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EU/US Open Skies Potential Impact on Ireland

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Air Transport Users Council (ATUC)

ATUC Background



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- Chambers Ireland
- Business as a Consumer
- Lobby for efficient, effective and competitive air transport services to, from and within Ireland, available to serve the business community and the whole economy

Background Legislative Framework - EU Level



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- 1979 - “Contribution of the European Communities to the development of air transport services” - Blueprint for liberalisation
- 1983 - “Interregional Air Services Directive”
- 1987 - First Liberalisation Package
- 1990 - Second Liberalisation Package
- 1993 - Third Liberalisation Package

Background Legislative Framework - Ireland/US Bi-Lateral



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- 1945 Agreement, many amendments
- Multi-designation access to limited US gateways
- Shannon dual-gateway status
- ECJ Ruling 2002 - Bi-Laterals contrary to EU Law
- EU/US “Open Skies” Negotiations began in 2003
- Still no agreement

Chambers Ireland Study



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- First study into the impacts, opportunities and possible threats
- Authored by Frederik Sorenson and Alan Dukes
- Project Partners: Aer Lingus, DAA, IHF, Shannon Development, South West Regional Authority
- National consensus
- Positive impacts



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Why so positive?

- Ireland's geographic position
- Congested skies over Europe and traditional major hubs
- Potential for Ireland to be relief-point and intercontinental hub



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Why so positive?

- Ireland currently 7th largest transatlantic market in EU
- Dublin 8th largest in Europe
- Multinational and tourist demand
- Ireland is trusted partner of US - Immigration

Barriers



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- Ongoing negotiations
- US stranglehold on foreign ownership
- Aer Lingus in a position to capitalise on opening up of additional gateways - dependent on fleet expansion
- Passport Control delays

Barriers



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- Irish Airport Landbank... but...
- Dublin/Shannon/Cork “one hand tied” until full unbundling and true commercial status
- Landside/Airside facility expansion at Dublin (T2) - dependent on Regulator
- T3 Vs. T2

Shannon - Will capitalise!!



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- More than adequate capacity
- Significant market and demand - good commercial proposition
- FDI location
- Need to complete unbundling to realise commercial potential before Open Skies concluded

Shannon Dual Gateway



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- Active and forceful supporting activities must be undertaken
- Phasing out of Dual Gateway agreed
- Recent negative reportage unfounded
- Links to Europe - v. attractive
- Atlantic Motorway links must be prioritised



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Possible Outcomes

- Cork well-positioned
- The agreement by itself will provide only a limited boost to economic development, must be combined with other policies, infrastructure investments and incentives
- Benefits will accrue to business interests in Ireland, including tourism

Conclusion



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- Irish Airports and Carriers need
 - Strong leadership
 - Aggressive cost base
 - Competitive pricing strategy

EU Liberalisation fed our success
Open Skies can sustain it



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Thank you

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Survey available

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