



An Roinn Iompair
Turasóireachta agus Spóirt

Department of Transport,
Tourism and Sport

A National Aviation Policy For Ireland

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Minister's Foreword

As an island nation, aviation plays a crucial role in Ireland's economy. We are far more dependent on aviation than many of our continental neighbours and trading partners. We depend on aviation for our links with the rest of the world both socially and economically so the Government considers it important to provide an appropriate policy framework within which the sector can continue to develop and grow to underpin economic recovery and development.

It is more than two decades since a formal statement of Government objectives for Irish aviation was published. There have been major developments in global aviation since then. Significant market liberalisation has taken place with access being opened up in many regions of the world and many airlines and airports have moved out of State ownership. There have been significant engineering and technological developments which have contributed to an expansion of aviation activity at a global level. The industry in Ireland has played its part in those developments and can continue to play a significant part in the development of global aviation in the future with an appropriate national policy framework in place to facilitate this.

The process of developing a National Aviation Policy was launched in December 2012 with a stakeholder conference in the Convention Centre Dublin. More than 400 participants attended from the aviation industry and from many other associated sectors. Taking account of the views expressed by participants at the conference, my Department published an Issues Paper in February 2013 and invited comments on the main themes and questions covered in the paper. A total of 74 submissions were received. These were analysed and a draft National Aviation Policy was published in May 2014 for further comment. Again more than 70 submissions were received and these were taken into account in finalising this policy document.

At the time the process was launched, the aviation industry globally was suffering from the crippling effects of the economic downturn. The resilience of the sector has once again proven itself as evidence of recovery across all segments of the industry began to emerge in 2013. This positive trend has continued through 2014 and to date in 2015.

The extensive input received from stakeholders, including experiences in the industry over these past few difficult years, has helped to shape what I believe to be a robust Policy that will provide a positive pathway for the development and growth of the aviation sector in Ireland, creating jobs both directly and indirectly. It will also create an environment that will encourage the industry to increase connectivity to and from Ireland for the benefit of the travelling public, Irish tourism and Irish business.

I look forward to working with the industry and all stakeholders to deliver on the actions set out in this National Aviation Policy.



Paschal Donohoe T.D.

Minister for Transport, Tourism and Sport

Introduction

The aviation sector is a major contributor to Ireland's economy. As an island economy, it is essential for our tourism industry, for our trading relationships and for connecting Ireland with the rest of the world. It contributes €4.1bn directly to our GDP comprising €1.9bn directly from aviation, €1.3bn through the supply chain and €0.9bn from associated spending by people employed in aviation. It supports 26,000 jobs directly and a further 16,000 in the supply chain. Ireland's tourism industry, which is heavily dependent on aviation, accounts for a further €5.3bn contribution to GDP and 180,000 jobs.

The Government recognises the importance of aviation to Ireland and is committed to creating an environment in which the industry can maximise its potential for the benefit of the wider economy. Recent measures that demonstrate the Government's commitment to the sector include the suspension of the air travel tax in 2013 and the decision to separate Shannon Airport from the daa group to increase competition among airports in Ireland.

The global economic downturn had a significant impact on aviation across the world and the industry in Ireland has not been immune. Aviation is a particularly cyclical industry and remains susceptible to shocks. The industry in Europe was particularly badly hit by the global downturn with airline and airport profitability badly affected. Irish airlines weathered the downturn well and indeed some grew their business significantly during this period. Passenger numbers returned to growth at most Irish airports in 2014. The International Air Transport Association reported that global passenger traffic in 2014 showed an increase in demand (measured in Revenue Passenger Kilometres) of 5.9% compared to 2013 and this positive trend is continuing in 2015. However, the European industry will continue to face significant challenges as the centre of gravity in global aviation shifts eastwards and southwards with future forecast demand and growth centred in Asia.

Ireland has a very strong tradition and reputation in aviation and this global picture presents as many opportunities as challenges for Irish aviation. The policies and actions set out in this National Aviation Policy plot a pathway to enable the Irish aviation industry to build on its existing strong reputation to compete effectively in

this growing global market place. They also aim to create the conditions to encourage increased services to and from Ireland to support Irish tourism and business.

Specifically, the principal goals of this National Aviation Policy are:

- To enhance Ireland's connectivity by ensuring safe, secure and competitive access responsive to the needs of business, tourism and consumers;
- To foster the growth of aviation enterprise in Ireland to support job creation and position Ireland as a recognised global leader in aviation; and
- To maximise the contribution of the aviation sector to Ireland's economic growth and development.

In particular, the National Aviation Policy commits to:

- Maintaining safety as the number one priority in Irish aviation and ensuring that safety regulation is robust, effective and efficient;
- Creating conditions to encourage the development of new routes and services, particularly to new and emerging markets;
- Ensuring a high level of competition among airlines operating in the Irish market;
- Optimising the operation of the Irish airport network to ensure maximum connectivity to the rest of the world;
- Ensuring that the regulatory framework for aviation reflects best international practice and that economic regulation facilitates continued investment in aviation infrastructure at Irish airports to support traffic growth;
- Supporting the aircraft leasing and aviation finance sectors to maintain Ireland's leading global position in these spheres; and
- Maintaining a safe and innovative general aviation sector to support Ireland's broader aviation industry.

Appendix 1 contains a composite list of the actions to be taken under this National Aviation Policy as set out in the following Chapters.



CHAPTER ONE



THE INTERNATIONAL CONTEXT



The International Context

BACKGROUND

Aviation is an inherently international sector so aviation policy and regulation is to a large extent determined in an international context although States do still have competence to determine national policy priorities within this overarching international context. The system of rules governing the operation of international air transport dates back to the 1940s when the Convention on International Civil Aviation (commonly referred to as the Chicago Convention) was adopted. The Convention and its nineteen detailed annexes remain the rule-book for international air transport. The International Civil Aviation Organisation (ICAO) was established under the Convention.

The European Union (EU) also has competence in relation to air transport and the evolving EU regulatory agenda now extends to all areas of aviation.

Other EU and international organisations also have an important role to play in the development of the EU and international regulatory agendas in aviation. The European Aviation Safety Agency (EASA), established in 2004, is now at the heart of the EU aviation safety system with responsibility for proposing and monitoring the implementation of EU safety rules and regulations. EUROCONTROL also plays an important role in the development of the

Single European Sky (SES), particularly in its role as Network Manager. It also has several other important roles including support for the implementation of SES at pan-European level, addressing civil-military interfacing aspects of SES, as well as dealing with other specific aspects such as the collection of route charges. Ireland is a member of the European Civil Aviation Conference (ECAC) which promotes understanding of policy among its member States and other regions in the world within the global ICAO framework.

Given this global context, many of the decisions that affect aviation in Ireland are not wholly within national control. However, it emphasises the need for Ireland to participate actively in the development of policy and regulation at an international level. Ireland is a significant player in international aviation. We have a strategically important role in air traffic management on the North Atlantic. We are the pre-eminent global centre for aircraft leasing with almost 4,000 of the 22,000 aircraft currently in operation around the world owned by Irish based lessors. We are the licensing State of the largest intra-community carrier, Ryanair. It is therefore critical that Ireland influences developments at EU level and in ICAO to ensure that Irish aviation interests are defended and advanced in the development of the international and EU regulatory frameworks.

ISSUES

As a member State of the EU, Ireland is a member of the Council of the European Union and inputs to all decisions and legislation adopted at EU level in relation to aviation. EU legislation on aviation is subject to 'co-decision', i.e. it is jointly decided by the Council and the European Parliament. We can, therefore, also exert influence through our representatives in the European Parliament and by active engagement with the European Commission at the preparatory stages of the legislative process. It is in this latter process that there is scope for improving how we engage and influence the development of the regulatory agenda.

The European Commission has recently announced its intention to develop an EU Aviation Package to improve the competitiveness of the EU aviation sector and it will be important for Ireland to input to the development of this Strategy at an early stage to ensure that the interests of Irish aviation are promoted and protected.

In Chapter 9, Consultation, the Department outlines its plans for the establishment of a National Aviation Development Forum to provide an opportunity for engagement with industry and to coordinate the efforts of all Departments and State agencies in the development of policy and legislation

affecting aviation at national, EU and international levels. The intention is that the National Aviation Development Forum will consider important EU legislative proposals and identify the most appropriate means of providing feedback to the EU Commission on relevant stakeholder consultation processes.

In ICAO, the governing body, the ICAO Council has 36 seats while there are more than 190 contracting States. For the purposes of securing representation on the ICAO Council and its advisory committee, the Air Navigation Commission, Ireland joined with six other European States in the mid - 1990s to form the ABIS Group. The members of the ABIS group 'rotate' the opportunity for representation on the ICAO Council and Air Navigation Commission (ANC) amongst its members.

As part of this rotation process, Ireland secured election to the ICAO Council for the period 2001 to 2004 and we will again have the opportunity to present a candidate for election to the Council in 2016 for the period 2016 to 2019. Ireland currently has a representative on the ANC and previously we had a representative on the ANC during the period 1997 to 2000. These positions provide Ireland with an opportunity to shape the international regulatory agenda and to raise the profile of Irish aviation on a global stage.

POLICY POSITION

Ireland will participate actively in international fora to influence developments in the aviation sector.

ACTIONS

- 1.1 Ireland, as part of the ABIS Group, will seek nomination for election to the ICAO Council for the period 2016-2019.
- 1.2 The Department of Transport, Tourism and Sport will consult with the National Aviation Development Forum (see Chapter 9) on the development of the international legislative and regulatory agendas.
- 1.3 Ireland will input to the proposed EU Aviation Package at an early stage to influence the development of proposed measures.

CHAPTER TWO



SAFETY, SECURITY AND SUSTAINABILITY



Safety, Security and Sustainability

2.1 Aviation Safety

BACKGROUND

Safety and public confidence in the safety of air travel underpin all other objectives in this sector. Maintaining the highest standards of safety in Irish aviation continues to be the priority objective of Irish aviation policy.

The Irish Aviation Authority (IAA) has statutory responsibility for regulating safety standards in civil aviation in Ireland and these functions are performed by its Safety Regulation Division. In general, aviation safety standards are set internationally by the International Civil Aviation Organisation (ICAO) and, in a European context, by the European Aviation Safety Agency (EASA), the European Union (EU), EUROCONTROL, the European Civil Aviation Conference (ECAC) and in the North Atlantic Systems Planning Group (NAT SPG). The Safety Regulation Division (SRD) of the IAA oversees and regulates the implementation of these standards for the Irish civil aviation industry and its oversight activities are in turn subject to regular independent audits by ICAO, EASA and EUROCONTROL.

In 2011, Ireland was ranked amongst the best in the world for civil aviation safety oversight following an intensive international audit by ICAO. In July 2013, the EUROCONTROL Performance Review

Body (PRB) published its Annual Monitoring Report on safety which ranked Ireland first out of 29 European States for Effectiveness of Safety Management (EoSM) - a key metric for the quality of safety regulatory oversight of air navigation services.

A fundamental requirement of any aviation safety oversight system is the obligation to report occurrences that may affect safety. In that regard, Ireland has a very good and effective Mandatory Occurrence Reporting System (MORs), established in accordance with the requirements of EU law and ICAO requirements, that is monitored on an ongoing basis by both the IAA and the Air Accident Investigation Unit (AAIU) an independent Unit that reports directly to the Minister for Transport, Tourism and Sport.

It is the Government's objective that Ireland's safety record in aviation be maintained and promoted and that Ireland participate actively in the development of the regulatory framework at an international level.

While aviation is one of the safest modes of transport, EU policy recognises that "zero risk" does not exist in aviation as accidents and serious incidents may happen from time to time, especially in light of the growth of commercial air transport. EU policy is to do everything possible to increase the safety of air transport and mitigate the risks of accidents or serious incidents occurring.

When accidents or serious incidents happen, it is necessary to launch investigations into their causes in order to learn safety lessons and prevent such occurrences from happening again.

International rules require the separation of accident investigation and safety regulation functions. In Ireland all such occurrences are the subject of investigations by the AAIU.

In addition to the requirement to investigate accidents and incidents that occur in the State, where foreign safety investigation authorities conduct investigations into occurrences on or involving Irish registered and/or Irish operated aircraft abroad, the AAIU is required to appoint Accredited Representatives to assist the foreign State in the investigation. Furthermore, where a foreign State delegates an investigation to the State of Registration, or where an Irish registered aircraft suffers an occurrence in international waters, the AAIU is required to conduct the investigation.

The Irish registered commercial fleet has expanded significantly in recent years, due in particular to the significant expansion of Ryanair's fleet which are all on the Irish aircraft register and the continued expansion in the number of leased aircraft being placed on the Irish Register. This has implications for the IAA as the regulatory authority but it also has resource implications for the AAIU

as it may be required to conduct or assist in investigations of any incidents involving aircraft on the Irish register. It is imperative that the AAIU is adequately resourced to fulfil its investigative oversight obligations on the Irish registered fleet both at home and abroad. Ireland is committed to working with ICAO, the EU and other international agencies in the on-going development of appropriate safety systems and processes, in supporting occurrence reporting and investigation and in ensuring all safety regulations are implemented and enforced.

ISSUES

Ireland has an excellent aviation safety record. Safety will remain the number one priority of our National Aviation Policy.

The primary responsibility for aviation safety rests with the operator; the State's obligation is to ensure compliance through the legislative and organisational arrangements and structures it has established for this purpose. The rapid and significant changes and increasing complexity of the aviation system requires the use of a risk-based approach to identify safety issues and assess residual safety risks that may exist within a compliant system. A risk-based approach is an inherent part of a Safety Management System (SMS). SMS has been adopted by ICAO as standard international practice and is a mandatory requirement

under ICAO Annex 19. The EU, through EASA, is in the process of moving towards a system to anticipate and focus on potential safety risks.

The ICAO Global Aviation Safety Plan and the European Aviation Safety Programme require Ireland to achieve full implementation of a State Safety Plan (SSP) and SMS across the civil aviation system to facilitate the proactive management of safety risks. There are a number of bodies with responsibility for elements of safety policy, including the Department, the IAA and the AAIU, and appropriate co-ordination arrangements with regard to SSP requirements will be maintained.

A focus on improved human factors analysis and management within the SMS is essential. By improving the quality and depth of investigation to identify human and organisation causal factors, appropriate mitigation actions can be formulated.

Data collection and exchange, including occurrence reporting, together with the necessary analysis capability are fundamental to a risk-based approach. A fundamental requirement is that occurrence reports are accurately recorded in the mandatory European Centrally Coordinated Accident and Incident Reporting System (ECCAIRS), an EU database in which the IAA and AAIU participate.

A fast-growth area of interest in the aviation sector is the operation and use of remotely piloted aircraft systems (RPAS), commonly known as 'drones'. In Ireland, the IAA currently has a role concerning the safety regulation of RPAS, defined for this purpose as being of a mass less than 150kg. As this Policy is being published, regulation of RPAS is being developed in the EU, taking account of their beneficial uses and associated public interest and privacy concerns. Ireland will encourage and support the early development of an appropriate regulatory framework for RPAS internationally.

POLICY POSITION

Safety will remain Ireland's first priority in the aviation sector.

ACTIONS

- 2.1.1 Ireland, through the Department and the IAA, will play an active role in the development of aviation safety regulations at an EU level and in ICAO.
- 2.1.2 Ireland will continue to maintain an independent safety investigation authority for the investigation of aviation occurrences.
- 2.1.3 The Department and the IAA will coordinate the State Safety Programme, including risk management.
- 2.1.4 Ireland will continue to facilitate and promote occurrence reporting in accordance with EU law and ICAO requirements and to meet the highest standards of independent accident investigation.
- 2.1.5 The IAA will establish and monitor appropriate key aviation safety indicators based on the EASA system.
- 2.1.6 The IAA and AAIU will monitor aviation safety trends through ECCAIRS analysis.
- 2.1.7 Ireland will contribute to work at EU level to develop and implement an appropriate EU-wide safety regulatory framework for the operation of Remotely Piloted Aviation Systems in civilian airspace.

2.2 Aviation Security

BACKGROUND

A high quality national aviation security system requires not only sustained commitment and effort by the State but also by all key players in the sector including airports, airlines, and other regulated entities in the supply chain.

As a contracting State to the Chicago Convention, Ireland is committed to implementing the security standards and recommended practices developed by ICAO at a global level. As a member of the EU, Ireland implements EU legislation. These rules shape the framework within which all entities in the aviation security chain must operate. The international regulatory framework is also incorporated into Ireland's National Civil Aviation Security Programme (NCASP) which is developed in consultation with the industry and with which all entities must comply.

The role of the State in aviation security is to ensure that current internationally set rules and regulations are adhered to. It also requires participation at international level to ensure that the rules in place are justified, aligned with actual needs and proportionate to the level of risk.

In 2013, responsibility for monitoring compliance by all entities in the State with EU and international aviation security requirements was allocated to the IAA. The development of aviation security policy, including the development of the NCASP, and engagement at international level continues to be led by the Department.

ISSUES

The global threat to aviation remains real and more complex. A global threat requires a global response – no one State can tackle this threat on its own.

Ireland will continue to play its part at ICAO and in the EU in shaping the global response to the threat and seek to ensure that this global response takes appropriate account of the impact of measures on the industry, passengers and businesses.

Our approach will continue to be one of partnership with industry and we will support the introduction of a Security Management System (SeMS) approach. Allowing industry greater freedom in how precisely it complies with security rules has the potential to leverage the innovative skills in the sector and concentrate resources where the risk is highest.

We will initiate an outcome-focussed, risk-based approach to the regulation of

security in Ireland and encourage the greater use of technological solutions. Our overall aim will be to deliver a more effective security outcome, with smarter, more efficient systems, that facilitates a smoother experience for both passengers and business.

The trusted traveller concept, which is primarily a passenger facilitation measure aimed at business or frequent travellers,

could also have security benefits. An example of such a programme is the US ‘Global Entry’ program which allows for expedited clearance for pre-approved, low-risk travellers at Preclearance facilities in Ireland. Global Entry allows for quick, easy and efficient transit through airport control for travellers, and allows US Customs and Border Patrol officers to focus on travellers whose identity is unknown to them and who may pose a higher risk.

POLICY POSITION

Ireland is committed to ensuring that sustainable aviation security solutions are delivered, with due consideration for cost, efficiency and the impact on passengers and air transport operators.

ACTIONS

- 2.2.1 Ireland will allow greater flexibility to industry through the introduction of an outcome-focussed, risk-based approach to security regulation.
- 2.2.2 Ireland will introduce a more targeted and comprehensive approach to compliance monitoring and developing requirements for SeMS, similar to the successful approach already implemented in the field of safety.
- 2.2.3 Ireland will place a risk-based approach to security at the heart of our thinking and of our future research. As a first step in this direction we will initiate a feasibility study in 2015, in conjunction with other key stakeholders, on the concept of a “Trusted Traveller” Programme.

2.3 Sustainability, Climate Change and the Environment

BACKGROUND

Debate on aviation sustainability tends to revolve around greenhouse gas (GHG) emissions from aircraft and the impact on local communities of airport noise. In both instances, there have been considerable technological advances in recent years. New aircraft are 70% more fuel efficient than forty years ago and 20% more efficient than ten years ago. Although the current contribution of aviation to overall greenhouse gas emissions is relatively low at less than 3%, emissions from aviation are among the fastest growing sources of GHG. By 2020, global international aviation emissions are projected to be around 70% higher than in 2005.

New aircraft are also much quieter, by as much as 75%, compared to thirty years ago. It is acknowledged that some of the advances in reducing emissions and mitigating noise impacts have been offset by the increase in activity over the period.

However, within the overall context of sustainability, we also need to consider the long-term resilience and adaptive capacity of our airport infrastructure and aviation services against the likely impacts of climate change. Greater understanding of

those impacts will have a significant role to play in protecting our assets and helping to future proof the capacity of the aviation sector on a global basis.

ISSUES

Emissions

Following the decision by the EU in 2008 to include aircraft emissions in the European Emission Trading Scheme (EU-ETS), with effect from 1 January 2012, EU carriers, including Irish carriers, are required to record emissions (calculated on the basis of measuring fuel consumed) and to surrender certificates allocated to them. The number of certificates is capped, requiring airlines to either reduce their emissions or purchase certificates on the market. When introduced in 2012, the EU-ETS applied to all flights landing at or departing from an EU/EEA airport. However, following objections to this EU approach, EU flights to and from destinations outside the EU/EEA are exempt from the EU-ETS until 2016. This temporary measure is aimed at creating the circumstances for the development of a global scheme and to build on the momentum established in ICAO.

Recent ICAO Assemblies have recognised the need for global action and at Assembly 38 in September 2013, a decision was taken to develop a global market based measure (GMBM) to limit CO₂ emissions. The shaping of the GMBM scheme and the

manner of its implementation by the agreed date of 2020 will be a key issue for Ireland alongside its EU partners.

Ireland will play an active and constructive role in the ICAO negotiations process. Contributing effectively to the ICAO negotiations over the coming years will require a concerted and coordinated effort by all stakeholders and will be considered by the National Aviation Development Forum (Chapter 9).

In addition to MBMs, other measures such as technology improvements in aircraft and engine design will continue to play an important role in combatting aviation emissions. Incentivising “cleaner” aircraft through non-financial instruments is a potential measure. Improving operational procedures driven by Functional Airspace Blocks (FABs) and the setting of environment targets in the EU Performance Scheme under the SES initiative are also expected to make a contribution.

The relevance of research and development has been highlighted in the consultation process. There are benefits to be gained from increased research capacity in areas such as clean engine technologies and sustainable fuels. Building a national research and development capability through, for example, a greater uptake in available EU funding streams (HORIZON 2020, Clean Sky 2 and SESAR) will be encouraged.

Noise

Noise-related measures constrain capacity at an airport but also through the network due to knock-on effects. EU Regulation (EC) No. 598 of 2014 sets out the procedures and processes to ensure effective noise management. Its provisions are centred on the ICAO Balanced Approach.

The Balanced Approach comprises four principal elements:

- making aeroplanes quieter, by setting noise standards;
- managing the land around airports in a sustainable way;
- adapting operational procedures to reduce noise impact on the ground; and
- if required, introducing operating restrictions.

The proposal in the draft policy to support and implement this Balanced Approach to noise management at Irish airports was welcomed in the consultation process.

Effective land-use planning has been and will continue to be important. This needs to balance the operational needs of airports and those using the airports with protection for local residents and amenities.

Adaptation

In relation to the projected impacts of climate change on Ireland, we can expect increasing average temperatures, more extreme weather conditions such as storms and

rainfall events and an increased likelihood of river and coastal flooding. These types of events will have some adverse impact on the operational performance of the aviation sector.

An overarching policy to build resilience to the impacts of climate change is being led by the EU Commission through an EU Adaptation Strategy. In Ireland, in anticipation of this Strategy, a National Climate Change Adaptation Framework was published by the Department of Environment, Community

and Local Government in December 2012. The Framework brings a strategic policy focus to climate change adaptation both at local and national level. Legislation is being developed to underpin this policy.

POLICY POSITION

Ireland is committed to working with its EU and international partners to mitigate the impacts of aviation on the environment and facilitate the sustainable growth of the sector.

ACTIONS

- 2.3.1 Ireland will work with European partners to achieve the development of global international standards for market based measures on aircraft emissions.
- 2.3.2 Ireland will develop its aviation emissions reporting capability in support of ICAO's evolving environmental policies.
- 2.3.3 Ireland will, in consultation with interested parties, update its National Action Plan for Emissions Reductions in 2015 in line with the ICAO 2013 Resolution on Climate Change.
- 2.3.4 Ireland will encourage research and development in Ireland of clean engine technologies and sustainable fuels.
- 2.3.5 Ireland will implement a "Balanced Approach" to noise management at Irish airports in accordance with Regulation (EC) No.598 of 2014 on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at Union airports.
- 2.3.6 Ireland will develop an Adaptation Plan for the Transport Sector, which will include adaptation options for airports and aviation services in line with national legislative obligations and the EU Adaptation Strategy.

CHAPTER THREE



CONNECTIVITY & AVIATION SERVICES



Connectivity & Aviation Services

3.1 Access to the Air Transport Market

BACKGROUND

The creation of the EU single market for aviation in the 1990s removed all commercial restrictions on airlines flying within the EU. Under the single market, all EU carriers can operate services on any intra-EU route. The single market has transformed air travel in Europe reducing prices while increasing consumer choice and connectivity.

Outside the EU single market, access to the air transport market is still heavily regulated under the framework set down in the Chicago Convention. Under the Chicago Convention, Ireland has negotiated bilaterally with a wide range of States to agree market access rights for both passenger and cargo services. A list of States with which Ireland has a bilateral air transport agreement is available on the Department's website www.dttas.ie. Following the "Open Skies" judgment in the European Court of Justice in 2002, all market access rights negotiated by each of the EU member States in their bilateral agreements, must be equally available to all EU carriers.

Furthermore, under the EU's external aviation policy, the European Commission has been mandated to negotiate air transport agreements on behalf of the EU and its member States with certain

third countries. Under this process, so called "Open Skies" agreements have been negotiated, removing restrictions on capacity, routing and other limits, creating a free market for services between the parties to that agreement.

Most bilateral air transport agreements require that substantial ownership and effective control be maintained by nationals of each party to the agreement. Within the EU, community airlines are required to be at least 50% owned by EU nationals (US law requires that US airlines are at least 75% owned by US nationals). The EU has indicated its willingness to negotiate these current ownership and control limitations with States prepared to similarly waive the requirement on a reciprocal basis. However, progress on this matter has been slow.

The relaxation of current ownership and control limitations would help to increase access to capital markets for airlines and to facilitate consolidation in the air transport market. It is also likely to see the development of further services between these like-minded States.

The Minister for Transport, Tourism and Sport is a member of the Export Trade Council (ETC), chaired by the Minister for Foreign Affairs and Trade, which is responsible for the coordination of the Government Trade, Tourism and Investment Strategy. The ETC regularly discusses issues relating to air market access.

Through its network of 80 Embassies and missions, the Department of Foreign Affairs and Trade, in close cooperation with other Departments and State agencies, actively promotes an Irish aviation policy which encourages greater connectivity and access to our major trade partners, for the purposes of both business and tourism-related travel. The Embassy network in particular plays a key role in lobbying for greater air access through developing and maintaining a supportive environment for enhancing air links. Direct routes between Ireland and international markets are centrally important to the achievement of the numerical targets set out in the Government Trade, Tourism and Investment Strategy, as reviewed in February 2014. The Embassy network will play a role in implementing this policy.

ISSUES

For countries with which Ireland continues to negotiate on a bilateral basis, the general policy will be guided by free market principles. One key issue in such negotiations is the extent to which Ireland should grant “fifth freedom” rights which would allow airlines pick up and drop off passengers in Ireland, en route to other destinations (for instance an airline with a route from east or south of Europe stopping off in Ireland en route to North America). Irish airlines do not tend to and have not sought to operate on any routes using fifth freedom rights although such rights are available under some of Ireland’s bilateral

air transport agreements. However, non-EU countries will often seek fifth freedom rights for their airlines.

On some long-haul routes, aircraft still need to make refuelling stops. The granting of fifth freedom rights on such routes will make Ireland a more attractive stop off point. Such routes will increase choice and connectivity for travellers to and from Ireland and increase the number of transit passengers using Irish airports. Although fifth freedom rights often feature in the market access rights agreed between States in bilateral air transport agreements, the exercise of such rights is often limited and in the past they have tended to be exercised mainly on long-haul routes.

In the consultation process leading to this National Aviation Policy, strong views were expressed both for and against Ireland granting such rights.

By allowing fifth freedom rights at airports in Ireland, it is argued that the State will:

- become a more attractive destination for air passenger services with increased benefits for the Irish economy;
- enable maximum access and assist route development;
- complement the preclearance facilities already available at Dublin and Shannon; and
- assist the development of our airports as hubs.

Many stakeholders considered that because Ireland is an island nation with a significant tourism industry and a large number of high-value, time sensitive export industries which depend on these links, a liberal policy on fifth freedom rights should be pursued.

On the other hand, it is argued that allowing fifth freedom rights at Irish airports would have significant negative impacts including:

- a potential reduction in the existing high level of competition in the market (in particular on transatlantic routes);
- the threat to airlines already operating in this market; and
- potential negative effects for inbound tourism, employment and on Irish and EU airlines and airports if significant market share was lost to non-EU carriers.

Furthermore, airlines in other countries may operate in a different competitive environment. For example, subsidies, unfair practices, inconsistent application of regulatory frameworks and lack of

transparency in financial reporting, can distort competition. The issues raised by fair competition concerns are recognised at EU level.

The most liberal approach to granting fifth freedom rights is to grant full rights in the bilateral agreement itself. Alternatively, fifth freedom rights can be provided for under a bilateral agreement, but with a subsequent case-by-case approval required for any such services. Most of Ireland's existing agreements fall into the latter category. An advantage of this approach is that it allows changing circumstances to be taken into account over time and allows any approved fifth freedom routes to be re-evaluated should concerns arise.

Ireland traditionally has a liberal aviation policy, and it remains positively disposed towards approval of fifth freedoms in bilateral agreements. It is recognised that within EU countries approval of fifth freedoms can take account of criteria including, economic costs and benefits and aspects of fair competition.

POLICY POSITION

Ireland's ultimate objective in bilateral negotiations will be to reach agreement on the basis of fifth freedom rights on a reciprocal basis. In doing so, account will be taken of objective criteria, particularly any developed by the EU on fair competition. Initially such freedoms will be for routes where identified services are to be provided and will be subject to specific approval by both States.

ACTIONS

- 3.1.1 The Department will increase and extend Ireland's bilateral agreements with other States.
- 3.1.2 Ireland will continue to actively support EU efforts to negotiate full Open Skies agreements with third countries.

3.2 Irish Airlines

Ireland is well served by indigenous and international airlines. Since the 1980s, Ireland's aviation policy has favoured competition by having at least two major airlines competing in the Irish market. In 2014, the two largest Irish airlines, Aer Lingus and Ryanair, provided over 80% of the seat capacity in the Irish market, making the competitive dynamic between them particularly important.

Competition between Ryanair and Aer Lingus has been good for Irish consumers and connectivity. Most of the stakeholders who commented on this issue during consultation on this Policy were in favour of a continued policy that supported at least two major airlines with bases in Ireland.

Competition has helped ensure the resilience of Irish airlines in the face of volatile industry conditions, in particular since the downturn in 2008. Irish airlines are in a better financial position than many of their overseas counterparts and are competitively placed to contend with fluctuating market challenges and demands.

Since the Aer Lingus Initial Public Offering (IPO) in 2006 Ryanair has made three takeover bids for Aer Lingus. Successive Governments have opposed these bids primarily on competition grounds. The bids were also subject to approval by the European Commission under the EU Merger Regulation. On two occasions, in 2007 and 2013, the European Commission concluded that a merger between the two airlines would have harmed consumers because of the high level of competition between them on a significant number of routes to/from Ireland.

The maintenance of effective competition in the air transport market was an important consideration in the Government's recent decision to support the offer made by International Consolidated Airlines Group (IAG) for Aer Lingus.

Among the guarantees that the Government has secured from IAG in the context of this offer is a guarantee that Aer Lingus will maintain its head office in Ireland and that it will continue to operate under the Aer Lingus brand. Important guarantees were also secured in respect of Ireland's future connectivity, particularly to London Heathrow. IAG has set out ambitious growth plans for the company and the Government is confident that supporting IAG's offer for Aer Lingus is the best way of ensuring a competitive and vibrant air transport market in Ireland for the benefit of consumers.

POLICY POSITION

Ireland will continue to pursue an airline policy based on competition between at least two airlines with significant home bases in the Irish market and Ireland will facilitate a market which is open to new entrants in order to maximise connectivity and competition.

3.3 Air Cargo Services

BACKGROUND

The global financial crisis has impacted on the growth of air-cargo in the short-term but, as economic conditions improve, long-term global forecasts for international air-cargo point to continued strong growth over the coming decades. While only 1% of cargo tonnage is moved by air, it represents about 35% of the value of all freight into and out of Ireland - mainly seasonal foodstuffs, pharmaceuticals, medical devices and IT components. Approximately 84% of all Irish air-cargo and mail is handled at Dublin Airport and the remaining 16% is handled at Shannon Airport. Very limited volumes are currently handled at Cork Airport. Most of Ireland's international air-cargo is carried in the hold of passenger aircraft. However, not all carriers provide a cargo service, which means that there is less choice in terms of frequency and range of locations served for cargo services than is the case for passenger services. Dedicated air freighters are, therefore, an important and growing part of the international cargo business.

ISSUES

What we export is changing (more low volume, high value products) and the destination of Irish exports has become more diverse. Ireland is generally well-served for air-cargo connectivity, with

good access to world-wide destinations primarily through major hubs in the UK or mainland Europe. There is nonetheless considerable scope to enhance Ireland's export competitiveness through better air-cargo provision, shortening supply chains and reducing time to market. Access to a choice of competitively priced and frequent air-cargo services to a range of short-haul and long-haul destinations in existing and emerging markets is important. In particular, there is potential to grow air-cargo to long-haul destinations. "Open-cargo" policies, improved facilities at airports and more competitive groundhandling operations are important conditions for growth in this regard.

Currently, significant volumes of cargo are being transported by truck and ship to the UK or mainland European airports where they are loaded on to freighter aircraft. The development plans of the main Irish ports of Dublin, Cork and Shannon-Foynes will increase the attractiveness of transporting goods by truck and sea to a major hub airport. On the other hand, capacity constraints for air-cargo at major European hubs may present opportunities for selective expansion of air-cargo services at Irish airports, for example, by exploiting new and expanded long-haul routes and by identifying specific gaps in supply chain performance relevant for Irish exporters.

In order to identify and exploit such opportunities, it will be important to build

a more detailed and complete picture of freight movements across all modes of transport in Ireland. In that context, an overall freight policy for Ireland to be developed by the Department, with a view to ensuring the continued competitiveness of the freight sector generally, will include consideration of the role of air cargo.

In parallel, the Department will also request Dublin and Shannon Airports, in partnership with the other players in the air-cargo industry (including airlines, industry representative bodies and some State agencies), to develop and publish strategies on air-cargo. These strategies will examine the costs and benefits involved, and consider how cargo can be facilitated in terms of infrastructure, services and charging regimes. It is considered that Shannon Airport has the capacity to become an air-cargo hub between Europe (and beyond) and the US. The development of an International Aviation Services Centre (IASC) and other commercial developments at the airport campus in Shannon, as referenced in Chapter 6 of this Policy, will complement the airport's ambition to become a cargo-hub. While acknowledging the stringent requirements inherent to the US customs and security regimes, as well as those of the US Food and Drugs Administration (FDA), it is recognised that the introduction of US cargo preclearance could enhance Shannon Airport's potential as a recognised cargo transshipment point.

Responses received in the consultation process suggested that the State should ensure that air-cargo handling and custom facilities at Irish airports minimise delays and facilitate efficient and timely freight movements. The Department will engage with the relevant stakeholders on these issues under the auspices of the National Facilitation Committee (see Section 4.6). The individual airport strategies should include the introduction of arrangements for benchmarking the facilitation of freight through the airports, similar to those which aid passenger facilitation. Insofar as

efficient facilitation must take account of security requirements, the principle of an outcome-focussed, risk-based approach outlined in Section 2.2 of this Policy will be applied specifically to the air-cargo sector in the framework of the National Civil Aviation Security Programme (NCASP).

Ireland will continue to pursue an “open-cargo” policy for dedicated air-cargo services. In this regard, it will seek the removal of limits on all cargo capacity in our bilateral agreements to support our export industries which rely on air-cargo.

POLICY POSITION

Ireland’s export competitiveness should be enhanced through improved air-cargo provision to existing and emerging markets.

ACTIONS

- 3.3.1 An overall freight policy for Ireland, covering all modes, will be developed with a view to ensuring the continued competitiveness of the freight sector, and will include consideration of the role of air-cargo.
- 3.3.2 The Department will seek to remove limits on all air-cargo capacity in Ireland’s bilateral air transport agreements.
- 3.3.3 The Department will engage with the relevant stakeholders under the auspices of the National Facilitation Committee on air-cargo. (See Section 4.6).
- 3.3.4 Dublin and Shannon Airports, in partnership with the other players in the air-cargo industry, will be mandated to develop and publish strategies on air-cargo.
- 3.3.5 The development of Shannon Airport as an air-cargo hub will be supported.
- 3.3.6 The Department will continue to liaise with other Government bodies and the US authorities on the regime for exports to the US in order to facilitate efficient freight operations at airports.

3.4 US Preclearance Service

BACKGROUND

Ireland has an aviation preclearance agreement with the US since November 2008. Under the agreement, passengers of all US bound flights from Dublin and Shannon Airports are fully cleared for US immigration, customs, agriculture and security controls before leaving Ireland. This means that passengers travelling to the US are treated as domestic passengers on arrival in the US and do not face any further US entry controls. The preclearance process ensures that passengers are screened, inspected and precleared for entry into the US, in accordance with the relevant US standards, within the designated, controlled-access areas for preclearance in Dublin and Shannon Airports.

From the passenger's perspective, the preclearance process allows for more efficient use of pre-boarding time at Dublin and Shannon Airports; their experience on arrival in the US is greatly improved as it avoids a lengthy entry process and can allow transit passengers to remain airside for connecting flights. From the airline's perspective, aircraft arriving from Ireland can now terminate their flights at domestic airports or at domestic terminals of international airports in the US. Preclearance facilitates new route options, improved aircraft utilisation at US airports as well

as the potential for lower groundhandling and repatriation costs. Consequently, for airports offering preclearance facilities, there are clear advantages in terms of attracting new air services and growing passenger numbers.

The commercial and economic benefits of preclearance, from the passenger, airport and airline perspectives have already been demonstrated in Ireland and it is recognised that preclearance is a key contributing factor to the growth of US connecting traffic at Dublin and Shannon in recent years. Similarly, the US authorities have acknowledged that the process has significant benefits for them.

ISSUES

US preclearance is an asset that has further potential to contribute to development at Dublin and Shannon Airports. There is also potential to open up new routes to US domestic airports. An adequately resourced preclearance facility is critical to Dublin Airport's development as a secondary hub. The Department will work with the relevant US authorities and, in particular, the Customs and Border Protection (CBP) and the Transportation Security Administration (TSA), to ensure the appropriate legal and framework conditions for preclearance facilities are maintained in Ireland. It is essential, however, that Dublin and Shannon Airports commit to fully exploiting the potential that these facilities

offer. The relevant enterprise, tourism and regional development agencies also have a role to play in growing existing markets and developing new markets.

In addition to commercial aviation, the 2008 Preclearance Agreement with the US covers preclearance for general aviation/private aircraft flights (GA) and this has been available at Shannon since 2009. Given the high number of GA aircraft that land there for refuelling en route to the US, it is disappointing that a very low percentage of business jet operators avail of the facility. Shannon Airport should be encouraged to increase the preclearance take-up rate by GA aircraft.

Because the preclearance service is not currently provided elsewhere in Europe, Dublin and Shannon Airports have a significant advantage over other European airports. However, the US has indicated its intention to expand preclearance operations to new locations. In this context, Ireland will build on the experience gained in preclearance since 2008, to ensure the service offered has sufficient capacity to accommodate the projected growth in demand for transatlantic services. In that context, potential to expand the operational hours of the service, and to avail of new technology innovations in passenger processing and baggage handling, will be encouraged.

POLICY POSITION

US preclearance is an asset that has further potential to contribute to the development of Dublin and Shannon Airports. The Department's objective is that all US bound flights from Dublin and Shannon wishing to do so can be precleared.

ACTIONS

- 3.4.1 The Department will maintain close formal links with the US authorities to ensure the continued delivery and development of US Preclearance facilities at Dublin and Shannon Airports.
- 3.4.2 The Department will encourage Dublin and Shannon Airports and airlines to maximise the benefits to Ireland of preclearance facilities and will promote the development of those airports as preclearance centres.
- 3.4.3 The Department will support Shannon Airport in seeking to increase the number of GA aircraft utilising preclearance.

3.5 Air Traffic Management (ATM)

BACKGROUND

Air Traffic Management (ATM) is a key component underpinning the global air transport market. In Ireland, the Irish Aviation Authority (IAA) has statutory responsibility, under the Irish Aviation Authority Act 1993, to provide certain ATM services in relation to civil aviation. The IAA is a profitable, commercial State-owned company with three main functions: (i) the provision of ATM and related services in Irish controlled airspace and on the North Atlantic; (ii) the safety regulation of the civil aviation industry in Ireland and (iii) the oversight of civil aviation security in Ireland (the latter two regulatory functions are considered further in Chapters 2 and 5).

The commercial development and modernisation of ATM is recognised as a priority at both the global level in ICAO and at the regional level in Europe where it has inspired the Single European Sky (SES) initiative. Ireland's geographical location gives it a strategic prominence in the North Atlantic in ATM terms. The IAA is highly regarded domestically and internationally as an efficient air navigation service provider (ANSP) being responsible, inter alia, for the control of a large tract of sovereign and assigned airspace and also terminal airport movements at the three State-owned airports.

The provision of high-quality air navigation services and the maintenance of a modern aviation infrastructure on a sustainable on-going basis is a major challenge for Ireland and other EU member States under the legislative provisions of the SES. The ultimate objective of the SES is to increase the safety, economic, financial and environmental performance of the provision of air navigation services in Europe. Continuing progress will remain a significant planning challenge for ANSPs such as the IAA.

ISSUES

The longer-term plan for the IAA in the ATM field is linked to the evolution of the SES. The SES plan to integrate airspace management across Europe has implications for all existing 28 EU ANSPs and the primary guiding principles for the achievement of future airspace management integration must be service quality and efficiency.

Because of its geographical location, Ireland will continue to have strong interests in North Atlantic ATM. Ireland's geographic position and interest in North Atlantic airspace is recognised by the delegation by ICAO of service delivery in this area to Ireland and the UK jointly. The evolution of new global, satellite-based surveillance technologies for ATM on the North Atlantic, in which the IAA has invested on a commercial basis, has potential implications for current arrangements there.

New technology has enabled a space-based air traffic surveillance system to track flights in emergency situations to be offered from Ireland as a free, public service to the global aviation community. Known as Aircraft Locating and Emergency Response (ALERT), the system will allow rescue agencies around the globe to request the location and last flight track of any suitably equipped aircraft flying in airspace currently without surveillance.

The IAA is planning other ATM modernisation investments, on a similarly commercial basis, to deliver necessary operational enhancements in line with SES requirements. Other developments such as remote tower technology also offer potential cost efficiency improvements and greater contingency to the smaller State airports as well as regional airports.

As an ANSP, the IAA has built up a reservoir of experience and expertise that places

it among the most efficient of its peers. Retention of this position in the longer-term and thus underpinning Ireland's long-term strategic interests in the North Atlantic will be challenging and will require sustained modernisation investment.

Functional Airspace Blocks (FABs) are a key part of the SES objective to reduce the current fragmentation of ANSPs across Europe. The UK-Ireland FAB was the first in Europe. It is Europe's North Atlantic gateway and is important in integrating airspace between North America and Europe. No other FAB or European ANSP has a similar role on this scale. The necessity for increased co-operation across Europe will become stronger over the next decade. This evolution will require the IAA and NATS (the UK ANSP) to intensify their current close level of cooperation. The case for pursuing operational synergies in technology and training areas with other FABs is likely to increase.

POLICY POSITION

Ireland supports the continued development of the Single European Sky initiative, including the progressive achievement of airspace management integration throughout Europe in accordance with performance quality and efficiency principles and appropriate organisation of regulatory oversight.

ACTION

- 3.5.1 Ireland will continue to encourage investments in modern, technologically advanced, cost-efficient aviation infrastructure, including those that underpin Ireland's interest in the North Atlantic and the future traffic growth at our airports.

CHAPTER FOUR



AIRPORTS



4.1 The Irish Airport Network

BACKGROUND

As an island nation, with a peripheral location, aviation access infrastructure is of strategic importance to Ireland. Over 80% of all passenger movements into and out of Ireland are by air.

Ireland currently has twenty eight licensed aerodromes which include the three State-owned airports at Cork, Dublin and Shannon, twelve aerodromes licensed for public use and thirteen licensed for private use. A full list can be found in Appendix 2. These aerodromes provide different types of services, ranging from leisure orientated general aviation to full international scheduled passenger and cargo services. This section of the Policy is focussed on the State and regional airports that underpin economic activity in Ireland.

Despite our peripheral, island status, Ireland enjoys a strategic “gateway” geographic position in relation to Europe and North America. The designation of Dublin and Cork as core airports within the Trans-European Network, and specifically on the North Sea – Mediterranean Core Corridor, ensures strong legal and development frameworks at EU level. Connectivity potential of all our airports is enhanced by the expanding range of bilateral “Open Skies” agreements between the EU and third countries. Ireland

has a thriving tourist industry as well as good framework conditions for multinational business and Foreign Direct Investment (FDI) with global export markets – these factors are major contributors in driving demand at Irish airports and are reinforced by a well-established preclearance facility benefitting air passenger movements from Ireland to the US. All airports have access to a well-developed network of regional and national development bodies with mandates to promote the development of the regions. The availability of land with investment/development potential within and around our airports presents possibilities for the creation of new business activities to underpin the core airport business.

On the other hand, the airport network is extensive for a small country with a population of less than 5 million, albeit with a relatively high propensity to travel by air, and this presents challenges for airport operators. While regional airports retain a role in enabling international access, the development of the interurban road/rail network has reduced their importance for connectivity within Ireland. As a small, open economy, vulnerable to global economic and political shocks, traffic at our airports is prone to fluctuations, and forecasts must incorporate robust sensitivity analysis. Airports are also likely to be impacted by any measures that may be imposed on airlines in the context of initiatives aimed at reducing our overall level of transport emissions.

Against this background, the Department is confident that the Irish airport network is well placed to grow its share of global passenger traffic over the next decade. By 2020, the Department expects that Irish airports will handle in the region of 33 million passengers per annum, up from 25 million passengers in 2013.

Traffic growth is critical to the aviation industry and, given the well-established strong positive relationship with GDP growth, the economic objectives of airports and society are closely aligned. In particular, airports are incentivised to seek out high-value traffic enabling access to new destinations and increasing connectivity to a region or country. New long-haul services are particularly valued by airport authorities and the markets they serve, as they open up new tourism and trade opportunities while increasing aeronautical revenues and airport retail opportunities.

In the process of enabling growth in passenger numbers and in high-value traffic, Irish airports will strive for excellence in the delivery of services and value for passengers and airlines such that the Irish airport performance and experience becomes a world benchmark. The airports will make a strong contribution to the local economies and communities they support, and the aviation connectivity needs of Ireland will be secured for the next generation and for Ireland's full participation in global society.

ISSUES

A number of responses received during the consultation process questioned the need for the high number of airports in Ireland, remarking on the competitive pressures brought to bear on individual airports, highlighting the commercial risks faced by smaller airports and challenging State funding for regional airports. Several other submissions, reflecting the interests of individual airports, advocated exclusive - and sometimes conflicting - designations for those airports, for example as "gateways" to particular regions. Some of those submissions expressed the concern that developments in one airport would prejudice the interests of another. With our low population base, and considering the improvements made to the surface transport network that have reduced travel times between our airports, as well as the proximity of other airports in Northern Ireland, the Department recognises the challenges for individual airports in a limited market.

Outside the Greater Dublin Area, however, our population is very dispersed and our economy relies to a critical level on inbound tourism and on FDI business. In that context, the economic sustainability of airports must be considered by reference to high-level and regional-level economic and social policy goals and the needs of the hinterlands served by the airports.

It is recognised that the regional airports, as currently supported by Exchequer funding, have an important role to play. The future of these airports – Donegal, Ireland West Airport Knock (IWAK), Kerry and Waterford - will be impacted by EU Guidelines on State Aid to airports and airlines.

Recent restructuring of the State airports sector – to which Exchequer funding is not provided - under the State Airports (Shannon Group) Act 2014 provides for the establishment of the three State airports on a sound footing with clear corporate structures that allow for, at a minimum, sustainable operation of those airports in the short to medium term.

It is a matter for all airports to identify and to market opportunities for attracting new business within their niche markets, in partnership with the relevant regional, tourism and industry bodies. As reflected in the Department's Tourism Policy (People, Place and Policy: Growing Tourism to 2025), the State, using the resources of the tourism agencies, will promote increased

access to Ireland from high-potential overseas tourism markets. Inbound tourism and the export earnings and employment it supports are profoundly dependent on the volume, affordability and range of air access. Airports are core elements of the tourism infrastructure. In turn, tourism is an important source of traffic and customers for airports. In that context, the tourism policy focus on developing tourism experiences of significant scale, particularly the Wild Atlantic Way and Ireland's Ancient East, as well as the renewed focus on growing tourism in Dublin with the Grow Dublin Tourism Alliance, provides significant opportunities for airports, particularly those which are positioned as gateways to those propositions. By working together with the tourism industry, the tourism agencies and carriers, airports can grow traffic and inbound tourism over the next decade.

The Department will continue to carefully monitor the business development of all airports for evidence that the network is operating efficiently.

POLICY POSITION

The Department will encourage airports to attract new business, to achieve excellence in the delivery of service and value for passengers and airlines, and to make a sustainable contribution to their respective local economies and communities.

ACTIONS

- 4.1.1 The Department will monitor the business development of all airports for evidence that the prevailing network is operating at an optimum level. Monitoring will occur within the framework of developments under EU rules and the structural and capacity reviews referred to in Section 4.4.
- 4.1.2 The Department, the airports and the tourism agencies will continue to work together to increase access to Ireland from high-potential overseas tourism markets.

4.2 Regional Airports

BACKGROUND

Exchequer support relating to Ireland's regional airports (Donegal, Ireland West Airport Knock (IWAK), Kerry and Waterford) is provided through a Regional Airports Programme. That financial support is administered by the Department through three separate schemes –

- A Regional Airports Capital Expenditure Grant (CAPEX) Scheme
- A Core Airport Management Operational Expenditure Subvention (OPEX) Scheme
- A Public Service Obligation (PSO) Air Services Scheme

All funding of regional airports by the State must comply with EU Guidelines on State Aid to airports and airlines.

Support under the CAPEX Scheme is only paid to the regional airports for essential safety and security work. OPEX subvention is paid to compensate the regional airports for costs incurred in providing core airport services, insofar as these costs cannot be fully met by prudent commercial management and from any surpluses generated by non-core activities such as car parking and catering. Two services operate from regional airports under the Public Service Obligation (PSO) Air Services Scheme – Kerry/Dublin and Donegal/Dublin.

ISSUES

Regional airports in Ireland were developed in the 1980s to provide improved connectivity both nationally and internationally and significant social and economic benefits to the regions that they served, particularly at a time when rail and road connections were poor.

However, as mentioned, improvements to the surface transport network in the intervening period have impacted on regional airports' role as regards domestic connectivity. Today, regional airports continue to be important because of a level of international connectivity that they bring to a region for tourism and business. Donegal, Waterford and Kerry airports are important to the area in which they are located. IWAK plays a more regional role in terms of access than other airports given its location in the North West. These airports should be given the opportunity to grow to a viable, self-sustaining position, particularly considering the contribution that they make to their regional and local economies.

The 2014 EU Guidelines on State Aid to airports and airlines set out the criteria for future CAPEX and OPEX supports, with a maximum intensity level of 75% being provided for CAPEX projects at airports with less than 1 million passengers per annum. On a case by case and exceptional basis the 75% limit may be exceeded subject to specific Commission approval.

The EU Guidelines specifically exclude car parks, along with shops and restaurants, from the definition of airport infrastructure investments as such development is seen as outside core aeronautical activity. In addition, Ireland restricts Exchequer CAPEX funding to safety and security related expenditure which, in making best use of limited Exchequer resources, continues

to be considered as the priority area for support. Extensions to capacity at regional airports should only be undertaken if they can be financed commercially.

Under the 2014 EU Guidelines a distinction must be made between capital projects at airports with an associated economic activity (e.g. apron extensions, runway overlays, etc.) from those with no associated economic activity (e.g. air traffic control, police, firefighting etc.). Exchequer supports in respect of the latter fall within the category of 'Public Policy Remit' and are outside of the scope of State aid rules.

Similarly, core operational expenditure costs at airports must also be distinguished between those with an associated economic activity and those with no associated economic activity.

The 2014 Guidelines, in recognition of prevailing market conditions, provide a maximum transitional period of 10 years for airports in receipt of State aid supports for core operational costs (OPEX) to become self-sufficient. Accordingly, clear business plans will be required from the airports demonstrating that path towards viability. Ireland is required to submit annual progress reports to the EU Commission in respect of airports in receipt of State aid.

There are many demands on the funding available to the Department and maintaining an attractive Regional Airports Programme

will be challenging over the lifetime of that Programme, particularly with competing financial requirements for public transport provision and road maintenance. Ireland's policy on financial supports for the Regional Airports Programme, in recognition of the 2014 Guidelines, will continue in a downward trajectory over the lifetime of this National Aviation Policy.

As the first phase of this Policy, the Regional Airports Programme for 2015 to 2019 reflects the criteria set out in the 2014 EU Guidelines on State Aid to airports and airlines and represents Ireland's Framework for funding supports (CAPEX,

OPEX and PSO) to the regional airports and airlines over that period. The allocation of any funding made available from 2015 onwards will be critically examined with a particular focus on maintaining and working towards improving necessary international connectivity services. The need for regional and local business investment will be a key consideration in this regard.

It will be essential that the regional airports work together to develop greater operational efficiencies and to promote the overall role of regional airports as access points for both tourism and business.

POLICY POSITION

Ireland recognises the important role that regional airports play in their areas and in regional development.

ACTIONS

- 4.2.1 Ireland will implement an EU approved Framework (Regional Airports Programme 2015 - 2019) of supports for regional airports.
- 4.2.2 Exchequer support for operational expenditure at regional airports will be phased out over a maximum period of 10 years, in accordance with EU Guidelines.
- 4.2.3 Exchequer support for capital expenditure will be limited to safety and security related expenditure.
- 4.2.4 Clear business plans will be required from the airports seeking supports. In considering funding to regional airports, the Department will take account of the level of regional involvement, including investment by local authorities and/or business.
- 4.2.5 From 2015, PSO contracts, for Donegal/Dublin and Kerry/Dublin air services will run for two years initially and, subject to a satisfactory review after 18 months, may be extended by a maximum of one year.

4.3 State Airports

BACKGROUND

The State airports provide essential strategic transport infrastructure and services that support the economic and social activities of the State. The ownership of these airports and their management by commercial State bodies is primarily designed to guarantee the use of this strategic infrastructure for the overall benefit of the State. The three State airports each have a critical role in supporting our citizens' participation in an increasingly global society, and in facilitating economic development by enabling trade, tourism and inward investment. The daa in respect of Cork and Dublin Airports, and Shannon Group in respect of Shannon Airport, operate on a commercial basis but under a mandate from the Minister to ensure that decisions take account of the wider national interest.

ISSUES

Each of the three State airports has distinct geographic, demographic and infrastructure characteristics that differentiate their respective roles as well as the challenges and opportunities they face. Individually and collectively, they serve the connectivity needs of their respective hinterland populations but, as this is a relatively low base in aviation terms, their on-going operational viability is critically dependant on their ability to attract inward air services

and passengers. For each of these airports, their potential as tourism and business "gateways" for their respective regions will be supported by the relevant tourism and trade promotion bodies, at regional and at national level.

Dublin Airport

The size and location of Dublin Airport distinguishes it from the other State airports. Dublin Airport has seen a major increase in the numbers of transfer passengers in recent years with significant benefits to the broader economy.

An opportunity now exists to develop Dublin as a vibrant secondary hub, competing effectively with the UK and other European airports for the expanding global aviation services market. A hub combines local passengers with transfer passengers enabling airlines to operate services to more destinations and more frequently than could be supported by local demand alone.

This allows airport operators to utilise airport assets more efficiently, to exploit economies of scale and to drive down per-passenger airport charges to the benefit of airport users and passengers. In this context, the support and promotion of Dublin as a hub airport is an important means of maximising air access for the Irish economy. Dublin Airport is currently (summer 2015) ranked fifth in Europe in terms of weekly transatlantic seats, and is therefore well-

placed for further development as a hub for global business.

Dublin Airport has a number of features which makes it attractive to air carriers, including its geographic location on the North Atlantic Trans-Continental route, US Preclearance, single terminal transfers, and its location near the national capital city with its significant catchment area. These features offer passengers who need to make a connection a unique opportunity to avail of a transfer product that reduces the overall elapsed journey time compared with other connecting opportunities.

The objective to develop Dublin Airport as a secondary hub will require support from relevant Government Departments and the State agencies involved in tourism marketing and trade development. The key national industry development agencies supported the proposal in submissions to this Policy and the Department considers that these bodies could make a useful contribution to the secondary hub development through their expertise and marketing activities. The Department will work with daa and with all relevant bodies to establish a framework to ensure all relevant State agencies engage with the secondary hub project. In addition, it will be important that Dublin Airport has sufficient capacity, including a second, parallel runway, to facilitate its development as a hub (see Section 4.5).

Cork Airport

Economic activity in the Cork region is second only to that of Dublin and, as Ireland's second largest city, the airport has a strategic role in serving the connectivity needs of the city and its hinterland. The industrial services sector is well developed and the region has benefitted from FDI in life sciences, ICT and pharmaceutical industries. The wider region also offers a vibrant leisure catchment. In submissions to this Policy, further opportunities for Cork were identified in association with the development of the Cork Convention Centre and with Fáilte Ireland's emerging initiatives (at that time) for South-East tourism products. The British, French and German markets were also proposed for targeted marketing strategies by tourism and enterprise agencies.

Indeed, Cork Airport's unique position as a "gateway" to each of the two main tourism policy propositions included in People, Place and Policy: Growing Tourism to 2025 - the Wild Atlantic Way and Ireland's Ancient East – is an advantage and a platform for growing inbound tourism traffic. Tourism Ireland's current co-operative marketing investment initiative, which combines destination marketing with specific offers by carriers to encourage travel, offers an important support to the airport in this regard.

Cork Airport, working with local stakeholders and with the necessary local and hinterland support, is encouraged to exploit all opportunities for growth, and to continue to develop its network of services.

Shannon Airport

Shannon holds a strategic importance for connectivity of the mid-West region and also serves as a “gateway” to the Wild Atlantic Way. The airport is important for connecting traffic facilitated by the convenience of Shannon’s single-terminal transfer capacity. The airport enjoys the

advantage of full US Preclearance as well as the longest runway in Ireland and the ability to handle all aircraft types. These features underpin the airport’s ambitions to expand existing operations and to develop new routes and niche opportunities in aeronautical and aerospace engineering. In this respect also, the airport will benefit from synergies with the International Aviation Services Centre (IASC), a business unit of the Shannon Group. It is intended that IASC will build on the aviation related activities already located at the airport and the Shannon Free Zone area to become an aerospace industry cluster.

POLICY POSITION

The three State airports will continue to provide essential strategic infrastructure and services that support the economic and social objectives of the State.

ACTIONS

- 4.3.1 Dublin Airport will be promoted as a secondary hub airport.
- 4.3.2 The roles of the Cork and Shannon airports as key tourism and business gateways for their regions, and particularly with regard to the development of key niche markets, will be supported.

4.4 Ownership and Operation of State Airports

BACKGROUND

Around the world, airports are owned and operated under different models, including fully private (e.g. Heathrow), operating under long-term leases such as airports in Australia, a mix of State and private ownership as in Paris, and those such as the three Irish State airports that are fully owned by the State. In the US, there are instances where terminals are privately owned or operated with a public authority retaining ownership of the runway and airfield.

The future ownership and governance arrangements for the State airports have been considered on a number of occasions over the years, and fundamental changes have recently been introduced by the Government. Since 31 December 2012, Shannon Airport has been separated from the daa and at the same time the Government decided that Cork Airport should remain within the daa. The three State airports, owned and operated by daa and SAA, play a critical role in supporting economic development by facilitating trade, tourism and inward investment. These State companies, while operating to a commercial mandate, ensure that airport investment decisions take account of the wider national interest in a way that could not readily be guaranteed were they owned by private shareholders.

In particular, the strategic importance of Dublin Airport extends far beyond its geographic catchment area and its future is critically bound up with the Irish economy e.g. inward investment, tourism, trade etc. This strategic importance is also reflected in the nature and extent of the competition that Dublin Airport faces internationally.

ISSUES

In developing this Policy, it was considered appropriate to discuss again the ownership and operation issue given the medium to long-term horizon of the Policy.

There is broad agreement, in the submissions received, on the strategic role of Dublin Airport in relation to Ireland's business and tourism needs and, with few exceptions, that the current ownership and operational arrangements are appropriate for the present.

Airport operators are increasingly commercially-focused and profit driven and this has led to considerable improvements in performance, efficiency and innovation. These improvements can be advanced by ensuring that the airport operator is enabled to operate at arms-length from the Government, is incentivised to make a profit, operates within an appropriate regulatory framework and has the freedom to make all necessary commercial decisions.

The revised arrangements for the three State airports under the State Airports (Shannon

Group) Act 2014 provide the certainty for the airports that has been lacking since the adoption of the State Airports Act 2004. The separation of Shannon Airport from the daa has introduced a healthy element of competition to the sector generally, but this is balanced by recognition of the continued strategic importance of each State airport.

In this context, the ownership and operational structure of all State airports will be reviewed in 2019 and, subsequently, at five-year intervals, to ensure they are

achieving the required economic outcomes for the State.

Government policy is that Cork Airport could separate from the remainder of the daa should this make financial sense for the airport and for the daa. The 2004 Act provides the legal mechanism under which this would occur. This position will be reviewed in 2019 in the context of the overall review. In the meantime, Cork Airport will remain within daa ownership and will continue to be represented on the daa Board.

POLICY POSITION

The three State airports will remain in public ownership.

ACTION

4.4.1 The Department will review the ownership and operational structure of the State airports in 2019 (and subsequently at 5-year intervals). The initial review will incorporate a fresh consideration of the feasibility of establishing Cork as an independent airport.

4.5 The Future Capacity Needs of the State Airports

BACKGROUND

Unlike some other aviation stakeholders, airports generally cannot reduce or change capacity during difficult times. As businesses that incur significant sunk costs in terms of infrastructure investment, airports by necessity must focus on the longer term.

Their optimal strategy therefore is to make long-term commitments and to work towards outcomes that strengthen the economic potential of the areas they serve.

It is recognised that European airports are currently facing capacity constraints and that this situation will worsen in the context of expanding aviation services markets. While existing capacity at Irish State airports is adequate for current demands, it is essential that Ireland is equipped to

exploit emerging opportunities to expand air service connections for business, tourism, cultural and educational purposes, and thus to deliver economic benefits at the national level. These opportunities exist not just for new emerging markets in the Asia Pacific region, but also with our traditional trading partners in Europe and North America.

Air transport requires a specific level of airport infrastructure, both in terms of quantity and quality, to facilitate the optimum level of air services for Ireland. This includes terminal and runway capacity as well as surface access to airports, and is particularly relevant to the development of Dublin Airport as a secondary hub.

ISSUES

To ensure future connectivity and to deliver growth, it will be important that the State airports, and Dublin Airport in particular, have sufficient capacity and runways of sufficient length to enable services to operate to global emerging markets without weight restriction. It is important that regular reviews are conducted to ensure that all of the main airports are well placed to accommodate passenger growth, changing passenger and air-cargo needs and carrier needs.

Given the ever-increasing importance of direct access to long haul destinations for enterprise development, the periodic reviews of capacity requirements at the

main airports will carefully consider the implications of global developments in aircraft size and landing requirements. They will seek to maximise efficiencies of existing runway infrastructure and to determine the appropriate timing of new runway developments in order to facilitate increased connectivity to international markets. The reviews should also consider other infrastructure developments required to accommodate the new generation of long distance wide-body aircraft in terms of aircraft size and landing requirements, and to accommodate changing passenger, freight and airline needs.

The capacity reviews will be conducted every 5 years unless, for reasons of unexpected or accelerated developments in the market, a more frequent review is considered essential. In any event, but without prejudice to the outcome of the Review of Airport Charges Regulation outlined in Chapter 5 of this Policy, the Dublin Airport review should be aligned with the timeline and process for determining maximum airport charges at Dublin Airport. Hence, the first round of such capacity reviews should be finalised before the end of 2018.

The capacity reviews should also take into account higher-level enterprise and tourism policy objectives and targets. With this objective in mind, the Department will commission a strategic-level review of aviation capacity and infrastructure needs, to be conducted in conjunction with the

individual airport reviews. The views of airport users will be sought as part of the review process.

In a number of submissions to this Policy, concerns were expressed that the legislative planning process involves an inordinate time for public infrastructure developments. For future airport developments, it is expected that local planning authorities will take this Policy into account when considering relevant planning applications. The strategic-level capacity review should also assist in the identification of projects that are considered to be critical for the achievement of this Policy. This should assist airports in any applications to have those developments designated as strategic projects under the scope of the Planning and Development (Strategic Infrastructure) Act of 2006.

At the time of finalising this Policy, it is considered that both Shannon and Cork Airports currently have scope to increase passenger numbers with their existing infrastructure and, while some small project investments may be necessary, this is likely to be sufficient for their medium term development. The framework of capacity reviews outlined above should identify any changes necessary to this position.

The situation at Dublin Airport differs however, particularly in the context of the strategic importance of Dublin Airport to national social and economic policy and the objective to develop Dublin Airport as a

secondary hub. Using current aircraft fleets, it is currently not possible to reach many emerging markets and new city destinations from the existing runway at Dublin Airport. In addition, there are peak periods of the day, particularly in the early morning and late afternoon, when operational capacity at Dublin Airport is constrained as a result of it not having a parallel runway.

Submissions received in the consultation phase of this Policy ranged from supporting immediate construction of a second runway, to advocating the situation be kept under review, to asserting such a runway will not be necessary. The Department's position is that the airport should be developed into a secondary hub over a period of time, and that this will involve the construction of a second runway as well as other infrastructure developments. Dublin Airport has already secured the land needed, as well as planning permission for a second runway; however, the project may need to be revisited to take account of developments in the industry. The CAR determination for 2015 – 2019 makes certain provisions for airport investments at Dublin Airport to be accommodated within the airport business development plans, including an allowance for the construction of the second runway when passenger numbers exceed 25 million per year. In this overall context, the process to develop the second runway should commence, in order to ensure adequate infrastructure is available when needed.

A number of submissions received in the consultation phase addressed the question of the funding for airport developments generally and/or specifically for a second runway for Dublin Airport. These submissions suggest that capital investments could be made or facilitated by the State. It was also proposed that private funding should be considered for the development of a second runway at Dublin Airport, in order to allow more equitable allocation of the cost to users over the lifetime of the asset. The Department recognises the challenges for airports in financing “lumpy” capital expenditure needs. Given the fact that State airports have no recourse to Exchequer funds, there is a need to consider innovative financing instruments, including those available at the EU level and/or involving private funding.

Some submissions received highlighted the need to improve surface-access for both private and public transport to the State airports, as well as the importance of access for enterprise development in the vicinity of the airport. Such access is critical for arriving and departing passengers, as well as for employees of the airport and the businesses located there. Notwithstanding the improvements made to the inter-urban motorway providing access to Dublin, Shannon and Cork Airports, as well as the relatively high share of public transport provision already provided to Dublin Airport (including taxis), economic and traffic growth forecasts suggest that current

access capacity will come under increasing pressure. The Department’s Strategic Framework for Investment in Land Transport proposed the prioritisation of improved connections to key seaports and airports.

Insofar as Dublin Airport is concerned, the National Transport Authority (NTA), as part of its planning, is reviewing capacity across the Greater Dublin Area (GDA), including the Swords corridor. The Authority will put its Draft Transport Strategy for the GDA out for public consultation by the end of 2015. A high capacity solution for the medium to long term for the Swords corridor was the subject of the Fingal - North Dublin Transport Study carried out by the NTA. That study, including recommendations, is currently (August 2015) under consideration by the Department.

In relation to Cork and Shannon, there are no plans for major, new public access infrastructure.

Mindful of the objective to ensure a positive passenger experience and the importance of this to overall tourism policy in pursuit of broader economic goals, the Department will review surface access to airports in the context of developing surface transport programmes. This work will be informed by outputs of the stakeholder coordination activities of the National Facilitation Committee (see Section 4.6).

POLICY POSITION

Existing capacity at State airports should be optimised in conjunction with timely planning to enable expansion of air service connections in all relevant markets delivering wider economic benefits for Ireland.

ACTIONS

- 4.5.1 The process to develop the second runway at Dublin Airport will commence, to ensure the infrastructure necessary for the airport's position as a secondary hub and operate to global markets without weight restrictions is available when needed.
- 4.5.2 The Department will commission a high-level, strategic capacity review in 2018, taking into account wider government objectives and policies for enterprise and tourism as well as developments in the global market. The views of airport users will be taken into account during the capacity review process.
- 4.5.3 Taking account of the high-level, strategic capacity review, Dublin, Cork and Shannon Airports will be mandated to carry out reviews of capacity constraints and infrastructure needs at five yearly intervals, the first reviews to be completed before the end of 2018.
- 4.5.4 Access to the airports will be taken into account during the development of surface transport programmes, in line with the Department's Strategic Framework for Investment in Land Transport which proposed the prioritisation of improved connections to key seaports and airports.

4.6 Passenger Facilitation

BACKGROUND

'Facilitation' refers to the efficient management of the flow of passengers, baggage, cargo and mail through airports, while ensuring that services are delivered in a healthy, safe and secure environment while meeting, and exceeding when possible, the needs and expectations of customers.

ISSUES

Facilitation requires a high level of interaction and coordination with partners and stakeholders responsible for the different steps of the end-to-end engagement with passengers, from flight booking to arrival at the final destination.

The Department established a National Facilitation (FAL) Committee in 2012, bringing together the main stakeholders

operating at Irish airports, to identify and resolve operational issues with a view to improving airport operational efficiencies and thereby improving the passenger experience. This committee meets twice yearly and further ad-hoc meetings may be convened for the purposes of addressing specific facilitation-related difficulties should they arise.

Quality facilitation requires a high degree of cooperation among airline operators, service providers, airport authorities and inspection agencies. Accordingly, the main aims of the National FAL Committee are:

- to provide a forum for issues to be raised and to identify ways of addressing or resolving them;
- to promote the sharing of information and best practices;
- to provide a useful platform for informing stakeholders of relevant developments at international level, particularly at EU, ECAC and ICAO; and
- to provide a forum where responses to changes in facilitation recommended practices can be discussed.

The work of the Committee is complementary to the proposal in the Department's Tourism Policy to encourage airports to create a welcoming environment for visitors. The Department published a National Air Transport Facilitation Programme in late

2014, to be implemented over the three year period 2015 to 2017. The FAL Committee will review and renew this Programme at the end of this three-year period. The main issues to be addressed in the Programme include consideration of best practice in deployment of new technologies, queue management in passport and immigration control and compliance with international rules on facilitation. Other coordination activities of the FAL Committee will address issues highlighted in this Policy such as facilitation of air-cargo and surface access to airports.

The Committee also provides support to Ireland's participation in the facilitation activities of international institutions, such as ICAO and ECAC, thereby ensuring the adoption of best practice.

While the National FAL Committee fulfils certain international legal requirements and has a distinct role in this regard, its membership will overlap somewhat with that of the National Aviation Development Forum (see Chapter 9). Care will be taken not to duplicate work and to ensure an appropriate level of dialogue between both groups.

POLICY POSITION

The National FAL Committee, chaired by the Department, will facilitate collaboration of relevant stakeholders and coordination of their activities to ensure the efficient flow of passengers, baggage and cargo through airports. This process will involve all partners and stakeholders with a responsibility for aspects of facilitation and it will maintain a particular focus on improving the passenger experience.

ACTIONS

- 4.6.1 The Department will continue to host the National FAL Committee meetings with a view to better coordination of facilitation activities between Government Departments and relevant stakeholders.
- 4.6.2 The Department will facilitate implementation of the National Air Transport Facilitation Programme 2015 - 2017, and ensure it is reviewed by the FAL Committee every three years.
- 4.6.3 In line with the Department's Tourism Policy, airports will be encouraged to prioritise investment in visitor reception facilities in order to remove bottlenecks and to create a welcoming environment for visitors.

4.7 Visas

As reflected in the Department's Tourism Policy (People, Place and Policy: Growing Tourism to 2025), ease of access extends to border controls as well as transport routes. Such controls can be a constraint on the growth of aviation business and on tourism.

Given that the UK is likely to remain outside the Schengen area, it is unrealistic to consider that Ireland would become a member of Schengen. That would require the re-introduction of border controls between Ireland and the UK, including between Ireland and Northern Ireland. Therefore, the goal is to

continue to work to maximise the efficiencies that can be gained in the processing of visas, in order to maximise the attractiveness of Ireland as a destination for visitors from these regions.

A short-stay visa waiver programme launched in 2011, allows visitors or business people from 18 countries (including China, India and Russia) who have lawfully entered the UK on a valid visa, to travel on to Ireland without the requirement to obtain an Irish visa. The twelve month period (1 July 2013 to 30 June 2014) showed an increase of 57% in visit numbers from Visa Waiver countries when compared with the twelve month period immediately prior to the introduction of the Visa Waiver

Scheme (1 July 2010 to 30 June 2011). The Government decided to extend the Visa Waiver Programme beyond its original finish date of 31 October 2012 until the end of October 2016.

Building on the success of the Irish Visa Waiver Programme, the British-Irish Visa Scheme was launched in October 2014. The Visa Scheme allows nationals requiring

a short-stay visa to travel freely within the Common Travel Area between Ireland and the UK using a single visa issued by either Ireland or the UK. This means that tourists, business visitors and other eligible visitors are able, for the first time, to visit both the UK and Ireland on a single visa. The scheme has already been initially launched in respect of China and India, and is expected to be rolled out in other markets in the future.

POLICY POSITION

The Department recognises the valuable contribution that the visa system can make in promoting growth in tourism and business travel to Ireland and as a means of supporting passenger facilitation

ACTIONS

- 4.7.1 The Department will support the further development of the British Irish Visa Scheme and other enhancements of the visa system to promote growth in tourism and business visits to Ireland.
- 4.7.2 The Department, in conjunction with the Department of Justice and Equality, will encourage airports to streamline passenger flows taking full advantage of the Common Travel Area.



CHAPTER FIVE



REGULATION AND GOVERNANCE



Regulation and Governance

5.1 Economic Regulation

BACKGROUND

Airport Charges

Dublin Airport is the only Irish airport currently subject to economic regulation of its airport charges, due to its dominant position in the Irish air transport market. While the airport accounts for around 80% of international air traffic to/from the island of Ireland, it is in competition with other Irish and European airports to attract new routes and services. In addition, two airlines account for over 80% of traffic volumes, thereby exerting considerable buyer power. These factors provide significant checks and balances to its market position. Economic regulation of airport charges at Dublin Airport is based on the Aviation Regulation Act 2001 and is implemented by the Commission for Aviation Regulation (CAR).

It should be noted that the approach to economic regulation of airport charges in Ireland involves heavier regulatory intervention than required by the 2009 EU Airport Charges Directive. The core model provided for in the Directive is for direct consultation between airports and airlines on airport charges with disputes being referred to the independent supervisory body for decision. The Irish model goes further in that the independent supervisory body approves the maximum level of airport charges, supervises the consultation process engaged by the airport, and is also subject to specific statutory appeal procedures.

Terminal Charges

Economic regulation of aviation terminal services charges levied by the Irish Aviation Authority (IAA) at Dublin, Cork and Shannon Airports has also been carried out statutorily by CAR since 2001 under the Aviation Regulation Act 2001. This regime is being replaced by an EU regulatory regime. Under the Single European Sky (SES) initiative, economic regulation of en-route over-flights was introduced in 2012. The extension of this EU regulatory regime to include aviation terminal services charges commenced in January 2015 and is planned to be fully implemented from 2017.

ISSUES

The subject of airport charges regulation featured in many of the submissions received. Issues raised ranged from whether there is a need for regulation of airport charges to how regulation should be funded and who should bear the cost. The current regulatory regime for airport charges dates from 2001 and, since that time, difficulties with the regime and its operation have been identified on a consistent basis. Successive Ministers have considered it necessary to issue Policy Directions to CAR in relation to its airport charges determinations and these have given rise to objections from airport users. Each of the airport charges determinations made by CAR has been subject to appeals and/or legal challenge. A number of the submissions to this policy reflected those difficulties and issues that arose during the various challenges to

charges determinations. Accordingly, the Department considered it appropriate and timely to carry out a comprehensive review of the airport charges regulatory regime. Independent consultants were commissioned and the review commenced in May 2015.

The review is to take account of the general principles, concerning effectiveness, predictability, accountability and transparency, for economic regulation contained in the Government Policy Statement of July 2013 on Sectoral Economic Regulation. The review will also have regard to this Policy in relation to the future capacity requirements of the State airports, as well as the requirements of the 2009 EU Airport Charges Directive in relation to consultation, transparency, non-discrimination and differentiated services.

The review will be based on an initial assessment of current airport market dynamics, including relative market power

of the three State airports and recent developments in airline business models impacting on market power of airports. The appropriate scope and degree of intervention in the market, if any, will be examined by reference to latest economic analyses and to relevant examples of available models worldwide, including the current Irish model. The examination will also take account of the potential to optimise the competitive relationship between Irish airports and the airlines and to incentivise traffic growth.

The review will be completed before the end of 2015. Arising from the review and from consultation with impacted parties, a clear statement of policy, with a timeframe and milestones for implementation, will be published at the latest by mid-2016. Preparations for any necessary changes to legislation will be expedited in tandem with the finalisation of the policy. This timeframe will allow for appropriate and timely alignment with the CAR's current airport charges regulatory period 2015 – 2019.

POLICY POSITION

The system of airport charging for Ireland should be fit-for-purpose and appropriate to the Irish aviation market and allow that market to develop in line with the objectives of this Policy, while also taking into account the Government's statement of general principles for sectoral economic regulation and requirements of the EU Airport Charges Directive.

ACTIONS

- 5.1.1 An independent review of airport charges regulation will be completed by end-2015. The review will deliver options and recommendations for a future regulatory system for airport charges. The process will involve full consultation with impacted parties.
- 5.1.2 The Department will finalise and publish its policy on airport charges regulation, and make preparations for any necessary changes to legislation, by mid-2016.

5.2 Aviation Regulatory Bodies

BACKGROUND

In continuing to seek the optimum means of delivering public services, the Government has committed to restructuring the functions of the IAA and the CAR.

IAA

The IAA is a profitable, commercial State-owned company with three main functions: (i) the provision of air traffic management and related services in Irish controlled airspace and on the North Atlantic (dealt with in Chapter 3); (ii) the safety regulation of the civil aviation industry in Ireland; and (iii) the oversight of civil aviation security in Ireland. These commercial and regulatory functions give it a critical role in a key area of economic activity in Ireland. In addition, the Safety Regulation Division (SRD) of the IAA has been designated as the National Supervisory Authority (NSA) for Ireland under the EU SES legislation, responsible, inter alia, for the certification and supervision of all Air Navigation Service Providers (ANSPs) in Ireland.

CAR

The CAR is a non-commercial, public body which regulates certain aspects of the aviation and travel trade sectors in Ireland. The CAR was established under the Aviation Regulation Act 2001 and its principal function as set down in the Act is price regulation. It

sets the maximum level of airport charges at Dublin Airport. Up to 2015, it regulated Aviation Terminal Services Charges (ATSC) at Dublin, Cork and Shannon Airports. CAR is the designated independent supervisory body for the purposes of the 2009 EU Airport Charges Directive, with a duty to ensure the correct application of the Directive regarding consultation of airport users by the daa. It is also responsible, under EU legislation, for discharging Ireland's responsibilities for schedule coordination/slot allocation at Dublin Airport, licensing airlines and approving groundhandling services providers under regulations implementing EU legislation. In addition, it has a significant consumer protection role under EU legislation covering Air Passenger Rights and the provision of assistance to Passengers with Reduced Mobility (PRM).

The Government's overall objective of restructuring the functions of the aviation regulatory bodies is twofold. Firstly, to put in place appropriate organisational arrangements to provide for effective and efficient safety and economic regulation of the sector and secondly to ensure the effective and efficient provision of air navigation services. These arrangements should reflect best practice internationally and developments in EU SES legislation.

ISSUES

Proposals in relation to the regulation of airport charges are set out in Section 5.1

above. The outcome of the planned review of airport charges regulation will have a significant bearing on how the restructuring of the functions of the IAA and CAR should proceed. Developments at an EU level will also have an important impact on the nature and scope of the restructuring options. The development of the EU regulatory regime for air navigation services (en route and terminal) under the SES framework, notably through the establishment of a performance scheme, is a significant regulatory development. The immediate focus will therefore be on ensuring an efficient and effective transition from the national to the EU regulatory regime for aviation terminal services charges.

In its safety regulation role, the IAA also has responsibility for regulating the safety of air navigation services. It is structured along the lines of the US Federal Aviation Administration (FAA). The alternative model in Europe includes institutional separation between service provision and regulation. EU developments are also likely to have an impact on the NSA role currently discharged by the Air Navigation Standards Department of the IAA's Safety Regulation Division. The tabling of the European Commission proposals for SESII+ (COM 2013 410 final, 11 June 2013) has resulted in ongoing debate at an EU level on the requirements needed to ensure that NSAs

are appropriately distinct and independent of ANSPs. Ireland supports the measures to strengthen national regulatory authorities and will make the necessary legislative changes to support any SES requirement to separate out the functions of the NSA concerning regulatory oversight of ANSPs.

In the course of any separation exercise, care will be taken to ensure effective business continuity and to maintain consistency in aviation safety. It will also be necessary to ensure durability in NSA funding streams, avoid duplication of functions and the imposition of unwarranted additional costs to airspace users. In this context, experience elsewhere and input from institutions such as EUROCONTROL will be important.

In the consultation process, comments generally supported the principle of independent regulation. At one extreme, the abolition of CAR and privatisation of the commercial (ANSP) function of the IAA was suggested. However, there was also recognition of the quality of the work done by the IAA and of Ireland's excellent safety record, and a concern at the risks involved in institutional change. Commentators urged that care should be taken to minimise any risk to aviation safety in any transition process. The need for adequate resourcing for the regulator was emphasised.

POLICY POSITION

The Department will ensure that the organisational arrangements and structures for economic and safety regulation of the Irish aviation sector are effective and appropriate.

ACTION

5.2.1 The organisational arrangements for provision of safety and economic regulatory oversight will be restructured taking account of the review of the appropriate model for airport charges regulation (see Action 5.1.1) and of developments and timelines under the SES legislation. In advance of any restructuring options being pursued, there will be full consultation with impacted parties.

5.3 Corporate Governance

BACKGROUND

The three main international airports and the Irish Aviation Authority are State-owned commercial companies. The State-owned companies are valuable assets with important economic and social functions. It is incumbent on those entrusted with the management of these assets that they fulfil the expectations of the shareholder, the public interest and the economy at large. To do so, these companies require direction and clarity as to what those expectations are.

The Government's Public Sector Reform Plan, published in November 2011, contains a number of commitments in relation to improving the performance of State bodies. The Department is committed to ensuring that regular meetings at both Ministerial and official levels occur with the boards and executives of these companies to ensure that the expectations of the State as

shareholder are embedded within all levels of corporate and commercial development.

ISSUES

To fulfil their important role these State-owned aviation companies require an active board with the appropriate balance of skills. In particular, each board should contain members with appropriate accounting, legal, commercial and aviation experience.

The Code of Practice for the Governance of State Bodies states that boards should regularly review their operation and seek to identify ways to improve effectiveness. Where gaps are identified, chairpersons should advise the Minister in due time ahead of any vacancies arising.

In line with the Government's commitment to ensure greater transparency in the State board appointment process, since 2011 the Department has advertised publicly for expressions of interest from suitably

qualified members of the public to serve on the boards of bodies under the Department's remit. In 2014, the Government published new Guidelines for Appointments to State Boards and future appointments to the State aviation bodies will be governed by these guidelines.

It is important that all board members be aware that they are Ministerial appointees who, in addition to their legal and fiduciary responsibilities, must ensure that due regard is given to Government policy in decision-making. With this in mind, each board member on their appointment will receive a letter of mandate from the Minister outlining matters additional to their fiduciary duties that they should be aware of during their term.

In relation to chairpersons, all new and re-appointed chairpersons will be required to appear before the relevant Oireachtas Committee before their appointment is made. The only exception to this will be short temporary re-appointments. The system of board appointments will continue to be informed by developments at Government level and the current system may be refined further in the future.

The Report of the Review Group on State Assets and Liabilities stated that, in respect of cash dividends from the commercial State bodies generally, financial returns were "low and reliability is patchy" (Review Group, 2011).

The State-owned aviation companies are a diverse group, with companies of differing capabilities and financial performance. It should also be acknowledged that these companies return a non-financial dividend to the State in the form of the wider socio-economic benefits that they provide through trade and tourism facilitation, regional development, aviation safety etc.

It is Government policy that profitable commercial State companies should pay a financial dividend to the State. The guideline figure is 30% of after-tax profits. The Government expects the State aviation companies to have a clearly stated dividend policy to take account of their current financial circumstances and plans for the future. Depending on circumstances, the dividend paid may be more or less than the 30% guideline. Dividend policy should take account of issues such as current and projected profitability, capital investment plans and pension funding.

POLICY POSITION

The State's shareholdings in commercial aviation companies will continue to be actively managed with a view to maximising financial and other returns, improving services and supporting economic development. The Department will ensure that the commercial State-owned aviation companies follow best practice corporate governance standards, including the Code of Practice for the Governance of State Bodies.

5.4 Evolving Business and Employment Models in Aviation

BACKGROUND

Since the EU internal market in aviation was established in the early 1990s, the structure of the air transport market has continued to evolve and this has seen steady growth in the market share of low-cost carriers, intensified competition, continued industry consolidation and some airline bankruptcies. The structure of the airline business itself has also changed such that the traditional model of an airline buying or leasing an aircraft and operating all or nearly all the services itself is no longer the norm.

Those working in the aviation sector, particularly in the airline industry, tend to be highly mobile compared to the general workforce. For instance, in the EU it is not unusual for an airline employee to be working in many countries from a base in one country, while living in another country altogether.

ISSUES

The evolution of the EU internal aviation market, and developments in the structure of the airline industry have resulted in the creation of increasingly atypical employment arrangements in the industry. For example, it is not unusual for airlines to hire crew from agencies and no longer

directly employ staff themselves. In other cases, airlines can sell/offer services that are delivered by other operators that are contracted-in (aircraft and employees), not by the airline selling the tickets. In turn, those contractors could be using agency pilots. This is part of a trend in the EU labour market generally towards more atypical employment arrangements. As things stand the level of such employment arrangements in aviation is still significantly lower than the labour market as a whole.

There is a wide range of Irish and EU law governing employment rights generally, which also apply to employees in the aviation sector in Ireland. In addition, the EU internal aviation market has had a social dimension from the outset in recognition of the inherently mobile nature of the industry. Sector-specific legislation has also been adopted and progressively harmonised at EU level creating a framework for the transnational aspects of employment which has become an increasing feature of the sector, e.g. working hours for flying personnel, pilots licensing rules, air traffic controller licensing rules etc.

The European Commission, in liaison with member States, regularly monitors the impact of the internal market on employment and working conditions. Ireland recognises the importance of this work and fully supports it as an important element of the EU internal aviation market.

POLICY POSITION

Ireland supports the development of a social dimension of the EU internal aviation market, and in other relevant international fora with a view to ensuring that labour rights are not eroded and with appropriate regard to the competitiveness of EU and Irish aviation.

ACTION

- 5.4.1 Ireland will support the EU's work in examining the implications arising from the growth in new business models and more complex commercial arrangements for employment in the aviation sector and, in particular, the human factors implications of such arrangements.



CHAPTER SIX



AIRCRAFT LEASING, FINANCING AND MRO



Aircraft Leasing, Financing and MRO

BACKGROUND

Ireland has a very strong tradition and reputation in the aerospace sphere. Our geographical location has given Ireland many advantages in aviation, including Maintenance, Repair and Overhaul (MRO). Transatlantic aircraft stopping over at Shannon boosted the business there and facilitated the development of a significant skills base in MRO activity there. The MRO industry plays an important supporting role in the wider aviation sector in Ireland supporting airline and airport activity, aircraft leasing and finance activity and manufacturing.

Ireland is considered the birthplace of aircraft leasing and today it is one of the main industries in which Ireland is a global leader. Aircraft leasing and finance employs approximately 1,000 people directly and 2,000 indirectly in highly paid professional positions. The total annual tax contribution to the Irish Exchequer from aircraft leasing is over €300 million per annum. In addition, total expenditure by aircraft lessors on Irish professional services and infrastructure is estimated to be in excess of €135 million per annum.

The State has taken a number of steps in recent years to bolster Ireland's preeminent position in aircraft leasing. Ireland was one of the first countries to sign and ratify the Cape Town Convention and its associated Aircraft Protocol.

The International Interests in Mobile Equipment (Cape Town Convention) Act, 2005 also provided for State participation in a joint venture that was established to bid to operate the computerised registry of financial interests in aircraft (the International Registry) that was established under the Convention. The Minister for Transport, Tourism and Sport holds a 20% shareholding in Aviareto, the SPV that was established for this purpose. Aviareto was selected by the International Civil Aviation Organisation (ICAO) to set up and run the International Registry. Its initial five year term was renewed by the ICAO Council in 2011 and the Council recently decided to renew its contract for a third five year term ensuring that the Registry will remain based in Ireland and operated by Aviareto until at least 2021.

The growth of aircraft leasing was also greatly facilitated by targeted tax rates and rulings as well as the development of a comprehensive network of tax treaties.

The industry was further facilitated by the IAA's decision to support the registration on the Irish Aircraft Register of aircraft based off-shore pursuant to Article 83bis of the Chicago Convention.

The Embassy network plays an important role in facilitating the development of the international aircraft leasing industry in Ireland.

ISSUES

Global air transport is growing at a phenomenal rate, outstripping economic growth globally by three to four-fold. The International Air Transport Association's (IATA) Airline Industry Forecast 2013-2017 shows that airlines expect to see a 31% increase in passenger numbers between 2012 and 2017. By 2017 total passenger numbers are expected to rise to 3.91 billion - an increase of 930 million passengers over 2012. A very significant amount of the forecast growth will be in Asia-Pacific and in the Middle East indicating that the centre of global aviation is gradually shifting eastwards. This growth and shifting emphasis presents both an opportunity and challenge to established industries in the sector including those in Ireland and, in particular, MRO and aircraft leasing. The Government is committed to continuing to support the industries to sustain and develop their position.

There are significant opportunities for continued growth and employment in aircraft leasing and appropriate policies will be pursued to facilitate this.

Taxation

It is generally accepted that we have developed an excellent tax treaty network which greatly facilitates aircraft leasing activities from Ireland. Our tax treaty network compares very favourably with the networks of other larger OECD countries

and now includes most of the world's major economies, accounting in aggregate for more than 80% of world GDP. The number of tax treaties has doubled in recent years; Ireland now has signed comprehensive double taxation agreements with 72 countries, of which 68 are in effect. In order to maintain Ireland's status as the preeminent global centre for aircraft leasing, this policy will be continued and developed. There are already plans in the pipeline for further agreements. In this context, there will be a particular focus on emerging markets with which Ireland does not currently have tax treaties.

Attracting key personnel in the industry to Ireland presents a challenge as other jurisdictions, particularly in Asia, are actively pursuing this internationally mobile business. Personal taxation initiatives have been introduced in recent Budgets, including significantly, the Special Assignee Relief Programme (SARP) which is aimed at attracting senior overseas executives to take up assignments here by offering a reduction in their overall income tax liability. Following a review of the programme, in Budget 2015, the Government announced the extension of the programme for a further three years and a number of changes to it to improve its attractiveness, including the removal of the upper salary threshold. Such initiatives will help to maintain and increase Ireland's attractiveness for key executives in the leasing industry.

Aviation Finance

In spite of Ireland's strengths in the aviation and financial services sectors, aviation finance is not well developed in Ireland and there is an opportunity for Ireland to leverage its strengths in aircraft leasing to establish itself as a global hub for aircraft financing.

One of the actions committed to in the Action Plan for Jobs 2013 was to facilitate aircraft financing in Ireland, in particular, enhanced equipment trust certificates (EETCs) and enabling asset backed securities (ABS) debt financing. In the Finance Act 2013, stamp duty exemption was introduced for EETCs. To facilitate the issuance of EETCs, it is considered necessary to implement the insolvency regime known as 'Alternative A' under the Cape Town Convention, in Irish law. This was facilitated through provisions in the State Airports (Shannon Group) Act, 2014. The 'Alternative A' regime enables financiers to get access to their aircraft assets in the event of default or insolvency more speedily than they would under national insolvency law as it stands. Adoption of these arrangements will improve Ireland's attractiveness as a jurisdiction for aviation finance.

Ireland as an Aviation Transitioning Centre

Each year, about 2,000 commercial aircraft are moved globally by leasing companies from one airline to another. When an aircraft changes from one company to

another, substantial work is required in the transition to meet company and regulator's requirements. Ireland is well placed to develop as an aircraft transitioning centre, to underpin the success of the aircraft leasing and MRO sectors and to support their future growth.

Currently, transitioning occurs on a highly fragmented basis across numerous sites and jurisdictions. Creating a system of excellence around the various service professionals capable of addressing all of the tasks in Ireland could capture this activity and help underpin Ireland's existing success in aircraft leasing and MRO.

One of the key differentiators between the Irish aviation system and other competitor countries is the high level of collaboration and supportive competition that exists within the aviation community – for example, lending of equipment and knowledge transfer. In addition, there is recognition across the sector of the inter-dependence of the different service providers in completing specialist tasks (e.g. maintenance and transitioning of aircraft). Such collaborations should be encouraged and facilitated to allow the Irish aviation sector to offer a total package of service solutions across the aviation sector.

Aviation Business Development – International Aviation Services Centre (IASC)

Many issues related to aircraft leasing

and aviation finance were examined by the Shannon Aviation Business Development Task Force whose report of November 2012 is available on the Department's website. The Task Force pointed to the opportunities to develop and expand the range of aviation services available in and around the airport campus in Shannon, drawing on its geographical location (uncongested airspace), good airfield facilities, ample adjacent land, an existing foothold in aircraft leasing and maintenance operations with a skilled, English-speaking workforce and US preclearance facilities.

Following the enactment of the State Airports (Shannon Group) Act 2014, the International Aviation Services Centre (IASC) was established as a strategic business unit within the newly-created, commercial State company, Shannon Group. Through the activities of IASC, Shannon Group will seek to maximise the synergy between the Group's functions in Shannon, including the airport business, the property business of Shannon Commercial Enterprises, and the tourism operator business of Shannon Heritage. In this way, IASC will act as a catalyst for the development of strategic sectoral opportunities, with a particular focus on the development of Shannon as an Irish aerospace hub.

Article 83bis Arrangements

The practice of placing aircraft on the Irish Register for lease to foreign airlines for use abroad is based on the provisions of Article 83bis of the Chicago Convention which

entered into force in 1997. This Article permits certain state of registry functions (e.g. flight operations) to be partially transferred to another State and provides for the international legal recognition of such a transfer. ICAO guidance on the operation of Article 83bis is contained in ICAO Circular 295 published in 2003.

The capability of EU member States to use Article 83bis was preserved in the EU Regulation establishing the European Aviation Safety Agency (EASA) and in its successor (Regulations 1592/2002 and 216/2008 respectively). The EU is reviewing Article 83bis applicability to Member States in the context of the EASA Regulations. Ireland is advocating for the continued applicability of Article 83bis to intra-EU leases and extra-EU leases, and will continue to do so.

Article 83bis has also been the subject of renewed discussion at ICAO level in recent years in the context of the safety aspects of economic liberalisation in the global air transport market. In July 2014 ICAO established a dedicated Task Force on Article 83bis with the principal objective of updating ICAO guidance circular 295. Due to Ireland's extensive experience in the use of Article 83bis agreements, Ireland was invited to participate on the Task Force. This will provide an opportunity to bring our national expertise in this area to bear on the future development of the ICAO guidance material.

POLICY POSITION

Ireland recognises the valuable contribution that the aircraft leasing, finance and MRO industries make in their own right and in supporting other activities in the wider aviation sector. We are committed to maintaining and building Ireland's attractiveness as a base for these activities and particularly to creating the conditions to grow employment in these industries.

ACTIONS

- 6.1 Ireland will fully adopt the Cape Town 'Alternative A' insolvency arrangements, and will promote this benefit for aviation finance.
- 6.2 Ireland will advocate for the continued applicability of Article 83*bis* arrangements at EU level and will actively participate in work on developing ICAO guidance on Article 83*bis* through participation in the ICAO Task Force established in 2014.
- 6.3 Ireland will encourage the development of the International Aviation Services Centre (IASC) at Shannon.

CHAPTER SEVEN



GENERAL AVIATION, EDUCATION AND TRAINING



General Aviation, Education and Training

BACKGROUND

The International Civil Aviation Organisation (ICAO) defines ‘general aviation’ as “all civil aviation operations other than scheduled air services and non-scheduled air transport operations for remuneration or hire”. For ICAO statistical purposes, general aviation (GA) activities are classified into “instructional flying, business flying, pleasure flying, aerial work and other flying.”

In Ireland, GA activities include aero-medical, flight training and aerial work such as agricultural aviation, aerial photography and surveying. It also includes corporate, private recreational, sports aviation and parachuting. Remotely Piloted Aircraft Systems (RPAS) are a significant growth area in GA and are referenced in Chapter 2.

GA supports businesses such as airfields, hangar provision and maintenance providers. A broad spectrum of aircraft types is involved. These include large corporate jets, corporate and private helicopters, light aeroplanes, microlights, sailplanes (gliders), gyroplanes and balloons. The scope of GA activities ranges from intercontinental business travel to local flying out of private fields.

As GA covers a very wide range of activities and has many participants, its economic value is equally varied. Recreational flying is, in general, likely to have considerable social or utility value. Corporate GA may have

very high economic value, both direct and indirect. In addition, GA has wider economic benefits through the impact it has on other sectors of the economy, including GA’s role in the training of airline pilots and its role in air transport. This role also raises issues for pilot training and education generally.

7.1 Corporate Aviation

ISSUES

In general, corporate aviation is not recognised as a separate sector in Europe although it is within the US. The rules and regulations associated with this sector are those of general aviation, even though many of the aircraft involved are large and complex. As a result, corporate aviation lies between but is distinct from both commercial air transport operations and general aviation. Regulatory initiatives at EU level to establish a separate corporate aviation sector are supported.

The recent establishment by the IAA of an ‘Executive Jet Register’ in Ireland will generate various downstream activities at State and regional aerodromes.

US preclearance of corporate GA flights has been available at Shannon since 2009. Because of its geographical location, Shannon is well positioned to serve corporate GA flights between Europe and North America. Shannon has also been

actively engaged in developing a cluster of business aviation companies, with a focus on developing a 'Centre of Excellence for Business Aviation'. This can represent a significant business opportunity to grow the corporate GA base by using Shannon as the location for new foreign direct investments (FDI) which will be enhanced by the existing

cluster of corporate aviation companies. In relation to the new Executive Jet Register, for example, Shannon is an approved marketing partner for the Register and offers a one-stop-shop for business aircraft owners wishing to use this and other GA related services located in the airport.

POLICY POSITION

The role of GA and corporate aviation in supporting specific businesses in the aviation sector, particularly in a regional context, is recognised and will be supported.

ACTIONS

- 7.1.1 Ireland will support any regulatory initiatives at EU level to establish a separate corporate aviation sector.
- 7.1.2 Ireland will promote the use of US preclearance facilities and of the Executive Jet Register, particularly at Shannon, by the general aviation sector.
- 7.1.3 Shannon will be designated as a 'Centre of Excellence' for Business Aviation.

7.2 Flight Training and Third Level Education

ISSUES

Training and education need to be developed to support the future demands of aviation services and the aviation industry in Ireland.

The rapid growth of commercial airline activity worldwide and the consequent demand for airline pilots has created opportunities for flight training schools in Ireland. Irish flight training schools engaged in professional pilot training have trained

hundreds of pilots for domestic and foreign airlines since the early 1990s. This training has traditionally been completed on a modular basis, with training tailored to meet the needs of an individual. More recently, airlines have looked more to graduates from flight schools that provide a full time approved integrated course of flight training such as is required for a European Pilot Licence. Currently there are a number of IAA approved Aviation Training Organisations (ATOs) in Ireland that provide these courses.

Difficulties have been experienced in Ireland, as in some other EU member States, with

the demise of a number of flight training schools and this has led to calls for a bonding scheme or other form of insurance for them. However, it is considered that this would increase costs in the sector and dissuade organisations from remaining or establishing themselves in Ireland. While the training requirements for pilots will be driven by the future needs of the aviation industry, there is also a need for continued emphasis on the delivery of safe and competent trained pilots and for training that is consistent with European standards of technical competence and quality control. In order to maintain competitiveness in this sector, training provision must keep pace with wider industry requirements and developments in international standards.

There are a range of third level courses in Ireland focussing on many different

aspects of aviation, including aeronautical engineering, aviation technology, aircraft systems and aviation management. Often such degree courses will combine with other professional training and development, such as flight training and pilot studies. Third level courses are graded on the National Framework of Qualifications (NFQ). All such initiatives are to be encouraged, including those involving collaboration between third level institutions, industry partners and/or airports.

Skillnets, which was established in 1999 and funded from the National Training Fund (NTF) through the Department of Education and Skills, supports and works with businesses to address their current and future skills needs, including opportunities for training in the aviation leasing and financing sector.

ACTIONS

- 7.2.1 Ireland will support the continued development of flight training.
- 7.2.2 Ireland will, through the National Aviation Development Forum, continue to identify courses and post-qualification certification requirements, in the development of technical and business degrees, to meet the needs of the Irish aviation industry.
- 7.2.3 Initiatives between education, industry and/or airport partners will also continue to be encouraged and supported.

7.3 Maintenance Licensing

ISSUES

Aviation maintenance requires a growing number of licensed aircraft maintenance engineers to meet the demands from the Irish aviation industry and maintenance repair and overhaul organisations (MROs). Ireland currently has four approved maintenance training organisations that provide basic training to qualify for an aircraft maintenance licence.

FÁS / Solas has statutory responsibility for the national apprenticeship of 'Aircraft Mechanic'. The trade of aircraft mechanic has remained consistently strong even during the recession and is one of the best performing of the 26 approved trade apprenticeships. In August 2013, FÁS in conjunction with the IAA and other aviation industry partners launched the revised curriculum for the aircraft mechanic apprenticeship. The apprenticeship now includes all the training necessary for the apprentice to attain a European aircraft maintenance licence.

FÁS / Solas also supports a number of traineeships in aircraft mechanic. These traineeships are of shorter duration than the apprenticeship but they also provide the trainee with the opportunity to attain a task limited maintenance licence.

Given the importance of having a good supply of qualified personnel, it is necessary that the availability of aviation engineering courses, aligned with industry needs, is maintained. In addition, skilled engineers from aviation and other relevant backgrounds can benefit from the opportunity to take up employment in the aerospace sector, in particular in areas relating to research, technology and innovation now delivering enhanced competitive advantage and job creation.

A skilled workforce of mechanics, engineers and other qualified personnel in the MRO sector is also a core supporting element toward the overall policy as set out under Chapter 6 - Aircraft Leasing Financing and MRO, for future aviation business development and the development of the International Aviation Services Centre (IASC) at Shannon.

ACTIONS

- 7.3.1 Ireland will support the development of opportunities for work placement programmes for aviation industry students and for professionals from aviation and other relevant backgrounds to take up employment in the aerospace sector.
- 7.3.2 Ireland will support the continued development of aircraft maintenance training. The IAA will continue to work closely with airlines, MROs and FÁS / Solas to develop and improve the aircraft mechanic apprenticeship and traineeships, to meet the changing requirements of the aviation maintenance sector.
- 7.3.3 Ireland, through the IAA, will continue to work with other European member States and EASA with a view to developing appropriate maintenance licence requirements for light aeroplanes, balloons and sailplanes.

7.4 Pilot Licensing

ISSUES

Under the new European regulatory regime and the European Aviation Safety Agency (EASA), the majority of the functions within the GA sector will come under the scope of common European and EASA Regulations, with only a few remaining the sole responsibility of national aviation authorities (the IAA in Ireland's case). The IAA will, however, continue to have responsibility for oversight of EASA regulated activities within the State.

Pilot licensing is governed by EU Regulation

and these licences are recognised EU-wide. Aircraft falling within the Annex II category under the principal EU Regulation 216/2008 governing this area, are exempt from the EASA licensing regime. Therefore, the pilot licence for operating these Annex II aircraft is administered by the IAA and recognised nationally. However, under an implementing EU Regulation concerning flight crew licensing, which came into effect in 2012, the new rules have resulted in aircraft under Annex II, which are engaged in specific activities such as aerobatic flying, sailplane towing, mountain flying and banner towing, to now require an EU licence. This has created anomalies that need to be addressed.

ACTION

- 7.4.1 The Department and the IAA will continue to work closely with EASA towards the elimination of anomalies in the requirements for pilot licences, including the potential extension of the mutual recognition of licences in EU States.

7.5 Recreational and Sport Flying

ISSUES

There is a significant amount of recreational and sport flying activity in Ireland. It is important to ensure that these activities are carried out safely, for the benefit of those directly involved with GA and for the general public. The General Aviation Safety Council of Ireland (GASCI), is focused on improving the standards of safety within GA operations.

Under the new EU regulatory regime there is central safety oversight by EASA and the majority of the safety functions within the GA sector will fall under the scope of common European Regulations. The IAA will continue to have a responsibility for oversight of EASA regulated activities within the State.

In Ireland the safety regulation of the use and operation of aircraft falling within Annex II of the EU Regulation 216/2008, which are exempt from its requirements, is within national competence of the IAA. Some elements of safety regulation concerning the airworthiness requirements, where appropriate, are carried out by voluntary organisations in this sector which meet IAA standards and checks.

With planned developments at EU level it is likely that, over time, EU regulation will move towards even greater harmonisation of the administration of licencing across the commercial and general aviation sectors. The fragmented and limited size of the GA community in Ireland may create challenges in this regard. However, it is also possible that EU proposals could involve a less prescriptive regulatory approach with regard to Annex II aircraft.

ACTION

7.5.1 The IAA will work closely with EASA regarding future developments in the EU regulatory regime affecting the GA sector.



CHAPTER EIGHT



STATISTICS



Departures

Time	Destination	Flight	Gate	Time	Destination	Flight	Gate	Time	Destination	Flight	Gate	Time	Destination	Flight	Gate
06:30	LONDON	BA001	10A	07:00	NEW YORK	AA001	15A	07:30	MADRID	IB001	20A	08:00	AMSTERDAM	KL001	25A
06:45	PARIS	AF001	12A	07:15	TORONTO	AC001	18A	07:45	BRUSSELS	SN001	22A	08:15	ZURICH	LX001	28A
07:00	ATHENS	AZ001	15A	07:30	MONTREAL	DL001	20A	08:00	COLOGNE	CG001	25A	08:30	STUTTGART	EW001	30A
07:15	ROME	FR001	18A	07:45	OTTAWA	WE001	22A	08:15	DORTMUND	LH001	28A	08:45	DUSSELDORF	U2001	33A
07:30	BARCELONA	VY001	20A	08:00	WASHTON	B6001	25A	08:30	FRANKFURT	A3001	30A	09:00	MEMPHIS	ZZ001	35A
07:45	GENOVA	6L001	22A	08:15	INDIANAPOLIS	HA001	28A	08:45	MANCHESTER	WZ001	33A	09:15	ATLANTA	DL001	38A
08:00	VALENCIA	VH001	25A	08:30	PHOENIX	N9001	30A	09:00	EDINBURGH	WF001	35A	09:30	LOS ANGELES	DL001	40A
08:15	PRAG	OS001	28A	08:45	MEMPHIS	WN001	33A	09:15	GLASGOW	ZZ001	38A	09:45	CHICAGO	UA001	45A
08:30	VIENNA	OE001	30A	09:00	MEMPHIS	WN001	35A	09:30	HEATHROW	BA001	40A	10:00	PHOENIX	N9001	48A
08:45	BRNO	6U001	33A	09:15	MEMPHIS	WN001	38A	09:45	GATWICK	BA001	45A	10:15	PHOENIX	N9001	50A
09:00	PRAG	OS001	35A	09:30	MEMPHIS	WN001	40A	10:00	STANSTED	BA001	50A	10:30	PHOENIX	N9001	52A
09:15	VIENNA	OE001	38A	09:45	MEMPHIS	WN001	42A	10:15	LONDON	BA001	55A	10:45	PHOENIX	N9001	55A
09:30	BRNO	6U001	40A	10:00	MEMPHIS	WN001	45A	10:30	STANSTED	BA001	58A	11:00	PHOENIX	N9001	58A
09:45	PRAG	OS001	42A	10:15	MEMPHIS	WN001	48A	10:45	LONDON	BA001	60A	11:15	PHOENIX	N9001	60A
10:00	VIENNA	OE001	45A	10:30	MEMPHIS	WN001	50A	11:00	GATWICK	BA001	63A	11:30	PHOENIX	N9001	63A
10:15	BRNO	6U001	48A	10:45	MEMPHIS	WN001	52A	11:15	STANSTED	BA001	65A	11:45	PHOENIX	N9001	65A
10:30	PRAG	OS001	50A	11:00	MEMPHIS	WN001	55A	11:30	LONDON	BA001	68A	12:00	PHOENIX	N9001	68A
10:45	VIENNA	OE001	52A	11:15	MEMPHIS	WN001	58A	11:45	GATWICK	BA001	70A	12:15	PHOENIX	N9001	70A
11:00	BRNO	6U001	55A	11:30	MEMPHIS	WN001	60A	12:00	STANSTED	BA001	73A	12:30	PHOENIX	N9001	73A
11:15	PRAG	OS001	58A	11:45	MEMPHIS	WN001	62A	12:15	LONDON	BA001	75A	12:45	PHOENIX	N9001	75A
11:30	VIENNA	OE001	60A	12:00	MEMPHIS	WN001	65A	12:30	GATWICK	BA001	78A	13:00	PHOENIX	N9001	78A
11:45	BRNO	6U001	62A	12:15	MEMPHIS	WN001	68A	12:45	STANSTED	BA001	80A	13:15	PHOENIX	N9001	80A
12:00	PRAG	OS001	65A	12:30	MEMPHIS	WN001	70A	13:00	LONDON	BA001	83A	13:30	PHOENIX	N9001	83A
12:15	VIENNA	OE001	68A	12:45	MEMPHIS	WN001	72A	13:15	GATWICK	BA001	85A	13:45	PHOENIX	N9001	85A
12:30	BRNO	6U001	70A	13:00	MEMPHIS	WN001	75A	13:30	STANSTED	BA001	88A	14:00	PHOENIX	N9001	88A
12:45	PRAG	OS001	72A	13:15	MEMPHIS	WN001	78A	13:45	LONDON	BA001	90A	14:15	PHOENIX	N9001	90A
13:00	VIENNA	OE001	75A	13:30	MEMPHIS	WN001	80A	14:00	GATWICK	BA001	93A	14:30	PHOENIX	N9001	93A
13:15	BRNO	6U001	78A	13:45	MEMPHIS	WN001	82A	14:15	STANSTED	BA001	95A	14:45	PHOENIX	N9001	95A
13:30	PRAG	OS001	80A	14:00	MEMPHIS	WN001	85A	14:30	LONDON	BA001	98A	15:00	PHOENIX	N9001	98A
13:45	VIENNA	OE001	82A	14:15	MEMPHIS	WN001	88A	14:45	GATWICK	BA001	100A	15:15	PHOENIX	N9001	100A
14:00	BRNO	6U001	85A	14:30	MEMPHIS	WN001	90A	15:00	STANSTED	BA001	102A	15:30	PHOENIX	N9001	102A
14:15	PRAG	OS001	88A	14:45	MEMPHIS	WN001	92A	15:15	LONDON	BA001	105A	15:45	PHOENIX	N9001	105A
14:30	VIENNA	OE001	90A	15:00	MEMPHIS	WN001	95A	15:30	GATWICK	BA001	108A	16:00	PHOENIX	N9001	108A
14:45	BRNO	6U001	92A	15:15	MEMPHIS	WN001	98A	16:00	STANSTED	BA001	110A	16:15	PHOENIX	N9001	110A
15:00	PRAG	OS001	95A	15:30	MEMPHIS	WN001	100A	16:15	LONDON	BA001	112A	16:30	PHOENIX	N9001	112A
15:15	VIENNA	OE001	98A	15:45	MEMPHIS	WN001	102A	16:30	GATWICK	BA001	115A	16:45	PHOENIX	N9001	115A
15:30	BRNO	6U001	100A	16:00	MEMPHIS	WN001	105A	16:45	STANSTED	BA001	118A	17:00	PHOENIX	N9001	118A
15:45	PRAG	OS001	102A	16:15	MEMPHIS	WN001	108A	17:00	LONDON	BA001	120A	17:15	PHOENIX	N9001	120A
16:00	VIENNA	OE001	105A	16:30	MEMPHIS	WN001	110A	17:15	GATWICK	BA001	122A	17:30	PHOENIX	N9001	122A
16:15	BRNO	6U001	108A	16:45	MEMPHIS	WN001	112A	17:30	STANSTED	BA001	125A	17:45	PHOENIX	N9001	125A
16:30	PRAG	OS001	110A	17:00	MEMPHIS	WN001	115A	17:45	LONDON	BA001	128A	18:00	PHOENIX	N9001	128A
16:45	VIENNA	OE001	112A	17:15	MEMPHIS	WN001	118A	18:00	GATWICK	BA001	130A	18:15	PHOENIX	N9001	130A
17:00	BRNO	6U001	115A	17:30	MEMPHIS	WN001	120A	18:15	STANSTED	BA001	132A	18:30	PHOENIX	N9001	132A
17:15	PRAG	OS001	118A	17:45	MEMPHIS	WN001	122A	18:30	LONDON	BA001	135A	18:45	PHOENIX	N9001	135A
17:30	VIENNA	OE001	120A	18:00	MEMPHIS	WN001	125A	18:45	GATWICK	BA001	138A	19:00	PHOENIX	N9001	138A
17:45	BRNO	6U001	122A	18:15	MEMPHIS	WN001	128A	19:00	STANSTED	BA001	140A	19:15	PHOENIX	N9001	140A
18:00	PRAG	OS001	125A	18:30	MEMPHIS	WN001	130A	19:15	LONDON	BA001	142A	19:30	PHOENIX	N9001	142A
18:15	VIENNA	OE001	128A	18:45	MEMPHIS	WN001	132A	19:30	GATWICK	BA001	145A	19:45	PHOENIX	N9001	145A
18:30	BRNO	6U001	130A	19:00	MEMPHIS	WN001	135A	19:45	STANSTED	BA001	148A	20:00	PHOENIX	N9001	148A
18:45	PRAG	OS001	132A	19:15	MEMPHIS	WN001	138A	20:00	LONDON	BA001	150A	20:15	PHOENIX	N9001	150A
19:00	VIENNA	OE001	135A	19:30	MEMPHIS	WN001	140A	20:15	GATWICK	BA001	152A	20:30	PHOENIX	N9001	152A
19:15	BRNO	6U001	138A	19:45	MEMPHIS	WN001	142A	20:30	STANSTED	BA001	155A	20:45	PHOENIX	N9001	155A
19:30	PRAG	OS001	140A	20:00	MEMPHIS	WN001	145A	20:45	LONDON	BA001	158A	21:00	PHOENIX	N9001	158A
19:45	VIENNA	OE001	142A	20:15	MEMPHIS	WN001	148A	21:00	GATWICK	BA001	160A	21:15	PHOENIX	N9001	160A
20:00	BRNO	6U001	145A	20:30	MEMPHIS	WN001	150A	21:15	STANSTED	BA001	162A	21:30	PHOENIX	N9001	162A
20:15	PRAG	OS001	148A	20:45	MEMPHIS	WN001	152A	21:30	LONDON	BA001	165A	21:45	PHOENIX	N9001	165A
20:30	VIENNA	OE001	150A	21:00	MEMPHIS	WN001	155A	21:45	GATWICK	BA001	168A	22:00	PHOENIX	N9001	168A
20:45	BRNO	6U001	152A	21:15	MEMPHIS	WN001	158A	22:00	STANSTED	BA001	170A	22:15	PHOENIX	N9001	170A
21:00	PRAG	OS001	155A	21:30	MEMPHIS	WN001	160A	22:15	LONDON	BA001	172A	22:30	PHOENIX	N9001	172A
21:15	VIENNA	OE001	158A	21:45	MEMPHIS	WN001	162A	22:30	GATWICK	BA001	175A	22:45	PHOENIX	N9001	175A
21:30	BRNO	6U001	160A	22:00	MEMPHIS	WN001	165A	22:45	STANSTED	BA001	178A	23:00	PHOENIX	N9001	178A
21:45	PRAG	OS001	162A	22:15	MEMPHIS	WN001	168A	23:00	LONDON	BA001	180A	23:15	PHOENIX	N9001	180A
22:00	VIENNA	OE001	165A	22:30	MEMPHIS	WN001	170A	23:15	GATWICK	BA001	182A	23:30	PHOENIX	N9001	182A
22:15	BRNO	6U001	168A	22:45	MEMPHIS	WN001	172A	23:30	STANSTED	BA001	185A	23:45	PHOENIX	N9001	185A
22:30	PRAG	OS001	170A	23:00	MEMPHIS	WN001	175A	23:45	LONDON	BA001	188A	00:00	PHOENIX	N9001	188A
22:45	VIENNA	OE001	172A	23:15	MEMPHIS	WN001	178A	00:00	GATWICK	BA001	190A	00:15	PHOENIX	N9001	190A
23:00	BRNO	6U001	175A	23:30	MEMPHIS	WN001	180A	00:15	STANSTED	BA001	192A	00:30	PHOENIX	N9001	192A
23:15	PRAG	OS001	178A	23:45	MEMPHIS	WN001	182A	00:30	LONDON	BA001	195A	00:45	PHOENIX	N9001	195A
23:30	VIENNA	OE001	180A	00:00	MEMPHIS	WN001	185A	00:45	GATWICK	BA001	198A	01:00	PHOENIX	N9001	198A
23:45	BRNO	6U001	182A	00:15	MEMPHIS	WN001	188A	01:00	STANSTED	BA001	200A	01:15	PHOENIX	N9001	200A
00:00	PRAG	OS001	185A	00:30	MEMPHIS	WN001	190A	01:15	LONDON	BA001	202A	01:30	PHOENIX	N9001	202A
00:15	VIENNA	OE001	188A	00:45	MEMPHIS	WN001	192A	01:30	GATWICK	BA001	205A	01:45	PHOENIX	N9001	205A
00:30	BRNO	6U001	190A	01:00	MEM										

BACKGROUND

The importance of collecting statistical information on the aviation sector into a central repository, including statistics on passenger numbers and air traffic movement at our airports, and having such information readily available to industry stakeholders, was raised during the consultation process.

ISSUES

The Department believes that access to such information is important in informing, developing and monitoring aviation policy. Having such information readily available and accessible will improve the relevance, efficiency and effectiveness of policy reforms.

Currently, in Ireland, responsibility for the collection of passenger statistics falls to the Central Statistics Office (CSO). The CSO's website contains statistics on international movement of passengers, passenger movements by Irish airports, direction, foreign airport and month.

The Irish Aviation Authority (IAA) also publishes statistical information on its website. Information on en-route and airport commercial movements, flight statistics and key business statistics including turnover, profit and air traffic activity are readily available. The Authority does not, however, keep passenger statistics.

Some airports also conduct passenger surveys which are not made generally available. It is considered that results of such surveys at Irish airports showing, for example, passenger behaviour, duration of stay, journey start, destination, journey purpose, etc., would be beneficial to all industry stakeholders. Commercial sensitivities would have to be protected.

The gaps in the availability of reliable data for Irish air-cargo, particularly in relation to the level of air-trucking, as mentioned in Section 3.3 of this Policy, also need to be addressed as such data also plays a key role in evidence based policy making.

In the UK, a large amount of data on the aviation industry has been collected for many years by the Civil Aviation Authority (CAA). It publishes much of this information, such as punctuality data, airline charges and ATOL licence holders, to help consumers make an informed decision on air travel. Information is also recorded on other areas such as the profile of passengers, the level of air traffic at airports and the most popular destinations served by UK airports. In its role as a safety regulator, the CAA records significant levels of safety data from the UK industry, ranging from aircraft accident and incident data to air proximity reports and long-term worldwide safety trends. Such statistical information is published on the gov.uk website.

It is recognised that there is a need in Ireland to collect relevant industry data into a single location where it can be accessed by the relevant stakeholders.

The Department will engage with the various stakeholders to identify what statistical information needs to be collected, who will have responsibility for ensuring the accuracy of such information and keeping it up to date, who will have responsibility for carrying out and reporting on passenger surveys and most importantly, where that information will be located. In designing the collection and repository processes, current practices in the UK and across the EU will be examined.

A review of the data collected and how that data is being disseminated will be carried out no later than five years following the appointment of the central body responsible for collecting the data.

In the interim and alongside the above process, the Department's Economic Evaluation Unit will publish annually its "Transport Trends" document. The contents of that publication will be based on data obtained from various official sources and internal data. It will give a concise overview of the key developments that are evident from the latest Irish transport data and feature key data specific to the aviation sector.

POLICY POSITION

A central repository of relevant statistical information on the aviation sector will be put in place to assist policy formulation.

ACTIONS

- 8.1 The Department will publish basic statistical information on its website, including passenger numbers (international, transit, domestic, etc.), new routes, cargo carried and airport commercial movements by end 2015.
- 8.2 The Department will develop this dataset in 2016 following engagement with key stakeholders to identify and prioritise additional statistical information required by the industry.
- 8.3 As part of that process, a decision will be made before end 2016 on optimal organisational arrangements for the collection and dissemination of the agreed dataset.
- 8.4 A review of the range and relevancy of the data published will be carried out by the Department in 2020, with further reviews being carried out every 5 years thereafter.



CHAPTER NINE



CONSULTATION



BACKGROUND

The Department of Transport Tourism and Sport recognises the important contribution that industry and other parties can make in the development and implementation of policy, both at a national and international level. That recognition was a key driver behind the level of consultation undertaken in the development of this policy including a day-long conference in the Convention Centre Dublin and the subsequent publication of an Issues Paper, followed by a draft of this Policy in May 2014.

ISSUES

The Department consults stakeholders on developments in the sector on a regular basis both directly and through structures such as the National Civil Aviation Security Committee and the National Facilitation Committee. In addition, the Department routinely invites stakeholders to provide views on legislative proposals published by the European Commission in order to inform the position to be adopted by Ireland in negotiations in the Council. However, the Department recognises that there is scope to improve and supplement these formal and informal consultation arrangements.

In the consultation process, strong support was expressed for a 'National Aviation

Development Forum' to be established to unify the efforts of all of the relevant State agencies and to secure the benefit of the expertise and insight of industry participants and others.

The Civil Service Renewal Plan launched by the Taoiseach and the Minister for Public Expenditure and Reform in October 2014 commits to a more open approach to policy making and the proposal for the creation of a National Aviation Development Forum responds to the specific commitment to "host regular, open policy debates involving networks of practitioners, academics and experts in developing and debating policy options at an early stage".

Eighteen bodies submitted observations on the proposals on consultation and all supported the establishment of a National Aviation Development Forum. All of those that expressed support also expressed an interest in participating on the Forum. Agreeing to participation by all of these entities would likely result in an unwieldy Forum which would not be as effective as a more focused body.

At its core the Forum will include the Department of Transport Tourism and Sport, representatives of the main airports and airlines, the finance and leasing sector and the IAA.

Those that will also be invited to participate as necessary will include other Government Departments whose work impinges on the sector, representatives of third-level institutions, representatives of the MRO industry, Enterprise Ireland, IDA, and users of aviation services.

The National Aviation Development Forum will co-ordinate the promotion of the aviation industry in Ireland, with job creation as the underlying key driver. The National Aviation Development Forum will also consider the position to be adopted by Ireland on key issues of relevance to the sector that are being discussed in international fora including the European Union, EUROCONTROL and ICAO. Sub-groups will be established where considered necessary to focus on particular issues or proposals. In summary

the Forum will be a means of brain-storming strategic proposals to further advance the aviation sector in Ireland and an opportunity for dialogue on significant issues among the participants.

It is particularly encouraging that a number of specific projects were proposed by respondents to the consultation process and these can be developed within the Forum. Specifically, these include evaluating the potential to establish an aircraft cabin configuration service to support the leasing industry. Another suggestion that will be developed is a proposal for a strategy to establish Ireland as a training, conventions and conference centre of excellence for the international aviation sector.

POLICY POSITION

The Department will enhance its arrangements for consulting with the industry on the development of national policy and on influencing the development of the EU and international policy affecting aviation in Ireland.

ACTION

- 9.1 Ireland will establish a National Aviation Development Forum led by the Department of Transport Tourism and Sport and with appropriate representation from across Government and the industry.



APPENDICES



- 1: ACTIONS
- 2: AERODROMES
- 3: ACRONYMS



Appendix 1

ACTIONS

1.1	Ireland, as part of the ABIS Group, will seek nomination for election to the ICAO Council for the period 2016-2019.
1.2	The Department of Transport, Tourism and Sport will consult with the National Aviation Development Forum (see Chapter 9) on the development of the international legislative and regulatory agendas
1.3	Ireland will input to the proposed EU Aviation Package at an early stage to influence the development of proposed measures
2.1.1	Ireland, through the Department and the IAA, will play an active role in the development of aviation safety regulations at an EU level and in ICAO.
2.1.2	Ireland will continue to maintain an independent safety investigation authority for the investigation of aviation occurrences.
2.1.3	The Department and the IAA will coordinate the State Safety Programme, including risk management.
2.1.4	Ireland will continue to facilitate and promote occurrence reporting in accordance with EU law and ICAO requirements and to meet the highest standards of independent accident investigation.
2.1.5	The IAA will establish and monitor appropriate key aviation safety indicators based on the EASA system
2.1.6	The IAA and AAIU will monitor aviation safety trends through ECCAIRS analysis.
2.1.7	Ireland will contribute to work at EU level to develop and implement an appropriate EU-wide safety regulatory framework for the operation of Remotely Piloted Aviation Systems in civilian airspace.
2.2.1	Ireland will allow greater flexibility to industry through the introduction of an outcome-focussed, risk-based approach to security regulation.
2.2.2	Ireland will introduce a more targeted and comprehensive approach to compliance monitoring and developing requirements for SeMS, similar to the successful approach already implemented in the field of safety.
2.2.3	Ireland will place a risk-based approach to security at the heart of our thinking and of our future research. As a first step in this direction we will initiate a feasibility study in 2015, in conjunction with other key stakeholders, on the concept of a “Trusted Traveller” Programme.
2.3.1	Ireland will work with European partners to achieve the development of global international standards for market based measures on aircraft emissions
2.3.2	Ireland will develop its aviation emissions reporting capability in support of ICAO’s evolving environmental policies
2.3.3	Ireland will, in consultation with interested parties, update its National Action Plan for Emissions Reductions in 2015 in line with the ICAO 2013 Resolution on Climate Change.
2.3.4	Ireland will encourage research and development in Ireland of clean engine technologies and sustainable fuels.
2.3.5	Ireland will implement a “Balanced Approach” to noise management at Irish airports in accordance with Regulation (EC) No.598 of 2014 on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at Union airports.
2.3.6	Ireland will develop an Adaptation Plan for the Transport Sector, which will include adaptation options for airports and aviation services in line with national legislative obligations and the EU Adaptation Strategy
3.1.1	The Department will increase and extend Ireland’s bilateral agreements with other States.

3.1.2	Ireland will continue to actively support EU efforts to negotiate full Open Skies agreements with third countries.
3.3.1	An overall freight policy for Ireland, covering all modes, will be developed with a view to ensuring the continued competitiveness of the freight sector, and will include consideration of the role of air-cargo.
3.3.2	The Department will seek to remove limits on all air-cargo capacity in Ireland's bilateral air transport agreements.
3.3.3	The Department will engage with the relevant stakeholders under the auspices of the National Facilitation Committee on air-cargo. (See Section 4.6).
3.3.4	Dublin and Shannon Airports, in partnership with the other players in the air-cargo industry, will be mandated to develop and publish strategies on air-cargo
3.3.5	The development of Shannon Airport as an air-cargo hub will be supported.
3.3.6	The Department will continue to liaise with other Government bodies and the US authorities on the regime for exports to the US in order to facilitate efficient freight operations at airports
3.4.1	The Department will maintain close formal links with the US authorities to ensure the continued delivery and development of US Preclearance facilities at Dublin and Shannon Airports.
3.4.2	The Department will encourage Dublin and Shannon Airports and airlines to maximise the benefits to Ireland of preclearance facilities and will promote the development of those airports as preclearance centres.
3.4.3	The Department will support Shannon Airport in seeking to increase the number of GA aircraft utilising preclearance.
3.5.1	Ireland will continue to encourage investments in modern, technologically advanced, cost-efficient aviation infrastructure, including those that underpin Ireland's interest in the North Atlantic and the future traffic growth at our airports
4.1.1	The Department will monitor the business development of all airports for evidence that the prevailing network is operating at an optimum level. Monitoring will occur within the framework of developments under EU rules and the structural and capacity reviews referred to in Section 4.4.
4.1.2	The Department, the airports and the tourism agencies will continue to work together to increase access to Ireland from high-potential overseas tourism markets.
4.2.1	Ireland will implement an EU approved Framework (Regional Airports Programme 2015 - 2019) of supports for regional airports.
4.2.2	Exchequer support for operational expenditure at regional airports will be phased out over a maximum period of 10 years, in accordance with EU Guidelines
4.2.3	Exchequer support for capital expenditure will be limited to safety and security related expenditure.
4.2.4	Clear business plans will be required from the airports seeking supports. In considering funding to regional airports, the Department will take account of the level of regional involvement, including investment by local authorities and/or business.
4.2.5	From 2015, PSO contracts, for Donegal/Dublin and Kerry/Dublin air services will run for two years initially and, subject to a satisfactory review after 18 months, may be extended by a maximum of one year.
4.3.1	Dublin Airport will be promoted as a secondary hub airport.

4.3.2	The roles of the Cork and Shannon airports as key tourism and business gateways for their regions, and particularly with regard to the development of key niche markets, will be supported
4.4.1	The Department will review the ownership and operational structure of the State airports in 2019 (and subsequently at 5-year intervals). The initial review will incorporate a fresh consideration of the feasibility of establishing Cork as an independent airport.
4.5.1	The process to develop the second runway at Dublin Airport will commence, to ensure the infrastructure necessary for the airport's position as a secondary hub and operate to global markets without weight restrictions is available when needed
4.5.2	The Department will commission a high-level, strategic capacity review in 2018, taking into account wider government objectives and policies for enterprise and tourism as well as developments in the global market. The views of airport users will be taken into account during the capacity review process.
4.5.3	Taking account of the high-level, strategic capacity review, Dublin, Cork and Shannon Airports will be mandated to carry out reviews of capacity constraints and infrastructure needs at five yearly intervals, the first reviews to be completed before the end of 2018.
4.5.4	Access to the airports will be taken into account during the development of surface transport programmes, in line with the Department's Strategic Framework for Investment in Land Transport which proposed the prioritisation of improved connections to key seaports and airports.
4.6.1	The Department will continue to host the National FAL Committee meetings with a view to better coordination of facilitation activities between Government Departments and relevant stakeholders
4.6.2	The Department will facilitate implementation of the National Air Transport Facilitation Programme 2015 - 2017, and ensure it is reviewed by the FAL Committee every three years.
4.6.3	In line with the Department's Tourism Policy, airports will be encouraged to prioritise investment in visitor reception facilities in order to remove bottlenecks and to create a welcoming environment for visitors
4.7.1	The Department will support the further development of the British Irish Visa Scheme and other enhancements of the visa system to promote growth in tourism and business visits to Ireland.
4.7.2	The Department, in conjunction with the Department of Justice and Equality, will encourage airports to streamline passenger flows taking full advantage of the Common Travel Area.
5.1.1	An independent review of airport charges regulation will be completed by end-2015. The review will deliver options and recommendations for a future regulatory system for airport charges. The process will involve full consultation with impacted parties
5.1.2	The Department will finalise and publish its policy on airport charges regulation, and make preparations for any necessary changes to legislation, by mid-2016
5.2.1	The organisational arrangements for provision of safety and economic regulatory oversight will be restructured taking account of the review of the appropriate model for airport charges regulation (see Proposal 5.1.1) and of developments and timelines under the SES legislation. In advance of any restructuring options being pursued, there will be full consultation with impacted parties.
5.4.1	Ireland will support the EU's work in examining the implications arising from the growth in new business models and more complex commercial arrangements for employment in the aviation sector and, in particular, the human factors implications of such arrangements
6.1	Ireland will fully adopt the Cape Town 'Alternative A' insolvency arrangements, and will promote this benefit for aviation finance.

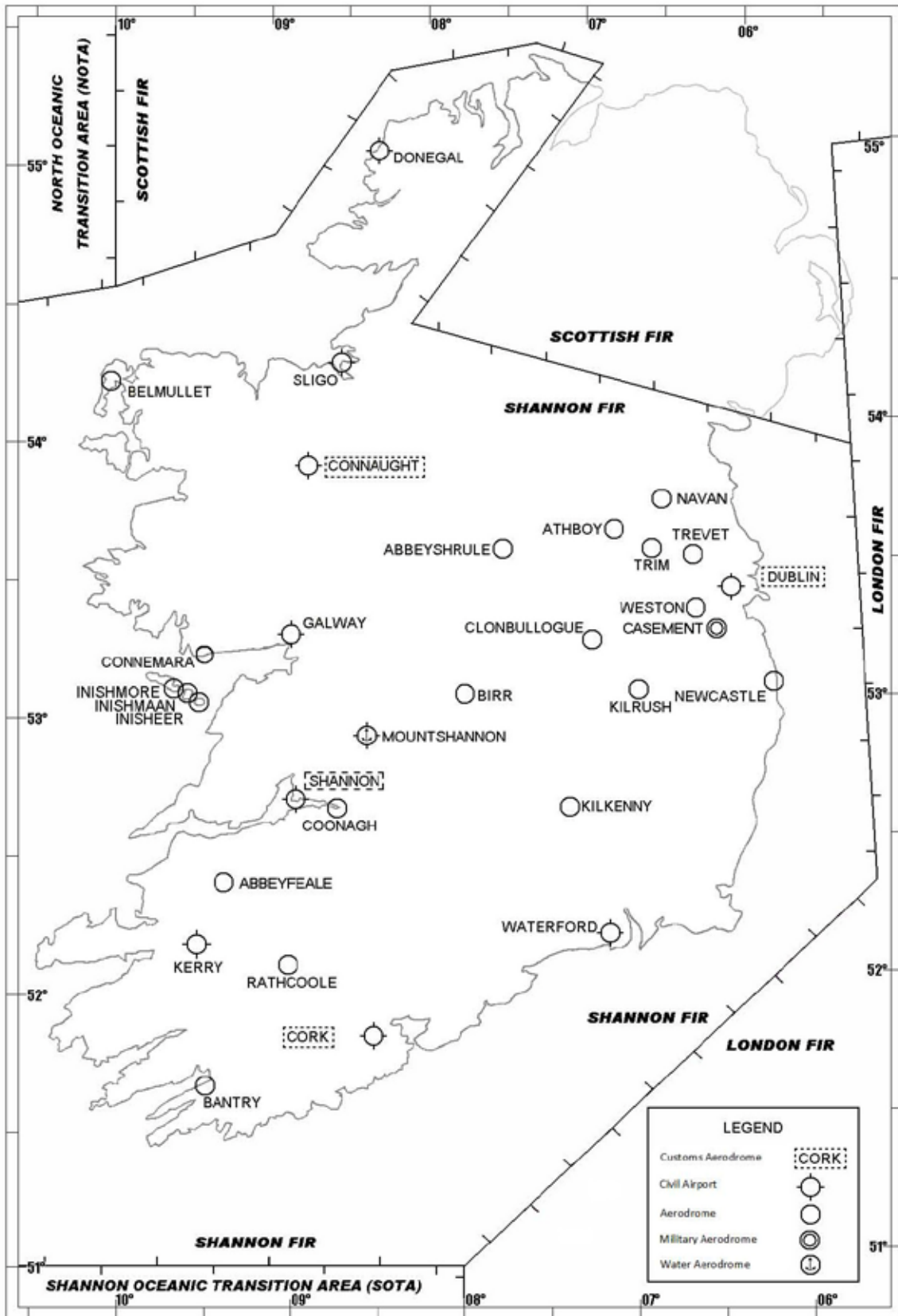
6.2	Ireland will advocate for the continued applicability of Article 83bis arrangements at EU level and will actively participate in work on developing ICAO guidance on Article 83bis through participation in the ICAO Task Force established in 2014.
6.3	Ireland will encourage the development of the International Aviation Services Centre (IASC) at Shannon.
7.1.1	Ireland will support any regulatory initiatives at EU level to establish a separate corporate aviation sector.
7.1.2	Ireland will promote the use of US preclearance facilities and of the Executive Jet Register, particularly at Shannon, by the general aviation sector
7.1.3	Shannon will be designated as a 'Centre of Excellence' for Business Aviation.
7.2.1	Ireland will support the continued development of flight training.
7.2.2	Ireland will, through the National Aviation Development Forum, continue to identify courses and post-qualification certification requirements, in the development of technical and business degrees, to meet the needs of the Irish aviation industry
7.2.3	Initiatives between education and industry, industry and/or airport partners will also continue to be encouraged and supported
7.3.1	Ireland will support the development of opportunities for work placement programmes for aviation industry students and for professionals from aviation and other relevant backgrounds to take up employment in the aerospace sector.
7.3.2	Ireland will support the continued development of aircraft maintenance training. The IAA will continue to work closely with airlines, MROs and FÁS / Solas to develop and improve the aircraft mechanic apprenticeship and traineeships, to meet the changing requirements of the aviation maintenance sector
7.3.3	Ireland, through the IAA, will continue to work with other European member States and EASA with a view to developing appropriate maintenance licence requirements for light aeroplanes, balloons and sailplanes.
7.4.1	The Department and the IAA will continue to work closely with EASA towards the elimination of anomalies in the requirements for pilot licences, including the potential extension of the mutual recognition of licences in EU States.
7.5.1	The IAA will work closely with EASA regarding future developments in the EU regulatory regime affecting the GA sector.
8.1	The Department will publish basic statistical information on its website, including passenger numbers (international, transit, domestic, etc.), new routes, cargo carried and airport commercial movements by end 2015.
8.2	The Department will develop this dataset in 2016 following engagement with key stakeholders to identify and prioritise additional statistical information required by the industry.
8.3	As part of that process, a decision will be made before end 2016 on optimal organisational arrangements for the collection and dissemination of the agreed dataset.
8.4	A review of the range and relevancy of the data published will be carried out by the Department in 2020, with further reviews being carried out every 5 years thereafter.
9.1	Ireland will establish a National Aviation Development Forum led by the Department of Transport Tourism and Sport and with appropriate representation from across Government and the industry.

Appendix 2

INDEX TO AERODROMES AND HELIPORTS

Aerodrome/Heliport name Location indicator	Type of traffic permitted to use the aerodrome/heliport		
	International- National (INTL - NTL)	IFR-VFR	S = Scheduled NS = Nonscheduled P = Private MIL = Military
1	2	3	4
CORK International EICK	INTL - NTL	IFR - VFR	S - NS - P
DUBLIN International EIDW	INTL - NTL	IFR - VFR	S - NS - P
SHANNON International EINN	INTL - NTL	IFR - VFR	S - NS - P
DONEGAL EIDL	INTL - NTL	IFR - VFR	S - NS - P
GALWAY EICM	INTL - NTL	IFR - VFR	S - NS - P
IRELAND WEST EIKN	INTL - NTL	IFR - VFR	S - NS - P
KERRY EIKY	INTL - NTL	IFR - VFR	S - NS - P
SLIGO EISG	INTL - NTL	IFR - VFR	S - NS - P
WATERFORD EIWF	INTL - NTL	IFR - VFR	S - NS - P
WESTON EIWT	INTL - NTL	IFR - VFR	P
ABBEYSHRULE EIAB	NTL	VFR	P
ATHBOY EIMH	NTL	VFR	P
BELMULLET EIBT	NTL	VFR	P
BIRR EIBR	NTL	VFR	P
BANTRY EIBN	NTL	VFR	P
CLONBULLOGUE EICL	NTL	VFR	P
CONNEMARA EICA	NTL	VFR	P
COONAGH EICN	NTL	VFR	P
INISHEER EIIR	NTL	VFR	P
INISHMAAN EIMN	NTL	VFR	P
INISHMORE EIIM	NTL	VFR	P
RATHCOOLE EIRT	NTL	VFR	P
KILKENNY EIKK	NTL	VFR	P

Aerodrome/Heliport name Location indicator	Type of traffic permitted to use the aerodrome/heliport			Reference to AD Section and Remarks
	International- National (INTL - NTL)	IFR-VFR	S = Scheduled NS = Nonscheduled P = Private MIL = Military	
1	2	3	4	5
KILRUSH EIKH	NTL	VFR	P	EIKH AD 2
NEWCASTLE EINC	NTL	VFR	P	EINC AD 2
MOUNTSHANNON EIMS	NTL	VFR	P	EIMS AD 2
TREVET EITT	NTL	VFR	P	EITT AD 2
TRIM EITM	NTL	VFR	P	EITM AD 2
ABBEYFEALE EIRE	NTL	VFR	P	No Information Published
CASEMENT EIME	-	-	MIL	No Information Published
FINNER EIFR	-	-	MIL	No Information Published
NAVAN EIHH	NTL	VFR	P	No Information Published



Appendix 3

Acronym	Title
AAIU	Air Accident Investigation Unit
ABIS Group	Austria, Belgium, Ireland, Luxembourg, The Netherlands, Portugal and Switzerland
ALERT	Aircraft Locating Emergency Response
ANC	Air Navigation Commission
ANSP	Air Navigation Service Provider
ATM	Air Traffic Management
BRT	Bus Rapid Transport
CAPEX	Capital Expenditure
CBP	Customs and Border Protection (US)
DTTAS	Department of Transport, Tourism and Sport
EASA	European Aviation Safety Agency
ECAC	European Civil Aviation Conference
ECCAIRS	European Centrally Coordinated Accident and Incident Reporting System
EEA	European Economic Area
EoSM	Effectiveness of Safety Management
EU	European Union
EU-ETS	European Union - Emissions Trading Scheme
FAB	Functional Airspace Block
FDA	Food and Drugs Administration (US)
FDI	Foreign Direct Investment
GA	General Aviation
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GMBM	Global Market Based Measure
IAA	Irish Aviation Authority
IASC	Irish Aviation Services Centre
ICAO	International Civil Aviation Organisation
ICT	Information and Communications Technology
MBM	Market Based Measures
MORs	Mandatory Occurrence Reporting System
NAT SPG	North Atlantic Systems Planning Group
NCASP	National Civil Aviation Security Programme
NTA	National Transport Authority
OPEX	Operating Expenditure
PRB	Performance Review Body
PSO	Public Service Obligation
RPAS	Remotely Piloted Aircraft Systems
SeMS	Security Management System
SES	Single European Sky
SESAR	Single European Sky ATM Research
SMS	Safety Management System
SRD	Safety Regulation Directorate
SSP	State Safety Plan
TSA	Transportation Security Administration (US)



