



## Ryanair Submission to the Joint Committee on Transport & Communication Networks 07 October 2020

### Background to Intra-European Travel Restrictions

May 20 last, the European Commission through the European Aviation Safety Agency (EASA) and the European Centre for Disease Control (ECDC) published health guidelines to restart commercial aviation within the EU<sup>1</sup>. It was a European wide initiative to strike a balance between living with C-19 and reopening air travel in a safe, secure and coordinated manner. Specifically, the ECDC set out a programme of safety measures which were adopted by all stakeholders in Aviation including Airlines and Airports. Ireland, which is the EU country most dependant on aviation connectivity, was remarkably the only EU Country not to coordinate with our EU partners in restoring air travel. Throughout the summer, Ireland continued to deviate from the approach of our European partners, ignoring ECDC guidelines and adopting a failed quarantine strategy. The stark failure of this policy was evident from the outset with Ireland including the UK in a 14-day quarantine, but allowing unrestricted access from Northern Ireland, making the quarantine ineffective from the first day of introduction. To compound matters, the Government and their medical advisors NPHET continued to actively discourage the public from travelling despite the fact that international experts including the WHO, advise that air travel represents minimal risk<sup>2</sup>. Without any scientific basis the Government and their advisors have through the failed "Green List" cut Ireland off from the rest of Europe, banning travel from countries such as Germany and Italy that have a fraction of the infection rate in Ireland. That failed "Green List" list policy which continues has now confined Ireland (as of Oct 1) to unrestricted travel to four tiny European countries; Finland, Latvia, Cyprus and Lichtenstein- one of which doesn't even have an airport. Ireland is now officially closed for business and connectivity with the largest economies in Europe including the UK, Germany, France, Italy and the Netherlands.

As the only island nation in the EU, Ireland has inexplicably and without any public health benefit (as C-19 infection rates have continued to soar due to domestic factors), inflicted, if it isn't changed, the single biggest act of self-harm to this economy since the 1930's. The result of this Govt policy has seen the collapse of the summer 20 season. The coming winter will see that contraction continue with deep cuts in seat capacity across all airlines as current government aviation policy is to close Ireland to airline connectivity within the EU. This lack of action from Govt will this winter, regrettably see Ryanair significantly reduce its capacity in Dublin, close its Cork and Shannon bases, cut capacity to Kerry and Knock, wiping out connections to the UK and the EU to Irish regional airports. With no clarity for Summer 21 on travel restrictions or incentives which are clearly set out in the Government Aviation Recovery Task Force Report, the implications for next summer will be devastating for Irish tourism, which supports 325,000 jobs<sup>3</sup>.

To avoid this our Government needs to take action **NOW**, on two issues to save Cork and Shannon and to secure airline capacity on the island of Ireland for next summer, and in doing so support 140,000 jobs in aviation and 325,000 jobs in tourism.

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<sup>1</sup> <https://www.easa.europa.eu/newsroom-and-events/press-releases/easaecdc-issue-joint-guidelines-assure-health-safety-air-travel>

<sup>2</sup> <https://www.independent.co.uk/travel/news-and-advice/plane-safety-coronavirus-ventilation-air-filter-flight-risk-who-david-nabarro-a9612861.html>

<sup>3</sup> <https://www.tourismireland.com/About-Us>

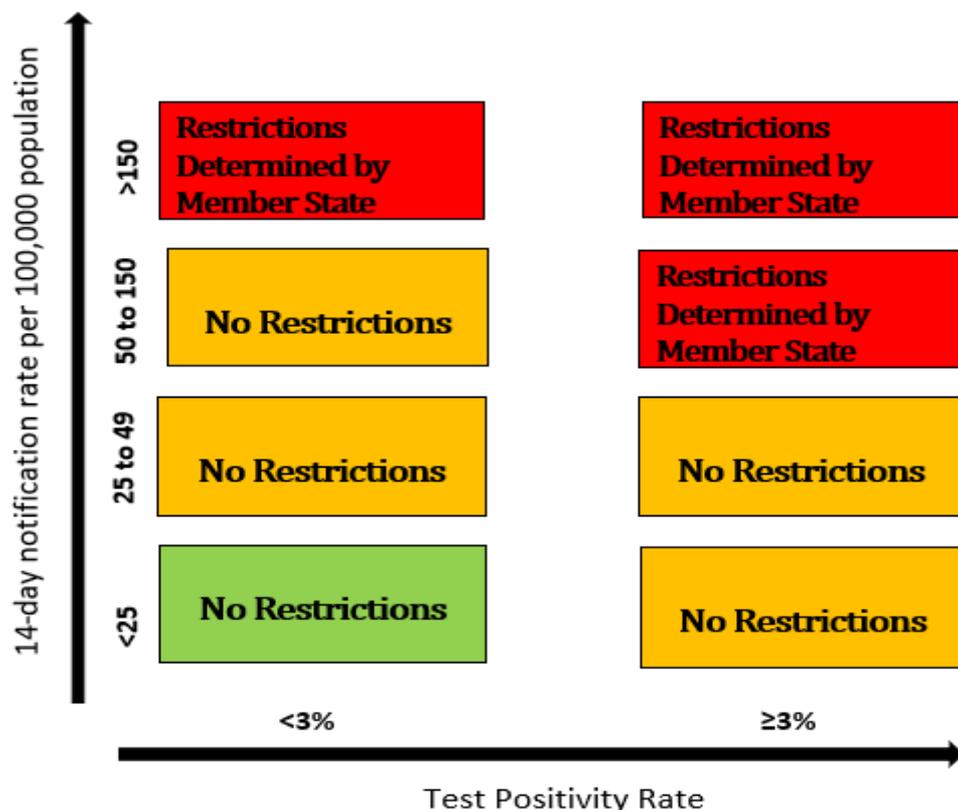
1. **EU Traffic Light System:** Ireland to champion and adopt the EU Traffic Light system without restrictions on Green & Amber countries within the EU to restore confidence in air travel and connectivity to the island of Ireland.
2. **Aviation Task Force:** The Govt to implement the Aviation Recovery Task Force recommendations, specifically confirm the immediate implementation of the provision of rebates of all charges at Irish Airports for a period of 3 years for all airlines, ensuring that this state intervention will be deemed legal by the EU Commission. These schemes will clearly incentivise airlines to plan their schedules for Summer 21 in anticipation of a revived tourism landscape driven by a successful vaccine. These incentive schemes will enable Ireland to compete with other EU countries who are busily copper fastening future airline seat capacity to support their aviation infrastructure with massive and illegal state aid.

## EU Traffic Light system

The European Commission has recognised that EU Citizens must have the right to move freely, and unilateral measures to restrict movement by member states clearly doesn't work. Such disjointed policies by individual member states adds confusion and undermines passenger confidence. The common criteria adopted by the European Commission for the proposed "traffic light" system considers two factors in determining whether an EU Member State or Region is designated as Green/Amber with no restrictions on travel movements within the EU or Red with potential restrictions as determined by individual member states for travel within the EU. The two determinants on what designation a Member State / Region receives are as follows:

1. **Infection Rate:** The 14-day rolling C-19 case notification rate per 100,000 of population.
2. **Test Positivity Rate:** The test positivity rate which is the percentage of positive tests amongst all tests in any given area in the previous 7 days – with the key determinant as to whether the positive rate percentage of tests is greater or less than 3%.

### EU TRAFFIC LIGHT SYSTEM - Proposal



Based on these two factors the colour status of EU Member States \ Regions determines no travel restriction for countries \ regions deemed Amber or Green. This would have the immediate effect of opening unrestricted travel to and from Ireland to Germany, UK, Italy, Lithuania, Belgium, Bulgaria, Denmark, Estonia, Greece, Luxembourg, Malta, Norway, Poland, Portugal, Slovakia, Slovenia and Sweden, and is based on one source of reliable scientific data from the ECDC. EU member states or regions designated as Red can be dealt with by advisory restrictions determined by individual Member states. In Germany for example arrivals from a Red zone, which currently includes the region of Dublin, can take a test free of charge within 72 hours of arrival.

This ECDC approach which is less sensitive to weekly fluctuations, would assist in restoring passenger confidence and connectivity with our largest trading partners and is built on sound scientific advice from the ECDC, and also allows regional variations within individual member states. We urge the Govt to immediately adopt the traffic light system which would see the largest economies in Europe including Germany and Italy and 15 other regions (see Appendix 1) reconnected to Ireland with no travel restrictions. If this traffic light system is adopted without restrictions on Green and Amber Member states including the UK, then Cork and Shannon bases will remain open this winter. If Cork and Shannon bases were to close, it would see their annual passenger numbers fall by up to 90% and Kerry and Knock which are heavily dependent on UK traffic would have all its traffic effectively wiped out.

## Testing

We were asked by the committee to comment on testing and our comments are as follows:

Testing in the context of EU short haul flights should be part of the EU traffic light system, but only for Red countries \ regions, with testing taking place as part of a community-based programme. Diverting testing resources to airports is a poor use of testing capacity particularly for Intra European flights. The notion that has gained currency that testing for short haul travel at airports prior to departure is viable is completely misguided. The logistics of carrying out tests at airports and delays in receiving results in the context of flight times of between 1 & 2 hours is a complete non-starter. It would not only destroy customer confidence in booking but would result in a massive increase in missed flights. Costs for a private test are in the region of €180 and expecting passengers to pay for tests who pay €9.99 fares is an economic nonsense. While there may be merit in testing for long haul flights driven by bilateral Government agreements, testing for intra-European flights should be confined to Red zone countries \ regions, and that testing should be part of a suite of measures including restrictions as determined by each member state. There should be no restrictions on travel intra EU for Green and Amber countries. Travel locator data to support Member State track and trace would continue and is something that Ryanair will continue to support.

## Structural Support by Government for Aviation

Ireland currently has no policy or strategy to support aviation in emerging from this C-19 pandemic. As a nation we are currently unprepared for reaping any upswing in demand in a post successful vaccine scenario. Government policy seems to assume that airline seat capacity will bounce back to pre-C-19 levels – it won't.

The majority of European Airlines are effectively bankrupt and are being propped up by their Governments with massive and illegal state aid. These EU states unlike Ireland have alternative transport links by road and rail, but yet they have pumped billions into their airlines - Lufthansa €11b, Air France €7b, KLM €4b, Alitalia €3b etc. Airports in Germany, Portugal, Belgium, Poland, Bulgaria, Denmark and Hungary are also receiving massive state bailouts and subsidies to maintain connectivity. The reality is that that EU airline capacity will continue to decline, with up to 50% less capacity in 2021 vs 2019, and in all probability these bailed out airlines will require further illegal state aid in the not too distant future. That situation does not exist in Ireland where we rely on privately run airlines to maintain connectivity and currently both Ryanair and IAG (the Spanish parent company of Aer Lingus) are well capitalised.

The market in Europe over the next 5 years to maintain seat capacity to support individual economies will intensify as airports and governments scramble to attract significantly reduced

capacity. At the moment Ireland has no plan and is hugely vulnerable to airline capacity migration to other EU countries and regions that are anxious to attract airline seat capacity. Ireland instead of being at the forefront of ensuring the maintenance of links, is currently the only EU country actively shutting down its connections. A review of the Green List on current criteria would excuse all EU27 member states from the discredited Irish Green List. This makes a nonsense of the system, especially when last week's High Court decision confirms that there is no legal basis for enforcing travel restrictions which are purely advisory. Airline traffic is not expected to return to pre C19 levels until 2024<sup>4</sup> and in the intervening period fares are expected to fall as passenger confidence will slowly return and state subsidized airlines will leverage bailouts to eliminate competition.

The Govt should immediately adopt the Aviation Recovery Task Force recommendations on supports to Dublin and Irish regional airports by introducing a rebate on airport charges to all Airlines for a period of 3 years. This stimulus falls within state aid guidelines as it is open to all airlines. These supports to retain and attract airline capacity. We estimate in the region of €300m per annum for intra-European traffic representing real value in supporting the 140,000 jobs in aviation and the 325,000 jobs in Tourism, and would structurally prepare Ireland to reap the benefits of any recovery in a post vaccine scenario. Airline seat capacity is falling in Europe and Ireland needs to seize the opportunity and secure that capacity now, before that capacity migrates elsewhere in Europe.

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<sup>4</sup> <https://www.iata.org/en/pressroom/pr/2020-07-28-02/>

**APPENDIX 1 – EU Traffic Light System**

<b>Country</b>	<b>Rate per 100,000</b>	<b>Pos. Rate (%)</b>	<b>Restrictions</b>
<b>GREEN</b>			<b>NO</b>
Cyprus	6.1	0.09	
Finland	10.7	0.42	
Germany	23.7	0.78	
Latvia	4.2	0.27	
Lithuania	17.3	0.69	
<b>ORANGE</b>			<b>NO</b>
Belgium	80.7	2.64	
Bulgaria	27.7	3.90	
Denmark	58.1	0.38	
Estonia	25.7	1.33	
Greece	30.6	1.68	
Ireland	54.7	1.60	
Italy	33.0	1.66	
Luxembourg	105.7	0.59	
Malta	127.2	1.56	
Norway	28.6	0.96	
Poland	19	3.10	
Portugal	68	2.65	
Slovakia	33.4	3.29	
Slovenia	46.7	3.05	
Sweden	29.4	1.07	
UK	59.3	1.39	
<b>RED</b>			<b>POSSIBLE</b>
Austria	82.0	4.61	
Croatia	81.1	8.81	
Czech Rep	143.3	7.83	
France	166.9	5.40	
Hungary	87.5	6.33	
Netherlands	82.5	3.69	
Romania	88.2	5.96	
Spain	287.2	10.89	