

Towards Sustainable Airport Development

Aviation Policy

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Stating the obvious

- We are a small island nation with a very open economy on the periphery of Europe
- Good, competitive air links essential to facilitate economic growth and investment, integrate markets, encourage tourism, promote regional development and facilitate mobility into and off the island

Aviation – a challenging sector

- A dynamic, constantly changing industry
- Subject to cyclicalities and shocks
- Rapid expansion of air services
- Pressures on costs and competitiveness
- Concerns about sustainability
- Consolidation and new models emerging

“We are in a

***brawl with
no rules.”***

Paul Allaire

Recent policy decisions

- The restructuring of the State Airports
- The second terminal at Dublin Airport
- The future of Aer Lingus
- The Shannon stop and Open Skies
- Strengthening regional airports

A twin-track approach

- Facilitate and encourage as wide a range as possible of safe, reliable, regular and competitive commercial air services for Irish tourism, trade and industry
- Ensure Ireland's airports can provide cost competitive and appropriate infrastructure to meet the current and prospective needs of the aviation sector

Key policy themes

- Air services
- Infrastructure
- Aviation safety and security
- Economic regulation
- Aviation and the environment

Air services strategy

- Promote competitiveness, flexibility, consumer choice and diversity of product offerings to satisfy different consumer needs, by
- Positioning Aer Lingus for growth in Europe and long-haul
- Concluding liberal regulatory arrangements with non-EU states
- Facilitating greater access on transatlantic routes

Aer Lingus

- Recovered quickly after 9/11
- Improved competitiveness created the potential to expand eastwards, westwards, in Europe and beyond
- Open skies offers growth and hub opportunities
- Access to capital a pre-requisite for growth
- Government committed to retaining a shareholding of 25.1%

Open skies

- Irish airlines currently serving 4 US destinations- upwards of 20 US airports have shown an interest in direct links
- Considerable potential benefit to Irish economy
- Ireland seeking to bring this issue to conclusion in EU-US context or bilaterally with US

Infrastructure

- State airports
- Regional airports
- Integration with other transport infrastructure
- Air traffic management

State airports

- 17.9m passengers in 2000 grew to 24.5m in 2005
- State Airports Act, 2004 mandated the restructuring of Dublin, Cork and Shannon as fully independent commercial, and competitive airports
- Aim to have airports boards, managements and staff responsible for their own airport's strategies and plans and growing their own markets

Promoting the development of Dublin Airport

- Ireland's key, strategic, international aviation gateway
- Integrated with national, regional and local transport networks
- Its effectiveness and efficiency intrinsically linked with competitiveness of GDA and Ireland
- Potential to develop as a hub exploiting market advantages of full US pre-clearance

Key decisions taken on Dublin Airport

- New Pier D operational in 2007
- T2 will increase capacity to over 30 million passengers by 2009
- Triple safeguards to ensure maximum efficiency and open tender for its operation
- Second runway in planning process

Regional airports

- Optimising the role of regional airports in promoting balanced regional development
- Support for regional air services (PSOs)
- New programme for capital expenditure at regional airports

Integrated transport networks

- Airports supporting the National Spatial Strategy and regional planning guidelines
- Getting the right fit with the contiguous road network
- Developing and exploiting public transport links such as Metro North

Air Traffic Management

- Currently the remit of IAA
- Dual role for ATM and safety regulation being reviewed in light of emerging EU policies
- Single European Sky initiative provides opportunity to build Functional Airspace Blocks (FABs) in which Ireland has a key strategic role

Aviation safety and security

- The gold standard and number one priority
- Safety currently remit of IAA operating to highest international standards – structures under review
- AAIU an important investigative role
- Security an increasing challenge and cost to the aviation sector

Economic regulation

- Independent regulation of airport charges introduced in 2001
- State Airports Act, 2004 removed price regulation in the case of Cork and Shannon, adjusted the mandate for Dublin

Aviation and the environment

- Key impacts: emissions, noise, congestion
- Solutions must take account of Ireland's high dependence on air services and international dimension to aviation
- Timely airport infrastructure development, better ATC management and better integration with other transport modes helps mitigate environmental impacts
- EU and international developments

Conclusion

- A vibrant, competitive aviation sector is critical to Ireland's competitiveness
- Significant opportunities for the development of aviation services to and from Ireland
- Physical infrastructure must be planned and delivered in a timely and coherent manner to exploit these opportunities
- We will need to continuously adapt and review aviation policies and strategies to fit changing economic, environmental and social circumstances

*“If you don’t
like change,
you’re going to
like irrelevance
even less.”* —General Eric

Shinseki, Chief of Staff, U. S. Army

