

Declaration of Parameters for Summer 2017 – Comments of Aer Lingus

At the outset, we would reiterate our serious concerns about the current process and its compliance with the requirements of EU Slot Regulation 95/93 as amended and best practice. While we note that the CAR may have been appointed as the competent authority for the EU Slot Regulation (the “Regulation”) under the Aviation Regulation Act 2001, it has to best of our knowledge, never intervened in this manner in relation to the declaration of coordination parameters under Article 6 of the Regulation. Instead, the well-established practice at Dublin has been for the slot parameters to be established in accordance with the recommendations of the coordination committee and we believe this practice should continue until CAR has clarified the process which it intends to adopt going forward under Article 6.

Further, Article 6(2) of the EU Slot Regulation provides that:

“The parameters shall be communicated to the airport coordinator in good time before the initial slot allocation takes place for the purpose of scheduling conferences.”

As slot allocation is due to occur on 27th October, we do not believe that the current process allows for sufficient time for this requirement to be met. We would also draw your attention to the provisions of IATA’s Worldwide Slot Guidelines, Section 6.8.2 of which provides that late declarations or changes to coordination parameters after the Initial Submission Deadline (i.e. 6th October 2016) should be avoided. The declaration of increased capacity after the Initial Submission Deadline is highly undesirable due to the difficulty in making subsequent material changes to schedules as it is not only necessary to amend schedules at Dublin but also at the affected destination airports, many of which are also congested.

Without prejudice to the above position and as outlined at our recent meeting, Aer Lingus have supported the decision to not increase slot capacity at Dublin for summer 17 for the following reasons:

1. There is ongoing deterioration in punctuality (specifically deterioration in taxi times) at Dublin which urgently needs to be addressed. This will only worsen if the slot parameters are changed to allow for an increase in departures from 35 to 37.
2. Investment in infrastructure is required to facilitate any increased capacity at Dublin. Aer Lingus is already investing significantly in improving its punctuality at Dublin and other airports but this is being undermined by taxiway congestion.
3. Poor punctuality will have an adverse effect on guest satisfaction and the development of Dublin as a hub airport.
4. There is no immediate requirement for such an increase as summer 2017 demand can be fulfilled from existing declared capacity.

We expand further below on the reasons for this position.

Background

The airlines have endeavoured to work constructively with the airport through the coordination committee to facilitate increases in capacity which is an objective shared by all airlines at Dublin

airport. With the support of the coordination committee (including the airlines), Dublin Airport saw an increase of two additional departures in the 0500 hour from 33 to 35 movements for summer 2016. However, as evidenced below, this increase caused a significant deterioration in what was already an unacceptable punctuality performance at Dublin.

The daa had previously proposed increased capacity for winter 2015 / 2016 which was rejected by the coordination committee. During this slot capacity declaration process, the position adopted by a majority of the coordination committee (including daa) was that additional capacity should not be declared at that time in order to allow the other (non-runway) infrastructural deficits to be addressed and which were necessary to facilitate the increase in capacity for summer 2016. Examples of the infrastructural projects that were proposed included: New Stands, Line-up points, Taxi-ways, Pavement renewal. Much of this infrastructural work has not yet been undertaken and will not be completed by summer 2017. At that time, Aer Lingus was of the view that the existing capacity limits for winter 2015/16 were sufficient to meet actual demand and this position proved to be correct.

Aer Lingus position remains that any increase in declared capacity can only occur once appropriate infrastructural investment has been made to address existing congestion. Without the necessary infrastructure, further deterioration will occur with additional slot capacity and this will have an adverse effect on the guest experience and the commercial performance of the airport and its airline customers.

Ongoing Punctuality Deterioration

Over the last 4 years Aer Lingus operations at DUB has seen a more than 30% increase in Taxi Out times. There is clear evidence that the additional runway slots introduced in summer 2016 had a further adverse effect on taxi times.

This increased taxi time applies throughout the day but most noticeably in the peak morning wave.

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The increased taxi times are apparent throughout the summer season and cannot therefore be attributed to external factors (such as French ATC issues in June).

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Further analysis of first wave taxi times for our key and consistent first wave departures shows continuous deterioration of Taxi times over the last 4 years. For obvious reasons, first wave flights are the key to delivering punctuality throughout the rest of the day.

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It is therefore Aer Lingus contention that 2015 and 2016 are incorrect baseline years to use for any assessment of airport performance and capacity as they represent an unacceptable benchmark for service levels in terms of taxi times and overall punctuality performance.

Aer Lingus Punctuality Investment

Following the unacceptable punctuality performance in summer 2015 and the operational risk, impact on guest satisfaction and financial cost that this poor performance generated, Aer Lingus identified punctuality improvement as a key strategic objective for 2016.

Aer Lingus has therefore invested heavily in punctuality over the last 12 months. This investment has been in the form of:

- extended block times,
- increased stand-by availability in schedule
- revised boarding procedures
- outstation turn procedure changes
- capital expenditure for equipment to improve ramp processes

Each of these investments has delivered improvements in Aer Lingus punctuality performance at Dublin despite deterioration in overall Dublin punctuality performance. According to daa's statistics overall, Dublin punctuality declined by 3.85 percentage points from 76.86% in summer 2015 to 73.01% in summer 2016 (see Appendix 1). However their statistics for Pier 4 (which is predominantly Aer Lingus operations) had a performance improvement of 72.78% to 74.56%. This indicates that Aer Lingus investment and performance improvement is masking an even more serious decline in Dublin Airport punctuality performance than the headline rate indicates.

Furthermore the significant investment we have made in our improved block times is merely being offset by longer taxi times at Dublin.

The evidence of this investment has also been demonstrated in improvements that we have experienced in our outstation turn time performance. This shows the efforts we have made to try to recover time at outstations to compensate for the poor taxi time performance at Dublin, our main hub, as we have delivered a [CONFIDENTIAL] year on year improvement in turn time performance at key volume outstations. (See appendix 3 for full details)

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Finally, Aer Lingus have been engaging positively with the daa on the introduction of collaborative decision-making at the airport (ACDM) which is expected to be trialled and implemented during summer 2017. Whilst this could deliver benefits to punctuality, amongst other things, in the medium to long term, both parties acknowledge that these will not materialize in any meaningful way as early as summer 2017.

Effects of Poor Punctuality

Punctuality is a critical enabler to the Aer Lingus business model. Poor punctuality drives lower levels of guest satisfaction and higher costs.

Of particular concern to Aer Lingus is the effect poor punctuality has on connecting traffic. Dublin is now the fifth ranked connecting hub in Europe and 50% of Aer Lingus transatlantic passengers are connecting at some point in their journey. Growing connecting traffic has been a stated strategic

objective of both Aer Lingus and daa. The continued deterioration in airfield performance threatens not just Aer Lingus but also the hard won reputation of Dublin as a transatlantic hub airport.

There is clear correlation between punctuality and guest satisfaction as outlined by the graph below detailing the results from the Aer Lingus Voice of Guest monthly surveys.

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Additional slot capacity without the supporting taxi and ramp infrastructure presents a significant strategic and commercial threat to the performance of Dublin as a hub and its continued growth.

No Requirement for additional Capacity

We believe that current demand can be accommodated within the summer 2016 declared capacity. In this regard, it should be noted that overall capacity sought as part of the airlines' initial submissions to the coordinators showed lower levels of demand than the equivalent process for summer 2016.

Conclusions

In establishing coordination parameters, CAR is obliged under the terms of the Regulation to take account of the constraints of all relevant airport infrastructure. This is clear from the definition of 'coordination parameters' contained in the Regulation which refers to "the expression in operational terms of all the capacity available for slot allocation at an airport during each coordination period, reflecting all technical, operational and environmental factors that affect the performance of the airport infrastructure and its different sub-systems."

Runway or terminal capacity cannot therefore be looked at in isolation. Taxi infrastructure is a key element to be taken into account when considering appropriate coordination parameters. A full airfield modelling process should therefore be undertaken prior to any increase in the number of slots during the peak hour to determine the impact on all other airfield and airport resources including terminal, ramp and airfield service levels to ensure that there is no adverse effect on punctuality, airline operational efficiency or guest experience. Given the poor level of performance as outlined above, neither 2015 nor 2016 represent an appropriate baseline year for such service level metrics. In particular, it is essential that the taxi and ramp infrastructure be addressed urgently rather than (as is being sought by daa) a situation where necessary investment only takes place after the capacity has been increased as this would inevitably cause further deterioration in operational performance. Consequently, it would be inappropriate and contrary to the principles set out in the Regulation to increase the declared capacity for summer 2017 at this time.

Appendix 1:

The S17 Dublin Capacity Declaration proposal

Runway Hourly Limits			
Time UTC	Arrivals Limit	Departures Limit	Total Limit
0000	23	25	32
0100	23	25	32
0200	23	25	32
0300	23	25	32
0400	23	25	32
0500	23	37	41
0600	20	32	42
0700	25	25	42
0800	23	25	42
0900	23	24	41
1000	27	27	45
1100	27	28	47
1200	23	26	46
1300	27	24	46
1400	23	26	44
1500	26	24	45
1600	25	28	49
1700	23	27	42
1800	23	24	37
1900	23	22	38
2000	25	22	38
2100	30	25	36
2200	26	25	32
2300	23	25	32
Totals	580	621	945

Appendix2

On Time Performance OTP per Pier

Summer-15: 76.86 %
Summer-16: 73.01 %

Pier 1 (including 5G)			
	OTP-15	OTP-16	
March	50.84%	70.94%	20.09%
April	80.75%	80.04%	-0.70%
May	80.60%	79.90%	-0.70%
June	77.12%	55.42%	-21.70%
July	73.88%	65.03%	-8.85%
August	79.00%	68.43%	-10.58%

Pier 2			
	OTP-15	OTP-16	
March	62.30%	65.49%	3.20%
April	81.53%	80.54%	-0.99%
May	80.75%	80.11%	-0.63%
June	76.48%	61.85%	-14.63%
July	78.60%	69.69%	-8.90%
August	79.17%	73.48%	-5.70%

• Summer-15 78.84%
• Summer-16 69.53%

Pier 3			
	OTP-15	OTP-16	
March	46.81%	71.43%	24.62%
April	80.44%	80.85%	0.42%
May	74.81%	76.84%	2.03%
June	71.41%	59.98%	-11.42%
July	63.49%	63.70%	0.20%
August	73.07%	68.47%	-4.60%

• Summer-15 79.75%
• Summer-16 72.72%

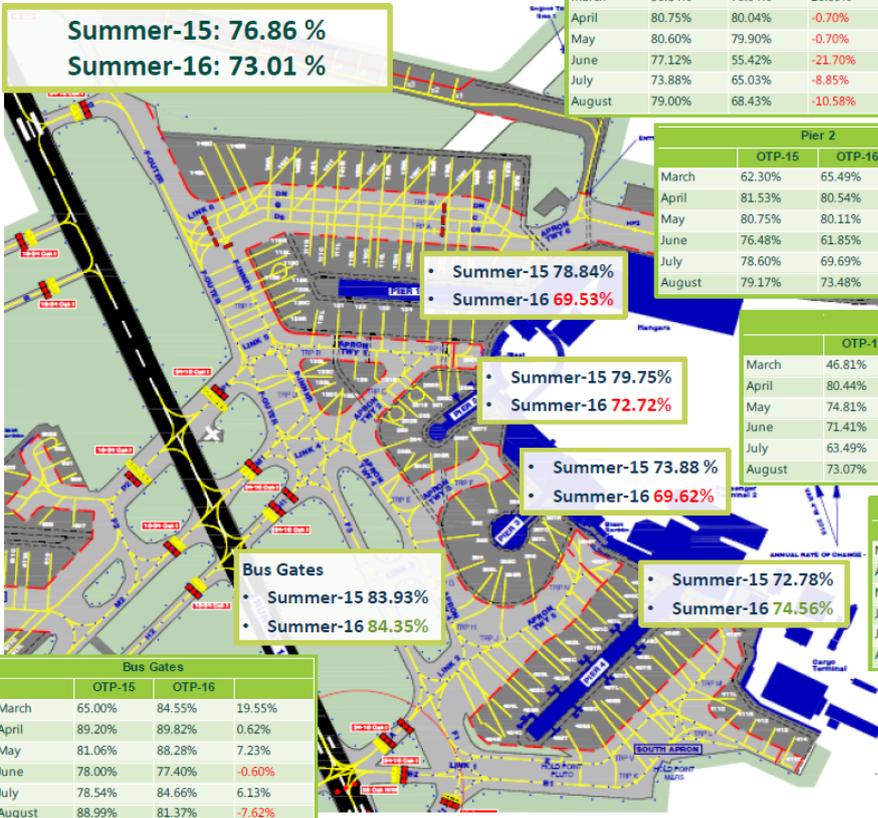
• Summer-15 73.88 %
• Summer-16 69.62%

Pier 4 (including south apron)			
	OTP-15	OTP-16	
March	38.40%	78.36%	39.96%
April	78.39%	86.16%	7.77%
May	74.62%	81.32%	6.70%
June	66.26%	64.31%	-1.95%
July	62.16%	69.21%	7.05%
August	73.39%	72.95%	-0.44%

• Summer-15 72.78%
• Summer-16 74.56%

Bus Gates
• Summer-15 83.93%
• Summer-16 84.35%

Bus Gates			
	OTP-15	OTP-16	
March	65.00%	84.55%	19.55%
April	89.20%	89.82%	0.62%
May	81.06%	88.28%	7.23%
June	78.00%	77.40%	-0.60%
July	78.54%	84.66%	6.13%
August	88.99%	81.37%	-7.62%



Appendix 3

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