

# DÁIL ÉIREANN

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## AN COMHCHOISTE UM IOMPAR AGUS LÍONRAÍ CUMARSÁIDE

### JOINT COMMITTEE ON TRANSPORT AND COMMUNICATIONS NETWORKS

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*Dé Céadaoin, 11 Samhain 2020*

*Wednesday, 11 November 2020*

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Tháinig an Comhchoiste le chéile ag 11.30 a.m.

The Joint Committee met at 11.30 a.m.

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Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Dara Calleary,*	Paddy Burke,+
Rose Conway-Walsh,+	Jerry Buttimer,
Pa Daly,*	Timmy Dooley,
Alan Dillon,*	Ned O'Sullivan.
Michael Lowry,	
Steven Matthews,	
Ruairí Ó Murchú.	

\* In éagmais / In the absence of Deputies Joe Carey, Cathal Crowe and Darren O'Rourke.

+ In éagmais le haghaidh cuid den choiste / In the absence for part of the meeting of Deputy Ruairí Ó Murchú and Senator Jerry Buttimer.

I láthair / In attendance: Deputy Brendan Griffin and Senator Lisa Chambers.

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

## **Business of Joint Committee**

**Chairman:** Apologies have been received from Deputy O'Rourke.

Before we commence with the substantive part of our meeting today we will go into private session to discuss an important issue relating to today's meeting. Is that agreed? Agreed.

*The joint committee went into private session at 11.34 a.m. and resumed in public session at 11.51 a.m.*

### **Issues Affecting the Aviation Sector: Discussion (Resumed)**

**Chairman:** This is one of our concluding sessions on issues affecting the aviation sector. I welcome the following witnesses to today's meeting: Ms Anne Bonner, outgoing managing director, Mr. Steve Ó Cúláin, chair, and Ms Eilis Docherty, incoming managing director, Donegal Airport; and Mr. John Mulhern, CEO, and Mr. Basil Sheerin, chief financial officer, Kerry Airport; and Mr. Joe Gilmore, managing director, Ireland West Airport.

Witnesses are reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity by name or in such a way as to make him, her or it identifiable or otherwise engage in speech that might be regarded as damaging to the good name of the person or entity. If the witnesses' statements are potentially defamatory, in respect of an identifiable person or entity, they will be directed to discontinue their remarks. It is imperative that they comply with all such directions.

For witnesses attending the meeting remotely, 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 who are physically present. Witnesses participating in this meeting from jurisdictions outside this State are also advised that they should be mindful of their domestic law and how that may 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 Houses or an official either by name or in such a way as to make him or her identifiable.

I call on Mr. Ó Cúláin and Ms Bonner to make their opening statements on behalf of Donegal Airport.

**Mr. Steve Ó Cúláin:** Gabhaim buíochas, a Chathaoirligh agus a bhaill den chomhchoiste, cuireann bainistíocht agus bord stiúrtha Aerfort Dhún na nGall fáilte roimh an deis seo cur i láthair a dhéanamh don choiste anseo inniu.

Tá Aerfort Idirnáisiúnta Dhún na nGall i mbun gnó ó 1986. Cuireann an comhlacht fostaíocht dhíreach ar fáil do thríocha duine, 30, agus tá costas saothair €985,000 sa bhliain i gceist. Baineann obair an aerfoirt le dhá phríomh aerbhealach, Dún na nGall go Baile Átha Cliath agus Dún na nGall go Glaschú, chomh maith le seirbhísí ginearálta eitlíochta, cairteitiltí príobháideacha, oibriúcháin mhíleata agus seirbhís don gharda cósta freisin. Is é an comhlacht Stobart Air nó Aer Lingus Réigiúnach, a chuireann seirbhís riachtanach Bhaile Átha Cliath ar fáil faoin gclár PSO nó Oibleagáid Seirbhíse Poiblí. Is é an comhlacht Loganair a chuireann

seirbhís Ghlaschú ar fáil ar bhonn tráchtála amháin.

D'éirigh leis an aerfort a uasmhéid paisinéirí a bhaint amach in 2008, tráth a raibh 65,537 bpaisinéirí i gceist. Tá an t-aerfort dírithe ó 2012 ar an líon sin tráchta a bhaint amach arís agus tá sé sin á dhéanamh de réir a chéile bliain i ndiaidh bliana, agus 45,542 paisinéirí i gceist in 2019.

Maidir leis na nithe a ghoilleann ar aerfoirt réigiúnacha, tá tionchar ollmhór ag Covid-19 ar gach tionscal ar fud an domhain, ach is measa ná sin a thionchar ar chúrsaí eitlíochta. Ní hiad na srianta tráchta agus daoine coinnithe astu féin amháin atá i gceist, mar tá inní ar dhaoine freisin faoi shábháilteacht aerthaistil. Tháinig titim 90% ar líon na bpaisinéirí i mí Aibreáin agus Bhealtaine, an titim ba mhó riamh. Cé gur cuireadh an fhoireann ar sheachtain oibre giorraithe, d'éirigh linn an fhoireann ar fad a choinneáil mar gur bhain muid leas as an scéim cúitimh, the temporary wage subsidy scheme, TWSS, de chuid an Rialtais.

Tá tionchar millteanach ar an earnáil turasoíreachta ag an gcoraintín 14 lá a chuirtear ar phaisinéirí idirnáisiúnta. Cuireann na paisinéirí seo go mór leis an rath atá ar cheantar an iarthuaiscirt. Tá cuid mhór den trácht eitlíochta seo bainteach le heitiltí Bhaile Átha Cliath agus baineann cuid de chomh maith le heitiltí Ghlaschú nuair is gnóthaí atá an séasúr.

Cé go bhfuil seirbhís Bhaile Átha Cliath ag obair mar is gnáth, tá muid fós ag coinneáil súil ghéar ar ár mbun chostais agus ár bpárolla ag fáil tacaíochta ó scéim cúitimh an Rialtais, employment wage subsidy scheme, EWSS. Baineann 64% dár gcostas iomlán oibriúcháin leis an bpárolla seo. Creidimid gur féidir linn ár gcaillteanas a choinneáil chomh íseal agus is féidir agus ag coinneáil le lánfhostaíocht ag an am céanna.

Anois, a Chathaoirligh, iarrfaidh mé ar mo chomhghleacaithe ó bhainistíocht stiúrtha an aerfoirt, Anne Bonner, leanúint ar aghaidh leis an gcur i láthair seo con choiste as Béarla.

**Ms Anne Bonner:** In terms of the future of the sector, Donegal Airport is the most remote regional airport in the country, with no rail network and an inferior road network compared with other locations. Donegal Airport is now recognised as a key element of the region's infrastructure for business and tourism development, and especially for essential needs such as health and education. An independent economic impact study in 2019, by Fitzpatrick Associates, established that Donegal Airport's contribution to the regional economy, in terms of direct, indirect and induced economic impact, is €46.6 million. The airport also indirectly supports employment in the north-west region, amounting to 393 full-time jobs.

The future of Donegal Airport depends on the continuation of the essential public service obligation, PSO, service that links the county to the capital by a 45-minute flight compared with a road journey of between four and five hours, depending on the part of the country in which one lives. Donegal Airport certainly meets the criteria for a PSO service and that must be extended beyond the end of the current contract in 2022.

In terms of State funding, the development of the regional airports programme, RAP, by the Department of Transport under EU regulations has given regional airports the necessary support to enable them to plan and implement the required capital projects for safe, secure and regulatory compliant airport operations under capex and the public policy remit-capital or PPR-C programmes.

The operation of the public policy remit-operations or PPR-O programme contributes to the costs associated with the provision of essential services with no economic return such as

air traffic control, emergency and security services. These funds enable the provision of public services by private airport operators.

Although much work was undertaken with input from all stakeholders, the current regional airports programme has not yet been agreed. The airports await confirmation of the longer-term RAP approval in order to plan ahead. In saying that, we welcome the Minister's announcement yesterday that the funding for regional airports has been increased for 2021 given the current climate.

With regard to the introduction of the EU traffic light system and Covid testing at airports, Donegal Airport welcomes the Minister's decision to progress the implementation of the EU traffic light system to reboot international travel. We look forward to further detail on how this will be implemented.

We believe that pre-departure Covid testing may be the most effective way to allow unrestricted travel between countries and to restore consumer confidence in air travel. We would be happy to work with the authorities in facilitating such testing and stand ready to progress whatever measures are required to be implemented. A robust monitoring of the testing regime would have to form part of the overall process. That concludes our statement.

**Chairman:** I thank Ms Bonner and I invite Mr. Mulhern to make his presentation on behalf of Kerry Airport.

**Mr. John Mulhern:** I thank the committee members for the opportunity to contribute this opening statement for their consideration. We fully appreciate the committee's limited time schedule, which is defined by risks associated with Covid-19 and, as such, we will keep this statement brief. It is important and appreciated that the regional airports have a voice that is heard with regard to any decision-making or discussion on policy development in government and in opposition, and also to represent our colleagues in tourism and many other fields of commerce that are equally reliant on air travel. It is correct to state clearly in this forum that so many people in rural Ireland are dependent on reliable air transport and have also endured the unfortunate consequences of Covid-19 on their businesses and livelihoods. In Kerry, like all of the regional airports and members, we are eager to secure a real and absolute recovery in the coming months and years.

In the near future it would be very helpful to get a positive announcement regarding the regional airports programme, RAP, which would support us in re-establishing our path to growth and sustainability in the future. We all understand that this journey has been given a significant blow that has set us back perhaps several years. However, we still believe that with the support of the programme and sustained State funding we can continue to contribute so much more to our rural economies and the greater national purse than we receive.

We very much welcome last evening's announcement by the Government. We thank the Minister for Transport, Deputy Eamon Ryan, and the Minister of State, Deputy Hildegard Naughton, and our friends and colleagues in government, Deputy Brendan Griffin and the Minister for Education, Deputy Norma Foley, for their support through what has been a nightmare for us all here in Kerry, and in all the regions.

This year promised so much for Kerry Airport, as we celebrated 50 years of providing air transport in the county and region. Several upgrades to our passenger facilities, along with the announcement of our new route to Manchester, promised so much, including a passenger

increase of 10% on the 370,000 passengers handled in 2019. Rebranding and new marketing plans, along with the success of the Wild Atlantic Way tourism initiative, promised another successful year not only for us but also our colleagues in Ireland West and Donegal airports. Unfortunately, the situation now is way beyond what could have been envisaged less than one year ago. The impact of Covid-19 will see passenger numbers fall by approximately 90% compared with those of 2019 across all the airports. The symptoms of that critical decline are felt in so many ways and across so many industries, including tourism, which accounts for 25% of all employment in the county.

We have accepted that sacrifices in travel are necessary to protect the greater good. However, it is a battle every day to find a balance between the commercial instinct to drive up passenger numbers by whatever means and the need to protect our vulnerable population, front-line staff and finite healthcare facilities. That is especially the case now as we must again endure the pressures of the winter's inevitable inpatient bed crisis in the middle of a second surge of SARS-CoV-2.

The announcement of the adoption of the European traffic light system is very welcome and is seen by us in Kerry as a safe and manageable method to begin to reopen and recover overseas air travel. Decisions by several European countries and our neighbours in England to follow our lead and introduce level 5 or similar restrictions will see a drop to below 50 positive cases per 100,000 of population and positivity rates that are lower than 4%, which will open up many corridors of free and safer travel in the very near future.

Like the rest of the world, we pray that recent announcements in vaccine development will at some stage next year begin the real healing that is so desperately sought by us all. Kerry Airport is investigating the option of ensuring access for passengers to PCR Covid testing through a local private healthcare facility at a cost that would be considered reasonable. We respect the science that suggests other methods of testing outside of PCR, including loop-mediated isothermal amplification, LAMP, and rapid antigen, do not at present provide the amount of efficacy that is required. We believe that off-site PCR testing one to two days prior to travel represents the best way forward for restrictions relating to orange, red or grey territories.

We again thank the committee for this opportunity to share our position and experiences of the effects of Covid-19. We would be very happy to answer any questions or develop further any points that were made in this statement. Gabhaim buíochas leis an gcoiste arís. Is mór againn an deis seo labhairt leis an gcoiste.

**Chairman:** I thank Mr. Mulhern. We will now proceed to Mr. Gilmore who will speak on behalf of Ireland West Airport Knock.

**Mr. Joe Gilmore:** I thank the committee for the invitation to provide a witness statement to it. I will provide a very short summary, as the other airports have done. I will also give a brief background on Ireland West Airport. I know many members are familiar with the airport and I will give it some context in the aviation landscape of the island. I will in addition give an update on the current situation and I will also outline how we see the situation going forward.

Ireland West Airport opened in May 1986 and was managed originally by the Connaught Airport Development Company, which was effectively a private company with 36 shareholders led by Monsignor Horan at the time. The State invested approximately £10 million in the airport and the monsignor and his team raised approximately £5 million to complete the airport. In 1991 the Government withdrew its nominees to the board of the original airport and a public

trust was established by deed of trust in the same year. It was constituted as the Horan Airport Trust, so we are a community trust. The trust was signed at the time by then Minister for Transport, the late Séamus Brennan, a Galway man, with the objectives of developing the airport on a commercial basis for the people of the west and north west, expanding air services to international markets and supporting employment, tourism and business growth in the region.

Any dividends or profits that the airport makes must be reinvested in the airport and the trustees and board of directors of the airport provide their services on a fully voluntary basis. Therefore, there are no private shareholders and the rights attached to the trust shares are to invest in, encourage and facilitate investment in the future of the airport to fulfil the objectives of the airport. I wanted to set that out because at times some degree of clarification is needed in terms of the ownership structure of the airport.

I am pleased to advise that in 2017, as a further vote of confidence in the airport, seven local authorities across the region invested in the airport and took a 17.5% shareholding with the objective of further driving economic development and with a key focus on inbound tourism, business and economic development, leading to strong growth in inbound visitors and the designation of the airport last year as a strategic development zone, the only airport in Ireland with that zoning. We are unique in many ways compared to other airports, in particular due to our ownership structure and the equity shareholding taken by the seven local authorities. It has given us a unique regional investment in partnership in the facility between the people of the region and the Government. It has also been a very positive endorsement by local government in the airport and it has helped us to drive forward in the past three to four years in positive collaboration and co-operation, in particular in trying to harness the very large diaspora from the west and the north west, which the airport caters for internationally.

As I outlined, the airport was designated last year as a strategic development zone and was also recognised as one of the four main airports in the country with a commitment from Government, in the Project Ireland 2040 plan and the national development plan, for increased investment and prioritising the airport as a critical driver of economic and tourism development for the west and the north west.

The airport serves one quarter of the country's landmass from a regional development perspective with jet runway capabilities and with a population catchment of 1.2 million across the west, the north west and the midlands. We have the third largest runway in the country, of which we are very proud. It was put in place 35 years ago by visionaries who drove the development of the airport and we have the capability to handle all types of aircraft. In 2013, we were pleased to welcome wide-bodied 767s for the G8 Summit, Air Force Two, with Vice President Joe Biden in 2016 and, most recently, we welcomed Pope Francis in 2018 as part of his visit to Ireland.

We have experienced significant passenger growth since 2010 and last year was our record year with more than 800,000 passengers. As a non-State owned airport, we operate under a fully commercial remit. While we do receive funding, as the other regional airports do, under the regional airports programme, until this year we have managed to self-finance more than 90% of our operating costs from commercial and aeronautical revenues that we receive from passengers using the airport.

We are a key gateway, as the other airports are, in delivering 12 million visitors to the region so far since we opened. With an estimated annual tourism spend of more than €200 million we are contributing €112 million of gross value added, GVA, to the local economy and we support

3,000 jobs locally.

Coming to 2020, like the other airports we were looking forward to a very successful year. We were driving hard to achieve 1 million passengers and looking at a very strong performance in route network. However, on 5 March, unfortunately, one of our main airline partners, Flybe, which services Birmingham, Edinburgh and Manchester, went into insolvency as a result of Covid-19. That was the first blow and it was a loss of more than 100,000 passengers. When Covid-19 hit at the end of March, the airport was forced to close its doors for the first time in 35 years and lay off all its staff for a three-month period. That was as a direct result of our remaining airline partners, Aer Lingus and Ryanair, withdrawing their services. We resumed flights, as the other airports did, from 1 July with Ryanair and Lauda operating at 50% of their frequency. However, as we all know at this stage, it was a false dawn for air travel. Passenger load factors were extremely low at below 30% and passenger numbers have collapsed by more than 90% since then as a result of the pandemic and the severe stringent travel restrictions that had to be imposed.

In late October, Ryanair confirmed an 80% reduction in our winter schedule and, as of last week, a complete suspension of flights into the airport for the coming four-week period, as has happened in the other airports. As a result, we restructured the business over the summer period and, unfortunately, we have had to reduce our workforce by up to 70%. To date, we have had 43 redundancies and 100 staff placed on temporary lay-offs. The remaining staff are keeping the airport operational on a three-day week. It has been an extremely difficult period for the airport, as for all the other airports, in trying to manage what has been six different periods of restructuring.

We appreciate and acknowledge the support received from the Government through the employment wage subsidy scheme, EWSS, the temporary Covid-19 wage subsidy scheme, TWSS and the rates relief received from the local authorities. Despite that, however, we are sustaining very significant losses as we have no commercial revenues or passenger flow through the airport. We are looking at losses of close to €4 million and a reduction in our turnover by €11 million, which is catastrophic from a business perspective. It goes without saying that the region is deeply concerned in the medium term that vital air services would be lost to regional Ireland, which could be lost for a very long time given the current market conditions and travel restrictions in place. Industry experts are forecasting that it could be 2024 before there is a recovery to air travel.

In terms of what we are looking at and what we have been in discussion with the Government on, the media reports on which would provide more details, yesterday's announcement, to a degree, supersedes a number of our requests. I was a member of the aviation recovery task force, the Government-appointed task force, in June and July, which produced the report outlining key recommendations. That task force report was very clear on the specific requests. From our perspective, we were calling on the Government to provide additional support to help us bridge the gap in the significant losses. In a normal year the current regional airports programme is very sufficient in supporting us as an airport to achieve a break-even situation. However, as a result of the dramatic collapse in traffic, we were seeking additional funding support for this year, which was an exceptional year, to a level that would cover the airport's net loss position of close to €4 million, given that unlike in previous years, the capability of non-core airport activities, that is, commercial, car parking, retail, catering and car hire, would typically provide income to the airport that we could cover the shortfall. We were seeking the implementation of the aviation recovery task force report and incentivisation to restore critical air travel

into the region. I recognise that the measures taken yesterday in the support package for the aviation sector that were announced will start to address that for the initial three-month period from January to March next year, with the charges rebate scheme being proposed for airlines.

On the adaption of the European Commission's traffic light system, we are pleased to see that moving forward. We are seeking that the Government would continue to work with the airports and ourselves in mapping out a common system of pre-departure testing at all Irish airports in advance of the Christmas travel period. Like all the regional airports, in the month of December we usually have more than 50,000 people who would use the airport. Most of those usually travel from nine destinations we serve in the UK market. Many of those are looking to book and are wondering if they can return home for Christmas. We are pleased with the clarifications that are starting to flow from the Government in terms of travel from green, orange and red listed countries.

In terms of testing, like the other airports we are evaluating private operators to provide on-site testing here. We will expect to have that in place when we restart operations in mid-December.

On the travel side, from a west of Ireland perspective, we are much more dependent on the UK market. I refer to a mechanism whereby the Government could prioritise the opening up of an air corridor with the UK, with limited or zero travel restrictions for the regions with similar disease levels, as regional airports rely to a much larger degree than, say, Dublin on this market. This would also be critical in supporting the survival of thousands of jobs in the small and medium businesses and the tourism and hospitality sectors through this pandemic and the imminent challenges we face as we go forward with Brexit. Would it be feasible for the Government to look at that as a separate sub-committee to see how we could open a corridor from regions of the UK to regional Ireland? I ask because there have been times in the past two to three months - do not take this the wrong way - when the view was that it would have been safer to travel to, say, the London market than across the country to Dublin, purely from a pandemic perspective, but that people travelling from regional London were - and are - being requested to quarantine for two weeks. That is just to highlight the point that our dependency on the UK market is well over three quarters of our business and if that market could be opened up and expedited, it would be of great benefit.

I thank the members for their time and I look forward to taking their questions.

**Chairman:** I thank Mr. Gilmore. For housekeeping purposes, I ask the witnesses to make sure they mute their microphones while other people are speaking in terms of the sound quality. We will now have questions from members, which I will limit to five minutes in the initial round as we are tight for time. I suggest that members limit their questions to give the invitees an opportunity to respond.

**Deputy Alan Dillon:** I thank our witnesses from the regional airports for joining us today, especially Mr. Joe Gilmore, CEO of Ireland West Airport Knock. I also thank the Chairman for the invitation he extended to the regional airports. They are central to balanced regional development and should be a core element of Government policy in the aviation sector. As a Deputy representing the people of the Mayo constituency, I know that Ireland West Airport Knock is a place of which we are very proud. It is different from many other airports. It has seven local authority stakeholders and operates in trust for the people of Connacht as an independent operator. People in the west hold Knock Airport in the highest regard. It is seen as the beating heart of the Wild Atlantic Way. I congratulate the board of the airport on its continued work. We



have seen record passenger numbers over recent years, including well over 800,000 last year. I hope we will hit the 1 million passenger mark in the future.

Recent months have shown how important it is to rebuild lost air connectivity. Knock Airport is in the same situation as the other regional airports. It will be vital in rebuilding our economy post Covid. It is important that the recommendations of the aviation task force recognise the importance of our regional airports in delivering balanced regional development. Ireland West Airport Knock has a significant economic impact on the north-west region. Ernst & Young produced a report in 2019 which suggested that tourism spending by passengers of the airport equated to €217 million while the airport supports more than 3,000 jobs. It is, therefore, crucially important.

While we have seen yesterday's announcement of €6 million in funding towards the airports' operational costs and the additional airport charge rebate scheme, it is crucially important that the Minister clarify why this process requires the approval of the European Commission. At this time, the Department and the State should be writing cheques to support our regional airports. We see that €32 million was allocated to the State-owned airports without any EU approval. The Department needs to put a derogation in place to provide funding during the period of Covid restrictions. If there is a possible state aid issue, let us address it through the normal channels at a later date, but we need to ensure this funding trickles down to the regional airports, the coalface at which it is needed, and we need to avoid any potential roadblocks that may present themselves.

I have three questions for the CEO of Ireland West Airport Knock on the airport's strategic marketing plan in the short to medium term. I know UK and EU routes are very important. On the strategic development zone, SDZ, for Knock Airport, what efforts are being made to avail of the tax benefits of being so designated?

**Mr. Joe Gilmore:** I thank Deputy Dillon. To answer his questions, we have a comprehensive marketing plan ready to go once we get the green light to try to recover the 500,000 passengers of traffic we get from the UK market. That is the area in which we see recovery happening immediately. We then hope to move on to the European routes next summer.

With regard to the SDZ, we are the only airport in the country with this designation. We are in ongoing dialogue with the local authority, which is the planning authority that granted this designation. There is significant scope for the creation of up to 5,000 jobs in that zone. The local authority is moving forward on plans in that regard with us. The next stage involves producing an overall development plan which would provide the financial incentive to make it attractive for companies to locate there.

**Deputy Dara Calleary:** Gabhaim buíochas leis an Teachta Cathal Crowe as ucht an shuíocháin le haghaidh an chruinnithe. Cuirim fáilte roimh ionadaithe na trí aerfort. Is aerfoirt réigiúnacha iad, ach is aerfoirt i gcontaetha ina bhfuil Gaeltachtaí ann iad freisin. Tá sé sin tábhachtach. I particularly welcome Mr. Gilmore, with whom I have worked closely in recent weeks.

My first point applies to all three airports. With regard to the announcement yesterday, what do the representatives know about the state aid condition? It seems unusual. I understand that many state aid conditions have been suspended for Covid-related funding, which may be an issue to be considered in the report. Given that state aid rules do not seem to apply to the state-owned airports, why do they apply to regional airports? Do the witnesses have any information

in that regard?

Has there been much engagement with the regional airports in respect of how the traffic light system is going to work? I ask Mr. Gilmore about that in particular, although I know Donegal Airport also has a particular dependence on the UK market. Mr. Gilmore's point about region-to-region transport is important. Regional air corridors may be a matter to include in the final report. When does Mr. Gilmore see these coming into effect or operation? When will he be able to inform passengers as to what they will be able to do over the forthcoming Christmas period.

On the regional airport programme, aviation will be very difficult and very different post Covid. Do the witnesses believe the regional airport programme as it currently stands is fit for purpose in a post-Covid environment? Do we need to inject more flexibility into it and make it a bit more responsive to the current changeable situation?

**Chairman:** These questions really apply to all the airports so we might start with Mr. Ó Cúláin from Donegal Airport before moving on to Mr. Mulhern from Kerry Airport and then Mr. Gilmore. The Deputy's questions were on state aid derogations and the EU traffic light system.

**Mr. Steve Ó Cúláin:** Deputy Calleary asked a question on state aid. It is initially for the Department to check out whether that is necessary. If not, we would welcome the aid being released to us as soon as possible. We also welcome the additional supports for airports announced yesterday, which are on par with what was available last year. There has been an increase, which we welcome. We will await discussions with the Department regarding compliance with state aid rules.

**Mr. John Mulhern:** Similar to the other airports, we have asked questions about how state aid rules would apply and are waiting for confirmation from the Department in that regard. With regard to how Covid testing would apply, we understand that PCR is, for now, the recognised method of testing. It is not a rapid form of testing. It requires a day or two, and up to three, to get a result from most private providers of that type of testing. We believe that PCR testing should be done off-site, rather than at the airports, by those intending to travel. When we have finished our negotiations with a private provider, which we will complete next week, we will make such avenues for testing available to those who will need to travel during the winter.

**Mr. Joe Gilmore:** With regard to state aid, on reading the detail on the Department notification, we noted that the additional €6 million provided for the regional airports is still subject to European Commission approval. On the point the Deputy highlighted, the €10 million of funding provided in budget 2021 and the additional €22 million provided to the State airports at Shannon and Cork do not appear to be subject to Commission approval. We are seeking clarification on that because, while we understand that there are requirements, we would have thought that, given the Covid crisis, a derogation from state aid rules could be secured for this emergency funding so that it could be provided to the airports immediately.

On the issue of region to region for the Christmas period, we will be updating our website today with the most recent information from the Government's announcement yesterday on the green, red and orange zone testing. We note that in the case, in particular, of the red zone, a person does not have to self-isolate if he or she gets a negative PCR test five days after arriving into Ireland, which is a positive development. For passengers who are thinking of travelling, we will be updating our website with the most recent Government information, which is where we are take our direction from.

On the current regional airports programme, in the context of all the challenges that the aviation sector is facing, there is discussion of a new national aviation policy being revised from the previous policy in 2015 and encompassing the landscape now and the future we all face. Is the current programme fit for purpose? I think it has been, and it has been an excellent programme for the past five years. Going forward, there are areas where it can be enhanced and worked on to adapt to the new environment we are all facing.

In particular on the restoration of air access, the number of air carriers is reducing and it is getting much more difficult to find carriers that will effectively take the risk of flying into regional airports, because it is a much higher risk for airlines than flying into capital cities around Europe. The area of subvention to air carriers to put on new services to the regions is a whole area that needs further discussion and exploration because we are finding it extremely difficult to find new carriers in ordinary times. I know, going forward, it is going to be even more difficult.

**Deputy Rose Conway-Walsh:** I thank Deputy Ruairí Ó Murchú for allowing me to come in and to take his place today. I will confine my questions and address to Knock Airport and to Mr. Joe Gilmore. I commend him, the management, the board and all of the staff for the wonderful work that they have been doing. I fully endorse and believe in the model that the airport has, supported by the local authorities. I acknowledge the 43 redundancies, and the up to 200 staff who are on temporary lay-off. It is important to remember them also at this time.

On the state aid and the €6 million that was announced yesterday, looking at the temporary framework and what was given to Germany in state aid there and the support for airports, I cannot see how that money could be in any way jeopardised because the guarantees are already in there to ensure that any aid that is given does not exceed the damage that has been done by Covid-19.

On the issue of testing and tracing, Mr Gilmore has said that he is looking at some private companies. Has he any idea of the cost per passenger that might be involved in what he is looking at?

**Mr. Joe Gilmore:** I thank the Deputy. On a benchmark of costing, and this is taken from information provided by other airport colleagues and some indicative costings, it would be somewhere in the region of €149 for a standard PCR test and increasing in cost depending on the turnaround time. It is not inexpensive. It would be in the region of €150 to €200.

**Deputy Rose Conway-Walsh:** How beneficial would it be for the airport to have a Government-sponsored testing scheme at airports such as Knock?

**Mr. Joe Gilmore:** This is a private venture, so at the moment passengers will decide if they plan to travel, and they will have to cover the cost of that. It will be very beneficial if those costs can be reduced. It will be about cost and convenience, to be honest, and passengers will travel on that basis. Costs of that level will limit the number of people who will make the decision to travel.

**Deputy Rose Conway-Walsh:** Would Mr. Gilmore see that testing taking place on site or off site?

**Mr. Joe Gilmore:** At this point we would be looking to work on the same basis as Cork and Shannon, in particular, and to have it on site, probably in a car park as a kind of drive-through facility. Again, it will depend on the numbers and the level of demand for it and the number of

flights we have on over the Christmas period. To be honest, that is yet to be determined based on the level bookings that the airlines will start to see in the next two or three weeks.

**Deputy Rose Conway-Walsh:** On the €4 million losses and the €6 million that was announced yesterday, how much of a shortfall or a gap does Knock Airport have at the moment to make up in terms of that lost revenue?

**Mr. Joe Gilmore:** At the moment, under the current regional airports programme, the airport would expect to receive just over €1 million. Therefore, at the moment, there is a shortfall of in the region of €2.5 million to €3 million. We are awaiting communication back from the Department, as we outlined, in terms of this additional funding that has been provided for yesterday.

**Deputy Rose Conway-Walsh:** There is obviously more needed. What is the costing on the marketing plan that the airport has done?

**Mr. Joe Gilmore:** Our annual spend on the marketing plan here would be about half a million a year. That would be a combination of international and regional marketing.

**Deputy Rose Conway-Walsh:** In terms of the timeline for the strategic development zone, SDZ, what is the immediate thing that needs to happen for that to move on? How does Mr. Gilmore see the timeline of that going?

**Mr. Joe Gilmore:** On the SDZ, as I outlined to either Deputy Dillon or Deputy Calleary, the planning authority has been the main driver of the zone with us. We are having further engagement with the State agencies on how to formulate an overall development plan for that zone. It is accepted that it is a medium-term, ten- to 20-year plan we are looking at here. Covid-19 in the past nine months has overtaken all of this.

**Deputy Rose Conway-Walsh:** I have not mentioned Brexit at all and my time is up but we will talk about that on another day. I thank Mr. Gilmore.

**Senator Paddy Burke:** I thank Senator Buttimer for allowing me in his place to ask a number of questions. I also welcome all of the guests to the meeting.

Mr. Gilmore said that the airport was closed from March until July. What kind of an effort did it take to get back up and running again? Was it an enormous effort? How did the airport go about this because it seems it went from a standing still position?

**Mr. Joe Gilmore:** I thank the Senator. He highlights the fact that one critical element in all of this has been our staff. As the other airports will know, through all of this staff have been severely impacted. I acknowledge their support, co-operation and understanding through all of this. They have suffered severely, as have many of the hundreds of thousands of people who have lost their jobs through this. Without them we would not have been able to do what we did. They were very supportive, as were the State agencies, the Department of Transport and the Irish Aviation Authority in ensuring that we maintained our licensing, all our fire safety, security and air traffic control systems, and all the operational requirements. It took quite an effort but we got back up and running in July and, thankfully, we met all of the licensing and safety requirements and were able to get back up to full operation. We had to take those measures which might have sounded severe, but from a cost perspective and being a commercially run business here, we had to take those measures at that time.

**Senator Paddy Burke:** Mr. Gilmore has said that he has incurred losses of nearly €4 million. At what point does the airport break even? Does the airport still need to reach 500,000 or 800,000 passengers to get to that point or does Mr. Gilmore still see losses going forward for the next number of years up to 2024 to 2025?

**Mr. Joe Gilmore:** From a passenger perspective the airport has been profitable over the past couple of years before the receipt of State funding under the regional airports programme. Our sweet point is in the region of 800,000 to 1 million passengers. Again, it depends on the mix and the spend of those passengers through the airport, but it is in the region of 800,000 to 1 million passengers. We are, as I outlined in my submission, covering on average 90% of our operational costs annually, if not 100%. Where we need continued support, as with the other airports, is on significant capital expenditure required to maintain airports as key pieces of infrastructure across the country. We were very thankful for the funding we received last year for the overlay of our main runway and other key projects such as whole baggage screening where €15 million was invested, and we received 75% of that from the Government. Capital is the major spending item.

**Senator Paddy Burke:** On state aid, the Secretary General of the Department of Transport in Brussels said that there would be a very quick turnaround of projects that would go to them in relation to state aid. Has the Department been in contact with any of the regional airports in relation to a possible new programme under the state aid rules, that they might qualify under that might have to be clarified or approved by the Commission?

**Mr. Joe Gilmore:** I can answer this but maybe one of the other airports might take it.

**Mr. Steve Ó Cúláin:** No, not yet, but we expect to be in contact with the Department before the end of the week. Normally, the channels are quick and open with the Department so we will do that when we ----

**Senator Paddy Burke:** The Department has not been in touch to say it will put a new state aid programme in place, or apply for one under the new rules.

**Ms Anne Bonner:** We are working on the current 2020 programme at the moment. Now that funding is available for 2021 we will look at what is required for that. It is early days so we need to assess our needs before we go knocking on the door of the Department for 2021.

**Senator Paddy Burke:** The new €6 million could need to be under state aid rules.

**Mr. Joe Gilmore:** The Senator is correct. It is worth noting that the Minister of State, Deputy Naughton, confirmed €21.3 million for regional airports in the budget for 2021. That would be year 1 of the next regional airports programme, if I am correct about timing. There is a serious commitment to confirm a further five years of the next regional airports programme, although I do not think it has been officially signed off.

On state aid, our side was in communication with the Department yesterday. It is very open, as mentioned earlier. The dialogue with it is very positive. However, we need further clarity on State aid. We are hopeful that a derogation could be sought on that where moneys could be put into airports on that basis due to the Covid crisis.

**Chairman:** Would it be fair to say that Senator Burke would like the committee to write to the Department seeking clarification around this area?

**Senator Paddy Burke:** That would be very positive.

**Chairman:** I was anticipating the Senator's question. The committee will write seeking clarification on state aid.

**Senator Ned O'Sullivan:** I welcome our witnesses. My questions are more specific to Kerry Airport but they may be of general interest. I am old enough to remember when Farranfore airstrip was a little playground for amateur aviators. Who would have thought it would become the success story it is today and how important a part of the great infrastructure of Kerry and Munster it would become? I note that prior to Covid, in the past year, it was showing an increase in passenger numbers of 1.2% so the systems were all heading in the right direction. The Government's injection of capital into all three airports, especially the smaller regional airports, shows the confidence it has in their capacity to survive and to continue to develop, hopefully, when this terrible crisis is over.

My questions are general to all three airports. Sooner or later, hopefully, Covid will be over. Apart from depending on Government grants to restore normality, do the airports have contingency post-Covid plans in place to hit the ground running, restore flights, increase capacity and maybe create further jobs?

Kerry Airport should be commended for sourcing new routes such as Frankfurt, Alicante and Faro. Will it be possible to continue on that line in future? Are we too reliant on one or two airlines? Do they have a type of monopoly on the airport? Is that a problem? Is there any way that additional airlines could be persuaded? I noted with interest Mr. Gilmore's observation that it is a higher risk for airlines to fly into smaller airports than those in London and so on. I take that on board. Hopefully there might be something there.

I have a point which is very specific to Kerry Airport. I commend its directors. It is a private company but the board of directors is very embracing of business, tourism and local authority interests. I am glad that a local authority elected member is on the board. The space is a sign of the difficulty which success brings. Does Mr. Mulhern have any plans to increase the airport concourse? It can be very crowded at busy times with departures and arrivals all up on top of each other. Are there plans to develop it and extend?

**Mr. John Mulhern:** I thank the Senator for his questions. I will take each in its own right. We have a large marketing plan and a plan for route development which we had in place and ready to push before the Covid-19 outbreak. We were in discussions with some of the smaller airlines to develop connections between our own regions and particularly regions of the UK and also into France and Italy. Covid-19 has put all that on hold. The discussions are still there in the background. Not unlike Mr. Gilmore in Ireland West, we want to see how we can connect our region to smaller regions across the UK, particularly in England and Scotland. We have very strong conversations that looked fruitful on how we could mutually support the establishment of connections with smaller aircraft of less than 100 passengers that would support us for survival into the future with better connections to smaller population centres around the UK.

Not unlike the other airports, the vast majority of our passengers are with Ryanair. Its suspension of all routes in the regional airports has caused significant harm to our operations and profitability. Like other airports, our income is based on passenger numbers. Our franchises with car hire companies, restaurants and cafés, etc. are all dependent on a high turnover of passengers. We have no income from those while we have few if any passengers. We are keen to spread our reliance beyond just one airline. Looking north, Mr. Gilmore and his airport were

very successful at that but suffered great harm which we fully understand when Flybe failed recently. Still, to rely on one airline is difficult for us and we certainly are looking to spread to other airlines if that is possible. However, the smaller airlines are fearful of taking risks and so I agree with Mr. Gilmore that we would be grateful for any support to encourage those smaller airlines to develop routes from regions in the UK and further afield into the regions of Ireland.

Our own airport supports well over a thousand jobs in the county and brings in tens of millions of euro in income from our passengers in tourism and in business. We are very pleased that the airport has begun to encourage remote working for businesses that are wishing to set up in rural Ireland, whilst keeping a connection for the occasions when they need to travel to Dublin and onwards for their own business. We really need that to continue and to recover.

We had a plan that we had presented to the former Minister for Transport, Deputy Ross, not long ago, of which our colleague and friend Deputy Griffin is aware, which involved a €7 million expansion of the airport to allow us to be able to cater for larger aircraft and volumes of passengers. The Senator is right that the airport is small and the accommodation there allows for only 200 to 300 passengers at a time, when there are times when we would like to manage multiples of that. We have a plan, and it is with the Department and the Minister. I recently spoke about it to the Minister of State, Deputy Naughton, and she could see that it was an important step forward for us if we are to be able to grow sustainably into the future. I therefore agree with the Senator. Once we get through this period of turmoil, we still plan to continue with that blue sky development plan into the future.

**Deputy Pa Daly:** Gabhaim buíochas leis an gCathaoirleach. Cuirim fáilte roimh chách. Gabhaim buíochas leis an Teachta Darren O'Rourke as cuireadh a thabhairt dom inniu. I will direct my questions to Mr. Mulhern. Everyone knows that Kerry Airport provides important business links, but also it is an important social link for immigrant communities, particularly in the greater London area, Birmingham, Manchester and Coventry. I would like to congratulate Mr. Mulhern on the work that he has done in the airport recently in respect of the rebranding, the retail section and the bar, and the investment that has been put into the new hold baggage X-ray system. Hopefully it will allow journeys through Kerry Airport to be better journeys. I also congratulate him on keeping the employees there for so long, that nobody was laid off up to recently and that 57 direct jobs and hundreds of others in the community have been supported.

I have a number of questions. In the annual report, it is stated that in the second quarter, passenger numbers were down from 102,808. What has the comparison been in the third quarter? On the issue of the new funding that was announced yesterday, how long is that funding going to sustain the airport? I know that the airport received a €1.9 million capital grant in 2019. How long will this funding keep the airport going? Has the airport had any talks with the HSE or the private provider? As regards the public service obligation, PSO, routes project, is the airport happy enough with how it is going? The Dublin link allows many of the big-spending American tourists into the county. I ask Mr. Mulhern to provide the committee with an update on that.

**Mr. John Mulhern:** I thank the Deputy. The support of the Deputy and that of his party for the airport is very much appreciated. He has spoken to me on a number of occasions, has visited us and supported us through this difficult time, which is appreciated.

We are in very difficult times and we do welcome the funding and supports that were announced yesterday for the regional airports, not just ourselves, but also to our friends in Donegal and Ireland West. It is difficult to estimate yet how the funding will sustain us, because we are not sure how Ryanair will make decisions on connections with returning routes from

suspension over the winter. What we know so far is that potentially there will only be four flights per week with Ryanair: two to Stansted Airport and two to Luton Airport. Those alone will not sustain us through the winter. As the Deputy said, we fought bravely to keep all of our employees at work, despite reducing salaries by around 15%. We were lucky enough to have an entire fleet of aircraft from one of the airlines parked at the airport, which brought in a significant amount of income and kept most of our employees at work, without the need to use the employment wage support scheme. However, the cancellation and suspension of all Ryanair flights, without that income that we had from aircraft parking, has put us in a position where we have no choice but to lay off approximately 50% of our staff for a number of weeks.

On the issue of the PSO route project, it is essential to our survival. It ran throughout the lockdown and it made it possible for many people in Kerry to make journeys to Dublin that were essential, including people I know myself who were undergoing cancer treatment in Dublin. We were very grateful for that.

As regards figures for the third quarter, numbers of passengers picked up significantly in comparison to the second quarter, but they were nothing like they would normally be in that period. We were handling around 1,200 to 1,400 passengers per week in quarter three, when we would normally handle many multiples of that. Presently, our passenger numbers are down around 90% year-on-year. That gives the committee an idea of the impact of Covid-19.

We also have significant traffic between the airport and the United States. We have great connections with some of the large golf courses and tourist centres in the south-west, and it drives a large proportion of our commercial activity. Of course, all of that was lost to Covid. We hope that the vaccine and the new travel corridors will bring back that traffic in 2021. It is a major part of our income and it is a major employer for many parts of Kerry, so it must return. We hope that corridor to the United States will reopen, especially with the good news of the election of President-elect Biden who is a friend of Ireland and the west of Ireland, and we hope that news will help bring about a recovery in our connections to the United States. Those American tourists are very important to us. On average, they spend multiple amounts in comparison to some other tourists in the local economies and sustain employment and livelihoods for so many.

I thank the Deputy for his questions and his support. Like the other airports, we would welcome any supports from Government to help us achieve smaller airline connections to regions, particularly into 2021, when they will be more important than ever.

**Deputy Brendan Griffin:** Go raibh maith agat. I welcome the witnesses to the committee. I was closely monitoring proceedings from my office for social distancing purposes, but I am glad to be here now in the room. First, I thank all the witnesses for the contribution that they make to Irish tourism. From my time in the Department I became very familiar with the work that all the witnesses do in their respective airports. The importance of the airports to their regions cannot be overstated. I thank the witnesses for the jobs that they provide directly and for the thousands of jobs that they facilitate through providing those vital access points to their regions.

I concur with previous speakers in welcoming the funding announced yesterday. It is vital that the funding goes to the front line as quickly as possible. I hope, like any of the other Government schemes that have been announced since the start of Covid, that it will be user-friendly, accessible and gets to the people who need it as quickly as possible. I hope that it will sustain us through this period until we get to a point where we can return to some form of normality.



At the start of 2020, it was promising to be a good year, but, unfortunately, we all know what happened. The challenge is to get back to that position.

It will be crucial for regional airports when the clock starts again to have co-operative marketing funding to give airports the opportunity to provide sustainable routes. The larger airports are the safer option, as was said. We often hear criticism of Government that all the routes are going in and out of Dublin. The Government and airports can only do so much. If airlines demand to go to one specific airport, there is little that others can do. The regional co-operative marketing fund that was in place was helpful. The combined work of Tourism Ireland, the airports and the airlines provided great progress. We all need to work harder on that to ensure that there is extra funding to help airports when things get back to normal.

I welcome Mr. John Mulhern and Mr. Basil Sheerin from Kerry Airport and thank them for the work that they do, not just for County Kerry but for the south-west region. Kerry Airport is one of the outstanding Kerry stories, up there with Kerry football and such. It is a great story with many chapters left. This is unfortunately a dark chapter but we will come through it. I thank the witnesses for the work they are doing. I know there were exciting things planned for 2020. The new Manchester route was going to be a really exciting northern UK route but unfortunately that did not happen. I think I speak for all the Oireachtas Members from the county when I say the witnesses have our full support and their work is important to everyone in Kerry. We will all continue to work with the witnesses on the behalf of the people of Kerry.

Regarding the Kerry-Dublin public service obligation, what do the witnesses see as being a realistic timeline for when we can get back to decent occupancy on that route? Looking at connecting the regions, do they feel it would be a viable proposition and have they done research to support the proposition?

**Mr. John Mulhern:** I thank the Deputy for his support. We are looking closely at the public service obligation numbers. The numbers travelling between Dublin and Kerry are low. They recovered in quarter 3 when everybody was encouraged to staycation. Many people travelled between Dublin and Kerry for holidays and numbers improved significantly. They have fallen off a little now since we moved to level 5. However, we believe that once level 5 is successful, and we are certain it will be, that those numbers will recover. It will be in late quarter 1 or quarter 2 of 2021 before we see significant growth in the public service obligation numbers to the levels that we enjoyed before Covid.

I have had some interest from an airline in connecting the regions. The reasoning is similar to that of the new transport system in Dublin where a system of buses connects the city on the outside, with some on spokes of the wheel to bring traffic in. That airline was looking at how it could connect Kerry to Donegal while shuttling through Shannon and Ireland West Airport Knock to build a new structure to connect the west coast of Ireland by air, especially in the summer season to encourage holidaymakers to travel up and down the west coast of Ireland. Those who are keen to go towards something like that will look for support as a new option for a public service obligation that would support Kerry, Shannon, Ireland West and Donegal with new planes and smaller planes moving through the regions. If it was something that anyone in government felt was a possibility, even for a summer or two as we recover over the next three or four years, I am certain that the other regional airports would get on board to support it.

**Deputy Brendan Griffin:** I thank Mr. Mulhern. It is an interesting matter and deserves to be considered at Government level. It could be a game changer for the western seaboard. It warrants further scrutiny. I thank the witnesses for all that they do.

**Senator Lisa Chambers:** I will be parochial about this and focus solely on Ireland West Airport Knock. It is great that Mr. Joe Gilmore with us.

**Chairman:** It is in keeping with the theme of the day.

**Senator Lisa Chambers:** We are a proud people in Mayo, as the Chairman will be aware, and the airport is close to our hearts. It is one of the big issues that has arisen for me in recent months. Even this morning, I received a text message saying that we cannot let anything happen to our airport. There is a strong sense of ownership by the people of Mayo. The Chairman will be aware that seven local authorities in the west came together to put almost €8 million into the airport. I was a member of Mayo County Council when this happened. It was an unprecedented deal. It shows how much importance the region attaches to this airport, with 100 people employed directly, 3,000 indirect jobs and the impact it has on the hospitality and tourism sectors. It is our connection to the world. Monsignor Horan was told at the outset that he was completely mad to envisage an airport in the foggy, boggy hills of Mayo. He managed to pull it off, in no small part because the people of Mayo supported him.

Mr. Gilmore met the Taoiseach recently to discuss this issue. I am sure that, along with Donegal and Kerry, he is very welcoming of the additional funding of €28 million that was announced. Regarding the airport's current situation, while I am biased, it is probably the most efficiently run airport in the country. I know from travelling through the airport on many occasions that everybody does more than one job. That is how efficiently the airport is run. I know aggressive cost-cutting measures have been employed, with the support of staff, to make sure that the airport can survive and it is doing its part. Local people have no problem with paying the development fee of €10 when they depart the airport. They are quite happy to support the airport by paying that fee to make sure that the airport can stay there. On top of the money that was received yesterday and previous supports, does Mr. Gilmore think the airport is okay for the coming months, or what additional supports does he think might be required in the next six to 12 months?

**Mr. Joe Gilmore:** I thank the Senator for her positive comments on the airport, which are appreciated. As I said earlier, we had a catastrophic year, though no more than the other airports. Our passenger numbers are back to the level of the 1990s, with about 140,000 this year compared with 800,000 last year. We have a massive hill to climb over the next months. We are hopeful and getting more confident as the weeks progress and we get through this pandemic. With the support of the Government, regional stakeholders, local authority partners and chambers, we are confident that we can get back to a better position. It is a question of timing and of how quickly the markets open. There has been much discussion about that. Like the other airports, we are in discussion with a number of airlines. Aer Lingus and Ryanair are our two main partners. Unfortunately, we lost Flybe through insolvency, but we are confident we can replace its services and, hopefully, continue to grow and push towards 1 million passengers in the not too distant future.

From a financial perspective, the announcement yesterday will serve to protect our cash and balance sheet positions. We want to be able to recover quickly and to have the necessary strength of balance sheet, as do the other airports, to be able to do that and play our part in what should be, hopefully, a strong economic recovery over the next 12 to 18 months.

**Senator Lisa Chambers:** I thank Mr. Gilmore. His next job now should be to ensure that US President-elect, Joe Biden, flies into Ireland at Ireland West Airport Knock and his ancestral home. We would love to see that happening.

**Chairman:** The US President-elect, Mr. Biden, is willing to fly to Ireland a number of times, to cover all the airports.

**Senator Lisa Chambers:** We do not mind as long as it is Mayo first. Thank you, Chairman, for your indulgence.

**Mr. Joe Gilmore:** Perhaps we could bring him over in December to accept the Sam Maguire Cup for us.

**Senator Lisa Chambers:** Hear, hear.

**Chairman:** I have some questions for all the airport representatives on behalf of the general public. With regard to Knock airport, Donegal airport and Kerry airport in the west, do they expect to be flying people home for Christmas, in terms of the airlines, the level of Covid testing available in both orange and red countries and the financial wherewithal to be able to do it? I will start Mr. Ó Cúláin of Donegal, followed by Mr. Mulhern and Mr. Gilmore.

**Mr. Steve Ó Cúláin:** I meant to answer Senator Ned O'Sullivan who had a question earlier about a contingency post-Covid plan.

**Chairman:** You can deal with that first, if you wish.

**Mr. Steve Ó Cúláin:** We have a five-year plan in place, like most of the other airports. It was an initiative before the Covid pandemic started-----

**Chairman:** You might put your microphone up a little higher.

**Mr. Steve Ó Cúláin:** Can you hear me now?

**Chairman:** Yes, that is better.

**Mr. Steve Ó Cúláin:** In response to Senator Ned O'Sullivan's question on contingency post-Covid plans, we have a five-year plan in place. The emphasis there is on marketing and our plan is to increase the throughput in the airport by 5% year on year. Obviously, post Covid we will have to try to get our numbers back to where they were before the pandemic and go on from there. We had a visit from the Minister of State, Deputy Naughton, to the airport last September. She spent much time with us and we presented her with a synopsis of the plan, which was received very well. That is my response on that.

Deputy Griffin had a query about region to region. The Wild Atlantic Way stretches from Malin to Mizen and the road is there. I am sure the possibility of travelling by air should be examined. We are currently undertaking a feasibility study on trying to increase our routes and we can include that as part of the study.

As to whether we could get people here over Christmas, Donegal has a huge diaspora in Scotland and I am sure people would like to fly back. Loganair will not be flying into Donegal until March. It is run on a commercial basis and we will not see that reopening until March. Perhaps Anne Bonner wishes to add to that.

**Ms Anne Bonner:** Yes. We have many people connecting through Dublin to Donegal as well. We receive regular calls to ask about the changes. Now we will be able to update our website with the new regulations and, hopefully, people will be able to get back to Donegal for the Christmas period. The 14-day quarantine is obviously a big issue.

**Chairman:** However, there are no direct flights.

**Ms Anne Bonner:** There are no direct flights. We had Loganair, as the chairman said, and we worked closely with the airline from the beginning of June but, unfortunately, Donegal was locked into level 3 and level 4 in September and then the entire country was brought to level 5, so it was not feasible to continue any more services to Glasgow.

**Chairman:** If we move to a reduced level from level 5 on 1 December, would Loganair not consider coming on board?

**Ms Anne Bonner:** We have to share the risk with Loganair for the finance of it because it is purely commercial. We will approach the airline again but, obviously, it is not as easy as just putting on aircraft because it has cut back on its crews and the like as well. It is looking more like the spring before our Glasgow service is back *in situ*.

**Chairman:** I call Mr. Mulhern in Kerry.

**Mr. John Mulhern:** We hope that our diaspora will be able to get home for Christmas. Like the other airports, we have rural populations and many people have spent a very long time living alone in rural Ireland who would like nothing better than to be reunited with their families this Christmas. We have three routes for our diaspora to return to the county - one through Luton, one through Stansted and probably the major one is through Dublin on the PSO, interlining with flights from all over the world. I believe that the measures in place in level 5 will bring about a fall that is significant enough for Covid numbers to fall to safe levels here, and that similar will happen with the UK. It made a similar decision and there is a similar level of lockdown there. That may well bring its numbers down to a level that brings them close to or within the green zone we all hope for.

We have been in discussions, which I believe will be fruitful in the next week or so, to allow people to avail of PCR testing if they come from orange, red or grey zones or regions. The private company we are dealing with, if everything works to plan, will supply a PCR test which will be 50% or 60% cheaper than the tests some of the other companies are supplying now. It is possible if one does it in volume-----

**Chairman:** What will the cost be per person?

**Mr. John Mulhern:** It is around €80 per person. If we can get that, which I believe we can, it would make it more affordable for people to travel home if they need a PCR-----

**Chairman:** Is that on site?

**Mr. John Mulhern:** It is off site.

**Chairman:** Is it near Kerry airport?

**Mr. John Mulhern:** Yes, it is nearby.

**Chairman:** Are the flights you are referring to Ryanair flights?

**Mr. John Mulhern:** They are Ryanair flights from Luton and Stansted and, of course-----

**Chairman:** Those flights are not flying at present.

**Mr. John Mulhern:** They are not flying at present, but the airline has flights scheduled for

around the Christmas season.

**Chairman:** Is it taking bookings at present?

**Mr. John Mulhern:** It is, and I believe the bookings are high.

**Chairman:** Good. Will Mr. Gilmore respond?

**Mr. Joe Gilmore:** Like Kerry, we will have services over the Christmas, at this point from London Stansted, Luton and Liverpool. We expect people to travel.

**Chairman:** Are they all Ryanair?

**Mr. Joe Gilmore:** Yes. The numbers who will travel will be dependent on the pandemic situation and whether it is green, orange or red. Obviously, if we are both green, and we all hope we will be, we would expect very strong numbers and more flights to be added. Realistically, it will probably be orange or red and there will be a testing requirement. The numbers that will travel will ultimately be down to each individual's decision. We plan to provide and facilitate PCR testing here, but it will be each individual's decision on whether he or she will travel if it is an orange or red situation.

**Chairman:** I have two brief questions. At present, no flights are coming into Knock.

**Mr. Joe Gilmore:** Our last flights will be this coming Friday, after which we will be closed.

**Chairman:** Are those Ryanair flights?

**Mr. Joe Gilmore:** Yes.

**Chairman:** Has Ryanair stated when it will resume flights to Stansted and Luton?

**Mr. Joe Gilmore:** On 12 December, four weeks from Saturday.

**Chairman:** Is Ryanair taking bookings?

**Mr. Joe Gilmore:** Yes.

**Chairman:** Are they healthy bookings?

**Mr. Joe Gilmore:** We are not sure. We have no forward visibility on it at this stage. Typically, we get visibility two weeks before flights restart. We assume that they are reasonably healthy, given that it will be Christmas. Due to the uncertainty, however, people are now booking much closer to when they travel.

**Chairman:** What does Mr. Gilmore anticipate the cost of the PCR test will be?

**Mr. Joe Gilmore:** In the region of €149 as the starting level. If Kerry has a more cost-effective solution, we would be interested in getting more details on it.

**Chairman:** Will the person who is flying have to pay for the test?

**Mr. Joe Gilmore:** Yes. There will be a private provider.

**Chairman:** I presume the same situation will obtain in Kerry.

**Mr. John Mulhern:** Yes.

**Chairman:** I will ask a final question of the three airport representatives. Do they know the precise level of funding each will get from the additional €6 million? Have they been told by the Department and do they regard it as adequate funding? Are they in a position to state the amounts they will receive? I will start with Mr. Mulherin, then go to Mr. Gilmore and Mr. Ó Cúláin.

**Mr. John Mulhern:** The breakdown of the funding is not clear yet. The Department has told us that it will inform us about that soon.

**Chairman:** The airports do not know the precise amount of the €6 million each will receive.

**Mr. John Mulhern:** We do not know the breakdown of the funding across all of the regional airports.

**Chairman:** Is Mr. Mulhern at liberty to say the level of funding that Kerry Airport will require?

**Mr. John Mulhern:** Every airport will probably give the same answer, which is that the funding will bring us to a place that bridges the problem we have suffered so far. It will not pull us through what is to come in the next six to 12 months if recovery is slow, but it is certainly welcome.

**Chairman:** I thank Mr. Mulhern.

**Mr. Joe Gilmore:** Likewise, we have no figure. We have sought support to achieve a break-even situation at operational level. Unfortunately, we are sustaining a loss of close to €4 million. That is the amount of support we have been seeking.

**Mr. Steve Ó Cúláin:** We have not been told a specific figure by the Department. We welcome the additional funding and we are in contact with the Department-----

*(Interruptions).*

**Chairman:** The microphone is causing an issue again, but I thank Mr. Ó Cúláin. We must be out of this room by 1.30 p.m., so I will give Deputy Conway-Walsh three minutes.

**Deputy Rose Conway-Walsh:** I appreciate that. I wish to ask Mr. Gilmore a question that has to do with the west being a region in transition. What opportunities does that present, particularly in terms of capital funding from the €750 billion EU fund as well as the Brexit fund that will be in place? What can we as Oireachtas Members do to ensure that we take advantage of or use that opportunity in the context of the region being in transition?

**Mr. Joe Gilmore:** It is fair to say that, for the past nine months, it has been difficult to focus on the opportunities that the Deputy outlined. In our investor grouping and shareholding group, we have seven local authorities from Donegal right across Connacht, including the two Galway local authorities. This presents an opportunity to make collaborative applications for a portion of those funds, given that we are at a central point on the Wild Atlantic Way and the Atlantic economic corridor, to further economic development and employment along the corridor from Donegal to Cork. We would welcome support in determining how best to access moneys under those schemes on a collaborative basis along the western seaboard. We have no specific plans currently apart from focusing on ensuring that the airport business remains solvent and gets through this crisis.

**Deputy Rose Conway-Walsh:** Is there a comparison matrix showing what other EU states are leveraging for airports of a similar size to Ireland West Airport Knock and the other regional airports? Is the balance of funding skewed towards larger countries like Germany? Is there a league table of the funding being attracted under Covid or other measures?

**Mr. Joe Gilmore:** At a meeting of this committee two weeks ago, Mr. Filip Cornelis, the EU delegate, stated that no application had yet been made by the Government to Europe for funding supports for the aviation sector. I assume that the €80 million support package announced in budget 2021 and yesterday's announcement of additional funding will form the initial application.

Regarding a skew or a league table, the airlines are on record about the level of support and funding put into their sector across Europe. Airports Council International, ACI, which is the representative association of 400 airports in Europe, stated last week that up to 200 airports could go insolvent in the next 12 to 18 months. ACI is seeking significant supports across Europe. The airlines have gained most of the support and airports are only starting to access funding.

I cannot answer for our Government, but I assume that the initial package that was announced in recent weeks is the first tranche of funding from the supports that have been sought.

**Deputy Rose Conway-Walsh:** I thank Mr. Gilmore. I will follow up on that matter.

**Chairman:** I will conclude with a couple of points. The PCR test that has been proposed, especially concerning people travelling from orange and red countries, should not make travel prohibitive. Mr. Mulhern stated that the cost in Kerry would be approximately €80 per person, but Mr. Gilmore stated that the quote Knock had received was for €149.50 per person. There appears to be a disparity, so work needs to be done in that regard. All of the airports and the Department of Transport must work together to find a mechanism through which we can get the cost of the test down to a rate that is affordable for people. I call on the Government to examine this issue. We cannot have a situation where travelling home for Christmas is prohibitive for people who are on low incomes. We will probably take up this matter. We have agreed that we will write to the Department to determine the position of the €6 million in new state aid for the regional airports. We will correspond with the witnesses in that regard.

I thank Mr. Mulherin and Mr. Sheerin from Kerry Airport, Mr. Ó Cúláin, Ms Bonner and Ms Docherty from Donegal Airport, and Mr. Gilmore from Ireland West Airport Knock for engaging with our committee today.

The joint committee adjourned at 1.30 p.m. until 2 p.m. on Thursday, 12 November 2020.