

DÁIL ÉIREANN

AN COMHCHOISTE UM IOMPAR AGUS CUMARSÁID

JOINT COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Dé Máirt, 22 Meitheamh 2021

Tuesday, 22 June 2021

Tháinig an Comhchoiste le chéile ag 9.30 a.m.

The Joint Committee met at 9.30 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Joe Carey,	Jerry Buttimer,
Cathal Crowe,	Gerard P. Craughwell,
Michael Lowry,	Timmy Dooley,
Steven Matthews,	Gerry Horkan.
James O'Connor,	
Darren O'Rourke,	
Ruairí Ó Murchú,	
Duncan Smith.	

I láthair / In attendance: Senators Maria Byrne and Martin Conway.

Teachta / Deputy Kieran O'Donnell sa Chathaoir / in the Chair.

Issues facing the Aviation Industry: Discussion (Resumed)

Chairman: The purpose of this meeting is to continue our discussion on the challenges facing the aviation industry, with particular regard to the recent announcement by Aer Lingus in respect of Shannon and Cork airports, the wider challenges for the sector with regard to Covid and the digital green certification, the introduction of which on 19 July is fast approaching. On behalf of the committee, I welcome Ms Lynne Embleton, the new CEO of Aer Lingus, and Mr. Donal Moriarty, Aer Lingus chief corporate affairs officer.

Before we begin, I must read a note on privilege. Witnesses are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person or entity by name or in such a way as to make him, her or it identifiable, or to otherwise engage in speech that might be regarded as damaging to the good name to the person or entity. If the witnesses' statements are potentially defamatory in relation to an identified person or entity, they will be directed to discontinue their remarks. It is imperative that they comply with any such direction. For witnesses attending the meeting remotely outside of the Leinster House campus, there are some limitations to parliamentary privilege and as such they may not benefit from the same level of immunity from legal proceedings as witnesses physically present do. Witnesses participating in this committee session from a jurisdiction outside the State are advised that they should also be mindful of how their domestic law might apply to the evidence they give.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House, or an official, by name or in such a way as to make him or her identifiable. I remind members of their constitutional requirement that members must be physically present within the confines of the place which Parliament has chosen to sit, namely, Leinster House or the Convention Centre Dublin, in order to participate in public meetings. I will not permit a member to participate where he or she is not adhering to this constitutional requirement. Any member who attempts to participate from outside the precincts will be asked to leave the meeting. Any member who attempts to participate from outside the precincts will be asked, reluctantly, to leave the meeting. In this regard, I ask that prior to making his or her contribution to the meeting, any member who is participating by Teams would confirm that he or she is on the grounds of Leinster House campus or the Convention Centre Dublin.

For anybody watching this meeting online, Oireachtas Members and witnesses are accessing this meeting remotely. Only I as the Chair and the necessary staff essential to running the meeting are physically present in the room. Due to these unprecedented circumstances and the large number of people attending the meeting remotely, I ask for everyone's forbearance should any technical issues arise.

I now invite Ms. Embleton to make her opening statement.

Ms Lynne Embleton: I thank the committee for the opportunity to engage with it again. As members of the committee will be well aware, it is a critical time for aviation. There are a number of issues in play. We submitted a statement a few weeks ago, which I assume members

have had an opportunity to read, so I do not propose to read through it verbatim. We also submitted a supplementary statement yesterday and I propose to draw on some of the key points within that statement.

This is an evolving situation. Issues are changing by the day and a number of issues have arisen over the previous few weeks that are detrimental to aviation. We would like to discuss them here today. Since we last met the joint committee, the situation at Stobart Air has come into the public domain. This committee has been for some time discussing the risks posed to aviation by the ongoing pandemic and the restrictions imposed on aviation. If we needed any more evidence of those risks materialising, the demise of Stobart Air is exactly that. Close to midnight on 11 June, we were informed that Stobart Air would cease trading, following which the Aer Lingus team worked through the night and the weekend to put in place services to, where possible, rebook, refund and accommodate passengers. We have announced that Aer Lingus will be able to sustain six of the Stobart Air routes over the coming months, with some of the others being operated by our partner airline BA CityFlyer. We have also indicated that we are willing to step up and operate the Dublin-Kerry services subject to the imposition of an appropriate public service obligation, PSO and to explore options that would enable the restoration of the Dublin-Donnegal service. Aer Lingus was disappointed to note that the first change in policy following the demise of Stobart Air was an increase in the restrictions imposed on UK and Ireland passengers, which is a market that had been served by Stobart Air and in respect of which it had suffered significantly due to the pandemic.

The next issue I would like to draw attention to is the discrepancy in the travel restrictions post-19 July, which take a different approach to the UK and the US than they do to Europe. These are two key markets for aviation. We do not believe that an evidence-based approach would conclude there should be differences in the restrictions between travellers going to and from Ireland, the UK and the USA and those going to and from Ireland and the rest of Europe. We believe this is a further impediment to aviation getting back on its feet and beginning the recovery that we all need and hope for. The particular consequences of the restrictions on travellers to and from the UK and to and from the US is an anti-family policy in that it means vaccinated parents and their families can travel outside of Ireland but on return from the US or the UK, their children would be obliged to quarantine or self-isolate at home and US or UK vaccinated parents and their families who choose to spend some time in Ireland would be able to move around within Ireland but, again, the children would need to isolate. This situation dampens enthusiasm for travel. It is another impediment that we believe should be revisited.

I will comment briefly on the subject of antigen testing. We believe antigen testing is the appropriate form of testing for pre-departure screening. That view is shared by other countries in the EU, many of which have adopted that standard. The Irish policy insists on PCR testing, which is more expensive, less convenient and, again, another impediment to the restoration of travel.

The final issue to which I want to draw the attention of the committee is the provision of data which demonstrate to passengers thinking of coming to Ireland the status of Covid and the attractiveness or otherwise of travelling to Ireland. Over recent weeks, that data that have not been provided to the US authorities or to the EU authorities and consequently, whereas other countries such as France, Italy, Greece and Germany have been categorised from a US perspective as “reconsider travel”, the absence of those data has meant that Ireland was still categorised as “do not travel”. This is another impediment to the restart of aviation. We understand this situation has been corrected in the past 24 hours and I am hoping that damage ceases but

undoubtedly, over the past weeks it will have had an impact on propensity to travel to Ireland.

When the announcement was made on 28 May we were optimistic and we were pleased with many of the changes that were announced, including the opening up of travel on 19 July. The cumulative impact of the ongoing restrictions in relation to the issues I have raised means that enthusiasm has been dampened and it now appears to be too little too late in terms of any significant bounce that will get us on the right path to restoring connectivity, supporting jobs and connecting Ireland in the near term.

I look forward to discussing these issues with the committee but in particular, I am looking for the support of the committee to address many of the issues we have put forward and that we believe are essential to restarting aviation and a healthy aviation industry in Ireland.

Chairman: I thank Ms Embleton. I will now open up the meeting to members starting with Deputy Joe Carey of Fine Gael. Members have seven minutes for questions and answers. It is critical that members adhere to that time allocation. I also ask Ms Embleton and Mr. Moriarty to be conscious of that in order that we can get to the heart of the matter in terms of questions.

Deputy Joe Carey: This meeting was sought with Aer Lingus on the back of the shock announcement on 18 May when Aer Lingus announced the permanent closure of the Shannon cabin crew base that had been in operation for decades. This is a very traumatic time for the cabin crew and their families. They have endured a really troublesome time over the past 18 months since the pandemic arrived on our shores. We need answers. There has been very little feedback from Aer Lingus on Shannon, its commitment to Shannon and to the people who delivered a really good service for passengers, particularly travelling through Heathrow and North America into Europe. Any time there is a crisis in Aer Lingus, the first area it looks to is Shannon. At the start of the pandemic, the first move by Aer Lingus was to remove the Heathrow-Shannon route, yet it continued to operate a Cork-Heathrow route, a Dublin-Heathrow route and the Belfast routes. I note in Ms Embleton's opening statement to the committee on 2 June that Aer Lingus looks upon Ireland as an outlier in terms of the restrictions around Covid. She might be right on that. Shannon is an outlier in Aer Lingus's portfolio. Ms Embleton's charge is that the Shannon cabin crew base is inefficient. I take her back to 2013, when the 757 aircraft was introduced there. It was introduced as part of efficiencies back then and the cabin crew base complied 100% with that and ran a really good service, returning really good profits for Aer Lingus. I take her back to 2019, when the A321neo aeroplanes were introduced. They operate much more efficiently from Shannon because the aircraft are much more fuel efficient from the long runway in Shannon when compared to Dublin. I would like Ms Embleton to back up her charge that the cabin crew base in Shannon is inefficient, because that is her charge. Really and truly, could she not admit that the only reason Aer Lingus is targeting Shannon is because of the loyal service the base has delivered and because these people have been working there for between 20 and 34 years? That is my first question to Ms Embleton.

Ms Lynne Embleton: Thank you. I fully appreciate it is a very difficult time for the staff in Shannon and, in fact, for the staff across Aer Lingus and workers across the industry. These are difficult and uncertain times, and that uncertainty has continued for a significant amount of time.

As I have said previously and said to Ministers, there is no strategic retreat from Shannon or from the regions, and that is not our strategic intent. In fact, I would hope that we all want the same thing: we want Ireland connected, we want connectivity and we want jobs. The decision we have taken on Shannon is not simply a strategic retreat from the regions. However, it

is the case that there has been no flying from Shannon since March 2020 and it is the case that the cabin crew base was expensive and, in fact, an impediment to restoring flights. This is no reflection at all on the cabin crew themselves, their contribution or their professionalism. It is the structure and the fact the amount of flying and the schedules that we are able to operate at Shannon simply did not support an ongoing crew base in a way that was cost effective. Therefore, when I look at restoring connectivity and restoring flights, which is what I want to do across the Aer Lingus network, the best chance of getting aircraft up in the air is having a cost base that allows us to drive cash back into the business following this crisis, and a travel policy that allows and encourages customers to fly and removes the impediments. If we have those things, it gives me the confidence to put routes back on the map and put flying back in the air. The closure of the Shannon base is intended to support our ability to profitably and sustainably fly flights out of the regions.

Deputy Joe Carey: Can Aer Lingus restate its commitment to Shannon Airport, which is vital for connectivity, for business and for tourism? We have a massive footprint of FDI companies, particularly in Shannon and Limerick, and connectivity is vital for them to do their business. It also serves the whole west coast of Ireland, particularly the North American traffic. Can Ms Embleton confirm when Aer Lingus intends to reinstate traffic to and from Shannon?

Can she confirm when the Heathrow route will start again? The difficulty is this. The base ensures there is an early morning flight from Shannon to Heathrow and a late evening flight back, enabling business people to do their business within a day, travelling over and back to London. Can Ms Embleton give any assurance in that regard? Can she give any assurance that Aer Lingus will come to an arrangement with the Government, given that I understand Aer Lingus is in negotiation with the Government in terms of a financial aid package to keep the airline running?

I know the airline is an extreme difficulty. In her opening statement, Ms Embleton rebutted the need for conditionality within any arrangements reached with the Government. I would say to Ms Embleton that beggars cannot be choosers. Aer Lingus needs money and it needs capital to keep the airline going. It has received significant money from the State from the temporary wage subsidy scheme, TWSS, and the employment wage subsidy scheme, EWSS, and is also in receipt of a loan, but it really needs a cash injection. Surely, on the back of that, it could reach an agreement. I understand the Government is willing to give it money but that has to come at a price, and that price has to be the reinstatement of the cabin crew base in Shannon, the reinstatement of the strategic routes to Heathrow, Boston and New York, and also to look at connectivity to Europe. Ms Embleton might come back to me on Aer Lingus's engagement with the Government on those issues.

Ms Lynne Embleton: There are a lot of questions there so let me try to answer each of them. I cannot give the Deputy a commitment that we will reinstate the cabin crew base. In fact, we will not be reversing that decision. It is the right decision to ultimately get Aer Lingus flying profitably, generating cash and supporting jobs. What I will reiterate is that we want to have flying from the regions, we want to have flying from Shannon, and I fully expect that we will. To withdraw the cabin crew base is not to withdraw Aer Lingus from Shannon; it is to enable us to more profitably and more sustainably operate our routes from Shannon.

The Deputy touched on timings. As he said, we had early morning flights before the Covid pandemic and we were able to do that without, for example, a pilot base. Therefore, the timing of the flights is not dependent on having a crew base there and if the market demand is there, then I fully expect we will be flying a strong schedule to Heathrow from Shannon, as we did

before the pandemic.

The Deputy is right that we have made use of the TWSS. With that scheme, we have still been losing over €1 million a day, so while we are certainly grateful for that scheme, it is not the answer to all of our problems. We have also availed of a loan from the Ireland Strategic Investment Fund, ISIF. This is a loan on commercial terms, it is a loan with a risk premium built into it, a loan that needs to be paid back and a loan with interest that we need to pay. This loan was required by Aer Lingus because of the Covid pandemic and particularly because of the restrictions that were in place on flying to and from Ireland. It has been the pandemic and the policies that have put us in the situation where we needed liquidity and, as I said, that liquidity has come through a commercial-based loan with a risk premium attached.

On the question of conditionality around further liquidity, that is not acceptable to Aer Lingus. We do not believe it is in the interests of the communities to be putting burdens and restrictions around an airline that has suffered over this pandemic, an airline that wants to get back on its feet and wants to restore connectivity. The best way to do that is for us to make the changes and restructure our business so we can generate cash, so I can make the decisions to get the aircraft that are parked back in the air, and so we can develop the network we would all like to see.

Deputy Joe Carey: I asked Ms Embleton-----

Chairman: Deputy Carey, we have a number of-----

Deputy Joe Carey: Would she answer that, please?

Chairman: Deputy Carey, I have given you great latitude and I am conscious there is a large number of members. Is it a “Yes” or “No” answer, Deputy Carey?

Deputy Joe Carey: In regard to connectivity to Heathrow or to North America, for example, could she announce a date today for restoring the connection?

Chairman: Ms Embleton, are you committing that Aer Lingus is restoring the Shannon to Heathrow flights and the transatlantic flights out of Shannon? Is that a commitment?

Ms Lynne Embleton: I cannot give a date today-----

Chairman: Can you give a commitment?

Ms Lynne Embleton: -----but it is our expectation that we will do that. As we have already discussed, there are many impediments to travel still faced by this industry and we would like to see movement on that so that we see market demand and passengers flying. When passengers are able to fly without impediments, I am confident that we will be able to restore travel to the US and to Heathrow, but I am not giving a date today.

Chairman: Out of Shannon?

Ms Lynne Embleton: Out of Shannon.

Chairman: Deputy O’Rourke has seven minutes.

Deputy Darren O’Rourke: I thank the witnesses. Ms Embleton referred to PCR tests and called them anti-family. Is it fair to say that she sees the requirement for PCR testing as a deterrent to international travel? Does she have an assessment or indication of international comparison in terms of the potential impact of the PCR requirement?

Ms Lynne Embleton: We see PCR tests as expensive, onerous and a deterrent to travel. We believe antigen testing should be adopted as the standard for pre-departure screening. As I said in my opening statement, other countries have concluded that antigen testing is fit for that purpose and we would strongly encourage, advise and like to see the adoption of antigen testing rather than PCR testing where testing is appropriate.

Deputy Darren O'Rourke: There is no specific assessment. I assume it is difficult to assess the impact of PCR tests versus antigen tests, so I will move on. Ms Embleton mentioned the support from ISIF. I notice she said that it is on commercial terms and that it must be repaid with interest. Has Aer Lingus made a request to the Government that the Government has not met? We hear repeatedly from the Government that it is engaging well, that it will not let Aer Lingus fail and that it will provide every necessary support. What is Ms Embleton's point with regard to that funding? Is it not as favourable as what is being provided in other countries or to other arms of the IAG? Do the terms of the loan not compare well with other international examples?

Ms Lynne Embleton: There has been no aviation-specific, or sector-specific, support offered by the Irish Government. As the Deputy said, we have availed of the ISIF funding and we have been in discussions about potential further funding. Other countries have given sector-specific support to their airlines. The US, in particular, has given grants. We have requested alternative sources of support in addition to loans, which were laid out in recommendations last year and reiterated this year. For example, a rebate of airport charges would encourage flying to restart and get going. Extension to the end of the first quarter next year of the EWSS would be very valuable to the aviation industry, as well as route-specific stimulus packages to re-establish flying. There are forms of support that we have requested that have not come to fruition. When it comes to the ISIF loan, it is a loan on commercial terms and with interest. Other countries have taken different approaches.

Deputy Darren O'Rourke: There is real concern among workers in the sector and in Aer Lingus that, notwithstanding the real and acknowledged difficulties of Covid-19 for the sector and Aer Lingus, there is an element of strategy in this regard. There has been a criticism, and we heard it clearly in this committee, that with regard to Shannon there was no engagement with staff there in the way there might have been in the past, and with regard to Cork Airport and the runway that there was, perhaps, an opportunity to continue the EWSS and not have the measures that Aer Lingus took there. We know there are structural changes in the offing, but the concern is that there will be further lay-offs and base closures. There is also great concern about the impact on the terms and conditions of workers. Can Ms Embleton give any assurance to staff or union groups who might be watching or listening to this meeting that those terms and conditions and those strategic routes will be protected and that there will not be widespread lay-offs and base closures? What assurances can she give to staff who might be concerned about the future prospects of the company?

Ms Lynne Embleton: I would love to be able to give assurances that there will not be job losses and that no changes will be required, but I cannot. We have burned cash at a rate of more than €1 million per day and this has been going on for more than 15 months. Our financial health has been significantly affected. It is not just the losses. Over this period, we would have been generating cash that would allow us to invest in the business and pay for the aeroplanes. The swing from what we would have expected over this 15-month or 16-month period is what we have actually experienced. It is close to €1 billion of damage. No company can withstand €1 billion of damage and not make changes and not adapt its business. We have to adapt our

business. I recognise that these are horrible times for people. There is uncertainty and worry, but it is my job to ensure that Aer Lingus comes out of this crisis and is able to get back to doing what we want to be able to do, which is connect the island of Ireland, provide jobs, support tourism and hospitality, support trade and bring goods into the country. To do that, I need to restructure. I need to get us to a point where we have effective costs that support flying. The changes we are making are not being made lightly. We are doing it because the situation requires it.

Chairman: Thank you, Deputy O'Rourke. That was seven minutes on the button and it was constructive. We have to stick to the time given that so many members are seeking to participate. I call Deputy Cathal Crowe.

Deputy Cathal Crowe: I will stick to the time. I thank Ms Embleton and Mr. Moriarty. I have six brief questions. I will put them quickly and I hope the witnesses will be able to respond so we can move fluidly through them. First, what are Aer Lingus's clear commitments to Shannon Airport, its cabin crew and ground staff there and routes into and out of the airport?

Ms Lynne Embleton: The Deputy has my commitment that I want to restore flights from Shannon Airport. I cannot and will not give a commitment to restoring a cabin crew base at Shannon Airport. That decision has been made and it is in the right interests of Aer Lingus and also in the interests of connectivity in the region. The ground handling arrangements in Shannon are under review. It would be wrong of me to jump the gun and make any decision on that until we see the output of the review that is under way. The only commitment I will give the Deputy is a commitment that I want to see connectivity restored. When conditions are in place for that, Aer Lingus will want to act.

Deputy Cathal Crowe: Cabin crew staff in Shannon who have long serviced Aer Lingus's routes would content it is far more expensive to have four members of cabin crew minibussed down from Dublin, staying overnight and receiving all the overnight allowances and everything else which comes with that. I have heard costings ranging from approximately €240,000 per annum to in excess of €300,000. That is for a cabin crew of four. I would say that far exceeds having four members of staff on payroll, operating out of Shannon. That also needs to feed into Aer Lingus's ideology because there are economics to this too and the economics do not stack up on all occasions. Can Ms Embleton give any commitments today, in calendar terms, with regard to routing and scheduling for Heathrow and transatlantic services?

Ms Lynne Embleton: Let me first answer the Deputy's question on the efficiencies of minibussing. We have fully evaluated this decision and it is significantly better for Aer Lingus and therefore for sustaining routes to be drawing on cabin crew from an alternative base. We have fully costed this as a decision. It was not taken overnight or lightly and is one for which we are fully aware of the financial implications.

Calendar-wise, there are many issues still affecting this industry. Until we can see a clear path forward, with impediments to travel removed, it would be wrong of me to give Deputy Crowe firm commitments on dates. What we are seeing are impediments that are restricting the appetite and ability to travel. We need to see those impediments removed before I feel comfortable giving any commitments on timing. As I say, we share the same objective we want to solve, in that we want to be back in the air. However, there is much happening in this industry and there are a lot of----

Deputy Cathal Crowe: I respect that and I respect Aer Lingus is a separate company to Ryanair and operates and trades differently. Ryanair has committed to Shannon and faces all the

same constraints Ms Embleton referred to. We do need to see that. On the point of staffing and efficiencies, there is no one in cabin crew in Shannon drawing a salary of €70,000 or €80,000 per annum. I am not an economist or an accountant but I cannot see how bussing a crew of four down, putting them up in a hotel overnight and giving them all those additional top-up allowances would equate to efficiency over using the airline's existing staff.

I will move on. What financial supports is Aer Lingus currently seeking from the State and has conditionality been built into any of those, thus far?

Ms Lynne Embleton: We are in discussions with the Ireland Strategic Investment Fund, ISIF, concerning potential further liquidity. We are also part of IAG, which has provided incredible support to Aer Lingus over the year and we are in dialogue with it in terms of liquidity. As I stated earlier, such conditionality would not be appropriate or acceptable to Aer Lingus.

Deputy Cathal Crowe: Is it true Aer Lingus's sister airline, Iberia, got state supports on the basis it would retain its entire staffing complement?

Ms Lynne Embleton: There were some short-term issues around the funding provided to Spain but we are dealing with a situation in Ireland and the situation as we see it.

Deputy Cathal Crowe: Is it true that IAG, Aer Lingus's parent body, has bonded its landing slots to build loan collateral to cash fund the company? Are these landing slots, on which we have all gone out and hammered a drum over the years, now bonded to raise loan collateral for Aer Lingus and IAG overall?

Ms Lynne Embleton: I am not across the detail of the funding that other airlines in the group, primarily British Airways, have put in place. All the assets within the group have been looked at to provide collateral funding.

Deputy Cathal Crowe: Surely Ms Embleton, as chief executive, would know if Aer Lingus's landing slots into Heathrow, which are hugely valuable, are bonded.

Mr. Donal Moriarty: The Deputy may be aware the London Heathrow slots are subject to a requirement for consent, to the extent they are encumbered, following a commitment provided by Aer Lingus and IAG to the Irish Government in the 2015 transaction. Were any London Heathrow slots to be provided as collateral, it would require the consent of the State. No such consent has been sought or provided.

Deputy Cathal Crowe: I wish to speak about Aer Lingus workers because this has been a devastating 15 months for them. I want to make a point on the contribution of taxpayer. With regard to a fully redacted wage for one of the ground crew based out of Shannon, the crew member got €635.89 in a fortnight. The Irish taxpayer paid €600 of that. Aer Lingus's net contribution to this individual's salary was €35.89. When the taxpayer is contributing in such a major way to the airline, there is an onus on it to commit to airports and its workforce and not wait until the eve of things reopening and until the final furlongs of Covid-19 to pull the carpet from under them and use terms such as "inefficiency". These were grossly insulting to its workers, some of whom have been based with the airline for 30-plus years out of Shannon. People who joined Aer Lingus 15 or 16 months ago, out of the Dublin base, continue to enjoy the benefits of working for Aer Lingus. Aer Lingus has used the Covid-19 pandemic to address some industrial relations issues it had wanted to address for many years and it has exploited an opportunity. It has taken the taxpayer for a ride in some ways.

I have to hand a redacted contract for one of Aer Lingus's employees. That employee's contract is with Aer Lingus, not to the Shannon, Cork or Dublin bases but to Aer Lingus. If you have been 30-plus years with Aer Lingus, based out of Shannon, you are gone. There is huge uncertainty facing your job and future. Many are married to or cohabiting with employees. This is the family dynamic of it. The double whammy has hit many homes here. The reality is his or her contract is with the airline, not the Shannon base. I cannot see, high up or low down, why they should be shown the door. In any place I have ever worked, there has always been the principal of last in, first out. I cannot fathom, for the life of me, why somebody who has recently joined Aer Lingus's work crew would now be relinquished.

Aer Lingus communications to them has been rather shoddy. It has communicated some devastating news to its workers *via* WhatsApp, Zoom and virtual messaging and when they try to respond to ask further questions, bots are answering some of those questions. They are not been met with the human face of the airline. I would like Ms Embleton to respond to some of those points.

Chairman: I ask Ms Embleton to give a brief response. I have many other members to come in.

Ms Lynne Embleton: If people think Aer Lingus is exploiting the situation, they do not understand the severity of Covid-19 and the impact it has had on aviation and Aer Lingus. We are taking business decisions we need to take to protect the future of Aer Lingus, to protect jobs for the many and to restore connectivity. As I said before, we are losing €1 million per day, with the support of the EWSS. When Deputy Crowe refers to the efficiency of the base, I state again this is not a comment on professionalism, work ethic of any of the crew in Shannon. This is about the make up of the flying programme and the ability to crew that effectively.

Deputy Cathal Crowe: With the greatest respect, it is not the inefficiency that concerns Aer Lingus, it is the wage bill.

Chairman: Out of respect for other members, I need to move on.

Deputy Cathal Crowe: On a point of order, the questions have not been answered. This is an important point that needs addressing.

Chairman: I have given the Deputy an allocation far above the time. There are ten or 12 other members to come in. We are totally curtailed on time. Ms Embleton can respond to it when she is responding to the next contributor. Senator Buttimer has seven minutes.

Senator Jerry Buttimer: In respect of the members, I will not take the seven minutes. I welcome Ms Embleton and Mr. Moriarty to the committee and thank them for their attendance. Where are Aer Lingus's negotiations with Emerald Airlines regarding the routes which will be used to fill Stobart?

Ms Lynne Embleton: The discussions with Emerald are progressing well. As the Senator is aware, we have stepped in to operate the majority of the Stobart routes until at least the end of August. These routes are what we would call thin routes. They are smaller markets best suited to smaller aircraft. The long-term viability or suitability of these routes is for an operator of regional aircraft. That is why we are in dialogue with Emerald. Those discussions are progressing well. They are not yet concluded.

Senator Jerry Buttimer: Does Ms Embleton hope to have those discussions concluded

soon? The reason I am asking is that Ms Embleton referenced in her remarks the PSO routes around Donegal and Kerry. From a Cork perspective, Stobart had eight regional routes that were lost. In my opinion, Cork Airport is looking to Aer Lingus now to show leadership in the context of expediting those talks with Emerald. Is there any hope of bringing them forward so that we can get route connectivity opened as soon as possible?

Ms Lynne Embleton: For Donegal and Kerry we have said we are able to step in, with the right PSO, to continue with those routes and we are looking at options there. With regard to the other routes, as long as we can operate from the crew and aircraft that we have available we will look to do that. However, the transition to a more sustainable long-term aircraft type and schedule is in the interests of everyone. We are in dialogue with Emerald and BA CityFlyer to be able to provide cover in the medium term.

Senator Jerry Buttimer: I am interested from a Cork perspective on the routes that were lost by Stobart. What is the view of Ms Embleton on these? What is the prognosis around what Aer Lingus will do to re-establish those routes lost by Stobart? What is the view in terms of the Aer Lingus commitment to Cork and its routes and staff?

Ms Lynne Embleton: I will come back to what I said previously. We would like to get back to connectivity from the regions and Cork. I refer to the statement I made earlier that there is no strategic intent to retreat. We want to get flying back up and running. That depends on our ability to do so in a cash-positive manner. As we begin to see flying enabled and many restrictions removed, then I will be confident we will be able to do that.

Senator Jerry Buttimer: I will conclude by reiterating the points made by others. The workers represent one of the greatest assets of Aer Lingus. They have served Aer Lingus well, be it in the new format of the company or the old format. I hope we do not lose sight of that.

I will appeal to Ms Embleton, Mr. Moriarty, Aer Lingus and IAG. As Ms Embleton said earlier, Ireland depends on connectivity. Airports like Cork Airport are central to the economic development of the south of the country and to act as a counterbalance to Dublin. I appeal to the Aer Lingus officials to keep that in mind.

Ms Lynne Embleton: I am unsure whether there was a question in that but I recognise the importance of connectivity outside of Dublin. We all share an objective to be able to sustain that in the medium and long term.

Deputy Ruairí Ó Murchú: My thanks go to Ms Embleton and Mr. Moriarty. I wish to deal with the issue of opening up. The Aer Lingus representatives spoke about antigen testing. We had Dr. Holohan before the committee. His statement was that there was insufficient evidence. He said the National Public Health Emergency Team, NPHET, would support a pilot being carried out. This is all behind time from a governmental point of view. Dr. Holohan talked about the possibility that a Department, either the Department of Transport or Health or both, combined with the aviation sector would put one of these plans in place, ensure the correct parameters and ensure that questions are being asked from a point of view of getting an evidence base that would allow for proper auditing of antigen testing. That is something in respect of which the committee is generally supportive.

Has Aer Lingus had any communications with the Department or the Government in respect of any of this? Would Aer Lingus be prepared to do that in the near future? As much as we are behind time, it would be positive if we could do this as quickly as possible.

Ms Lynne Embleton: We would welcome any dialogue on antigen testing and the ability to get antigen testing used as the method for pre-departure testing.

Deputy Ruairí Ó Murchú: There has been little communication between Aer Lingus and the Department of Transport on the matter. Is that the case?

Ms Lynne Embleton: I would say that is the case.

Deputy Ruairí Ó Murchú: I have another question. What testing procedures does Aer Lingus have for its workers at the moment? Is the company operating any testing regime?

Ms Lynne Embleton: We are adopting all the Covid-19 safe protocols within Aer Lingus, including mask wearing and social distancing. Fortunately, we do not have issues of Covid-19 transmission in the workplace. We have had a small number who contracted Covid-19 outside the workplace. There is no formal testing within Aer Lingus but obviously our staff can avail of the general testing that is open to the public.

Deputy Ruairí Ó Murchú: Is it something Aer Lingus would look at in future?

Ms Lynne Embleton: On specific testing, we would look to adopt the same protocols as in other industries in the rest of the country if testing is appropriate.

Deputy Ruairí Ó Murchú: The provision of data to the Centers for Disease Control and Prevention and the State Department in the US has been dealt with. Is Ms Embleton aware of any communications between this State and the US from the point of view of coming up with arrangements when there is an opening? Is it a case of having similar travel arrangements to those that will exist within the EU post 19 July?

Ms Lynne Embleton: It is really important for us that the travel corridor is opened up in both directions. While we welcome the moves from the Irish Government to allow US travelers into Ireland, we need to see that both ways. We would urge the Government to be in deep and frequent regular dialogue with the US authorities to get that travel corridor opened up both ways with minimum restrictions.

Deputy Ruairí Ó Murchú: Aer Lingus is not aware of any communications under way. No one has liaised with Aer Lingus in respect of this. Is that the case?

Ms Lynne Embleton: We are not in dialogue on that.

Deputy Ruairí Ó Murchú: Ms Embleton responded to Deputy O'Rourke about supports for particular routes. Will Ms Embleton go into detail on which routes and what supports she is talking about? Where is the communication with Government in respect of delivering upon these?

Ms Lynne Embleton: I will comment on some of that and ask Mr. Moriarty to come in on the conversations with Government. We laid out the steps that could be taken to support aviation and to enable a more rapid restoration of connectivity. That included further confidence on the EWSS for longer. We specifically requested rebates of airport charges that would enable flights to be cash positive faster. We suggested route-specific incentives where those markets were thinner. Typically, they are markets out of the regional airports but there are also thin routes from Dublin to many cities. We would be happy to follow up with more details and suggestions. In principle, incentive-based support packages for specific routes is something we would encourage.

Deputy Ruairí Ó Murchú: If we could get a submission on that, it would be helpful. We could make our own communication with Government.

Mr. Donal Moriarty: I wish to reiterate that the aviation recovery task force published a report in July 2020. The concept of route support to maintain core connectivity and restore connectivity was one of the key recommendations. That recommendation has not as yet been followed through but the specifics of the recommendation as set out in that report are still valid. We note that they focus in particular on regional connectivity and incentivising the earlier and sustainable return of that connectivity.

Deputy Ruairí Ó Murchú: I wish to ask about digital Covid certificates. Has Aer Lingus had any communication from Government on the logistics and operation of the idea? Are there definite guarantees that it will be available not only in paper but in digital format?

Ms Lynne Embleton: We have certainly had dialogue and are engaged on how this would work but we could not overly emphasise just how important is a timely and flawless implementation. The Irish policy is different from the rest of the EU and, for example, with PCR testing it adds complexity to something that is already urgent, complex and required to be put in place very quickly.

Deputy Ruairí Ó Murchú: It is why we need to get that pilot into operation. My time is exhausted.

Chairman: I thank members for keeping to their time. It makes a great difference and allows as many members as possible to contribute. Senator Horkan has seven minutes.

Senator Gerry Horkan: I will try to stick to time as much as I can. Ms Embleton is very welcome to Ireland and Aer Lingus. Although Aer Lingus is not State-owned, many people still regard as the Irish flag carrier, have much fondness for it and want it to do well. We appreciate all the work during the crisis in bringing in personal protective equipment and so on.

Will the witness given an indication of the size of the fleet before the pandemic, the current size of the fleet if we take in active and parked aircraft and where she sees the size of the fleet post-pandemic?

Ms Lynne Embleton: Pre-pandemic, the short-haul fleet had 40 aircraft, for example, and we are now closer to having 30 short-haul aircraft, with many of those not seeing much utilisation on a daily basis. We can bring them out of parking if the situation and markets support that.

On the long-haul element, since Aer Lingus was acquired by IAG, there has been significant growth in international long-haul travel. It is going up to 19 aircraft. The growth of long-haul travel coming into the Covid-19 pandemic had some momentum behind it. Currently, few aircraft are working hard. The aircraft are there. In some cases we would need to spend capital to get them back ready to fly and some of the decisions in front of us concern whether we are confident spending the money to get those aircraft ready to fly and whether that is sensible in the near and medium term.

Ultimately, we have aircraft orders and I would like us to be in a position where we can continue with those orders and have the capital and financial support to commit to more aircraft and get back to the growth path we were on before this pandemic. The timing of all this adds some uncertainty.

Senator Gerry Horkan: How large is the long-haul fleet, how much is parked and where are those aircraft parked? Are they in Ireland or abroad?

Ms Lynne Embleton: I may need to defer to Mr. Moriarty on where they have been parked. As the Senator might imagine, with so many aeroplanes needing to stay on the ground during this pandemic, there was somewhat of a rush to find places to park. Many of them have been parked in Ireland but we have parked some in Europe. I do not have their exact whereabouts today to hand.

Senator Gerry Horkan: I am not so bothered about exactly where they are. If they are parked in the corner of the airports at Shannon or Dublin, they could come back relatively quickly, but if they are in France or Spain, it is more likely they are there for the long term. The fear might be that they would not come back.

Ms Lynne Embleton: France and Spain are not far away. The issue is the work we need to do to get them back into service and not where they are parked.

Senator Gerry Horkan: The intention is to have all the aircraft back in service in the fullness of time. Is that the idea?

Ms Lynne Embleton: The key phrase is “the fullness of time”. Mr. Willie Walsh told this committee he did not expect international travel to get back to 2019 levels until approximately 2025. I would love it to be sooner. The timing of how we can emerge from this crisis and get back to full flying is something we would like to see coming earlier but we would not necessarily speculate on it.

Senator Gerry Horkan: I am very conscious of the time and I am also conscious that many people have covered the Shannon issue. I am delighted they have done that. I will focus on Dublin and the percentage of business that Aer Lingus did from Dublin before the pandemic. Was it 60%, 70%, 80% or 90%?

Ms Lynne Embleton: I would guess it is closer to 90% but I may need to check the numbers on that. The key issue is that there is much attention on the regions, which I fully understand, but we must not let that distract us from the overall impact on aviation and connectivity for the island of Ireland.

Senator Gerry Horkan: I suppose that is my point. At one point, the airline had more than 90 routes from the island, but where will they be by this time next year?

Ms Lynne Embleton: I expect us to be smaller than we were going into the pandemic this time next year. I would not like to commit on a percentage but I think we will be smaller for some time to come, unfortunately. This has had a serious impact on the airline and it will take a long time to fully recover.

Senator Gerry Horkan: Sometimes previously, when there were job announcements, it equated to so many staff per additional aircraft. If Aer Lingus is going to be a smaller airline in terms of aircraft numbers, I presume the company is, unfortunately, anticipating some job losses. Has Ms Embleton any idea what the number might be?

Ms Lynne Embleton: Aer Lingus has fewer employees now than it had going into the pandemic. We have been able to achieve the majority of that process through voluntary means. We hope we can generally continue to right-size through voluntary means. We are in dialogue with

the unions and as much of this discussion indicates, these are difficult issues at difficult times. We must right-size and ensure we are as efficient and cost-effective as possible precisely so we can justify getting aircraft up in the air quickly and profitably.

Senator Gerry Horkan: What effect will the Manchester base have on Dublin? Will it lose services, in effect, if aircraft are being relocated to Manchester, as they would clearly not be available to Dublin? That may not be an issue currently. I am delighted Aer Lingus is expanding this way and looking for profitable services but I do not want that to be at the expense of the Irish people. What is the intention of the Manchester base and how will it affect Dublin?

Ms Lynne Embleton: I have no shortage of aircraft right now so there is no impact on Dublin with the Manchester services. I do not believe there will be any negative impact. We still have a strategic desire to develop the Dublin hub. I see it as a positive for the airline as it gets the Aer Lingus brand a wider footprint. It gives more choice, for example, to US customers who want to fly Aer Lingus. I see it as a positive and not a conflict.

Senator Gerry Horkan: As I am conscious of the time, I will end by saying I appreciate what Ms Embleton is doing and thank her for what she is doing for the regions. Equally, I ask her to remember that Dublin Airport has been 90% of the airline's business in the past and I hope it can continue to be a significant part of that business. I wish Ms Embleton the best in getting the network back up and running as soon as possible.

Deputy Steven Matthews: I am in Leinster House. I thank the witnesses for their attendance and their submissions, which outline the struggles at Shannon Airport. When we reviewed the national development plan, this committee, including Senator Garvey, Deputy Cathal Crowe and others, strongly recommended a rail spur link to serve the airport, as it would be beneficial. Would the witnesses support such a move and would it assist the airport, giving confidence to others that Shannon remains a firm priority for the Government? Would it assist in getting more passengers to Shannon and would there be other applications and uses for that rail spur and connectivity? How would the witnesses consider that?

Ms Lynne Embleton: I missed the part about where the rail spur would be.

Deputy Steven Matthews: We reviewed the national development plan recently and, as a committee, we made a strong recommendation that there should be a rail spur to Shannon would benefit the region and the airport. Would Ms Embleton consider that such a move would give confidence to Shannon and the region and benefit the airport by improving access and passenger numbers with connectivity across Ireland to Shannon Airport? This would support the expansion of the airport or at least help to retain the current services.

Chairman: I can add to that. Has Ms Embleton had the opportunity to visit Shannon Airport?

Ms Lynne Embleton: I took this role when the Covid restrictions were in full flow so I have had very little opportunity to do much in terms of getting out and about.

Chairman: Had Ms Embleton visited Shannon Airport previously?

Ms Lynne Embleton: I flew through Shannon Airport on a flight to the US.

Chairman: Limerick is the city that is adjacent to Shannon Airport along with Galway. There is a rail link from Limerick to Galway but it bypasses Shannon Airport so we are looking

for a spur to come from the airport on to the existing rail line to improve connectivity to the airport. That is the context. That proposal has been put forward by many of us in the region. I am based in Limerick city. It is in that context. When Covid restrictions are fully lifted, we very much look forward to welcoming Ms Embleton to Shannon Airport to see what a phenomenal facility it is for the region. That is the context.

Ms Lynne Embleton: Obviously, I cannot comment on the economics of building such a rail link but it is self-evident that an airport that can expand its catchment area is more likely to have more customers and potentially sustain more routes. Shannon could not be a competitor hub to Dublin - the dynamics of airline hubs are quite unique - but catchment area and accessibility to airports are success factors behind developing routes.

Deputy Steven Matthews: That concludes my question on that point. I thank the Chairman for adding that clarification. That was important. I had not realised how-----

Chairman: I thought that bit of local knowledge might-----

Deputy Steven Matthews: Local knowledge is hugely important.

Deputy Duncan Smith: I thank Ms Embleton and Mr. Moriarty for attending today. In her statement on 2 June, Ms Embleton stated that she read some commentary that significant conditionality and restrictions should accompany any financial supports that those in the aviation sector receive and said that such conditionality is not acceptable to Aer Lingus and anything that would impose additional inefficiency on the airline is not acceptable. There is a pretty robust response to that. How inefficient is Aer Lingus? Pre-pandemic, the airline was operating in a very healthy manner with net profits and increasing turnover. As a customer of Aer Lingus, I have always found it to be a wonderful airline to deal with. I have never had any problems with it. It has great staff from booking to check in to the flight itself. Where do these inefficiencies lie and who is responsible for them? Ms Embleton stated that the company needs governmental support. How much does it need and where would that money go if the Government wrote a cheque for "X" figure?

Ms Lynne Embleton: The Deputy is right. Going into this crisis, Aer Lingus was in a reasonably robust and healthy position but the pandemic has eroded that quite spectacularly. Therefore, if I look at Aer Lingus, I can see that we are still burning cash on a daily basis. From the day we stop burning cash, that is not the end of our problems. We need to repay the debt and interest, restore the balance sheet and have the money to be able to pay for aircraft and the capital associated with that. The pathway for restoring connectivity and getting the airline back to financial health is a long one.

The Deputy asked how inefficient the airline is. Aer Lingus has a long history, which has significant benefits in terms of the brand, knowledge and people, but it also means that some aspects of working practices are out of sync with more new kids on the block competitors and we need to tackle that if we are going to have an Aer Lingus that can compete, grow routes and be successful in the future. There are some inefficiencies. The biggest inefficiency today is purely scale. We are not flying and, therefore, we have a lot of fixed costs that are drawing on cash in the business and we do not have the flying programme to cover those costs. The biggest inefficiency is scale. We would like to get back to scale.

Deputy Duncan Smith: If Ms Embleton was to ask the Minister of Finance for money, how much would it be? If I am hearing her correctly, that money would on fixed costs such as

keeping planes and not so much on keeping the employees servicing, crewing, fuelling and flying them. Is this a correct assumption?

Ms Lynne Embleton: We are burning cash every day. We need to ensure that we have sufficient liquidity and I am confident we will. However, we need to invest in our aircraft, people and business. The cash is required to maintain minimum levels of connectivity but also to be able to pay for aircraft for maintenance and engineering of aircraft - all of those things that are part of normal business. We need to restore our financial health to be able to continue to do those things.

Deputy Duncan Smith: Does Ms Embleton not think it fair that politicians or indeed a Government would request conditionality if it was to give any support, particularly in the area of job protection? I have been doing a lot of work with Deputy Sherlock in respect of Cork and the planned lay offs in Cork for the duration of the runway works there. With the EWSS still in existence, would Aer Lingus not consider keeping those staff on because of the €50 per week per staff member for a couple of months? It would provide confidence that those staff would be retained because there is a big fear that they will not return to work after that and that this is just a step towards unemployment. Can Ms Embleton provide those workers with any comfort?

Ms Lynne Embleton: Do I think it fair that conditionality is attached to any funding? No, I do not. Aer Lingus is as much a victim of this Covid pandemic as any other business and is more affected by decisions made by the Government in terms of its travel policies. Other countries have done more for their aviation sector. Aer Lingus does require support. We have outlined the type of support we feel is appropriate but given the situation in which we find ourselves, we do not believe it is fair for any support to come with conditionality.

Regarding Cork, I think the Deputy is aware that there is a review of handling. This review has not proceeded. At the time, we announced the lay off, there was no work at Cork for a period and that is what lay off clauses are typically there to accommodate. At the time of the decision to announce the lay offs, there was uncertainty around the EWSS, its continuation and what form that continuation would take.

Deputy Duncan Smith: This uncertainty has ended so perhaps the company could revisit it. Ms Embleton said that other airlines have been supported by their governments. They have and to a greater degree than our Government has provided to our airlines but it has come with conditionality, including with regard to the protection of jobs, particularly in Germany, France and Spain. I thank Ms Embleton for her engagement today. I have major concerns about future job losses given that I represent a constituency with many aviation workers that has already been impacted very heavily. The human resources are as important as every other resource in the company and I ask that every effort be made to protect them.

Deputy Michael Lowry: I welcome the witnesses and thank them for their concise and frank contributions. They mentioned that Aer Lingus was critical of the fact that NPHET has not embraced the use of antigen testing. Has Aer Lingus had any contact from NPHET or the Department of Transport regarding the use of antigen testing? Is Aer Lingus willing to conduct a pilot antigen testing programme? Has it had any discussions with regard to that? Has Aer Lingus made any progress in that regard?

In the opening statement provided, there is reference to being “open for business” and “family friendly”. These are two very important messages for visitors to Ireland. From reading the opening statement, it becomes very clear that failure by Ireland to provide data to the US State

Department meant that we lost an opportunity on 8 June to move from level 4 to level 3. This means that the status of Ireland that was conveyed to the American public was “do not travel”. This is obviously an own goal, arising from our own incompetence here in Ireland. The opening statement goes on to state, “Similarly, the most recent traffic light system map published by the European Centre for Disease Prevention and Control indicates that ‘no data’ is available for Ireland.” Those two statements are shocking. It is disgraceful and totally unacceptable that our status regarding Covid control is misrepresented in a crucial market such as the US and across Europe. We must take up this issue with NPHEC. It is simply not acceptable that an organisation representing the people of Ireland is so far behind in relation to data and advice. NPHEC is expert in everything else. It is on radio and in the media every other day. It pops up here and pops up there. It gets huge coverage and yet it is not managing the business properly. There is too much at stake here with the updating of that information in order that people have a proper view of how well Covid is controlled and how welcome people are to Ireland.

We have continually heard Ministers say that the Government is committed to balanced regional development. If there was ever a case for balanced regional development it is around Shannon Airport. Shannon Airport is critical to the development of the mid-west region. Aer Lingus’ active presence at Shannon Airport is absolutely crucial to its future. The witnesses have referred to it already. What measures could and should be put in place by Government to support Aer Lingus and Shannon Airport?

Ms Lynne Embleton: Let me take some of those in turn. With regard to the data provision and Ireland being deemed level 4 as opposed to level 3, that was an own goal. In my view it will have deterred some people from wanting to travel to Ireland. I understand that this has been rectified in the past 24 hours but we are looking for confirmation on that. It is absolutely key that information about the state of Covid in Ireland is made available to prospective passengers.

Chairman: Can Ms Embleton develop on how she became aware that this information has now been provided? Was Aer Lingus contacted by NPHEC? How did Aer Lingus become aware that it had been rectified? Has this been confirmed or is it just media speculation?

Ms Lynne Embleton: We noticed that Ireland was greyed out on some of the maps. We noticed that other carriers had had their status changed and that Ireland had not. We wanted to know why the investigation-----

Senator Timmy Dooley: Is that because the data were not available because the HSE was hacked?

Mr. Donal Moriarty: Perhaps I could come in here. We became aware overnight from the Department of Transport that the US State Department and the US Centers for Disease Control and Prevention, CDC, status had been changed. Clearly, the issue with regard to the US appears to have been resolved. The unfortunate issue is that it has been categorised incorrectly for a number of weeks, which will deter people from travelling.

On Senator Dooley’s point, I believe it is probably related to the ransomware cyberattack. Perhaps that is the likely reality of the failure to provide data to-----

Chairman: Mr. Moriarty, as a committee, we will write to NPHEC and the Department to find out precisely why this happened. Deputy Lowry has raised this as an issue. It is unacceptable. If one is creating a situation where it is an own goal and where, effectively, the public is making these strides in terms of fighting Covid and improving the situation, that has to be

reflected in the aviation sector worldwide also.

Mr. Donal Moriarty: I want to be fair. I am aware that the Departments of Transport and Foreign Affairs have been speaking to resolve this issue. It appears that they have now resolved it. I want to be fair and balanced in our commentary on the issue.

The European Centre for Disease Prevention and Control data, namely, the traffic light system and map, usually comes out on a Thursday. Ireland is greyed out on that map because of the failure to provide data. We do not know yet if that issue has been resolved. We may find out if the group puts out a statement when the roadmap is issued.

Chairman: I am going to allow Deputy Lowry more time because others came in on that.

Deputy Michael Lowry: Could I get a response on the antigen testing questions I put to Ms Embleton?

On the other issue I raised on Ireland's position being misrepresented, when that move was made by the US with countries moving from level 4 to level 3, one only has to look to see that Germany, France, Italy, Greece, Spain, Portugal and Poland all moved from level 4 to level 3. This places Ireland at a huge disadvantage. We are aware that the American tourists are very discerning. They do not make a decision about travel overnight. They are slow to think about it, they ponder on it and then eventually they make the right decision. It is very negligent of whatever authority it was, be it the HSE, NPHET or whoever, that Ireland's position has been misrepresented to a huge cohort of potential travellers to Ireland. It is very important to our airports and to our tourism industry. We certainly must follow up on this. There is also the fact that Ireland is not up to date with regard to data on the traffic light system within the EU. Both of these issues must be taken up with NPHET to get a response. I thank the Chairman.

On the antigen testing, has Aer Lingus done anything on a pilot programme? Has Aer Lingus been in contact with anyone, or is the airline waiting for someone to approach it? Have the representatives been active in this area?

Ms Lynne Embleton: My personal view is that this is a global pandemic. Global experts are looking at this issue of antigen testing and PCR testing. Ireland is not alone on tackling this problem. My personal view is that we do not need more trials or pilot programmes, we need urgent action. Other countries have concluded that antigen testing is appropriate for pre-departure trials. I believe that Ireland should look at the conclusions made by many other countries, and adopt antigen testing. Every day that goes by where we have these impediments to travel, are more days of damage to the travel industry. We have not got the time. We need action. Perhaps Mr. Moriarty would like to come in on any of the specific conversations with the Government on this topic or perhaps I could move to the regional question.

Mr. Donal Moriarty: I just will add that our concern about the delay associated with the trial is based on history. Last November, a steering group was formed in the HSE for the purposes of looking at trialling antigen testing. It was to look at various environments, including international travel. That was more than seven months ago and nothing has happened. The committee will understand that we would have a concern with a fresh proposal for a pilot or a trial, when the last one has not progressed over an almost eight-month period at this point.

Chairman: Who is Mr. Moriarty's contact on that?

Mr. Donal Moriarty: It was confirmed by the HSE in early November 2020 that the steer-

ing group had been formed and that a review or trial of antigen testing was to commence-----

Chairman: Is Mr. Moriarty referring to the report which was published by the HSE last Monday week and which does not include anything on international travel? Is it his understanding that that was the same review group and that it was to consider antigen testing in respect of international aviation?

Mr. Donal Moriarty: My understanding is that travel was within the scope of the review that was announced by the HSE in November, but it seemed-----

Chairman: That is the same review. Dr. Holohan and members of the review, including its co-chair, Professor Keogan, appeared before us. They told us that it was not on the review's radar, but Mr. Moriarty is telling us otherwise.

Mr. Donal Moriarty: My understanding is that, in November, it was to be included within the scope of the review.

Chairman: That is wholly unacceptable. What we were told at our meeting last week contradicts that completely. Does Deputy Lowry wish to make a further comment or does he wish Ms Embleton to respond?

Deputy Michael Lowry: If Ms Embleton could answer my question on regional services.

Chairman: About what Aer Lingus would seek in respect of Shannon Airport.

Ms Lynne Embleton: On the question of the data, I agree that it will put US passengers off considering Ireland in their travel plans, but the issue of families, particularly isolating children whose parents are vaccinated, is an even greater impediment to travel and one that needs to be addressed with some urgency.

I fully understand the balanced regional development objectives and share in the hope that Aer Lingus can play its part in the prosperity of Shannon and the regions, but we have spoken about the measures already. First and foremost, we need flying with hurdles removed. We are seeking the rebate of airport charges to encourage routes to get flying again and aircraft back in the air. We want specific stimulus packages and airport rebates considered to encourage a more rapid restoration of routes that airlines view from a commercial perspective as riskier and later in the plan.

Senator Gerard P. Craughwell: I wish to raise three issues, one of which has to do with the sale of Aer Lingus. Most people see Aer Lingus as the national carrier, although Ms Embleton will agree that it is part of a multinational organisation. Is that impeding the chance of grant aid from the Government to Aer Lingus to ensure that we always have the shamrock on the tail of an aircraft somewhere in the world?

My second question is on the readiness of aircraft. One pilot remarked to me recently that an aircraft is not like a car in that you cannot just put the key in the ignition and take off. It needs to be brought up to speed. How quickly can any of the fleet that has been grounded, including the transatlantic fleet, be available for flying?

I understand that only 25% to 30% of Aer Lingus's pilots are flying. Are the remainder's licences being kept up to date in order that they may start flying immediately? There is a rumour that there are plans to lay off a considerable number of pilots over the winter period. Will Ms Embleton confirm or deny that?

Ms Lynne Embleton: As to whether IAG's ownership is impeding support from the Government, the answer is "No". As we have seen over the years, Aer Lingus has benefited from being part of the IAG group in terms of capital, growth and the synergies of being part of the group. When the pandemic hit, British Airways was in contact with the UK Government, the Spanish carriers got in contact with the Spanish Government and we got in contact with the Irish Government. IAG's ownership is supportive of Aer Lingus in its plans rather than an impediment.

The Senator is correct about the readiness of aircraft. They need more love and attention than a car. This is one of the reasons we continue to burn cash even though we are doing little flying and have the support of the EWSS. We need to maintain our aircraft safely and ensure that our pilots are trained and ready. Safety is our No. 1 priority. It always has been and always will be. We are ensuring that we are ready. There is a significant amount going into not flying and keeping the airline ticking over and ready. While there are not many passengers in the skies, many of our functions have been phenomenally busy throughout the pandemic and the planning around that is significant. Equally, the cost of ensuring readiness so that, when restrictions are lifted, we are able to fly has been a large part of our focus. We are ready and we have dynamic and active pilot training plans and craft maintenance plans.

The Senator asked for a commitment regarding lay-offs. I am afraid I must revert to what I have already said, namely, that we will take the steps that are necessary to protect Aer Lingus and allow it to come out of this situation in the healthiest way it can so that it can get back on its growth path and doing what it wants to be doing. I cannot give commitments while there is still so much uncertainty, but it is our intention to get back flying and to restore growth and connectivity. That is what we will do if we are allowed.

Senator Gerard P. Craughwell: Lufthansa has had significant support from the German Government. Indeed, most airlines in Europe have received significant support. Does Aer Lingus look at them jealously? There is a great deal of talk about the money that was given to Aer Lingus, but that was income support, not support for the airline itself. How much would Ms Embleton ask the Government to invest in Aer Lingus in order to secure its future?

Ms Lynne Embleton: Every airline has been finding sources of liquidity. I do not look with jealousy at anyone in the aviation industry, including any of our other airlines, right now. Even with the supports, there have been job losses throughout the industry. While the Senator's focus is on Aer Lingus and Ireland, which I understand, the jobs impact on airlines has been significant globally.

I did not write the Senator's last question down. I apologise.

Senator Gerard P. Craughwell: If Ms Embleton could approach the Government and be sure of a positive answer, how much of an investment would Ireland put into Aer Lingus to secure its future?

Ms Lynne Embleton: The difference between generating cash and burning cash has been more than the headline losses. The headline losses were €360 million last year and €103 million in the first three months of this year. We are now nearly halfway through the year, so the committee can imagine that the cash burn is significantly ahead of the €150 million ISIF loan that we have received so far. We are looking to restore our liquidity to the tune of a few hundred million euro, but the precise numbers depend on where we can access that liquidity, its terms and the number of days we continue to burn cash.

Senator Timmy Dooley: I welcome Ms Embleton and Mr. Moriarty and thank them for their presentation. Since I come from the Clare area, I wish to discuss the crew base in Shannon. There is a great deal of concern, not just among the staff at the crew base, but in the wider region. The concern is well understood from the staff's perspective because their entire livelihoods have effectively evaporated before their eyes. I do not believe there is anyone in the aviation sector who did not expect a significant shock, be that a change in working conditions or a reduction in pay, as Aer Lingus and other airlines built out of this. The people I know who worked for Aer Lingus in Shannon cannot figure out how, without consultation with unions or discussions with staff, Aer Lingus might have managed to make savings to make it possible to retain activity in the region. Ms Embleton has indicated that her primary focus is to protect connectivity. That is my focus too but my focus is also to have secure jobs in the region. That means working for the airline. The workers who I know best were well prepared to engage with Aer Lingus to reach that level of compromise that would have allowed for the retention of connectivity and the maintenance of a base. What efforts did Aer Lingus make to engage with the workforce to try to retain the base there rather than closing it overnight by stealth?

Ms Lynne Embleton: There have been extensive discussions with staff and with union representatives since the pandemic hit. I was not in Aer Lingus in 2020 but I know that discussions with all of the union groups were intensive and, in many cases, very productive. The issue of near-term cash-burn and how the unions, employees and management can come together to stem the bleeding has been a significant focus throughout the pandemic and has seen significant changes, which we acknowledge. The key issue with the Shannon base is not just surviving the bleeding in the near term but having a cost base that will enable us to feel confident about investing in aeroplanes and creating routes. It is a risk to commit to a route. The costs are fixed and the revenues are not. It is in the interests of jobs and connectivity to ensure that we have a structural cost base that means that we are fit to fly, grow and expand. That issue has been subject to significant assessment and analysis internally in Aer Lingus. That assessment concluded that the best way to sustain, maintain and grow flying is to have an efficient cost base, not because of the contribution of staff as individuals but as the structure of the flying programme. It was not sustainable to continue.

Senator Timmy Dooley: That is in structural terms as the structure was. The staff who have communicated with me were willing to look at changes in structures. I do not think it is fair to suggest that the approach taken achieved union agreement in any shape or form. There was an acceptance of the reality that things would change and that workers were facing a different aviation environment to the one prior to the pandemic. Aer Lingus is a private company and makes decisions but it has not recognised the tremendous input from those workers, who were prepared to make significant concessions to protect and preserve a base there. I ask Ms Embleton to look at this again. I know she has flatly said to Ministers and the Taoiseach that she will not but the workers are willing to work with Aer Lingus in the best interests of their families and the wider region. If Aer Lingus had a more flexible approach, it would be met with workers in the region who have worn the Aer Lingus uniform with pride for generations, whose parents and grandparents worked for Aer Lingus in many cases, who are prepared to work with Aer Lingus and be part of the recovery rather than being cast aside as some kind of an impediment. I do not know if that was intentional or not but it does not sit well with them.

The next question relates to the ISIF loan and supports from the State. I will tease through this. An ISIF loan is an investment by the State where there will potentially be a positive economic impact. I can think of nothing that would have a greater economic benefit in the wider region than investment by Aer Lingus for the retention of a crew base and services in Shannon.

That needs to be looked at. The witnesses indicated that they received €150 million. They are looking for more and they are in discussions. They do not want to have any preconditions. Have they given any consideration to where the State might take a shareholding rather than provide debt? The State would come onto the share register. Aer Lingus is concerned about carrying more debt, paying that back and paying interest, which would put it under considerable immediate pressure. Will the witnesses concentrate on that?

Ms Lynne Embleton: I do not see a need for State shareholding. As I said before, I believe that Aer Lingus has benefited significantly from being part of IAG. It has had access to synergies, technology and capital. I believe that it is in the interests of Aer Lingus and connectivity for Ireland for Aer Lingus to continue to operate as a business within IAG.

Senator Timmy Dooley: I am not suggesting that Aer Lingus be spun out from IAG but that the State would take a shareholding in what would continue to be a publicly traded company. It would certainly remove some of the burden of interest and payback.

Ms Lynne Embleton: We are asking the State for more access to the ISIF facility if the terms are right. Other things that we would ask the State for, like the stimulus packages, airport rebates and an extension to the EWSS, are the ways in which the State can best support Aer Lingus.

Senator Timmy Dooley: Slot access to Heathrow from Shannon is a critical component of regional development. Mr. Moriarty has identified the incumbents that exist, going back to the time that the State sold its final shareholding to IAG. That will come up for review next year. Would the witnesses envisage or be open to a continuation of that encumbrance based on Aer Lingus now requiring a debt pile from ISIF? Has Aer Lingus been asked for that? Have there been any discussions or consideration about the retention of that encumbrance based on what is now required by Aer Lingus?

Ms Lynne Embleton: I ask Mr. Moriarty to address any conversations that have been had on that subject.

Mr. Donal Moriarty: To clarify a number of points, the encumbrance with regard to the consent required to dispose of London Heathrow slots that were linked to the transaction continues.

Senator Timmy Dooley: Will it continue until 2022?

Mr. Donal Moriarty: No. It will continue beyond then. The 2022 date relates to the commitment made by Aer Lingus and IAG to maintain the same level of connectivity to and from London Heathrow airport as there was in 2015. Aer Lingus did that right up until the pandemic. In fact, it exceeded that. Reference was made earlier to the early morning and evening flights into Shannon Airport. They did not exist for a period. They were brought into being after the transaction. That commitment by Aer Lingus and IAG to maintaining or matching that level of connectivity from 2015 expires in September 2022. The issue of the State's consent for encumbrance with the London Heathrow slots continues thereafter.

Chairman: How long does that continue for?

Mr. Donal Moriarty: It continues indefinitely. There is no time restriction.

Senator Timmy Dooley: I know that the witnesses have been slow to give an indication

but will they confirm that they already had discussions about the Shannon to London Heathrow route commencing again in September and that they are looking at recommencement of routes to the United States in spring 2022?

Mr. Donal Moriarty: There have been no discussions with Government about the timing of the recent announcement of routes. As Ms Embleton outlined earlier, that is really-----

Senator Timmy Dooley: Have any internal discussions taken place around that particular issue?

Mr. Donal Moriarty: That is driven by the issue of ability to operate and the easing of restrictions and removing-----

Deputy Timmy Dooley: What is the best-case scenario? Mr. Moriarty will have done some war games and forward planning. If Aer Lingus gets the green light around 19 July, the issues around testing will get resolved relatively quickly. Can Mr. Moriarty give us his best guess based on his projections at the moment?

Mr. Donal Moriarty: We are not in a position to guess given that restrictions continue to be in place. As we have outlined, when it comes to 19 July, very significant restrictions to and from the UK will continue. We are, therefore, really not in a position to guess or make any commitment. We will have to see how the issue evolves. As we outlined, however, there is no strategic intent not to operate out of Shannon and Cork airports in particular. Our hope is to get back to doing that as quickly as possible. We just cannot fix a date on that.

Chairman: Senator Dooley will need to conclude.

Deputy Timmy Dooley: Okay. I thank both witnesses for that. I hope we can continue our engagement with them. It is certainly not my intention to be hostile in any way. We have a duty, however, to ensure that as Aer Lingus works through this difficult situation successfully, we too bring the region we represent along that recovery path. That is why we would like to have, perhaps, a more regular dialogue around identifying what the State can do better to assist Aer Lingus in achieving what it wants to do and what we need to achieve for the people we represent.

Chairman: I thank the Senator. I have a few very quick questions for Ms Embleton. The Chief Medical Officer, CMO, Dr. Tony Holohan and his colleagues, and the joint Chair of the HSE review group on antigen testing, appeared before the committee and told us that international travel was not a priority in terms of antigen testing. I appreciate Ms Embleton's reluctance but if a pilot scheme was to be established, would Aer Lingus be willing to take part in it? A "Yes" or "No" answer will suffice.

Ms Lynne Embleton: If it is a pilot scheme that adds antigen testing to PCR testing then my view is that can only cause more damage to the propensity for flying, not less.

Chairman: No, I am talking about a pilot test for antigen testing on one specific air route, perhaps one of the Aer Lingus routes, over a very short period. This would be where Aer Lingus would do a pilot programme on antigen testing. Would Ms Embleton be willing to look at that?

Ms Lynne Embleton: We would not stand in the way of that if it is practicable and able to be implemented. What I keep coming back to, however, is that antigen testing has been ac-

cepted as a pre-departure standard and I would urge the Irish Government to follow suit.

Chairman: In her presentation today, Ms Embleton spoke about the anti-family restrictions over and back to the UK and elsewhere. What would Ms Embleton say to the Irish Government in terms of the aspect of the current Delta variant and the extra restrictions that have come in whereby people who are unvaccinated must quarantine for 14 days or apply for a second PCR test five days after their arrival and receive a negative result after ten days? What does Ms Embleton say to the Irish Government in the context of restoring enhanced connectivity between Ireland and the UK involving Aer Lingus?

Ms Lynne Embleton: First, I would look at the vaccination rates within the UK and take a risk-based approach to restoring connectivity and travel. The antigen testing is designed to detect infection. It is not a diagnostic of the type of variant of Covid-19 a person may have. If an antigen test says that a person has Covid-19 and is infected then following up with PCR testing to establish the variant is very appropriate. I do not believe the Delta variant in itself changes any of the things we have said to this committee on the subject so far.

Chairman: The digital green certificate that is coming in may allow rapid antigen testing. In keeping with what Ms Embleton said, the antigen test will detect the most infectious people boarding the plane. PCR testing still has the weakness that a person could potentially have taken a test 72 hours prior to departure and still bring the virus on board. What difference would antigen testing make to Aer Lingus in terms of its operations post-19 July?

Ms Lynne Embleton: It would be significant. As we have laid out, other things need to happen and be addressed. The restrictions around treating the UK and the US differently and the issue of families are all things that are really important to us. We used those words in our supplementary statement. If the combination of these things means the changes on 19 July are looking like too little, too late to have a meaningful part for the season for Aer Lingus, that has serious consequences in terms of our financial health, restoring connectivity and rebuilding routes. Antigen testing is, therefore, really important. It is one part of everything we believe we need to see addressed.

Chairman: If antigen testing does not become part of the tool kit, Ms Embleton is not in any way dismissing PCR testing. She just wants antigen testing included as well. If antigen testing is not included, is Aer Lingus writing off its summer season into Ireland?

Ms Lynne Embleton: I am sorry. The Chairman broke up in the middle of his sentence. Could he please repeat the question?

Chairman: If antigen testing is not allowed by Ireland as part of the tool kit under the digital green certificate, will Aer Lingus be writing off its summer season for flights into Ireland in terms of the tourism sector?

Ms Lynne Embleton: Largely, it is already too little, too late. We will not have a sizeable summer for the season. As we consistently said today, the reason we are reluctant to give the committee commitments and dates is because of the uncertainty these issues are creating, and therefore, the reticence around the inability to travel. Without these things removed, the answer is “Yes”, we will be seeing a damp squib of a summer with the impact on Aer Lingus and our network.

Chairman: I know Ms Embleton has gone over this but to bring it into sharp focus, what is her ask of the Irish Government today in terms of ensuring we have international tourists com-

ing into Ireland over the summer period? We are now looking at the end of July, August and perhaps September. What does Aer Lingus need in place by 19 July?

Ms Lynne Embleton: The most immediate things we need are treating the UK and the US consistently with Europe, which the data suggests should be the case but is not with proposals today, and removing the anti-family policy impact of testing and quarantine restrictions that are in place. Those things would make a big difference. The adoption of antigen testing would make a big difference. We need those things in the near term to have any semblance of a summer.

The day travel is restored is not the day when Aer Lingus's problems disappear. We have a major rebuild ahead of us. The things we have spoken about in terms of extensions or certainty of the conditions around the employment wage subsidy scheme, EWSS, the airport charge, rebates and stimulus packages are all issues we urge the Government to look at as we come out of this crisis to help us through the rebuild.

Chairman: I will shift the focus quickly to Shannon Airport. I am a representative for Limerick city. As I said, when Covid-19 restrictions are fully removed, we very much look forward to Ms Embleton visiting Shannon Airport and the region. Iberia received a €1 billion credit guarantee from the Spanish Government. The major condition under that agreement was that there would be no compulsory redundancies. Iberia is part of IAG and you have come from IAG to Aer Lingus. It is all one major entity. With regard to the cabin crew in Shannon Airport, I have a twofold question. My understanding was that before the arrival of the pandemic, Aer Lingus was seeking to increase the number of its aeroplanes flying out of Shannon Airport across a range of areas. Is that the case? Clearly, the load factors are very good in Shannon, which means that Aer Lingus needs a base there. Second, why did Aer Lingus not look at voluntary redundancies? Why did it go for the nuclear option, which was to take out the base? They are two brief questions and I two further follow-up questions for Ms Embleton. The €1 billion Iberia loan-----

Ms Lynne Embleton: I believe there were temporary restrictions in respect of the €1 billion. Any airline that looks to be smaller than it was going into the pandemic or in a period to come will have to restructure, so there will be restructuring in airlines and there will be restructuring I believe----

Chairman: I am not denying the need for restructuring, but why did Aer Lingus not bring in a voluntary redundancy package for the cabin crew rather than a compulsory one? That would be very difficult for many of the staff, but it would retain the base. Obviously, you will appreciate that having a base there gives much more comfort to a region and an airline in terms of having early morning flights. It shows that little extra bit of commitment. I will put it another way. It is the difference between the engagement ring and the wedding ring. The wedding ring is the cabin crew base being there and the engagement ring is that promise. We want to see a wedding ring with Aer Lingus at Shannon Airport. Will Ms Embleton comment quickly on that?

Ms Lynne Embleton: On the first question on voluntary redundancies, we have been exploring, accepting and inviting applications for voluntary redundancies across our workforce, which includes our cabin crew. We are looking to exhaust the voluntary redundancy opportunity as far as we can. On the closure of the base, what I keep coming back to is that it is a cost burden that is not in the interests of Shannon and of the Shannon connectivity-----

Chairman: Ms Embleton could go-----

Ms Lynne Embleton: -----to have that burden going forward if we want to restore routes and grow the network.

Chairman: Aer Lingus can still get its cost savings with voluntary redundancy, but it would still retain the base. Would you reconsider that, to make what is happening in the base voluntary rather than compulsory?

Ms Lynne Embleton: The Shannon staff are being given the opportunity to move to Dublin, if there are vacancies in Dublin that are triggered by offering voluntary redundancy to Dublin cabin crew as well. However, having fewer cabin crew and a smaller base in Shannon just makes the problem the inefficiency of the base. This is structural and based on the amount of flying, not the individuals involved. Fewer cabin crew in Shannon would not make sense. It would not be something that would be structurally sustainable for us.

Chairman: I will return to the Heathrow slots. There is an absolute commitment given up to September 2022 that there will be Heathrow slots for flights out of Shannon Airport. What commitment does Aer Lingus give on retaining those Heathrow slots out of Shannon Airport beyond September 2022? Yes, there is the default in terms of the slots themselves overall for Ireland, but what commitment will Ms Embleton give today that the Heathrow slots will be retained beyond September 2022 for Shannon Airport? In that, she might give some indication as to when she anticipates, at the earliest, the Heathrow flights out of Shannon returning and transatlantic flights returning to Shannon.

Ms Lynne Embleton: You have asked me several times for commitments. What I will tell you is that I fully expect connectivity between Shannon and Heathrow to continue, and I want it to continue. I do not wish to give a commitment, but it is absolutely my expectation and my desire that it will continue. That is what I expect to see. What was the second question?

Chairman: My second question was about the Heathrow slots for Shannon beyond September 2022. Will you give a commitment that they will be retained for the Heathrow flights out of Shannon?

Ms Lynne Embleton: I fully expect that to be the case. I am sorry, your second question was about the timing.

Chairman: Yes.

Ms Lynne Embleton: I hope that we will see Shannon flights to Heathrow in the coming months. In the case of transatlantic, we need to look quite carefully between now and summer 2022. Again, I am not committing to dates, but the more we get the impediments to travel removed, the better and more optimistic I feel about both those subjects.

Chairman: We will be writing to the Government, Dr. Holohan and NPHE and Professor Keogan, the joint chair of the review of antigen testing, stating, first, that we were told something completely opposite, namely, that international aviation was not part of the antigen testing. Mr. Moriarty has said that he was advised that it was last November when the review group was established. Second, we will be asking what procedures are in place to ensure that both the US Centers for Disease Control and Prevention and the European Centre for Disease Prevention and Control are updated with data in real time. We cannot have a situation where we are looking at documents on the worldwide web where, effectively, Ireland is an outlier, when the information is there to show that we are making progress. If we are making progress on the virus, that has to be reflected in how we operate on a worldwide scale. That is something the

committee will be taking up very seriously.

I will now move to non-members of the committee. I will have to restrict time. Senator Maria Byrne has three minutes.

Senator Maria Byrne: I thank Ms Embleton and Mr. Moriarty for their presentation. I have two questions. I am from Limerick, like the Chairman. Shannon Airport is key for the region. A report showed recently that the top 40 companies use Shannon Airport for staff coming in and going out for meetings and so forth. A commitment has been sought from Ms Embleton with regard to the Heathrow slots and the early morning and late evening flights. She says she cannot give a commitment, but I believe she has to revisit that question given that so many companies in the region are dependent on them and the region is so dependent on regional balance in terms of expansion of companies. Those slots are very important, but it has to be a commitment to early morning and late evening flights.

I have another question. Were bonuses paid to Aer Lingus staff in the last 15 months during the pandemic? Are there plans to pay any bonuses, especially to management, for the past 15 months and perhaps into the future, before the end of the year?

The other issue is that ATR 72s were being used for the Shannon-Paris route before Covid-19. Are there any plans to put them in place? They would possibly cost less to run than bigger aircraft. With regard to transatlantic flights out of Shannon, mainly to New York and Boston, they have been very successful over a number of years. When is it planned to reinstate these flights, given that Shannon Airport has the pre-clearance facility? I look forward to answers to my questions.

Ms Lynne Embleton: I would be delighted to go to Shannon when we are allowed to move around a little more freely. I fully understand the importance not only of the connectivity to Heathrow but also the timings. Indeed, before Aer Lingus was acquired by IAG, the Shannon schedule was less attractive than the arrangements we put in place after Aer Lingus became part of IAG. I fully expect that we will be maintaining a very attractive schedule from Shannon when things start to come back to a full sense of normality.

Chairman: Will that include what was the early morning flight out of Shannon Airport?

Ms Lynne Embleton: If the demand is there and it comes back, it would make absolute sense for us to preserve that in the best way we can. Again, that is my expectation, but it is not my commitment. While it is my hope and expectation, it is not my commitment. However, that is fully what I expect.

The Chair asked about bonuses to staff. Bonuses seem like a distant memory at the level of cash burn we see today. The concept of bonuses has not come into my head for as long as I can remember. Indeed, management is taking voluntary pay cuts to contribute to this situation. The question of bonuses is not in our mind at all. I would love to get to the point where we feel we are in a position to be able to pay bonuses to all of the staff. However, that seems a long way off today.

On the question of ATRs, as I mentioned earlier, we are restoring routes that were, for example, operated by Stobart Air. Many of these are “thin roots” that are best suited to smaller aircraft types. We are having dialogue to establish a new franchise partner so that the Aer Lingus network can have some of those smaller groups under the Aer Lingus brand. They would provide connectivity that our bigger aircraft would not justify. That is part of our dialogue with

Emerald Airlines as a potential partner, as well as within our group, to try to restore some of the gaps that were left from Stobart Air's demise.

Like Heathrow Airport, we recognise the importance of transatlantic. I hope and expect that when some semblance of normality resumes, we will be connecting Shannon with those important markets in the USA. Hopefully this happens before I am back to talk to this committee.

Senator Jerry Buttimer: In the context of Cork, I extend invitation to Ms Embleton to Cork. Senator Horkan, the Chair, Senator Byrne and others mentioned Shannon Airport. However, Cork Airport is the second biggest airport in the country. We should not lose sight of that.

Chairman: Ms Embleton will be doing a tour of southern and western Ireland to visit Shannon and Cork Airports. I want to check one thing. In Ms Embleton's discussion with Government, we have been told that it is around the Ireland Strategic Investment Fund, ISIF, loan. She spoke about the rebate of airport charges, about the extension of the employment wage subsidy scheme, EWSS, until the first quarter of 2022, and about route-specific support. Has she put proposals to Government on how it can directly support specific routes? How have her discussions with Government been going? Does she see a conclusion being made?

Shannon Airport is obviously a huge issue for us. However, we spoke about it on a desktop level. Could Ms Embleton tell us where discussions are at this moment in time? We want to get aviation back as quickly as possible, obviously in a safe way. Is it fair to say that Aer Lingus will need State support?

Ms Lynne Embleton: The issues the Chair mentioned were all laid out in principle terms, not detailed terms, in reports and recommendations that Aer Lingus was part of in 2020. I have mentioned all those topics in conversations with Ministers in the recent months. I do not believe we are at the level of any detailed conversations and take-up of those suggestions. I will ask Mr. Moriarty if there have been any specific conversations in which I have not been part.

Mr. Donal Moriarty: Arising from those reports, the aviation recovery task force report, in particular, and the specifics within that report around supports, Government is aware of Aer Lingus's views with respect to maintenance restoration of core connectivity. At a macro level, therefore, there is a keen understanding of those recommendations and of Aer Lingus's position with respect to the recommendations. As of yet, we have not gotten down to the detail of specifics.

Chairman: We are literally 15 months into the pandemic. The date of 19 July 2021 is fast looming, when the digital green certificates will come in. Why have these discussions not taken place? Why are the witnesses not getting down to the real detail? Why has that not happened to date?

Mr. Donal Moriarty: The focus of the industry, as the Chair will have seen over the recent months, has directed to an aviation restart plan. The regulatory working group of the National Civil Aviation Development Forum, NCAADF, came together to make proposals to Government in that regard. Following that, Government announced the reopening plan on 28 May 2021, which comes into effect on the-----

Chairman: Will Aer Lingus require State or Government support to be able to come out of this pandemic? Ms Embleton can answer that question, either. Will Aer Lingus require State support?

Ms Lynne Embleton: That support can come in several forms. To restore-----

Chairman: I have very specific question. Will Aer Lingus require Government or State support to come out of this pandemic?

Ms Lynne Embleton: We are seeking to have a further ISIF funding. However, that would need to be on terms that are acceptable to both parties. The speed of the restoration of our network will depend on the proposals we spoke about so far. If support is forthcoming in the form of airport rebates and stimulus packages, then our network will be restored faster than it would be without it.

Chairman: I thank Ms Embleton and Mr. Moriarty for attending and for engaging with the committee. Aviation is critical for Ireland. We wish to support the aviation industry. We want Aer Lingus to support regional connectivity out of Shannon and Cork Airports, as well as Dublin Airport. We will write to ensure the data gets to Europe and the US as quickly as possible to restore connectivity. We will follow up on the fact that Ms Embleton stated it is willing to come on board for a pilot antigen testing programme. We want to see aviation up and running as quickly as possible by 19 July 2021. This important for business, tourism, and for Ireland as an island nation. We thank, and look forward to further engagement with, Ms Embleton and Mr. Moriarty.

The joint committee will meet in private session at 4 p.m. today.

The joint committee adjourned at 11.48 a.m. until 12.30 p.m. on Wednesday, 23 June 2021.