</sup> March 2026)

- 2.2.1 This Section sets out daa's proposed Aeronautical Charges which would commence at the start of the Summer 2025 season. The proposals outlined below are aligned with Dublin Airports strategic objectives for 2025, as detailed in the Stage 1 Consultation.
- 2.2.2 The following table sets out the Aeronautical Charges proposed for the Summer 2024 and Winter 2024/25 seasons:

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<sup>6</sup> To note the IAA's W24/5 and S25 Decisions are the subject of seven High Court judicial reviews and S25 is also the subject of injunctive proceedings, all of which we will keep under review as they may impact passenger traffic volumes necessitating a need to conduct an interim pricing consultation to adjust for higher traffic volumes.

Table 1: Proposed Aeronautical Charges for 2025

	Dublin Charge Basis	Proposed changes coming into effect as and from Summer 2025 Charges		2024 Charges		Variance	
		(€)		(€)		(%)	
	Period	Summer	Winter	Summer	Winter	Summer	Winter
Passenger Charge per Departing Passenger	Departure on a Contact Stand	12.9	9.2	12.9	9.2	0%	0%
	Departure on a Remote Stand	6.25	3.3	6.25	3.3		
	Departure on a Satellite	11.7	8	11.7	8		
	Transfer Passengers	3.9	2.8	2.6	2.1	50%	33%
Runway Movement Charge / tonne	Period	Summer	Winter	Summer	Winter	Summer	Winter
	Band 1 – 0 to 175 tonnes	5.50	2.75	7.35	2.6	-25% (vs. B1)	+6% (vs. B1)
	Band 2 - >175 tonnes			3.7	1.3		
Aircraft Parking (Per 15 minutes or part thereof, except “Long Term Remote” which is per day or part thereof)	Wide/Contact	44.4		44.4		0%	
	Narrow/Contact	35.8		35.8			
	Wide/Remote	12.3		12.3			
	Narrow/Remote	9.8		9.8			
	Wide/ Satellite	41		41			
	Narrow/ Satellite	32.9		32.9			
	Light Aircraft Parking Areas	3.5		3.5			
	Long Term Remote	234.5		234.5			
Airbridge Use	Per 15 minutes or part thereof	9.3		9.3		0%	
PRM Charge	<70% pre-notified	0.90		0.74		18% (vs <70% rate)	
	70%-80%	0.85					
	>80%	0.74					
Fast-Track Charge	Per Fast-Track Passenger	0.82		0.8		2.5%	

## 2.3 Noise Charges 2025

2.3.1 Regulation (EU) 598/2014 establishes the rules and procedures for the introduction of noise related operating restrictions using the Balanced Approach. The revised Regulation reinforces the requirement for airports and competent authorities to apply the Balanced Approach



when considering the introduction of noise related operating restrictions at airports. The Regulations also introduce a more stringent definition for ‘marginally compliant’ ICAO Chapter 3 aircraft, which are the noisiest aircraft types. Dublin Airport strive to encourage the use of aircraft that fall under Chapter 14, which primarily consist of new technology aircraft.

2.3.2 Noise charges are aimed to achieve the objectives in the Fingal County Council Noise Action Plan 2024-2028<sup>7</sup> published in September 2024. Noise charges are a key part of the Action Plan to address aircraft noise at Dublin Airport and daa propose to increase noise charges again in 2025.

2.3.3 An Bord Pleanála recently published their Draft Decision<sup>8</sup> on nighttime flights in Dublin Airport in accordance with Section 37(4) of the Planning and Development Act 2000. As part of the Draft Decision, An Bord Pleanála proposes the implementation of a Noise Quota System (NQS) with an annual noise quota limit of 16,260 between the hours of 2300 and 0659. Furthermore, this Noise Quota System stipulates that no aircraft with a QC4 or more will be allowed to take off from Dublin Airport at night and no aircraft with a QC2 or more will be allowed to land at the airport at night. Given these new developments in noise restrictions emerging from An Bord Pleanála’s decision, the daa will soon be obliged to implement measures that will ensure compliance with the conditions outlined in its Final Decision.

2.3.4 Noise emissions greatly affect the surrounding community of Dublin Airport, in Q3 2024 there were almost 15,000 noise complaints<sup>9</sup>. To incentivize a quieter and cleaner fleet use, noise charges were introduced in 2023. Dublin Airport took a stepped approach to noise charges where initially the surcharge applied only at night-time hours, which was then ramped up in 2024 to 24-hour noise charges. daa now proposes to further increase noise charges in 2025, in line with the stepped approach and accounting for the negative impact on the local community and the daa’s obligations under the ABP noise quota system.

2.3.5 The noise charge will be based on a set fee per Tonne with rates outlined in the following table:

Table 2: Airport Noise Charges

Noise Charges		
QC	Set fee per Tonne 2025 Day	Set fee per Tonne 2025 Night
0	€0.00	€0.00
0.125	€0.00	€0.00
0.25	€0.00	€0.00
0.5	€0.00	€2.00
1	€1.00	€4.00
2	€2.00	€8.00
4	€4.00	€12.00
8	€6.00	€16.00

<sup>7</sup> [draft Dublin Airport Noise Action Plan 2024-2028](#)

<sup>8</sup> [d314485.pdf \(pleanala.ie\)](#)

<sup>9</sup> [August 2024 Noise and Operations monthly report](#)

16	€8.00	€20.00
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2.3.6 The application is based on the QC system, with an aircraft’s noise certification which takes account of both aircraft type and specific configurations such as engines and other noise reduction design features. As outlined in the Terms & Conditions, users must provide this information to RDC Loop.

2.3.7 The application of noise measurement under the QC system is managed using:

**Arrival movement**

Noise Classification = Noise Approach (EPNdB) – 9dB

**Departure movement**

Noise Classification = Average of Noise Lateral (EPNdB) and Noise Take-off (EPNdB)

*Table 3: Noise Charge Time Adjustments*

Noise Charge Time
Noise Charging fee per set tonne for aircraft listed within from QC0-QC16 and above applies Day and Night. Day is defined by the hours between 0700 and 2259. Night is defined by the hours between 2300 and 0659. All times are local.

2.3.8 The Noise Classification values are then used to assign a Quota Count Value according to the following table:

*Table 4: QC Value Noise Classification Assignments<sup>10</sup>*

QC Assignments		
Noise Classification lower bound	Noise Classification upper bound	Quota Count Value
<81		0
81	83.9	0.125
84	86.9	0.25
87	89.9	0.5
90	92.9	1
93	95.9	2
96	98.9	4
99	101.9	8
>101.9		16

<sup>10</sup> As outlined in the ANCA Regulatory Decision [Regulatory Decision.pdf \(fingal.ie\)](http://fingal.ie/Regulatory%20Decision.pdf)



### 3. Final Position on 2024 Review & 2025 Initial Proposal

#### 3.1 Transfer Charge

##### Initial Proposal

- 3.1.1 The Transfer Charge is set to enhance Dublin's competitiveness as a hub airport and to align with national policies and objectives including those laid out in the National Aviation Policy. Dublin's position as a hub in Europe is underserved and the transfer charge is aimed at increasing the development of Dublin airport as a secondary hub. Significant investment has been allocated to enhancing Dublin Airports infrastructure with the delivery of the North Runway a key milestone in unlocking access to global markets and connectivity for Ireland.
- 3.1.2 In addition to the cost differentiation exercise outlined in the Initial Proposal, daa strongly believes that the 2011 Regulations as applied, allow for the application of commercial discretion across the menu of charges to be factored accordingly.
- 3.1.3 In the initial proposal, daa proposed a 'non-cost' driver to the total discount, beyond what is implied by the cost model to support the Dublin hub strategic objective set out in the National Aviation Policy and provided examples of other hub airports.
- 3.1.4 A cost model was provided, with the differential of transfer passengers versus point to point, demonstrating a fully justifiable base primary differential of 41%. In addition to the cost differential, daa strongly believe that there is justification for an additional secondary level of discount for transfer passengers to discharge the National Aviation Policy obligations.
- 3.1.5 Airport users were invited to give views on what level of secondary justification can be adequately supported as part of the review.

##### Airport User Responses

##### ***Question 1: Do Airport Users agree with a Discounted Transfer Charge at Dublin Airport?***

- 3.1.6 8 out of 9 user responses support a discounted transfer charge at Dublin Airport. User 7 rejects any form of transfer charge and questions the assumptions used and outlined how the cost model is flawed by mixing current passenger forecasts with different opex forecasts. Furthermore, User 7 questions the basis for commercial justifications given the S25 seat cap.
- 3.1.7 Users 1-6 do not support the transfer charge being levied solely based on the cost model. Users 1 and 5 believe that using passenger numbers to allocate common costs is essentially an arbitrary choice, since many of these common costs according to Users 1, 2 and 5 do not vary with the passenger throughput.
- 3.1.8 User 5 is of the view that the National Aviation Policy should be the primary justification for the transfer charge level. User 5 further points to other European hubs also offering transfer discounts and that daa must also provide similar discounts to remain competitive for transfer passengers.

- 3.1.9 Users 1-5 also outline that while transfer passengers do currently enjoy a discount compared to point-to-point passengers, some of these transfer passengers are subject to a CBP preclearance charge.
- 3.1.10 User 6 proposed that the transfer charge should be linked to the level of PSC levied i.e. a lower transfer charge for remote/satellite stands.
- 3.1.11 User 9 expresses that in the case where any changes to the charging structure are likely to have a significant impact on the amount paid by individual airlines, then daa should adopt a gradual or glidepath approach to achieving the change in charging structure.

***Question 2: What level of weighting do Airport Users believe should be apportioned to the secondary weighting towards the non-cost driver and policy obligations of the discount?***

- 3.1.12 Users 1-6 support the existing level of transfer discount and propose this level be retained to support the objective in the National Aviation Policy of growing Dublin as a hub.
- 3.1.13 User 1 disagrees with the secondary non-cost driver of allocating the quantum of discount and believes that it is not relevant or objective to do so. User 1 proposed that the current level of discount be maintained citing an independently commissioned report that shows the level of discount is comparable to other EU airports when considering differences in the treatment of security charges. User 1 also cites various other factors that aren't accounted for such as price sensitive transfer passengers, Heathrow consulting on an increased transfer discount proposal, and the low volume of transfer passengers relative to other hubs.
- 3.1.14 User 7 does not support any weighting based on the secondary criteria.
- 3.1.15 User 8 supports the transfer discount mainly from the view of cost relatedness.
- 3.1.16 User 9 believes that the baseline for transfer discounts should be based off the cost model, in the case where secondary criterion is applied, User 9 believes this should be properly quantified.

**daa Final Position**

- 3.1.17 Given overwhelming feedback on the transfer charge provided in favor of the transfer discount, daa's final proposal is to maintain a similar level of discount at 70%. daa believe this is an appropriate and justified response which is relevant, objective and transparent with 41% of the discount being cost-related and the remaining 29% being based on the secondary criteria. A discount of 70% would ensure Dublin remains competitive with the most price competitive hubs, which is crucial given Dublin's lower transfer passenger share. Further justification is provided as follows.

**Transparency**

- 3.1.18 The Transfer passenger charge is a strategic tool to increase Dublin Airport's position as a hub and is a key element to attract and grow transfer passenger traffic. As outlined in the responses received, other airports are taking opportune action to increase their share of transfer passengers and capture some of the growth Dublin has enjoyed e.g. Heathrow increased their transfer discount last year and, as outlined in User responses, is consulting on increasing it further. The increasing price competition of other airports for transfer passengers is a key relevant factor that daa needs to factor into its secondary criteria to ensure consistency with the National Aviation Policy for Ireland and the public interest.
- 3.1.19 Therefore, daa believe it is more important than ever to maintain its competitiveness for connecting passengers given the artificially constrained environment and the low transfer volumes Dublin Airport currently has, especially in comparison to other European Hubs it is competing with for transfer passengers. daa will keep this charge under review as transfer passenger volumes increase, to ensure cross-subsidizing doesn't occur.
- 3.1.20 In response to User 7's claim that the S25 seat cap means there is no basis for commercial reasons, daa disputes this as it can still grow as a portion of total passengers. Secondly, User 7 along with other airport users is also challenging the seat cap and therefore, in the event that the seat cap is lifted, commercial reasons would become even more relevant, at a minimum for future planning and signaling to long haul carriers, that both daa and Ireland are serious about their National Aviation Policy. Notwithstanding the current restrictions the seat cap is placing on daa, the National Aviation Policy hub model is still part of daa's long term commercial strategy. daa would disagree with user 7 that under the circumstance of the seat cap commercial reasons are not relevant.

### *Relevant*

- 3.1.21 As per Paragraph 4.51 of the IAA Final Decision on the Ryanair Complaint daa has met its requirement to highlight the weighting provided in the cost model and the secondary criteria: The National Aviation Policy, the public interest and the economic theory and evidence surrounding the price sensitivity of transfer passengers. It therefore disputes User 7's unsubstantiated claim that daa has not made the relevant amendments the IAA set forth in its Final Decision on the Ryanair Complaint.
- 3.1.22 Moreover, the National Aviation Policy, the fiercely competitive environment for transfer passengers and Dublin's underperformance as a hub for transfer passengers compared to other airports such as Heathrow, Paris CDG and Amsterdam are key relevant factors daa has considered and highlighted in its consultation reports as relevant factors that should be considered in the secondary criteria for setting the transfer discount. While User 7 questions daa's scope to compete for transfer passengers particularly those to South America e.g. Madrid and Lisbon, daa would highlight that neither of those two airports are considered the main competitors daa is competing with transfer passengers for.
- 3.1.23 Secondly as per Article 6 of Directive 2009/12/EC daa has an obligation to consider and have regard for all Airport Users responses when justifying its decision. Therefore, given the overwhelming support for retention of the transfer discount and only user 7 being opposed to any form of transfer discount, daa is clearly taking account of airport users responses in setting the final transfer discount.

## Objective

- 3.1.24 The Thessaloniki Forum publication on Airport Till Structure and Cost Allocation, January 2021 highlights that *“There is often no obvious objectively fair method of cost allocation for common costs and therefore there is complexity and often a degree of arbitrariness associated with cost allocation.”*<sup>11</sup>. Furthermore, the report highlights that cost allocation is generally less relevant in a single till airport such as Dublin Airport. Therefore, consideration of the market dynamics as per the report especially the fierce competition for transfer passengers is a credible criterion in adding weight to the secondary criteria of a transfer charge.<sup>12</sup>
- 3.1.25 One of the key market dynamics that is crucial to consider is that transfer passengers face a different price sensitivity and elasticity of demand compared to point to point passengers. This is detailed in a 2024 Oxford Economics report on flight price elasticity highlights<sup>13</sup> transfer passengers are extremely mobile between transfer hubs they fly from and by the same token more price sensitive than point to point passengers. The report further highlights that *“a passenger from Edinburgh (UK) to New York would be happy to transfer through Amsterdam, Dublin, or London. Although factors such as minimum connect time are important, a transfer passenger would value strongly fare differential in making a choice of connecting airports.”* Since transfer passengers are not flying to the transfer hub for the destination itself, but rather to reach their final destination, a much greater weight on the transfer discount must be applied to ensure consistency with the Irish Aviation Policy. Especially since Dublin Airport is underperforming in the number of transfer passengers it has relative to other hub airports it is competing with for transfer passengers such as Amsterdam and Heathrow.
- 3.1.26 From an economic theory standpoint the higher price elasticity of demand of transfer passengers, meaning they are more sensitive to changes in price is the first economic justification for price discrimination. The second justification comes from Pigou’s Economics of Welfare as daa previously outlined in their response to the IAA<sup>14</sup>, in that there are efficiency gains from applying third degree price discrimination, whereby different customer groups (transfer passengers and point to point passengers) are charged different prices for the same good or service (the secondary criteria). The economic academic literature on price discrimination generally emphasizes the need for 4 conditions to hold for price discrimination to be welfare enhancing these are:
- 1.) Seller has to have market power.
  - 2.) There must be economies of scale where there are high fixed cost and low variable costs, meaning that average costs decrease as production increases (the number of passengers processed increases).
  - 3.) Output increases: a higher transfer discount will result in increased passenger footfall due to their higher price sensitivity and thus output at the airport will increase from third degree price discrimination.
  - 4.) No congestion: daa has the capacity to facilitate transfer passengers (they do not

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<sup>11</sup> [airport-till-structure-cost-allocation-paper-tf-adopted-january-2021.pdf](#)

<sup>12</sup> [BISOE-Domestic-Demand-Study-May-2024-for-BARNZ-Submission-Review-of-Auckland-AirportE28099s-2022-2027-Price-Setting-Event-Consultation-paper-3-September-2024.pdf](#)

<sup>13</sup> [BISOE-Domestic-Demand-Study-May-2024-for-BARNZ-Submission-Review-of-Auckland-AirportE28099s-2022-2027-Price-Setting-Event-Consultation-paper-3-September-2024.pdf](#)

<sup>14</sup> [2024-07-02-daa-response-to-iaa-dd-on-ryanair-complaint\\_redacted.pdf](#)

factor into the current passenger seat cap imposed by the IAA).

3.1.27 Given that from an economic theory perspective transfer passengers are both more price sensitive as demonstrated by Oxford Economics and that transfer passengers meet the conditions necessary for third degree price discrimination these are evidently both relevant and objective factors. Therefore, daa heavily disputes User 7's claim that daa has not demonstrated how the transfer discount is neither relevant nor objective. Furthermore, daa would like to highlight that the additional depth provided in this section surrounding the economic theory and evidence behind a transfer charge is further testimony to the lengths daa is willing to go to ensure transparency behind the transfer discount and is consistent with User 7's request for further transparency regarding the proposed transfer discount in stage 1 of the consultation.

## 3.2 Low Emissions Aircraft Discount

### Initial Proposal

- 3.2.1 LEAD was a key catalyst for delivering to Dublin Airport's sustainability objectives and climate mitigation actions. The LEAD incentive was seen as the vector to enable Dublin Airport to encourage the use of airport users next generation fleet through effective price signaling.
- 3.2.2 daa proposed to retain an updated LEAD scheme with amended Terms & Conditions.
- 3.2.3 The proposed updated scheme removed the use of MTOW categories and LTO fuel burn figures with eligibility defined by comparing fuel efficiency to similar sized aircraft using third party CIRIUM data. Updated scheme T+C's were provided in Appendix 2.

### Airport User Responses

***Question 3: Do you support the application of any form environmental incentive, providing discount to aeronautical charges for next generation fleet?***

- 3.2.4 All users except User 6 who were generally in support of the current structure of charges being retained, opposed the retainment of LEAD. Users 1-5, 8 & 9 outlined that carbon emissions is a global issue that should not be addressed through airport charges noting that other schemes remain in place such as CORSIA and EU ETS. User 7 maintained that the scheme is ineffective and that MTOW is not a suitable metric to define aircraft. User 7 also noted that the passenger cap inhibits them from deploying more fuel-efficient aircraft as they have a larger seat capacity and therefore as long as the seat cap remains they are unable to support CO2 modulation/incentives.

### daa Final Position

- 3.2.5 daa has considered the views of Airport Users and the IAA, given the lack of endorsement daa may withdraw the Low Emissions Aircraft Discount incentive scheme from the start of the Summer 2025 Season. Dialogue will continue with all relevant stakeholders prior to arriving at a final decision with regard to the application of the incentive.



### Transparency

- 3.2.6 daa view the LEAD incentive as an effective pricing tool, targeted at generating positive behavioral changes in order to encourage quieter more fuel-efficient aircraft at Dublin Airport.

### Relevant

- 3.2.7 As evidenced in the Initial Proposal, fleet changes were seen following the inception of the scheme, with a significant increase in the use of lower emissions aircraft being deployed to Dublin. Albeit User 7 disputes this claim as non-based carriers were omitted as well as other variables such as next-gen aircraft being utilized on new routes by non-based carriers.

### Objectivity

- 3.2.8 Daa would highlight Article 3 of the ACD allows for the modulation of airport charges “for issues of public and general interest, including environmental issues.” The 2018 Thessaloniki Forum ‘Non-Discrimination under the Airport Charges Directive’ paper underlines that one of the key incentives that various airports in Europe offer is for the reduction of noise and and/or emissions.

- 3.2.9 Moreover, the TF 2018 TF Non Discrimination Paper clearly states that under Article 10 of the ACD that behavioural or efficiency incentivization would also be justified as long as there is evidence that such efficiencies are likely to be realized. Strategy is crucial for realization of efficiencies, these efficiencies outweigh any negative impacts on competition and consumer welfare and that the strategy does not eliminate effective competition by removing all or most existing sources of actual or potential competition.

- 3.2.10 As outlined in Paragraph 3.2.7 daa believes that LEAD did indeed lead to behavioural changes through adaptation of more fuel-efficient aircraft. Therefore, while user 9 has concerns that there is a limit to the behavioural changes achievable due to the current shortage and supply chain issues for newer aircrafts and that fleet investment is a long term decisions that can't easily be altered in the short term, daa assesses that firstly LEAD did contribute to environmental behavioural changes and secondly that behavioural incentives are needed so that airlines factor these in when making long term fleet decisions. Furthermore, daa would point to the Thessaloniki Forum 2021 Airport Charges and Environmental issues and considerations<sup>15</sup> which in Paragraph 3.5 highlights that the positive environmental effects of environmental variation are mostly external and do not benefit airport users directly but rather local residents or society as a whole. Given this in the Forum's view when considering environmental variations the following are relevant:

*“(1) the variation is aimed to prevent or restrict evident damage to the environment and  
(2) the variation contributes efficiently to the compliance to a clear international or national principles and/or policies preventing environmental damage.”*

Therefore, notwithstanding user 9's points about aircraft shortages and long term fleet investment as per the TF 2021 Forum, this is not entirely relevant given the nature of environmental issues.

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<sup>15</sup> [Thessaloniki Forum 2021 Environmental issues](#)

- 3.2.11 Additionally, TF 2021 Paragraph 3.7 states that *“charges should be higher for airport users that cause higher negative environmental externalities.....variation should be in accordance with polluter pay principle”*. LEAD, was consistent with this and despite the majority resistance to LEAD and environmental differentiation by most airport users, daa has demonstrated that under the ACD and Thessaloniki Forum the regulations clearly allow daa to levy environmental differentiation and moreover, the circumstance and Ireland provide the relevant and objective requirements.
- 3.2.12 Ultimately, daa is disappointed to see that despite all of its efforts to provide incentives for the use of greener and cleaner aircraft consistent with the ACD and Thessaloniki Forums, there is limited support for LEAD to remain, despite the revised format. Considering this, daa is open to further consideration if there is an appropriate mechanism to retain a form of incentive which fully discharges the regulatory obligations while providing commercial alignment with Dublin Airports sustainability objectives. If at the end of this consultation period, there remains unanimous opposition to any such measures, LEAD will not be replaced in the short term with any other form of environmental modulation.

### 3.3 NOx

#### Initial Proposal

- 3.3.1 In the Initial Proposal daa outlined that current levels of NO<sub>2</sub> and PM<sub>10</sub> are below the EU limit set out in Directive 2008/50/EC. However, following the EU Green Deal, the directive has been recast and enacted to come into effect as of the 1st of January 2030 with NO<sub>x</sub> (PM<sub>10</sub> & NO<sub>2</sub>) limits to be reduced by 50%. If current levels of NO<sub>x</sub> were to persist into 2030, this would be in breach of the new annual limits set out in the revised Directive 2008/50/EC.
- 3.3.2 Ireland’s Clean Air Strategy has also committed to the Interim WHO 2026 NO<sub>x</sub> targets. This commits Ireland to achieving particulate matter levels below a certain limit value. The 2026 limit value is set at 20 µg/m<sup>3</sup>. There are multiple air quality monitoring stations within, and in the vicinity of, the Dublin Airport campus. As outlined in the published air quality reports<sup>16</sup> for Dublin Airport, some stations are below the 2026 WHO targets that Ireland has signed up to (and the EU Directive). However, there are several stations outlined in that are close to or above the limit value of 20 µg/m<sup>3</sup>.
- 3.3.3 There is clear guidance set out by the International Civil Aviation Organization (“ICAO”) for NO<sub>x</sub> surcharges. ICAO Doc. 9082, Policies on Charges for Airports and Air Navigation Charges, stipulates that a charge on NO<sub>x</sub> emissions is prudent and appropriate where a defined local air quality problem exists. Furthermore, ICAO Doc. 9884, Guidance on Aircraft Emissions Charges Related to Local Air Quality provides specific detail and approved methodology of a NO<sub>x</sub> charge.
- 3.3.4 With the above considered, daa proposed to retain NO<sub>x</sub> charges in their current while providing more objective analysis such as published Air Quality reports.

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<sup>16</sup> [Air Quality Data | Dublin Airport](#)

### Airport User Responses

***Question 4: daa believe that there is a need to address local NOx levels and that the information provided satisfies the relevant and objective criteria for the application of a NOx charge, do you agree with this?***

- 3.3.5 All 7 users who responded to the proposed NOx charges position have opposed the charge. User 1 opposed the charge stating that there is insufficient evidence that the high NOx levels in various locations at Dublin Airport are a result of aircraft emissions. User 1 stated that locations around Dublin Airport suffering high NOx emissions such as site A11 may be a result of emissions from buses and the busy roads that surround Dublin.
- 3.3.6 User 2 questions whether NOx levels at the airport are affected only by aircraft and instead they argue that other factors like ground traffic and non-aircraft activities are also contributing to this.
- 3.3.7 User 9 argued that Dublin should consider the improvements that will be achieved through the airline's fleet renewal process to reduce the current emissions level by 2030.
- 3.3.8 User 7 identified the current NOx levels at Dublin Airport as a non-issue, despite daa highlighting the problem is imminent with new legal limits coming into effect set out in the revised Directive 2008/50/EC.
- 3.3.9 Users 3, 4 and 5 do not believe that the NOx charge is related to daa's provision of infrastructure i.e. the runway. The Users position is that the global framework in relation to emissions takes precedence over any local airport modulation which may be unrelated to the provision of infrastructure.
- 3.3.10 User 6 did not directly comment on NOx charges and instead stated they are overall in favor of retaining the current aeronautical charging structure.
- 3.3.11 User 8 questions the cost relatedness of NOx charges.

### daa Final Position

- 3.3.12 daa has considered the views of Airport Users and the IAA. Given the lack of endorsement daa will withdraw the NOx Emissions charge from the start of the Summer 2025 Season. Dialogue will continue with all relevant stakeholders on environmental modulation prior to arriving at a Final Decision.

### Transparency

- 3.3.13 Aircraft contribute a substantial level of NOx emissions to the environment surrounding an airport. We believed that by implementing a NOx charge on runway movements it would ensure Dublin airport would comply with the annual NOx limits set out in the revised Directive 2008/50/EC.
- 3.3.14 From the evidence provided in the Initial proposal, daa assessed that NOx levels at

Dublin Airport and NOx emission criteria can satisfy the Relevance and Objectivity standards of the 2011 Regulations.

3.3.15 It was therefore daa's position that a form of NOx charges remains in place with two proposed options for NOx charges to be levied. Option 1 provided for the current charge structure to remain in place. Option 2 proposed a NOx factor modulating the Runway Movement Charge. This was consistent with the approach adopted by other European airports to reduce the negative impacts that NOx and pollution has on the surrounding local community. Over the last 5 years the number of airports levying NOx charges has increased by 30% up to 43 airports<sup>17</sup>.

### *Relevance*

3.3.16 In considering a NOx charge daa reviewed the relevant regulations it is governed by and the legislation that the Irish government is ruled by and any treaties they have committed to in the future. As part of the 'Clean Air Strategy For Ireland' published in 2023 Ireland has committed to achieving the IT3 level targets by 2026<sup>18</sup>. daa would note here that Paragraph 3.2.8 applies here and that the reduction of NOx emissions is in the public interest and as per the Thessaloniki Forum 2018 "A grounding stated in government policy is required in order to justify an element of a charging strategy on the grounds of public interest." daa has met this requirement and demonstrated in stage 1 of the consultation how the Irish government has committed to the WHO NOx level targets starting in 2026 and therefore in just over a year new lower NOx level will be critical areas of the public interest.

Furthermore, daa in the first stage of the consultation provided up to date NOx emissions data from Dublin Airport's monitoring stations. As outlined above several monitoring stations on the Dublin Airport campus are close to or above the limit value of 20 µg/m<sup>3</sup>, which is at the WHO 2026 NOx targets per Ireland's Clean Air Strategy.

3.3.17 daa believes it demonstrated consistent with the ICAO guidelines that a NOx issue exists in Dublin Airport and therefore as per the regulation it has the right to levy a NOx charge. Lastly, it considered the approach being adopted by other airports in Europe to deal with NOx and particularly how the number of airports with NOx charges in Europe has increased. In doing so daa has considered all the relevant factors and has discharged its transparency requirements.

3.3.18 Paragraphs 3.2.8-3.2.11 also apply to NOx and likewise demonstrates daa's compliance with relevance and objectivity. In addition, as per the Thessaloniki Forum 2021 NOx relates to Type 1 variations: environmental issues specific to the airport in questions i.e. emissions from aircraft's runway usage.

3.3.19 daa notes that users 3, 4 and 5 do not believe NOx is a type 1 issue, but rather a type 2 issue: variations do not relate directly to the airport in question. daa disagrees with this view, however notwithstanding this even if this were the case which daa disputes, as per the Thessaloniki Forum 2021 Paragraph 3.16 that contrary to the arguments

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<sup>17</sup> [Q. How Many Airports Have Emissions-Based Charges? \(rdcaviation.com\)](https://rdcaviation.com)

<sup>18</sup> [gov.ie](https://gov.ie) - Clean Air Strategy

users 3,4 and 5 make that NOx should be left to the global frameworks, Article 3 does allow for environmental variation for Type 2 variations as long as it clearly fits into overall stated government policy approach in this area. The Irish governments commitment to the WHO targets from 2026 is the government policy in question which NOx links to.

### **Objectivity**

3.3.20 NOx modulated charges, if retained, would continue to have a positive impact on the surrounding community and support compliance with the ‘Clean Air Strategy for Ireland’ and the IT3 2026 WHO Targets Irelands has committed to. However, given the airport user feedback received, as well as the IAA view that daa failed to justify the charge according to the 2011 regulations, daa recognizes the need for further consideration regarding the NOx charge. Therefore, if following the end of this consultation process, Airport Users and the IAA’s position remains unchanged, the NOx charge will be removed.

## **3.4 Runway Movement Charge**

### **Initial Proposal**

- 3.4.1 For 2025, as part of the Review applied to the Runway Movement charge in response to the Final Decision, daa proposed three options to achieve the strategic objective of managing the noise footprint of Dublin Airport.
- 3.4.2 Option 1 was to maintain current runway movement charge, noise and NOx surcharges as set out in the 2024 Terms & Conditions in relation to Airport Charges<sup>19</sup>. A single set fee of per tonne of MTOW would be applied, with the removal of Band 2 (>136 tonnes).
- 3.4.3 Option 2 replaced noise surcharges with a runway movement charge modulated by QC. Using QC value of 0.5 as base, and an incremental discount factor or addition factor for aircraft below or above QC 0.5.
- 3.4.4 Option 3 outlined a Sustainable runway movement charge that would have a base charge based on a single unit rate per tonne of MTOW which is then modulated by a Noise and NOx factor.
- 3.4.5 Seasonality was also proposed to be removed to account for the fact that costs of the runway during the winter and summer months are broadly similar. Furthermore, as per the ICAO guidelines the effects of noise on the local community do not differ by seasonality and therefore such a discount would undermine daa’s obligations to the surrounding community in noise abatement in the subsidized winter months.

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<sup>19</sup> [Terms & Conditions of Use in relation to Airport Charges](#)

## Airport User Responses

### **Question 5: What is the preferred Runway Movement Charge option from the proposals outlined above?**

- 3.4.6 Broadly across user responses, the use of Noise and/or NOx to modulate the Runway Movement Charge was rejected with the preferred option being a single runway movement charge based on MTOW. Likewise, the removal of seasonal variation in airport charges was also not supported by most users, except user 9 who states that if there are relevant, objective and transparent grounds for eliminating seasonality then there would be merit to it.
- 3.4.7 User 1 rejected the removal of banded runway movement charges which it claims contradicts the Dublin hub strategy in the National Aviation Policy. User 1 also raised concerns around the removal of seasonal adjusted charges given the highly seasonal nature of demand for air travel. User 7 welcomed the proposed removal of banded runway movement charges labelling them as discriminatory. User 9 highlighted that Noise and NOx are better suited as separate standalone charges, while supporting the use of MTOW citing ICAO guidance and the removal of seasonal differentiation.
- 3.4.8 User 6 did not provide any comments on the runway movement charges apart from their general agreeance with the current charging structure.
- 3.4.9 User 8 believes that the runway movement charge should be kept simple and not mixed with noise and NOx. They did not provide a position on the different pricing structure for the summer and winter seasons.
- 3.4.10 Users 3 and 4 believe that the current runway charging structure should be retained in order to support Dublin's hub model and seasonality retained to promote year-round traffic.
- 3.4.11 Users 2 and 5 do not support the removal of MTOW bands and point to other airports in Europe using them to encourage higher seat densities so that airport resources are more efficiently used.

## daa Final Position

- 3.4.12 Following consideration of user views, daa proposes to remove runway banding, instead applying a single unit MTOW calculation per movement. A discounted seasonality adjustment factor will be retained for the Winter season for the reasons outlined below.

## Transparency

- 3.4.13 As part of the Initial Proposal, three different options were outlined as to how to levy a runway movement charge which daa believed would help achieve the strategic objectives for 2025. By adopting this approach, this gave an opportunity for user views to feed into the process of selecting the most common option to bring forward to daa's Final Proposal. daa believe Transparency has been met in this regard.

### Relevance

- 3.4.14 The charging options all involved modulations which pertain to MTOW, noise and NOx all of which are related to a runway movement.
- 3.4.15 While daa believes that NOx and noise charges should be linked to runway charges, there has been strong resistance from airlines in such an approach being adopted. Therefore, despite daa's efforts to tie the runway charge with commitments to the various environmental policies previously outlined, a single rate per tonne of MTOW will be adopted as demonstrated as the preferred option following airport user responses.

### Objectivity

- 3.4.16 As part of its consultation on a runway movement charge in the aim of simplifying the charging structure, accounting for the fact there is no real operational cost between summer and winter months and the negative local impacts of noise on the surrounding community do not differ by season, daa proposed removing seasonality for the runway movement charge. However, given the lack of support of this proposal, seasonality differentiation has been retained.

## 3.5 Passengers with Reduced Mobility (PRM) pre-advised rebate

- 3.5.1 daa proposed a rebate on PRM charges levied over the year will be applied to carriers who achieve a pre-advised notification rate target. This initiative was proposed to achieve a higher pre-advised rate to improve the efficiency of the service, minimize delays for passengers requiring assistance, and by extension support on time performance of flights operating at Dublin Airport.
- 3.5.2 The intention was that a minimum pre-notification of 48 hours<sup>20</sup> would be necessary to avail of the discount. Furthermore, pre-notified users would be provided priority status when availing of the service.

### Airport User Responses

#### ***Question 6: What pre-advised PRM target is appropriate to apply a discounted rate?***

- 3.5.3 User 7 agrees with a PRM discount to reduce costs and pass-through cost saving to all passengers who the charge is levied on. User 7 outlines that any discount should be in real terms i.e. a lower rate than the base rate as appose to a surcharge on those who don't qualify. Furthermore, they argue the prenotification rate should be above the average prenotification rate to ensure it incentivizes behavioral change through more prenotification.
- 3.5.4 Users 1 and 2 suggests a PRM discount of 65%, stating that their own internal data suggests 75% is the typical prenotification rate.
- 3.5.5 User 9 supports a PRM discount, but state that this discount should be linked to the expected reduction in costs from such an action.

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<sup>20</sup> Article 6 (2), [eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1107](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1107)

- 3.5.6 Users 3 and 4 did not express a position and instead simply stated that it requires further discussion.
- 3.5.7 User 5 did not mention the PRM discount in their response and did not answer Questions 6 and 7, daa deems this as having no position.
- 3.5.8 User 6 likewise did not comment on PRM and instead stated they support the current aeronautical charges menu, therefore this could either mean they do not support the discount or have no position on it. daa will ask this user to clarify their position in the charges consultation meeting.
- 3.5.9 User 8 was the only user to express concerns regarding the PRM charge, similar to User 9 they ask for reassurance that the charge will result in overall reduction in passenger charges. Furthermore, they query about the potential data privacy or GDPR legislation that might impede daa's ability to get the final prenotification rate.

***Question 7: What percentage level of rebate for achieving the pre-advised target is appropriate?***

- 3.5.10 User 1 and 2 were the only respondents who directly answered, with a proposed a rebate of 10% - 15%, arguing this is in line with the PRM rebate other European airports offer. All other users did not provide a stance on the rebate amount, instead their position is that further discussion is needed on the matter.
- 3.5.11 Users 3 and 4 said that further discussion is needed on the matter.
- 3.5.12 Users 5 and 6 did not answer this question.
- 3.5.13 User 7 believes that the rebate should be below the base rate.
- 3.5.14 User 8 required further information to answer this question. They requested details on the cost savings this proposed discount would provide daa with.

**daa Final Position**

***Transparency***

- 3.5.15 In order to drive the optimal service level, daa proposes banded rebate targets of 70-80% and greater than 80%. In order to qualify for the rebate, a minimum pre-notification of 48 hours<sup>21</sup> is necessary. Furthermore, pre-notified users would be provided priority status when availing of the service.
- 3.5.16 Daa acknowledges that user 2 suggests a PRM prenotification rate of 65%, however the purpose of the initiative is to incentivize airlines to achieve optimal prenotification rates to minimize financial and operational costs from last minute requests which results in a desired outcome for both Airport users and passengers.

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<sup>21</sup> Article 6 (2), [eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1107](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1107)



3.5.17 A discount below the typical current prenotification rate would not incentivize most airlines to increase their prenotification rate as user 7 highlights and would simply provide suboptimal performers a rebate without having to change their behavior, the pre notified rate of 65% is therefore not relevant, as it would not change the circumstances of low prenotification rates in question. Moreover, both Users 8 and 9 mention that a PRM discount should not simply provide rebates to certain airlines without resulting in a behavioral shift.

3.5.18 It should also be noted that there are established IAA Quality of Service (QoS) metrics with PRM being included in this. The introduction of a PRM rebate or pre-advised charge rate is therefore aligned with these metrics set out in the IAA's Final Decision.

### Relevance

3.5.19 Daa, has undertaken a benchmarking exercise to further quantify the application of the new PRM charge structure. As part of this benchmarking exercise daa considered the strategies employed by other European airports to increase airline PRM prenotification rates. Many large European airports have a PRM discount for airlines that achieve certain PRM prenotification targets. This reinforces that a PRM discount is a relevant strategy to increase prenotification rates as employed by other airports and daa intends to utilize such a strategy.

### Objectivity

3.5.20 With the above considered, daa propose a rebate on PRM charges levied over the year which will be applied to carriers who achieve a pre-advised notification rate target. Table 6 demonstrates that less than 0.12% of PRM passengers through Dublin Airport came from an airline that achieved a 98% prenotification rate and even at the lower prenotification rates of 70% only 33.85% of PRM passengers came from an airline with a minimum 70% prenotification rate. Currently only 65% of all PRM passengers passing through Dublin are prenotified.

Table 5. Current PRM prenotification rates<sup>22</sup>.

Pre-advised rate	Number of Pax	% of PRM pax
<70%	77,448	77.51%
70-80%	22,313	22.33%
80-85%	91	0.09%
>90%	64	0.06%

3.5.21 In 2024, the PRM charge per passenger was €0.74. It was assumed this would allow for €0.5m of the cumulative under recovery to be recouped in 2024, however as a result of PRM passenger concentration increasing from 2.37% in 2023 to 2.61% 2024 (+10%) it is now expected there will be an under recovery in 2024 of c. €0.8m. In order to allow for the increased concentration of PRM passengers and wage increases of c. 6% from 1 January 2025, an average PRM charge of €0.85 will be required in 2025.

<sup>22</sup> Based on September 2024

Table 6: PRM 2025 Charge Calculation

<b>2025 Charge:</b>	<b>€'m</b>
Estimated annual cost	14.0
Under recovery recouped	0.5
<b>Total cost to recover</b>	<b>14.5</b>
Departing passenger estimate	<b>16.4</b>
<b>Av. Charge</b>	<b>€0.85</b>

Table 7: PRM service at Dublin Airport 2020 – 2024

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
€'000	Audited	Audited	Audited	Expected
Departing pax	4,116	13,751	16,505	16,880
Actual charge, €	€0.58	€0.58/€0.69	€0.69	€0.69/€0.74
PRM Turnover	2,387	9,285	11,389	12,530
Total PRM Costs	3,423	8,899	11,205	€13,363
Under (-over) recovery for Year	1,035	-386	-184	833
<b>Closing under recovery (2020 – 2023)</b>	<b>4,051</b>	<b>3,666</b>	<b>3,482</b>	<b>4,315</b>
Average cost per PRM, €	38.35	27.86	28.60	32.17
PRM concentration (as % of departing pax)	2.17%	2.32%	2.37%	2.61%

### 3.6 2025 Incentive Schemes

#### Daa initial proposal

- 3.6.2 The IAA, as the competent authority in Ireland for the purposes of declaring co-ordination parameters, have introduced seasonal seat capacity limits for Winter 2024/25 and Summer 2025 seasons. For Winter 2023/24, this capacity limit has already been reached through the allocation of historic slots. We envisage a similar situation for the and Winter 2025/26 seasons. As such, there is currently no available capacity to support overall airport traffic growth.
- 3.6.3 As part of the Terms & Conditions of Growth Incentive Schemes at Dublin Airport, overall passenger numbers must be increased by a new route. As this is not possible under the new parameter set by the IAA, daa have no choice but to cease the award of new growth incentive scheme applications for 2025.
- 3.6.4 Dublin Airport has offered several support schemes to promote and develop new and existing traffic at the airport, as well as to encourage behavior that promotes an efficient use of scarce infrastructural resources. Given the current capacity constrained environment, daa must suspend all schemes related to passenger short-term growth at Dublin Airport. While this decision is regrettable, such schemes have now become redundant.
- 3.6.5 For clarity daa propose to withdraw the following growth incentive schemes:
- New Route Support Scheme – Long and Short Haul – **Suspended**
  - Significant Additional Capacity Existing Routes (SACER) – **Suspended**
  - Grow Transfer Incentive Scheme (GTIS) – **Suspended**

#### User Responses

- 3.6.6 There was limited engagement from airport users on ceasing the award of growth incentive schemes.

#### Daa Final Proposal

- 3.6.7 daa's final position remains unchanged in relation to the suspension of growth incentive schemes. The award of incentive schemes related to growth will continue to be suspended.

***Question 8: The IAA Final Decision on the Ryanair Complaint has raised broader questions in relation to the differentiation of airport charges. In an extreme case, would you support the abandonment of Dublin Airports aeronautical charges menu and replaced with a single charge per passenger e.g. for 2025, charge the price cap of €9.51.***

- 3.6.8 No user outright supported a single charge per passenger. While Users 1-5 noted that if there couldn't be an agreed position, then consideration may be made to this proposal noting that compliance with the 2011 Regulations must be explained if this were to be introduced. User 8 and 9 noted that this option was unlikely to satisfy the 2011 Regulations.

## 4. Revenues & Costs

### 4.1 Structure of Charges

- 4.1.1 daa's current structure of charges dates back to 2001 when the then Aer Rianta carried out a detailed review of the methodology underpinning airport charges. The company developed a clearly defined charging structure which was designed to best facilitate airport users while also incentivizing the efficient use of airport capacity. In the intervening period this charging structure has been further modified in response to airport users stated requirements with a shift in the balance of the revenues away from aircraft-related charges towards passenger-related levies. daa has continued to best incentivize the efficient use of airport capacity with the introduction of the contact/remote charge differential in 2006 and modification to this differential in 2013, 2016 and proposed adjustment in 2020 and 2021. Following the completion of the South Gates (Pre -Boarding Zone) on the South Apron, a satellite charge differential was incorporated in 2018.
- 4.1.2 Within the overall framework of the price cap daa sets and implements the airport charging structure at Dublin Airport. In doing so daa recognizes that a number of its airline users have different requirements in terms of aeronautical facilities and services. daa aims to provide flexibility for airline customers, offering a range of differentiated prices for certain aeronautical services. Different charges are levied in respect of different types of products and service: for example, different charges are levied for contact stand and remote parking and runway usage, which vary, as appropriate, in relation to the season (winter/summer) and according to the weight of the aircraft used. Airlines have a choice as to whether to use certain facilities or not depending on their business models and can therefore avoid particular charges depending on their operation.

### 4.2 Capital Expenditure

- 4.2.1 Capital expenditure for Dublin Airport – insofar as it affects airport charges – is comprehensively covered by the regulatory process governed by IAA. By 'allowing' or 'disallowing' specified capital expenditure to be included in the calculation of the airport charge, IAA determines which capital costs Dublin Airport may recover through charges to airlines in the form of fees for aeronautical services.
- 4.2.2 Allowances through capital costs are awarded through the application of triggered allowances as a mechanism in the price cap calculation. Where certain criteria are met, whether a project is on-site and/or planning permission received, a triggered allowance is applied to the price cap. The value of the trigger is linked to the overall allowance a project is awarded, the stage in the regulatory period the triggered allowance is applied and whether the project is on-site. Below is a summary of trigger projects in the.

Table 8. Trigger Projects

CIP Number	Project Title
CIP.20.03.012	Terminal 1 Central Search - Relocation to Mezz Level
CIP.20.03.013	Terminal 1 Departure Lounge (IDL) Reorientation and Rehabilitation
CIP.20.03.029	New Pier 5
CIP.20.03.030	Expansion of US Pre-Clearance Facilities
CIP.20.03.031	South Apron Expansion (Remote Stands, Taxiway and Apron)
CIP.20.03.077	South Apron Support Centre - Conversion of FCB
CIP.20.03.036	North Apron Development – Pier 1 Extension (Module 1) & Apron 5H PBZ
CIP.20.03.051B	West Apron Vehicle Underpass - Pier 3

4.2.3 As part of the CIP 2020+ Final price determination for the regulatory period 2022 – 2026 IAA have allowed €3bn in its Final Determination for capital allowances across eight projects groupings. This allowance includes a €1.7bn investment in capacity projects that is designed to meet the capacity needs of the airport to deliver 40 million passengers. There is also an allowance of €425m to address sustainability and our obligations under Irish legislation to get to net zero by 2050. The remainder of the allowance addresses projects which ensure the safe and efficient operation of the airport on a day-to-day basis.

4.2.4 The Final Determination continues to use the StageGate process “allowing for the ongoing flexibility for the scope and/or cost of certain projects to evolve throughout the regulatory period, rather than being set in advance.” The overall CIP of €3bn sees €2.2bn of projects identified as StageGate projects. There is €1.4bn of project allowance with trigger conditions attached. 72% of allowances are StageGate, 22% are flexible allowances giving Dublin Airport the opportunity to respond to changing capital business needs and 6% of allowances are classed deliverable which are for specific critical projects. Further to this information, and as required within the CIP2020+ Final Determination Dublin Airport provides quarterly updates to the Commission on the timelines and costs of Capital Projects. This information is publicly available through an interactive portal on the new IAA website following the Commission’s transfer amalgamation with the IAA.

### 4.3 Revenue Structure

4.3.1 In accordance with the requirements of the Statutory Instruments, information relating to airport charges is provided below. The prices quoted are the proposed 2025 prices.

Table 9: Runway movement charge

Runway movement charge			
Charging basis	Per tonne MTOW or part thereof		2025 Total Revenue ('000)
Season	Summer	Winter	€87,713
Per tonne of MTOW	5.50	2.75	

\* Minimum Runway Movement Charge of €500.00 will apply to aircraft with less than 30 seats.

4.3.2 Runway Landing and Take-Off charges are assessed and payable based on the Maximum

Take-Off Weight (MTOW) declared in accordance with the relevant financial terms and conditions. This charge is levied by daa in respect of the use of runway and apron infrastructure at Dublin Airport.

Table 10: Aircraft parking charge

Aircraft parking			
Charging basis (€)	Detail	Per 15 Minutes	Total Revenue 2025 ('000)
Standard charge per aircraft/stand type	Wide/Contact	44.40	€27,019
	Narrow/Contact	35.8	
	Wide/Remote	12.3	
	Narrow/Remote	9.8	
	Wide/ Satellite	42	
	Narrow/ Satellite	32.9	
	Light Aircraft Parking Areas	3.5	
	Long Term Remote	234.5	

*\*Per day or part thereof*

4.3.3 Aircraft parking charges relate to payment for the use of parking facilities at the various stands designated on the apron.

4.3.4 Due to congestion in the Light Aircraft Parking area of the East Apron, there is a requirement for more light aircraft parking. When Light Aircraft park in the West Apron North they will be subject to the light aircraft parking charge. When stands are available, commercial aircraft can still park in this area.

Table 11: Airbridge use charge

Airbridge use		
Charging basis	Per 15 minutes or part thereof	2025 Total Revenue ('000)
Airbridge charge (€)	9.30	€2,577

4.3.5 The Airbridge charge relates to the payment for the use of airbridge infrastructure and related costs.

Table 12: Passenger charge

Per-passenger charge			
Charging basis	Passenger charge		2025 Total Revenue ('000)
Season	Summer	Winter	€180,314
Passenger Charge (€) departure on a Contact Stand	12.90	9.20	
Passenger Charge (€) departure from a Remote Stand	6.25	3.30	
Passenger charge (€) departure from a Satellite Stand (Terminal 1 or 2)	11.70	8.00	
Transfer Passengers (€)	3.90	2.80	

4.3.6 The passenger service charge is levied on all departing passengers for the use of terminal and pier infrastructure and related costs. The transfer passenger charge is levied on all transfer passengers for the use of terminal facilities as they transfer through Dublin Airport.

Table 13: PRM charge

PRM charge			
Charging basis	Pre- notified rate	Passenger charge	2025 Total Revenue ('000)
PRM charge (€)	<70%	0.90	15,000
	70-80%	0.85	
	>80%	0.74	

4.3.7 The PRM charge is levied on all passengers for the provision of services and facilities at Dublin Airport for all persons with reduced mobility.

Table 14: Fast-Track charge

Fast-Track charge		
Charging basis	Passenger charge	2025 Total Revenue ('000)
Fast-Track charge (€)	0.82	€1,173

4.3.8 The Fast-Track charge will be levied in respect of passengers using the facility.

Table 15: Airport Noise Charges

Noise Charges			
QC	Set fee per Tonne 2025 Day	Set fee per Tonne 2025 Night	2025 Total Revenue ('000)
0	€0.00	€0.00	-
0.125	€0.00	€0.00	-
0.25	€0.00	€0.00	-

0.5	€0.00	€2.00	€3,517
1	€1.00	€4.00	€566
2	€2.00	€8.00	€3,828
4	€4.00	€12.00	-
8	€6.00	€16.00	-
16	€8.00	€20.00	-

4.3.9 The noise charge will be based on a set fee per Tonne and based on the arriving/departing Quota count assigned to an aircraft with rates outlined in the above table.

#### 4.4 Revenue Breakdown

4.4.1 The below table summarizes the information already laid out in the 2020, 2021 and 2022 Regulated Entity accounts which are available to view of the IAA website<sup>23</sup>.

Table 16: Dublin Airport Revenue Breakdown

	2021 Per Regulated Entity Accounts €'m	2022 Per Regulated Entity Accounts €'m	2023 Per Regulated Entity Accounts €'m
Runway	30.1	78.8	102.0
Parking	7.9	20.5	24.7
Airbridge	1.3	2.1	2.3
Passenger	38.1	136.9	180.9
Noise	-	0.3	1.4
Incentives	-14.7	-97.9	-32.6
Government funded Incentives	-	-83.2	-
Airport Charges Levied	62.9	223.9	278.7
Passengers	8.5	28.1	33.5
Average Revenue per Pax	€7.44	€7.97	€8.31
Price Cap	€7.50	€8.00	€8.46
Under-recovery	€ 0.06	€ 0.03	€0.15

\*The price cap was reported as N/A in the 2020 accounts because the price cap was not applicable for 2020 due to the impact of COVID-19.

#### 4.5 Derivation of Airport Charges

4.5.1 Under the current regulatory structure, the IAA determines the annual price cap which sets out the overall maximum amount per passenger which daa is permitted to earn from aeronautical revenues at Dublin Airport in any one year. The annual price cap is a precise number which reflects the outcome of the Commission's regulatory review in which it undertakes a detailed assessment of the critical building blocks which underpin the maximum level of airport charges such as the Regulated Asset Base (RAB), future capital investment requirements, the appropriate WACC, forecast operating costs and forecast commercial revenues.

<sup>23</sup> DAA Regulated Entity Accounts [Regulatory Reporting \(iaa.ie\)](https://www.iaa.ie)



4.5.2 The third Interim review Final Decision of the 2019 Determination was issued on the 23<sup>rd</sup> December 2022 and will apply to the 2023-2026 period.

## 4.6 Dublin Airport Cost Profile 2023

4.6.1 The following charts illustrate the cost profile of Dublin Airport in 2023

Figure 1: Dublin Airport Cost Structure



Figure 2: Dublin Airport FTE Profile 2023

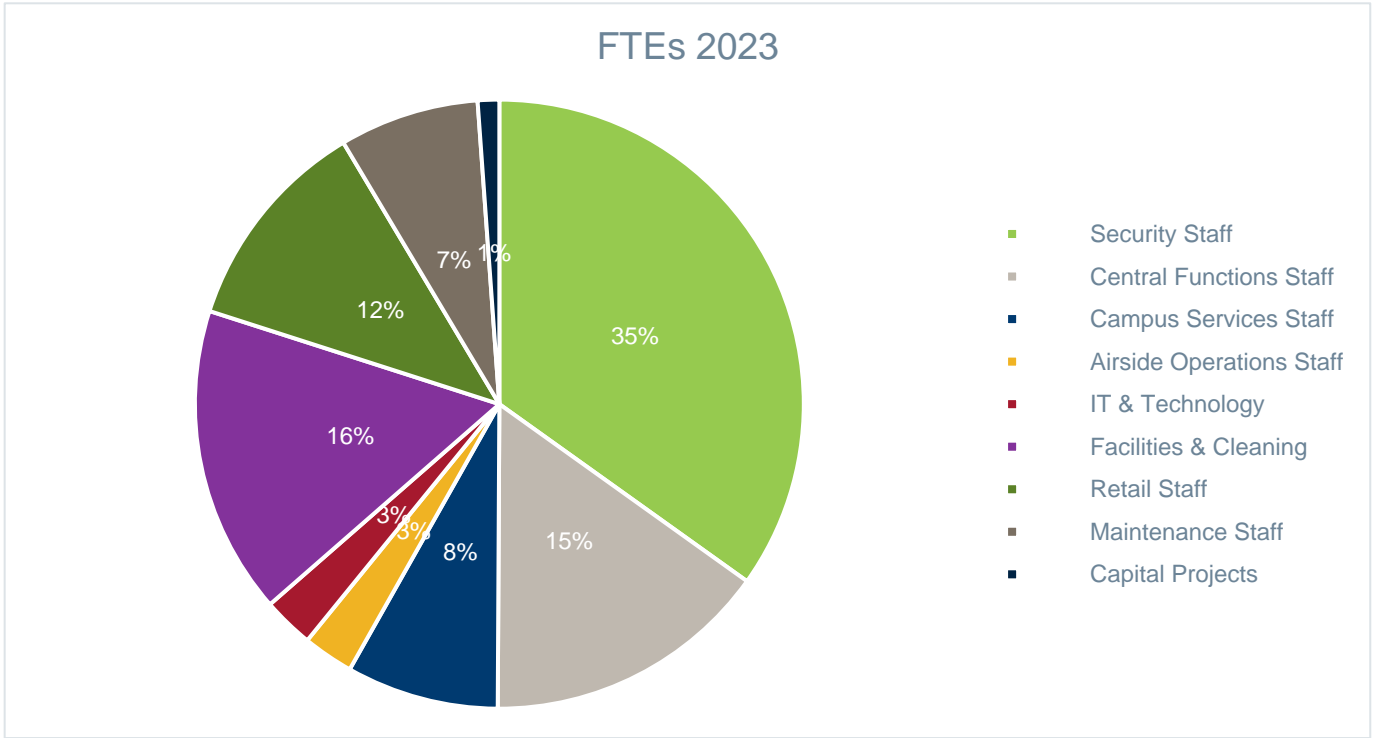
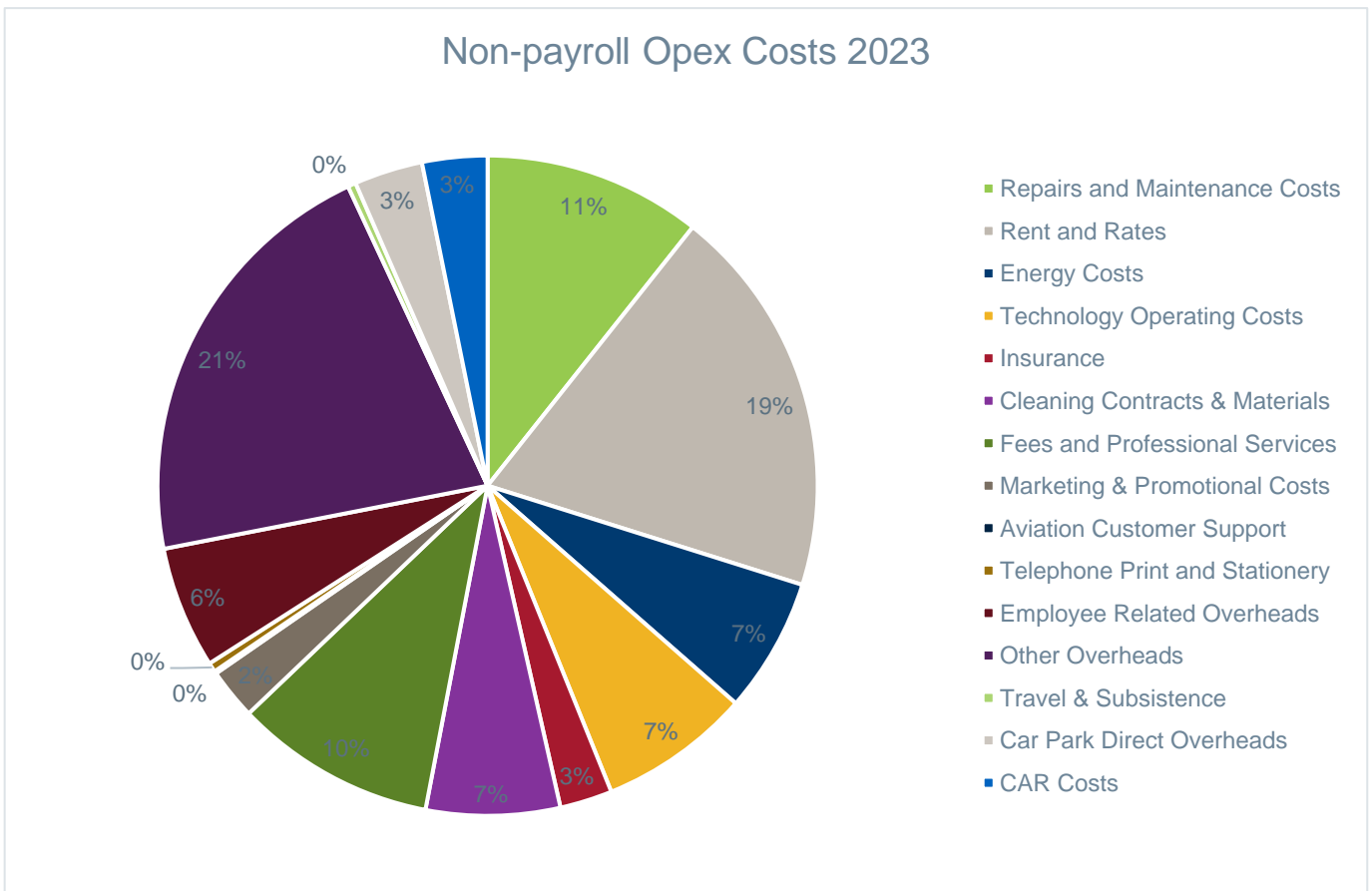


Figure 3: Dublin Airport non-payroll OPEX costs 2023



## 5. Updates to Terms and Conditions

### 5.1 Changes to Noise Classification bounds

- 5.1.1 The Quota Count noise classification table has been corrected to align with the Regulatory Decision<sup>24</sup>, the upper bounds of all QC's have been decreased by 0.1 decibel. For the avoidance of doubt, this is an administrative change and will not affect the QC that has previously been assigned to aircraft operating at Dublin Airport.

### 5.2 Minimum Runway Charge

- 5.2.1 As part of the 2023 Airport Charges Consultation, a minimum runway charge was introduced to target aircraft movements that had a disproportionately lower runway movement charge due to the lower MTOW of many general aviation aircraft. For the purposes of the minimum runway charge, aircraft are defined by the number of seats. When the charge was first introduced, it applied to aircraft with less than 30 seats which was then increased to 50 seats as part of the 2024 Airport Charges Consultation. Following a review, the definition will be revised back to 30 seats from 30 March 2025.

### 5.3 Fast Track

- 5.3.1 Eligibility to wholesale Fast Track charge is revised to apply only to First and Business Class passengers with applicable fare classes being C, F and J only. These fare classes shall be identifiable in the boarding card fare class compartment code. Should an airline utilize a different fare class code for their First or Business class passengers other than the codes listed, the airline will be required to provide evidence of this.
- 5.3.2 Dublin Airport previously consulted on changes proposed for the Terms and Conditions around Fast Track, which outlined that third party partnerships such as Loyalty schemes would not be accepted for use of the Dublin Airports Fast Track product. Fast Track wholesale eligibility will only be applied to passengers who are flying in either First Class or Business class tickets with an airline.
- 5.3.3 Dublin Airport will not be obligated to accept other types of access to the Fast Track wholesale charge outlined above such as 3rd party agreements/partnerships or club cards such as frequent flyer programmes, club memberships, or selected bank cards; unless otherwise agreed through commercial agreement.
- 5.3.4 As outlined in the Terms and Conditions, these changes will come into effect from 30 March 2025.

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<sup>24</sup> [Regulatory Decision.pdf \(fingal.ie\)](#)

## 6. Next Steps

### 6.1 Responding to the Consultation

- 6.1.1. Following this Final Proposal, a consultation meeting will be held on the 30<sup>th</sup> October.
- 6.1.2. Following this meeting, airport users are invited to make written submissions no later than 13<sup>th</sup> November 2024 to [apc-er@dublinairport.com](mailto:apc-er@dublinairport.com).
- 6.1.3. A review of Airport User Responses to this Proposal will then dictate a 2025 Charges Decision will be issued in the proceeding weeks once all user views have been considered.