



## A NATIONAL AVIATION POLICY FOR IRELAND – DRAFT

### Shannon Chamber Response

#### Introduction

Shannon Chamber welcomes the publication of the draft National Aviation Policy for Ireland report, which has taken account of submissions by interested parties to the Issues Paper published in March 2013.

The inclusion of many of the points raised in Shannon Chamber's submission is also welcome, specifically those relating to:

- Topic 1: Airports;
- Topic 2: Air Services;
- Topic 4: Aircraft Leasing & Finance;
- Topic 5: Aerospace MRO;
- Topic 6: Education & Training & Employment Rights;
- Topic 7: General Aviation; and  
Consultation with Industry

We now take the opportunity to expand on specific points in the draft paper that have not been dealt with in the manner expected and to which we would now like to contribute further comment, namely:

1. Fifth-Freedom Rights
2. Cargo Services
3. Preclearance
4. Secondary Hub
5. National Aviation Forum

## 1. Fifth-Freedom Rights

In its submission, Shannon Chamber stated:

*“Airline interlining must be considered a key constituent of route development considerations by Shannon Airport Authority (SAA) and Dublin Airport Authority (DAA). New Irish Bi-lateral Air Services Agreements, including fifth-freedom rights, are needed to enable Shannon target additional long-haul airline service opportunities”.*

While the draft policy document has outlined specific policy proposals in this regard, Shannon Chamber would suggest that this particular issue warrants more in-depth consideration for the following reasons:

1. The proposals, as outlined, to liberalise fifth-freedom rights from Ireland, would negate all previous Government undertakings with regard to balanced regional development, particularly regional tourism and export competitiveness.
2. The overall economic impact of granting fifth-freedom rights to airlines using particular Irish airports needs to be taken into account. For example, the Shannon Aviation Business Development Task Force report identified fifth-freedom rights as a key opportunity for Shannon’s future aviation strategy, given Shannon’s historical focus on transit and fifth-freedom operations through Ireland. A recent economic impact study commissioned by Shannon Airport Authority (a key Shannon Chamber member) points to an eleven-fold benefit in GDP terms accruing to a business passenger transiting to or from Shannon as opposed to transiting to or from Dublin.
3. In real terms, this would mean that while fifth-freedom rights would be transformative for Shannon, the impact for Dublin would be marginal. Hence the need to avoid increasing the current and continuing skews towards Dublin and look instead towards maximising the benefit for the entire country.
4. The marginal increases that Dublin would gain from full liberalisation of traffic rights would seriously impact regional development and competitiveness while the benefits deriving from fifth-freedom services through Shannon would not only benefit Shannon but the economy generally – enhance Irish export competitiveness through the availability of additional direct cargo services; greater business connectivity for the multinational clusters on the entire west coast of Ireland; and greater visitor spend overall at business and tourism levels. The economic benefit from connecting passengers who do not ‘enter’ Ireland delivers little economic benefit.

As noted in the National Spatial Strategy 2002 – 2020 – much of Ireland’s recent prosperity has been generated in the Greater Dublin Area (GDA) and while the performance of the GDA will remain pivotal to the overall economic well-being of Ireland, we also need to build up other places and areas to be similarly strong on a national and international scale — generating benefits closer to where people live.

For all of the above reasons, Shannon Chamber recommends that any proposal to liberalise fifth-freedom rights must take balance for the overall economy into consideration, and that such rights should not be granted on routes which are already well served by Irish and/or US carriers.

## **2. Cargo Services**

In its submission, Shannon Chamber stated:

*“Shannon should be developed as a cargo hub as outlined in the Shannon Aviation Business Development Task Force report...cargo preclearance facilities should also be sought and pilot tested at Shannon...”*

Shannon Chamber notes a change in wording in the draft Policy report such that the word ‘cargo hub’ is being replaced by the word ‘aero-industry hub’ and that Shannon Airport is being asked to prepare a business case for designation as an ‘aero-industry hub’. This would suggest that Shannon is no longer being considered as a cargo hub.

To ensure that the goals and objectives of the Shannon Aviation Business Development Task Force report can be attained to enable Shannon deliver the level of activity proposed in the report, Shannon Chamber proposes that the development of cargo hub activities at Shannon remains a key priority and that further explanation of the term ‘aero-industry hub’ is warranted.

## **3. Preclearance**

In its submission, Shannon Chamber stated:

*“The take up of Shannon’s US preclearance by business jet operators has been disappointing but recent negotiations by Shannon Airport Authority (SAA) to address pertinent issues with US Authorities will serve to improve uptake levels. However, any anomalies, such as curtailed opening hours that might serve as a hindrance, should be addressed. Business jets may not conform to the current preclearance opening hours that exist for passenger flights.”*

Shannon Chamber welcomes the continued effort being expended to ensure the continued delivery and development of US preclearance at Dublin and Shannon airports; but questions the inclusion of the word 'airports' in the case of GA preclearance, which currently is only available at Shannon.

#### **4. Secondary Hub**

Section 4.3 of the Draft Policy document refers to the opportunity' to develop Dublin as a vibrant secondary hub....for traffic flows between Europe and the US..'

Shannon Chamber would reiterate the point that Shannon Airport is also an important hub for connecting traffic, and, linking this to new Irish Bi-lateral Agreements, including fifth-freedom rights, Shannon should also be in a position to identify and target long-haul airline services opportunities for Shannon to enable it to also become a hub for traffic between Europe and the US.

#### **5. National Aviation Forum**

Shannon Chamber is delighted to see that its recommendation for the establishment of a National Aviation Forum has been acknowledged.

As stated in our submission, Shannon Chamber has assembled a CEO Forum for Shannon businesses, as also a HR Forum and a Health & Safety Forum. We referred to our interest in *'setting up an Aviation Forum of key players in the sector in the Shannon Region to meet on a regular basis to share knowledge, identify and share issues etc.'*

Given our involvement in the establishment and operation of key Forums in the Shannon area, Shannon Chamber would be willing to participate in and contribute to the undertakings of the proposed National Aviation Forum as an active Forum member.

On behalf of its members, Shannon Chambers thanks the Department of Transport, Tourism and Sport for the work undertaken thus far on the formulation of the National Aviation Policy for Ireland. We are grateful for this opportunity to, once again, make additional comments on aspects which concern us/our members.

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