

DÁIL ÉIREANN

COISTE SPEISIALTA UM FHREAGRA AR COVID-19

SPECIAL COMMITTEE ON COVID-19 RESPONSE

Dé Máirt, 28 Iúil 2020

Tuesday, 28 July 2020

Tháinig an Coiste le chéile ag 9 a.m.

The Committee met at 9 a.m.

Comhaltaí a bhí i láthair / Members present:

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| Teachtaí Dála / Deputies | |
| Colm Burke, | |
| Jennifer Carroll MacNeill, | |
| Michael Collins, | |
| Cathal Crowe,* | |
| Cormac Devlin,* | |
| Bernard J. Durkan,* | |
| Neasa Hourigan,* | |
| Brian Leddin,* | |
| Paul McAuliffe,* | |
| Paul Murphy,+ | |
| Fergus O'Dowd, | |
| Louise O'Reilly, | |
| Darren O'Rourke,* | |
| Maurice Quinlivan,* | |
| Matt Shanahan, | |
| Róisín Shortall, | |
| Bríd Smith, | |
| Duncan Smith, | |
| Violet-Anne Wynne.+ | |

* In éagmais / In the absence of Deputies Colm Brophy, Mary Butler, David Cullinane, Pearse Doherty, Stephen Donnelly and Ossian Smyth.

+ In éagmais le haghaidh cuid den choiste / In the absence for part of the meeting of Deputies Louise O'Reilly and Bríd Smith.

Teachta / Deputy Michael McNamara sa Chathaoir / in the Chair.

Business of Special Committee

Chairman: We have a quorum and are in public session. We have been notified that the following Deputies will substitute for their party colleagues: Deputies Crowe, Devlin, Durkan, Hourigan, Leddin, McAuliffe, Murnane O'Connor, Murphy, O'Rourke, O'Sullivan, Quinlivan and Wynne. I take it that the ten items of correspondence received are noted.

We will resume consideration of our draft report on nursing homes at 3.30 p.m. today, with a view to publication later this week. We also have a report on testing and tracing and an interim progress report to consider. It is unlikely that we will have sufficient time to deal with all of these but we will consider these matters in further detail at 3.30 p.m. today.

Covid-19: Impact on Aviation

Chairman: Without further ado I would like to welcome our witnesses, who are joining us from Committee Room 2 to discuss the impact of Covid-19 on aviation. From Dublin Airport Authority, DAA, I welcome Ms Miriam Ryan, head of strategy, and Mr. Ray Gray, chief financial officer. From the Shannon Group, I welcome Ms Mary Considine, CEO. I thank the witnesses for joining us this morning.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

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 either by name or in such a way as to make him or her identifiable.

I ask Mr. Gray to deliver his opening remarks and to confine them to five minutes to allow time for questions.

Mr. Ray Gray: I thank the committee for the invitation to outline DAA's key concerns and difficulties in light of Covid-19 and to set out our views on steps to address them. An early resumption of more normalised international travel is of key importance. However, we are acutely aware that inappropriate easing of restrictions could undo the tremendous progress to date. Critically, Covid-19 and international travel will coexist for a considerable time to come.

International connectivity is critical for Ireland. It drives business growth and development and underpins 75% of the tourism economy. Our airport activities facilitate more than 140,000 jobs and support thousands of Irish businesses. Our airports fully pay for themselves and are not supported by the taxpayer. They have delivered a return of €125 million in dividends to the Exchequer over the past five years. They deliver record route connectivity for the economy, with both Dublin Airport and Cork Airport achieving record traffic volumes in 2019.

Financial sustainability is key to delivering critical and strategically important national airport infrastructure. We have managed our finances accordingly and entered the Covid-19 crisis in a strong financial position, with good liquidity and limited debt. However, this crisis has quickly eroded this strong starting position. In line with Government policy, our role has been to keep our airports open to ensure critical personal protective equipment, PPE, and medical supplies were able to reach Ireland at a time when they were most needed. We are immensely proud of the efforts of our airport staff, who became front-line workers in their own right, facilitating the repatriation of our people and enabling the delivery of much-needed cargo.

However, open airports with minimal traffic have led to losses of around €1 million per day. Passenger numbers in Dublin Airport may fall to 9 million from almost 33 million last year, while Cork Airport passenger numbers may fall below 1 million from almost 2.6 million last year. Industry predictions foresee a slow and protracted recovery for the aviation sector. We have had to take action. In conjunction with staff and unions we have constructively engaged in a large programme of work to rightsize and reshape our organisation. We have cut costs and are reviewing investment programmes pending greater clarity on the pace of recovery.

Dublin Airport faces strong international competition. Aircraft are mobile assets and can and will be reallocated to where they earn the best return. Cork Airport faces particular challenges, including maintaining a level playing-field. The process of identifying a path to re-opening the country to international travel has commenced, starting with the publication of the 15-country green list, which we welcome. However, this list will only have a marginal impact on passenger numbers and is unlikely to add more than 100,000 passengers to the number currently flying in any month, which is less than would fly in a single normal day.

We have adopted the recommendations of the European Union Aviation Safety Agency, EASA, and the European Centre for Disease Prevention and Control, ECDC, and have implemented a series of health measures to protect both passengers and staff. We are working closely with the Government to build a more robust process for tracking inbound visitors using passenger locator forms, with the intention of having a call centre in place in August. There may also be merit in pursuing an evidence-based system for all non-green list countries whereby arriving passengers are required to undertake a Covid-19 test 72 hours or less before travel and submit proof of a negative test prior to travel.

The significant losses we are currently experiencing are not sustainable and put the strategic airport infrastructure of our small and open island economy at risk. It is important that the State intervenes now to offset this risk. This should include continuing short-term supports by extending the temporary Covid-19 wage subsidy scheme, funding grants for pandemic safety measures, waiving rates and setting up an incentive fund for the development of air services.

Second, Cork Airport requires specific support as its revenue base has all but disappeared. A specific mechanism is required to offset essential operating costs and incentivise route development. Cork Airport should also be admitted to the existing regional airport programme and offered the associated capital funding.

Third, we need to look beyond the crisis and draw on the lessons of the past. Despite the need for significant investment, airport charges, our key revenue source, were continually lowered through the aviation regulatory process before Covid-19. The most recent reduction last year amounted to 22%. This left our charges well below those of most peer international airports. This came at a cost to the economy in the form of lower or slower investment and unnecessary financial risk or instability. The recovery phase should see renewed investment in

long-term strategic airport infrastructure to support economic growth, especially post Brexit, and to meet our commitments to the European Green Deal policy framework. This will require a new and more supportive regulatory pricing framework.

DAA continues to operate in uncharted territory with little sign of recovery at this point. We are committed to working with all stakeholders to find ways for international travel to coexist with the virus, as it must, in a manner that reduces risk and builds confidence. Our airports can be engines for economic recovery, as they have been in the past. We welcome this opportunity to engage with the committee regarding the role our airports can play in assisting in the recovery effort and the support mechanisms we require to bring this about.

Ms Mary Considine: I thank the committee for the opportunity to outline the devastating impact Covid-19 has had on Shannon Group and the aviation and tourism sectors more generally. Most importantly, I will refer to the support measures required to assist us as we navigate this crisis.

Shannon Group is a commercial State company. Like DAA, we are not funded by the Exchequer. Our mandate is to promote aviation and optimise the return on our land and property assets. We employ more than 600 people across our businesses: Shannon Airport, Shannon Commercial Properties and Shannon Heritage. Through our International Aviation Services Centre, IASC, we also support the development of a cluster of more than 80 aviation companies based in the Shannon Free Zone. The Shannon Group is a key driver of economic growth in the mid-west and along the Atlantic seaboard. Our activities support a significant number jobs in the region. The connectivity the group provides through Shannon Airport is vital for the business and tourism interests located in our region and enables them to live locally but trade globally.

We in Shannon Group started out this year with great optimism, projecting growth for each of our businesses. We had secured new routes for the airport, were continuing our strong investment strategy through Shannon Commercial Properties, and anticipated growth at our Shannon Heritage visitor sites. We have been through many crises in the past but never on such a scale. Two of our three businesses, Shannon Airport and Shannon Heritage, have been devastated by this pandemic. Like airports all over the world, Shannon Airport witnessed an almost total collapse of airport traffic, connectivity and revenues. All market indications point to a very slow recovery.

Throughout this crisis we have endeavoured to maintain a level of service at our airport to allow repatriation flights and essential cargo movements, including facilitating the delivery of vital personal protective equipment, PPE, to provide emergency cover, and to facilitate maintenance, repair and overhaul, MRO, operators on the airfield. I am proud of the role our employees played throughout the crisis in ensuring the availability of these services.

Between the onset of the pandemic and the end of June, passenger numbers have decreased by 96% year on year. We expect our group revenue to be down by more than 60% this year.

Faced with the fact that our group revenue has fallen by over €1.3 million per week since March, we took decisive action and implemented difficult but necessary short-term measures to preserve the business for the future, allow us to recover from and rebuild after this crisis and, ultimately, protect jobs in the longer term.

Similar to other airports, we have engaged with our employees on a range of measures to

reduce payroll costs while we recover from this crisis. Those measures include a temporary reduction in pay and a voluntary severance scheme.

We launched a Covid customer safety charter at the airport and introduced rigorous new public health measures across our businesses in order to protect the health and safety of staff and instil confidence in everyone coming to our airport and heritage sites.

On 1 July we reopened our terminal to scheduled services, with the commencement of 16 routes by Ryanair. However, in light of Government advice regarding essential travel only, passenger numbers have been extremely low. We are now operating at well below 20% of normal activity levels for July. Passenger numbers were down by 88% for the first 21 days of the month.

Due to the heavy reliance of Shannon Heritage on business from the international marketplace - this accounts for over 70% of our visitors - we have only been able to open our key sites for the peak season to cater for the domestic market. Unfortunately, despite an extensive marketing campaign, visitor numbers and revenues at our sites are significantly down. The fact is that 30% of our business is never going to make up for the 70% that is not there. Given the collapse in revenue and the increasing losses being incurred by Shannon Heritage, the group is not in a position to continue to subvent the business into the off-season. As a result, we have sought Government support to cover the cost of keeping sites open.

Aviation is expected to be the last sector of the economy to recover. During this time, the economic cost is mounting. Air connectivity is vital for FDI and indigenous businesses in our region. Equally, our location as the transatlantic gateway to the Wild Atlantic Way is crucial for the tourism industry right along the west coast. As a member of the aviation task force, I have highlighted on behalf of Shannon Group the importance of airports to the regions in the context of driving economic recovery and balanced regional development. The measures contained in the task force's report are vital for recovery, including in the context of rebuilding regional and international connectivity. A stimulus package urgently needs to be put in place in order to encourage the rebuilding of air traffic. We also need Government support package for essential capital projects at the airport. We welcome the Government's July stimulus package - particularly the extension of the temporary wage support scheme - and we are reviewing the measures it contains in order to identify how they can support our businesses.

This pandemic has caused massive disruption. It has changed how we live and work. Until there is a vaccine, there will be many issues which will have to be managed. We can get through this but we have to be prepared to do things differently. We in Shannon Group have taken many short-term difficult decisions to deal with Covid-19 in order to preserve our businesses for the future. We have done what we can, and now Government action is urgently required. We must work together. There is an urgent need for stakeholders to act together in terms of simultaneously managing the direct consequences of the crisis. We have an opportunity to rebalance Ireland for a more sustainable and resilient future.

Chairman: I thank Ms Considine for her presentation and for staying within the time allocated. I call Deputy Carroll MacNeill. The Deputy has ten minutes.

Deputy Jennifer Carroll MacNeill: I thank our guests for attending and for the work they have been doing during this period. Will they outline the financial difficulties their organisations are facing? How many employees do the DAA and Shannon Group have at the Dublin and Shannon airports and how many of them are on the temporary wage support scheme? Have

there been any job losses during the pandemic?

Mr. Ray Gray: From the point of view of Dublin and Cork airports, the financial impact has been both devastating and unprecedented. From the moment we went into what was, essentially, a lockdown situation, our income ceased to come in. At the same, we have necessarily kept the airports open and operating in order to facilitate the delivery of essential PPE and to ensure both the repatriation of Irish citizens and essential travel. Keeping an airport fully open costs in the region of €30 million a month, or €1 million a day. That has been devastating, particularly as we have had to dip significantly into the cash reserves we had built up to invest in the business.

Deputy Jennifer Carroll MacNeill: I do not want to seek to many details in the context of matters that are the subject of privacy. However, will Mr. Gray indicate the proportion of the cash reserves that has had to be used?

Mr. Ray Gray: We have incurred losses of over €100 million to date. That is the sort of impact it has had. The aviation sector is a cyclical industry and we always maintain a prudent position in order that we can withstand what happens within it periodically. Nobody ever anticipated something of this scale, however. We have positioned ourselves like an oxygen tank in order that we might be able to get through an uncertain period, but that will only be for a limited time. At the end of last year we had approximately 3,500 employees. In the region of two thirds of those are being supported through the temporary wage subsidy scheme. That has been a very important measure in the mitigation of our costs.

As Ms Considine outlined, both airport authorities have been obliged to take very difficult decisions. We have reduced the working time of our employees. We have had support from the temporary wage subsidy scheme. We reduced our costs where we could do that, particularly variable costs. We probably mitigated them at the peak by approximately 60%, which is a significant proportion. Nonetheless, we incurred significant costs.

Deputy Jennifer Carroll MacNeill: Both organisations pay significant amounts in rates. There is the rates waiver but I appreciate that it merely involves not incurring a cost rather than managing to achieve a saving.

Mr. Ray Gray: Potentially, we face rates costs of up to €35 million this year because our rates were due to increase significantly. That is a serious worry for us.

Deputy Jennifer Carroll MacNeill: I wish to discuss some of the experiences within the airports, particularly Dublin. Other members will focus on Shannon and Cork. I am interested in the number of people who have been coming through Dublin Airport. Obviously, there has been an enormous fall-off in passenger numbers. From what locations have people been coming through the airport in the past couple of months? There are concerns about people coming here from particular countries. What I am hearing, however, is that many Irish citizens are coming home as well. Will Mr. Gray outline the position in that regard?

Mr. Ray Gray: Yes. At this time of year, we would normally expect 110,000 or 120,000 people to come through our airports. Today, we are experiencing numbers of up to 15,000. That is really minuscule in the context of normal overall levels.

Deputy Jennifer Carroll MacNeill: Is that-----

Mr. Ray Gray: It is 15,000 passengers per day. That represents a reduction of approxi-

mately 85% on the number for a normal day. For most of the past 20 weeks, we had passenger numbers of 600 or 700. That was, perhaps, 300 people coming in and 300 going out.

Deputy Jennifer Carroll MacNeill: I apologise for interrupting. We are not in the same room so we cannot see each other. The number of people coming through per day was 600 to 700, so when did it increase to 15,000?

Mr. Ray Gray: It gradually increased in late June and early July. At the beginning of July, there was some resumption of flights. Up to then, flights had largely been cancelled. The number of flights we are handling at Dublin Airport is approximately 200 per day. Normally, it would be more like 600.

Deputy Jennifer Carroll MacNeill: So there are 200 flights per day at the moment and, by the sound of it, that has increased from two or three flights per day in June.

Mr. Ray Gray: No. We would have been handling probably 50 or 60 flights but many of those would be cargo flights or the planes would have been virtually empty.

Deputy Jennifer Carroll MacNeill: Of course. I am sorry. Excuse me.

Mr. Ray Gray: Most of these are almost ghost aircraft. Today, in a good situation, probably 30% of them will be full.

Deputy Jennifer Carroll MacNeill: Will Mr. Gray just talk me through the experience people travelling through the airport in both directions are having? Reference was made to an evidence-based model whereby people would provide proof of testing negative for Covid two or three days prior to travelling. What is the current position and what does Mr. Gray envisage doing in order to increase passenger numbers again?

Mr. Ray Gray: The current experience is that the airport is very empty. What people will immediately see upon arrival is a great deal of space and all of the necessary PPE, decals, hand sanitisers, masks and everything required to facilitate social distancing and ensure the protection of passengers and staff. As such, travellers will have a relatively normal journey in a virtually empty airport for most of the time. Instead of having around 4,000 people going through terminal one in a busy hour in the morning, an extremely busy time now would be approaching 1,000. That is probably for one hour in the day.

Deputy Jennifer Carroll MacNeill: I presume the DAA is keeping travellers spaced apart when they are going through security and everything else.

Mr. Ray Gray: We do. We have put in place very-----

Deputy Jennifer Carroll MacNeill: What liaisons, if any, does the DAA have with the airlines once a passenger gets on the plane about the protection for passengers there? Is that entirely left to the airline to resolve? Is there any communication on that?

Mr. Ray Gray: There is a lot of communication with all of our partners but the actual boarding of aircraft and the management on the aircraft are matters managed by the airlines or their handlers.

Deputy Jennifer Carroll MacNeill: We will have Aer Lingus and Ryanair in front of us later so I am sure those questions will come up.

There have been reports in the media this week about PPS numbers being collected and I saw Dublin Airport tweeting that they were not sharing passenger information with third parties. Will Mr. Gray talk us through his read on what is going on?

Mr. Ray Gray: What I will stick to in terms of the facts is that DAA or Dublin and Cork airports do not collect passenger data in the form of personal information and therefore we are not involved in the collection or sharing of any such information. We obviously follow GDPR principles very closely and use airport information for airport purposes only.

Deputy Jennifer Carroll MacNeill: I thank Mr. Gray.

Chairman: Does Ms Considine want to come in on any of those questions?

Deputy Jennifer Carroll MacNeill: No, that is fine.

Chairman: If Deputy Carroll MacNeill wants to concentrate solely on Dublin that is fine. I apologise, I am not telling her how to ask her questions.

Deputy Jennifer Carroll MacNeill: Does Ms Considine want to respond?

Ms Mary Considine: Similarly to the DAA, and as I touched on in my opening remarks, we have seen a collapse in airport revenue. We have also seen a collapse in revenue into our heritage sites. Across the group we have three main businesses so our property revenue has continued but we have seen slight reductions there. From an overall group perspective our revenue will be down about 60% this year so it is very significant for us. We have eaten into the cash reserves of the airport and we are subventing significant losses in the Shannon heritage business. We would not be in a position to continue that over the winter period and we have had to take difficult decisions to not open some of our sites this year and temporarily close others at the end of the peak season because of the level of losses we are incurring.

The pandemic has been devastating for our business. We had little or no traffic coming through the airport until the end of June. We saw a slight pick-up in July but we are still 80% below the levels that we would normally be operating at from a passenger perspective. It has wiped out not only aeronautical revenue but also commercial revenues because we are dependent on air passengers coming through our terminal to generate commercial activity and revenue for the airport, so it has been very significant for us.

Deputy Jennifer Carroll MacNeill: I will ask one more question if I might. I do not wish to conform to the stereotypes of Dublin versus rural Ireland which are reflected in politicians but I am sure that my colleagues from County Clare will in fact ask plenty of questions of Shannon Group as well.

My question is on the PPE transit work that was done at an early stage. I ask Mr. Gray to talk us through the work that his staff did and the experience of that for them at that time.

Mr. Ray Gray: This has been an extraordinarily difficult time for our staff. First, in the early part of the pandemic, there was a great worry that in the rush for people to get home there could be a catching of the Covid virus. Our people were very much on the front line. That quickly moved to the situation where in March the airport essentially shut for all practical purposes other than repatriation. Our focus then was handling an unprecedented level of cargo traffic and new routes. Worldwide, cargo traffic has actually remained consistent with the norm but that has been replaced with a different type of cargo. In Ireland's case there has been a huge

amount of cargo activity, with new aircraft coming in from routes from China with Aer Lingus, from the Middle Eastern airlines and from North America.

Our staff have worked tirelessly to ensure that everything that was necessary to accommodate that, from the fire and safety services through to the arrangements for the handling, have really been exceptional.

Chairman: I thank Deputy Carroll MacNeill.

I will sound the bell when people have a minute left and then ring it when the time is up because I am conscious there are no clocks in the Seanad Chamber. I call Deputy McAuliffe.

Deputy Paul McAuliffe: I welcome all those who have provided submissions. I worked in Dublin Airport. It is a very busy and often exciting place to work and I imagine the impact has been devastating for many of the people who work there, many of whom live in my constituency. I will live up to the stereotype mentioned by Deputy Carroll MacNeill and focus on Dublin and allow my party colleague, Councillor Cathal Crowe use his five minutes for Shannon Airport.

Chairman: He has become a TD since then and mayor of Clare in between.

Deputy Paul McAuliffe: I would like to focus a little bit on the situation which was outlined. We have no horizon on where this virus is going. The current situation is not sustainable. Has the DAA done any projections for Cork and Dublin airports of how many months it could trade for if the current level of business were to become the new norm?

Mr. Ray Gray: This has been an area of very particular concern from the outset. We took the view that this was going to be serious and was going to last in a very severe way right through this year and into early next year from the outset. What we have seen is that industry projections have more or less moved closer to what we have been seeing and thinking. Right now we expect passenger numbers will be down by 75%. Unfortunately, I had the experience of going through 9/11 in 2001 and the 2008 crisis and if we are in cyclical industries we need to have cash reserves or bank facilities in place to protect us through that. As such we thankfully have the ability to withstand that, devastating as it will be. The consequent wipe-out of capital and capacity will be a problem for another day and is why I addressed thinking about that in the future in my opening remarks. We have the capacity to survive pretty much anything that is thrown at us this year. That does not mean we have been insulated from very tough decisions. Indeed, we are looking at our cash situation literally daily in order to protect it. However we will survive the crisis through this year.

The longer-term, more strategic issue is that we are going to have to live with this virus. In March we moved into a phase where we will have no resolution until there is a vaccine or until there are mechanisms that can dissipate the virus. As such this is going to be with us for a long period into the future and that is why what we need to put in place is a sustainable regime for safe travel, travel in a new environment and travel where the health measures are correct and effective. Those are calls to be made by Government and health authorities. Our focus is on ensuring there is confidence for the travelling public.

Deputy Paul McAuliffe: On that issue of confidence, international travel has become the focus of concern for many people. The unions were with us last Friday and they outlined to us that they believed we had the most restrictive travel regime in the European Union, with the quarantine. Would Mr. Gray agree with that assessment?

Mr. Ray Gray: Statistically, there is no doubt that there is less travel coming in and out of Ireland than is the case for any of our European counterparts. That is because of the calls that have been made for very understandable reasons, from a policy perspective. Our focus is on the fact that we are going to have to live together with this virus into the future. Therefore we have to learn to operate in a risk-managed environment. I would like to quote, if I could, from the World Health Organization. I think this guidance is still on its website. It essentially states that significant restrictions are very useful and effective in the very beginning of an outbreak but they have to be based on proportionate measures. Hence, it is important to find mechanisms to coexist into the future. That will be about health policies. It will also be about travel policies and about the actual mechanisms of travel for the passenger who is getting on the aircraft.

Deputy Paul McAuliffe: That being the case, can Mr. Gray answer the concern as to why there has been so much concern about international travel given he says that Ireland has one of the more restrictive regimes in the European Union?

Mr. Ray Gray: Some of that is driven by an understandable focus. People will hear of travel and see that as an infiltrator of the virus. From listening to the Chief Medical Officer each day I think that, statistically, the main drivers of the virus are around inter-community and other practices, rather than travel itself. That is not to say travel is not very important and we, more than anybody, are very aware of that. That is why we want to work together to create a safe environment. That means looking at things like the process before people leave to travel to Ireland, things like passenger locator forms, pre-departure screening and other measures that are not in their own right a panacea but can play a part in putting in place safe travel measures.

Deputy Paul McAuliffe: Some of the ways we can improve confidence in that is by having a stronger presence in airports. Can the witnesses speak about their submissions and the discussions they have had with Government to strengthen checks and presences at airports? I direct the question to both authorities.

Mr. Ray Gray: From our side, since the outset we have worked very closely with the Department with responsibility for transport and with the Government and we are in constant, if not daily, contact with them on that. We are also participating in the facilitation committee, which is set up under the Irish Aviation Authority.

We are in tune with policies set by Government. Our job is to put the facilities in place for passengers. These are the physical things on the ground, social distancing, decals, screening, masks and all the activities as passengers come into the airport either on their way to leave on a flight or on their return. The other important measures relate to the observation and provision of information through passenger locator forms and other mechanisms. They are provided through the airlines, the Department of Foreign Affairs and Trade or the health authorities and their equivalent authorities overseas. We provide access to that information and all the links to that information and we provide support in any way we can.

The more recent measures spoken about are things like the green list, which we welcome but it is a small travel step in terms of recognising that risks are different in different countries. Second, there has been a great deal of discussion about the passenger locator form. That is not something we have had any involvement in other than passengers must provide those on arrival in Dublin Airport and it affects the processes there. However, we have recently been asked by Government to provide support in putting in place a new passenger locator form process and in a Government initiative to electronically create that passenger process. That is something we are looking to work with Government to put in place in early August.

Deputy Paul McAuliffe: We had representatives from the taxi industry with us last week and they were concerned about changes to the way taxis operate at Dublin Airport due to Covid-19. Will the witnesses consider engaging with those drivers further to ensure their concerns are alleviated?

Mr. Ray Gray: We have been very much aware of the concerns of taxi drivers and their representatives. It is a group we have had constant engagement with both before and during this Covid crisis. We have put in place measures to alleviate their concerns over licensing and payments during this critical period and we would be happy to engage with them on any and all concerns. Obviously, we are not operating taxi ranks as normal. We have a single rank operating currently at the airport but it is in everybody's interest that that works effectively for passengers.

Deputy Darren O'Rourke: I thank the witnesses for their presentations. I want to come back to the revelation at the weekend that the Government is using people's travel history against them when it comes to social welfare and that the pandemic unemployment payment, PUP, has been cut for some people who travel abroad based on assessments taking place in the airports. Is it the case that those assessments are taking place not only at Dublin but also at Cork, Shannon and elsewhere?

Mr. Ray Gray: As I said in response earlier, Dublin Airport and Cork Airport are not involved in the collection of any information in relation to people's PPS numbers, the PUP or any other similar information. I cannot help with that but such information may well be obtained at the airport by other authorities and there are reports of comments made in the media this morning on behalf of such authorities.

Deputy Darren O'Rourke: Is Mr. Gray aware that such checks are taking place? Has the DAA been notified in Dublin, Cork and elsewhere?

Mr. Ray Gray: My awareness, perhaps similar to the Deputy's, is from things I have heard in the media over the past number of days. I have no personal or professional information regarding that.

Deputy Darren O'Rourke: Does Mr. Gray not know, then, when those checks might have started, on what basis, what type of information is being collected or the type of activity that is happening in the airports that the DAA is responsible for?

Mr. Ray Gray: Regrettably, I am unable to assist with the Deputy's inquiries in this regard.

Deputy Darren O'Rourke: Who does Mr. Gray think might be well placed to assist me?

Mr. Ray Gray: If information is being collected, those parties who collect the information, whether it is the official State authorities or the many other bodies that operate at the airport, would be where the information could be gleaned.

Deputy Darren O'Rourke: Does the same apply at Shannon Airport and our other regional airports?

Ms Mary Considine: In relation to Shannon, I can confirm we do not collect personal data from customers and we do not pass data on. We are in full compliance with general data protection regulation, GDPR, legislation in that regard. We are not aware of data being collected in Shannon but, if it were, it would be by one of the State bodies.

Deputy Darren O'Rourke: To return to the DAA, I appreciate it does not collect data itself but it is aware that it is reported that data is being collected. What is the extent to which it is aware of activities taking place in the airports it is responsible for? It is very strange that the DAA would not be aware of this activity and it raises the question of what other activities it might not be aware of in our airports.

Mr. Ray Gray: I emphasised that the collection of data is an important and sensitive subject and from the point of view of Dublin Airport and Cork Airport we comply and follow all GDPR regulations and requirements.

Deputy Darren O'Rourke: Has the DAA any responsibility for other parties that might be collecting GDPR-sensitive data in the airport? Should the DAA be notified that such activity was ongoing?

Mr. Ray Gray: There are a range of businesses, activities and authorities that operate out of the airport, from airlines and handlers on the one hand to State authorities, customs, Garda, immigration and so on. We do not have a right of notification or perusal of their activities in relation to data nor should we. We simply co-operate with the State to facilitate the carrying out of their business and ensure we meet our obligations.

Deputy Darren O'Rourke: How does the DAA ensure that individuals or agencies are not illegally collecting the information of citizens of Ireland or elsewhere on their property?

Mr. Ray Gray: We do not police the collection of data. There are rules and regulations that are very clearly set out for commercial companies and there are obviously rules and regulations set out for the State. I would love to be able to assist the Deputy more but I am unable to provide him with any further information. Both in Dublin and Cork, DAA is doing everything it is required to do in fulfilment of its mandate both where data on passengers is concerned and in facilitating handlers, the State authorities, our customers and airlines.

Deputy Darren O'Rourke: Okay. I will move on to the issue of airport checks and controls. In his opening statement Mr. Gray referred to the possibility that people might be required to take a Covid-19 test 72 or fewer hours before travelling and submit proof of a negative result prior to travel. We had the Department with us on Friday and they raised the prospect of a testing facility at the airport. There was a motion on the draft schedule for the Dáil on Friday but it has since been removed and a motion relating to prefabs or temporary structures being put in at the airport was substituted in its position.

A number of countries across Europe have a requirement for testing and being able to provide proof of a negative result. Is it the immediate intention of the DAA to proceed with a testing regime at the airport or what are the DAA's plans in that regard?

Mr. Ray Gray: The issue of testing passengers, whether coming in or going out of the airports, is a matter to be determined by the authorities based on medical advice. We provide the facilities at the airports for everything that happens there, but the question of whether there should be testing, what form it should take and whether it should be done on arrival or departure are matters to be determined by the State. As I think the Deputy will know, there are medical views that certain types of testing are not particularly effective and indeed may give rise to false positives. As such it is something to be considered carefully. Secondly it requires a lot of resources.

Deputy Darren O'Rourke: It should be taken that with every intervention we make there

is risk associated with false positives and negatives. It is very clear at the minute that the regime of checks and controls that we have at our ports and airports inspires zero confidence in the public. That, in and of itself, is a problem. It contributes to the difficulty of having a conversation about what future travel might look like in the context of living with Covid-19. What type of model should the Government be working towards, from Mr. Gray's perspective? Is it one that involves mandatory or random, antibody or DNA testing or one that involves increased tracking and tracing and isolation or quarantine? I would appreciate it if he could give us the best exemplar we should be looking toward.

Mr. Ray Gray: I will preface my remarks by saying that testing and tracing in all communities is absolutely vital for as long as we coexist with Covid. There will continue to be outbreaks and therefore the identification, treatment and isolation of those is absolutely key.

Coming back to international travel, I am disappointed that the Deputy believes there is no confidence in the system. Everything that we do at the airports we are responsible for is in place to give confidence-----

Deputy Darren O'Rourke: I mean that specifically in regard to the passenger locator form. There were figures announced about it last week. It is not an alarming thing to say, and I mean that with due respect. It is my opinion that the systems we have in place are not fit for purpose.

Mr. Ray Gray: On the passenger locator form, I agree with the Deputy that it is important that there is an effective regime. It is important that such forms are well dispersed in advance and the move to electronic would be of significant help in that regard.

Chairman: I thank Mr. Gray.

Mr. Ray Gray: The process of actually following up on passenger locator forms is a process that is, I think, currently operated under the auspices of the Department of Justice and Equality. We have been asked and are very happy to support the putting in place of a new call centre and process and we will play our part in that process. The decisions on how that operates, the statutory basis and the scope will be matters for Government but we certainly want to-----

Chairman: I thank Mr. Gray but I must bring in the next speaker. I thank Deputy O'Rourke.

I call Deputy Hourigan.

Deputy Neasa Hourigan: I want to return to the social welfare issue. I completely accept Mr. Gray's point around the data sharing and the DAA's very timely tweets over the weekend and thank it for that. It assured people that the authority is not engaged in this. Based on Mr. Gray's comments today I am curious as to the basis on which the DAA is allowing social welfare inspectors into the airport. Presumably the Department of Employment Affairs and Social Protection had to apply to the DAA with a rationale for allowing its staff into the airport. We do not allow just anybody in a high-visibility vest to stop people. Is this the first time the DAA has allowed social welfare inspectors into the airport? To be clear, is it Mr. Gray's contention that social welfare officers have always had access to our airports?

Mr. Ray Gray: In general, the land side of the airport is an open space, Covid considerations aside. As such many people and authorities act within that space. These include customs, An Garda Síochána and there may well be social welfare officers, I cannot give the Deputy any specifics-----

Deputy Neasa Hourigan: I apologise, but surely those people identified themselves to the DAA.

Mr. Ray Gray: Not necessarily to the DAA but I am sure anybody who is asking a passenger, an individual or a staff member for information will identify themselves, where they are from and perhaps the purpose for which the information is being required. What I am saying to the Deputy is that many State authorities act at the airport and that is a normal part of activity.

Deputy Neasa Hourigan: Many State authorities act there, okay. Let us say I wanted to give a group of people high-visibility vests to go in and conduct a survey, would nobody in the airport question me or stop me?

Mr. Ray Gray: Within the bounds of reasonableness we ensure our airports operate in an effective manner. If there was activity that was impinging on the normal flow of the airport or we had any security concerns then in the normal course of events those matters would be investigated or reviewed.

Deputy Neasa Hourigan: Am I to understand that the Department neither sought permission for this action nor was given any?

Mr. Ray Gray: I have no specific knowledge about the collection of personal data or PPS numbers and information like that for the purpose of the pandemic unemployment payment. I do not have any specific information around that which I can offer to the Deputy. I do not dispute that there may well be authorities acting in the normal course of their business at the airport and collecting information, or acting in the course of their mandate at any point in time.

Deputy Neasa Hourigan: In Mr. Gray's professional experience might staff of the Department be there in the normal course of their activities?

Mr. Ray Gray: I am quite happy to come back to the committee if there is any specific information from our operational team. However there is nothing I can say I am aware of that really can add or shed an awful lot of light on this subject. It is quite normal to have Garda, customs, or other State authorities acting in the airport. They act there for a whole range of appropriate reasons and anything that comes within their mandate is, I expect, conducted by them at the airport.

Deputy Neasa Hourigan: I thank Mr. Gray. He speaks in the report, which I also thank him for, of reviewing capital investment programmes. I am aware works have started on the north runway. Is this project under review? In 2020 passenger numbers were expected to be at 9 million. Now, based on predictions from CAPA - Centre for Aviation, it will be a five to ten year wait to reach the circa 30 million passengers we were looking at in 2019. I am under the impression that decisions around the north runway are based on a move to increase capacity. How much extra capacity over the 2019 capacity is the north runway expected to deliver? Is that the best use of funds at the moment?

Mr. Ray Gray: The north runway is a very long-term project that has been planned since the year I was born or thereabouts. It has been actively planned to put in place since the year I joined the airport or longer, which is over 20 years ago now. It is there to benefit Ireland and the regions for the long term into the future. It is unfortunate but not unusual that significant step changes in airport infrastructure happen during a downturn. By its nature, a downturn occurs every seven to ten years and, therefore, in the life of a project it is not unusual. This project is the right thing for Ireland and significant progress has been made in the construction of the

runway. If I was sitting here ten years ago, we would have been talking about the construction of terminal 2 and whether that was wise. Undoubtedly, we would not have been able to grow and support our economy if we had not those airport facilities in place through terminal 2. We would not have been able to expand services, attract the Middle Eastern carriers and accommodate the additional travel that Aer Lingus and many of our airline customers have. These are long-term projects and it is important that we take difficult and measured short-term decisions and stay the course for important strategic decisions. This is not for Dublin Airport, but for Ireland.

Chairman: I thank Mr. Gray. I have a brief follow-up. Mr. Gray told Deputy Hourigan repeatedly that he had no personal knowledge of what the Department of Employment Affairs and Social Protection were doing and he said the same thing to Deputy Darren O'Rourke. Mr. Gray is not here in a personal capacity but as a representative of the DAA. Does the DAA have knowledge of what data the Department is gathering and whether they are actively present on the campus of Dublin Airport collecting data?

Mr. Ray Gray: I said I had no personal or-----

Chairman: Surely Mr. Gray expected this question. I expect he did not adapt an approach of see no evil, do no evil and hear no evil. He knew this question would be asked here today. It was in the news all weekend. I do not ask what Mr. Gray knows but what the DAA knows. Can Mr. Gray come back to us within 48 hours with an answer as to what the DAA knows, not what he knows or does not know or what he chooses to find out or not find out?

Mr. Ray Gray: I would be happy to come back to the committee on that.

Chairman: I thank Mr. Gray. I call Deputy Duncan Smith.

Deputy Duncan Smith: On that point, I think the explanation given today lacks any credibility. I know how heavily regulated the airport is. If a children's choir wants to welcome people home at Christmas in the arrivals hall, it needs permission. To think social welfare inspectors can rock up on the land side of the airport and question people without the DAA knowing or without seeking permission defies all credibility. I would go so far as to say this committee should desire clarification from the DAA before the end of today on what is going on in the airport. If that could be sent to us, it would be appreciated.

I will move on to another element of concern. I will ask Mr. Gray a direct question on testing capability. Has the DAA held any direct discussions with the HSE, the Department of Health or the Government on the practical provision of a testing regime at the airport? If so, how many meetings took place and when did they take place?

Mr. Ray Gray: I thank the Deputy for his question. We are actively examining the capability of putting in testing at the airport. However, I should say at the outset that the capability for testing today is very limited in this country. There are a relatively small number of parties that could operate a testing facility at the airport and these are very early days. Second, the number of tests that could be handled, physically, at an airport would be restricted. However, we think it can play an important part in providing public confidence and providing efficiency in particular situations.

Deputy Duncan Smith: That is somewhat encouraging. I disagree that it is early days. Almost every Member in this Chamber questioned the previous Minister, Shane Ross, in the Chamber a number of months ago about testing and testing capability. We have always known

aviation would take a huge hit and be one of the last sectors, if not the last, to recover. We talk about confidence. I do not think we are as far away from reopening aviation as some may think once we get a regime in place that people trust. That involves testing of some kind. We have lost valuable weeks on this that need to be caught up very quickly.

There is a great deal of negotiation going on at the moment with staff in the DAA. Is Mr. Gray in a position to give any comfort to workers that there will be no compulsory redundancies in the DAA, given what is going on with Covid?

Mr. Ray Gray: This has been an exceptionally tough period of time for our staff, through no fault of their own, both in terms of Covid itself and also the concerns they have about the uncertainty of the business. They walk into empty terminals and they hear the outlook for aviation and travel in the media. They have also suffered a reduction in wages, in effect, through the reduction in hours we had to put in place over the last couple of months. The stark reality is that aviation will not be of the same scale in 2021 as it was in 2019. We therefore have to reduce the size and scale of our operation. Our focus has been, not just in the last number of months but in the last number of years, to engage positively with our staff, to trust them with information about difficult decisions and to talk to them about the commercial, financial and other realities that together we have to face. Something like compulsory redundancies is not a measure that companies, particularly State companies, seek to put in place if it is possible to avoid it. That is why we have engaged, and staff and trade unions have reciprocated, in a very intensive process about future options for staff and new ways of working. We hope to take all the necessary steps by working together in all areas and sections of the business and both airports.

Deputy Duncan Smith: I thank Mr. Gray and I have one final question. Since this started, has this Government or the interregnum Government ever come to Mr. Gray with an offer or proposal to keep the DAA viable through this? Has either Government said it would guarantee the operation by investing a certain number of millions of euro to protect jobs and the viability of the DAA?

Mr. Ray Gray: The Government, through its transport officials and supporting agencies, has been keen to understand the impacts on the business at Dublin and Cork airports, in particular. We have engaged with them on this and they have made measures available to us in the general course of events, like the temporary wage subsidy scheme and discussions about rates rebates. However, today Cork Airport is an area of particular focus for us.

Deputy Róisín Shortall: I welcome the witnesses and thank them for their presentations and submissions. I want to return to the issue of data collection at the airport. At the weekend, the Tánaiste said the Department of Employment Affairs and Social Protection had obtained data from the airports. Mr. Gray must be in a position to tell us who would have been able to provide that information to the Tánaiste. The passenger number register contains very sensitive and highly confidential data about passengers. Who has access to that register and who controls those other bodies or people who might get access?

Mr. Ray Gray: I thank the Deputy for her question. I think the information the Deputy refers to is the information passengers provide when they are travelling abroad and booking through their airline. That information is governed and managed by the airline involved. With something like the Electronic System for Travel Authorization, ESTA, we are involved by the appropriate authorities. As an airport authority, we do not collect any sensitive passenger data or the sort of information to which I think the Deputy is referring.

Deputy Róisín Shortall: Does the DAA have access to that register?

Mr. Ray Gray: To which register is the Deputy referring?

Deputy Róisín Shortall: I am referring to the passenger number register, PNR. The DAA does have access to data on who is travelling through its airport.

Mr. Ray Gray: The information on passengers who are travelling to which we have access would be, for example, if a person were to book a car-parking space at the airport-----

Deputy Róisín Shortall: I am not talking about that. I am talking about the register of people who travel in and out of the airports. Does the DAA have access to that data?

Mr. Ray Gray: There is no master register of all passengers travelling in and out of our airports. Each passenger will have a ticket and that ticket will be in a recognisable data form when passengers, for example, scan their boarding passes to enter into the security area.

Deputy Róisín Shortall: Does the DAA have access to that data?

Mr. Ray Gray: We do not have access to any personal data other than what is collected in-----

Deputy Róisín Shortall: Does the DAA have access to data on passengers' names?

Mr. Ray Gray: We do not have access to data on passengers' names in the case to which the Deputy is referring, in other words, the people who are travelling through the airport. That information is contained by airlines on their registers for the passengers who are travelling with them.

Deputy Róisín Shortall: Is Mr. Gray saying categorically the DAA had no role in sharing data with the Department of Employment Affairs and Social Protection?

Mr. Ray Gray: I am.

Deputy Róisín Shortall: I thank Mr. Gray.

I want to move on to the question of testing. The DAA's submission talks about looking at the possibility that passengers would have to be tested and have a negative test result 72 hours before travel. I understand that for a testing regime to be effective a double test must be involved because a person could be tested one day and have no symptoms but could be still carrying the virus and thus a follow-up test is needed a few days later. What is Mr. Gray's advice about the proposal for a single test and to which health authorities has he spoken to get the best advice?

Mr. Ray Gray: First of all, testing is not in itself a panacea but it is a mechanism that can-----

Deputy Róisín Shortall: I apologise, but can Mr. Gray just address the question I have asked about the single test and from whom he has got advice about it?

Mr. Ray Gray: What form of testing might be put in place is not a decision the DAA will take. Such decisions will be taken by the health and State authorities. What we have suggested is-----

Deputy Róisín Shortall: It is very much in the interests of the DAA, the airlines and indeed the country that we have secure arrangements at our airports and ports and that we can ensure the public's safety as well. As such, has the DAA taken any advice on a testing regime that could be introduced in its airports to allow a greater number of passengers to pass through them?

Mr. Ray Gray: We have. We have spoken to medical sources here in Ireland, first, about the forms of test that are available and, second, about those that might be of benefit in this situation. We are at an early stage-----

Deputy Róisín Shortall: Did they say one test is adequate?

Mr. Ray Gray: Any test is, in its own right, about risk reduction. It is not an absolute guarantee.

Deputy Róisín Shortall: In its submission the DAA is proposing that there be a single test 72 hours before a person travels.

Mr. Ray Gray: Yes.

Deputy Róisín Shortall: Has it any grounds for thinking that would be adequate? It is my understanding that a two-test system is required to ensure safety.

Mr. Ray Gray: We cannot be as definitive as that. What I am saying is that a reliable form of test, put in place prior to travel, reduces risk. If those tests are provided prior to travel then they are of benefit to the country, particularly if the passenger is coming from an area of greater risk.

Deputy Róisín Shortall: I was looking for specific information there.

At the moment the Department of Justice and Equality is operating a level of control at the airport. It is saying it is waiting to pass that over to the Department of Health. The Minister for Health is saying it is not his responsibility and has passed the parcel to the Department of Transport, Tourism and Sport. Today the Dáil is passing a motion to allow structures to be built at our airports without planning permission. What is the DAA's understanding of what the Department of Transport, Tourism and Sport is proposing where greater controls at our airports are concerned?

Mr. Ray Gray: Is the Deputy referring to the passenger locator form?

Deputy Róisín Shortall: No, I am not. I am referring to structures-----

Chairman: I might bring the Deputy back in at the end on this point. She is way over time, I am sorry.

Deputy Róisín Shortall: I am referring to the structures the Department of Transport, Tourism and Sport is-----

Chairman: If I thought the answer would be brief, I would allow it. I do not think that will be the case, however. I am sorry, I will bring the Deputy in at the end. I am going to have to ask all speakers to stick to five minutes. If a member asks a question at the end of that five minutes, there is not going to be time for an answer. I am sorry but that is just the way it is in the context of the time constraints. I call Deputy Paul Murphy.

Deputy Paul Murphy: As Mr. Gray has heard, I have five minutes. I will be brief and I request brief answers.

I want to focus on the attempts of the DAA make up to 1,000 workers redundant from a workforce of, I think, 3,500. I could not help but notice the very sharp contradiction between that and what Mr. Gray said in answer to Deputy Hourigan's question on airport expansion. He said that this was a temporary downturn and that the authority had to continue with the expansion. When it comes to workers' jobs, however, Mr. Gray's position is that they have to go. Is it not the case that when the airport is back up to full capacity, or even greater capacity after the expansion, the authority will need all of these staff again within the airports?

Mr. Ray Gray: I thank the Deputy for his question. First, all of our engagement with our staff is very much about trying to ensure the best interests of the company of which we are all employees. It is quite clear that we are going to have a significant reduction in our activities, our revenues and the number of employees we will need for a very different form of aviation. This will unfortunately be the case for quite some time to come. In the immediate term we are faced with the reality that we will need fewer people to run our business and that we will have much lower levels of revenue with which to operate it. That is why we have engaged in a very realistic process with our staff, about both how we work and their options at the airport. We are trying to do that in a manner that is responsible, sympathetic and realistic.

Deputy Paul Murphy: I might interrupt Mr. Gray there. Workers have said to me that they feel terrorised into accepting a redundancy package. I will ask the question again. Is it not the case that the airport will need the same number of workers, or more, in the future? Put bluntly, is it not the case that what is happening here is that the DAA is taking advantage of the pandemic to restructure its workforce and that those workers who return in future will come in on contracts or as agency staff and will have significantly lesser terms and conditions?

Mr. Ray Gray: It is not the case that we will need the same number of staff in the foreseeable future. That is the actual position. It is certainly not the case that we are taking advantage of our staff. I lived and worked through a significant downturn but that pales into insignificance compared with what we are currently experiencing. I know the impact this has on staff for a decade afterwards. Certainly, for my part, we are trying to learn the lessons from that and ensure we operate sympathetically with our staff but also confront them with the realities of a very different environment, just as we must confront them ourselves. I would be horrified to think staff were being terrorised. We have a very active process of engaging with staff; we message them on a literally daily or weekly basis. We have tried to be open, honest and upfront with them about the situation we are facing with them. We have tried to create as many possible staff options that can be available to them, including career breaks, reduced hours and, where staff wish it, looking at voluntary severance.

Deputy Paul Murphy: Does Mr. Gray see the contradiction though? In answer to Deputy Hourigan he stated that this is a temporary downturn and that we need to continue to invest in the expansion because what we are experiencing will end. However, his attitude to the workers is to say that they have to go. Surely it is the case that in two or three years the DAA will require the same number of staff again. If the authority replaces those staff, will it give a commitment that they will come back on the same terms and conditions, or is it leaving itself the option of bringing them in as contract staff, agency staff or something like that?

Mr. Ray Gray: With the greatest respect, I am not trying to create any contradiction here. However there is a difference between, on the one hand, the long-term planning of the airport

for five, ten and 15 years out, with a contract that is already capital-committed, and, on the other, dealing with the here-and-now situation that instead of the 33 million passengers there were at Dublin Airport in 2019, there might 20 million or thereabouts next year, and perhaps a small increase on that the year after. It is not our practice to either treat our staff in a disrespectful manner or to push them out of the business. What we are trying to do is change the way we work and to do that to meet our passengers' needs in the interests of both the economy and the airport. For those people who wish - this is absolutely a voluntary choice - to change course or to do things differently, we are engaging with them on a voluntary and, I hope, sympathetic basis to help facilitate that. I think one can say that the airport has been a good employer, by and large. However, that is not to say-----

Chairman: I thank Mr. Gray. I really am sorry to cut him off but I have to try to bring everyone in and our time is limited. I call Deputy Shanahan.

Deputy Matt Shanahan: I thank the witnesses for attending. I would like to go to Mr. Gray first. On airport testing, we had the Department of Transport, Tourism and Sport in here on Friday last and they were talking about a departure test, which sounds like a good idea as far as risk mitigation is concerned. Mr. Gray partially answered this question already but I ask if he has any executive function in the context of moving the process along so that we might develop a testing regime for the airports as quickly as possible in order to try to give confidence to people who may want to travel here.

Mr. Ray Gray: Yes, absolutely. As I said earlier, decisions about testing are matters for the health and State authorities. We are suggesting that testing may have a part to play in that. The primary focus of our recommendations to the committee this morning was around testing for arriving passengers. If there is to be testing of departing passengers, those sorts of conditions will be set by the health authorities. Those tests may have to be complied with in order to travel, as they currently are for persons travelling to the Middle East, for example. Right now, there is not an effective or reliable source to put that in place and that is something we are anxious to see a greater possibility of. However on the airport campus, it simply will not be possible to test thousands of people at a point in time. Testing has an important part to play. It is important that we develop this as a technique. We can help manage risk because the thing that needs to be focused on is that it is about managing risk. It is about a series of measures that can reduce that risk and can give confidence to the travelling public. It is health authorities and governments which will determine whether people can travel, confidence will determine whether people will travel.

Deputy Matt Shanahan: I thank Mr. Gray, I am in agreement with him. I want to refer back to a point he made a few moments ago about the future development of Dublin Airport and how important it is for Ireland Inc. He specifically mentioned the regions. On that basis, I am thinking of Shannon and Cork airports as well as an application from my own constituency of Waterford to try to get our own regional airport off the ground, quite literally. How is the DAA helping with that process? Shannon is no longer part of the DAA's remit but the expansion of Dublin does not really point to helping the regions, although it certainly helps Dublin.

Mr. Ray Gray: Our focus and our mandate is the development and operation of Dublin and Cork airports. We do not have a role or a mandate in respect of any of the other airport authorities.

Deputy Matt Shanahan: That is the point I was making. What Mr. Gray expressed about the authority's impact on the regions was that it is not involved with the regional airports. That

is not a criticism but a statement of fact.

Turning to Ms. Considine, there was a submission this morning regarding the potential for Shannon Airport to offer a flight combining freight and passenger traffic to the US because of the long runway there and the opportunity to use, I think, Airbus A320neos. Could Ms. Considine give us her understanding of what that might look like?

Ms Mary Considine: We have significant infrastructure already in place in Shannon. We are the transatlantic gateway to the Wild Atlantic Way so Shannon is already the airport on the west coast serving the US. We have a number of operators which, prior to the pandemic, would have used Shannon to facilitate both cargo and passenger services. I assume that what the Deputy is referring to is the question of what opportunities we have to grow that. We are in a very difficult place now. We are focused very much on survival, then recovery and rebuilding after the pandemic. We will be looking at all opportunities to expand both our services and our cargo operations in Shannon.

Deputy Matt Shanahan: I thank Ms. Considine. Does the Shannon Group have any plans to lobby the Government in the context of State aid and, possibly, a subsidy for airlines, which is a very good idea for trying to stimulate demand? It is probably the easiest and most effective way of trying to drop ticket prices and get people flying. Does Ms. Considine have any thoughts about the group making submissions like that?

Ms Mary Considine: We are in ongoing dialogue with officials in the Department of Transport, Tourism and Sport on this matter. We see the restoration of air services as absolutely crucial to support business and tourism. In that regard, we made a submission that supports be put in place to restore those key services. Similarly, we have sought capital funding for the airport. Due to the fact that fewer than 3 million passengers fly through Shannon and in line with EU state aid guidelines, we would be entitled to Exchequer funding for safety and regulatory capital. That was a significant cost burden on the airport even prior to the pandemic but now we are not in a position to sustain that level of capital going forward and we have sought support in that regard.

We have also sought support for a number of liquidity measures for the airport. The continuation of the wage subsidy scheme is obviously really important but we also sought an extension of the commercial rates waiver. We note that it has been extended but we would have liked it to be for longer. Those support measures are very important to try to preserve liquidity as we recover from this crisis.

Chairman: I thank Ms Considine and I call Deputy Michael Collins.

Deputy Michael Collins: I thank the witnesses for attending. I endorse my colleagues' comments regarding social welfare inspectors at the airports. Where are the inspectors getting their information? Is it from the airline authorities? Could somebody answer that question for me? I have a number of questions, especially for the DAA about Cork Airport but maybe I will leave them for now. There are serious concerns about Cork Airport in the context of the safety of both tourists and everyday passengers who come through it.

What are the witnesses' thoughts on rapid testing at airports and ports? This is an issue I have raised time and again in recent months with various Departments, organisations and the Taoiseach and his predecessor. Do the witnesses think rapid testing is something that could succeed at airports and ports? Have the companies looked into the cost of rapid testing and do

they think that passengers would be willing to pay?

Do the witnesses think that the 14-day quarantine is working? Do they think that the filling out of forms is the most positive way to deal with trying to curb the virus at ports of entry? Have the companies looked at other countries and compared their entry and exit strategies for Covid-19? In the United Arab Emirates, UAE, for example, a passenger must produce a medical certificate showing a negative result from a Covid-19 test on entry and exit. If the witnesses have looked at other countries, do they have a proposal as to what should be done in Ireland? Have they discussed any such proposal with the necessary authority, the Government or NPHET? The whole reason behind that is we are trying to open up west County Cork and Ireland generally in a safe manner and rapid testing has to happen, it is a no-brainer. We have to look to the long term. This pandemic could go on for the next number of years. I would like to know if the witnesses have answers to the questions I have asked.

Ms Miriam Ryan: As a County Cork woman, perhaps I should take some of the Deputy's questions on the Cork side. Over the period 2015 to 2019, we increased traffic at Cork Airport by 30%. It was one of the fastest-growing airports last year. In fact, it was the fastest-growing airport in Ireland last year. Unfortunately, the Covid situation has dealt Cork Airport a really significant blow. We have, therefore, particularly in our submission, made the call for assistance for Cork Airport. This call relates to some of the capital projects that are required at the airport in order to ensure that it can continue to operate safely and securely. Particular investments are required in hold baggage screening, which is a regulatory requirement. There is a big price tag associated with that. Cork is the only airport that has not had State support in the provision of this infrastructure. Cork also requires support over the next while for investment in runway overlay. There is a very high price tag associated with that as well. There are opportunities under state aid rules to allow for capital investment to be made, via the regional airports programme, at smaller airports. We would certainly like to see that for Cork. There will also be a big programme of work required to regrow the business at Cork Airport. We have specifically sought assistance with some of the investment that would be required to provide incentives and marketing support in respect of the development of new routes and regrowing that business over the next while.

On testing, there has been a lot of talk about it however it is very challenging to do it on arrival at airports. There are many challenges with regard to space for in which to hold passengers. In other words, where to keep them while they are being tested. There are issues regarding the availability of the reagents required for polymerase chain reaction, PCR, testing and also with the availability of suitably-qualified staff to undertake that testing. As such, there are a lot of challenges in the context of testing on arrival. That is why we focused in our submission on the opportunities that there might be to carry out testing before the passenger leaves his or her home country. We certainly think those opportunities are worth exploring further. Thus, the first line of defence will be testing on exit so that passengers who arrive here have already been tested and can show to the airline that they have been tested. They will have certificates to show they are being tested and that they can also present that to the staff of the border management unit at the airports and ports on arrival to show they have already been tested. We are seeing that happening now at airports in a number of other countries, including Austria. Authorities in Hawaii and Alaska in the United States are putting in place pre-testing requirements and we are now seeing this for some of the airlines that are operating out of Dublin into Abu Dhabi, for example. There is absolute merit in looking at that. It is something we have brought to the attention of the Department of Transport, Tourism and Sport.

Chairman: I thank Ms. Ryan. I am going to bring in the next speaker. Deputy Durkan is taking five minutes.

Deputy Bernard J. Durkan: I listened elsewhere to the deliberations so far and I do not want to go over the points raised by other members. Is it expected that Dublin and the other airports throughout the country can operate at the scale they are presently doing and still remain viable?

Mr. Ray Gray: At the scale we are currently at, with virtually no passengers, we will not be able to continue in a viable form. It is very important to see a resumption of safe international air travel and that is very much what our focus is on. It is very important for us, as an island and as an economy - not merely for the DAA - that we continue to have travel, trade and connectivity, subject, obviously, to the wider health requirements.

Deputy Bernard J. Durkan: In the event of there being no let up in the virus and it continuing as it is at present, do the company representatives foresee any further curtailment of services at the airports in Dublin, Cork and Shannon? If so, are such curtailments envisaged at this time and have the companies decided on the shape they might take?

Mr. Ray Gray: The key point to be made is that international travel and travel to this island is facilitated through aircraft, and aircraft will be deployed where there are commercial routes and a commercial basis. That is the key point. We have to be open for business, otherwise our airline customers are not going to serve, or serve sufficiently, our island economy. That would have a huge and terrible impact both on the economy and on business in general. This is also clear from what the WHO said insofar as considerations about international travel have to be measured having regard to both the health concerns and the impacts they have on people's lives in a given country.

Deputy Bernard J. Durkan: In the event of international travel not reviving to the extent required to create that viability, does the DAA have any plans in mind to deal with the situation as it arises?

Mr. Ray Gray: Our focus is on the recovery of travel and traffic. Much of the initial focus now is around the processes and the safety, health and testing regimes around that. Of course we need to work with airlines. Indeed, the aviation task force and ourselves as airports have been focused on what supports are needed to bolster that into the future. We are going to need Government support in marketing routes. The committee will hear later this morning from the airlines about what supports they are looking for. It is hugely important that as a country we invest in the recovery of traffic. The safeguarding of the business now and the recovery of traffic will ensure we remain strong and viable into the future.

Deputy Bernard J. Durkan: These are my last questions, Chairman. What is the single biggest investment the DAA might be able to make, pending the recovery of traffic, now and in the foreseeable future, keeping in mind the necessity to observe international rules on health and viability?

Mr. Ray Gray: Our focus is on doing everything we can to ensure the business operates effectively. What we are looking for is the support of the State in reinvigorating the aviation business and resuming travel and generating routes into the future.

Chairman: I thank Deputy Durkan.

I call Deputy Crowe.

Deputy Cathal Crowe: I wish to raise a few points, the first of which is for Mr. Gray. We have heard the word “outlier” quite a lot over the past week. It is a term I seldom heard used before the aviation sector came before this committee. It means not sitting with others and somewhat disadvantaged. The figures I want to put to Mr. Gray are those for inbound air traffic for the first 19 days of this month. A total of 88,690 people came into Dublin, 6,751 into Cork, and 3,505 into Shannon. I do not think these figures correspond with what the market share of those airports would typically be, which has been much analysed. I think Dublin Airport normally enjoys 86% of market share. Has there been a deal or a directive that has ensured that, even though there are not many flights landing or taking off, the majority of aviation is departing from and arriving into Dublin? I would like Mr. Gray to answer that, please.

Mr. Ray Gray: No, the arrival and departure of aircraft into Dublin is driven by the demand and by the airline services that are put in place by those airlines. Obviously, there is quite a bit of cargo activity. There has been no deal, directive or requirement in that regard. It is small business as usual, in that sense.

Deputy Cathal Crowe: I understand that when everything was being shut down, the previous Government rightly said that it is essential we have some international travel links. That was at the time when nothing was taking off. I think there was one day when only one or two passengers left Dublin. It was right to keep routes open but at that point did the previous Government work out any deal with Dublin Airport Authority to ensure that at a minimum flights from Dublin to London were taking off and landing?

Mr. Ray Gray: We are anxious to ensure as many flights as possible can operate subject to the overarching health restrictions. We are anxious to ensure that at Dublin and at Cork because it is our mandate to do so. Every day we are sitting down with airlines to discuss their plans and how we can support and assist them. At the same time we are working with the State authorities to follow the national protocols and health procedures. Unfortunately, we have been receiving disappointing news about the plans of airlines. We are seeing a small take-up of flights so there are low-load factors and airlines are postponing or putting back their plans to bring new capacity online.

Deputy Cathal Crowe: I am sorry to cut across Mr. Gray but our time is quite limited. I want to pick up on his assertion that the north runway will be to the benefit of Ireland and the regions, to quote his contribution of a few moments ago. I would again contend that given Dublin’s 86% market share, the north runway would do the exact opposite of that. It would lead to more take offs and landings in Dublin. There has been a lot of discourse of late that Shannon has never fared well under separation and that a new configuration which brought it back under the wing of the DAA should be looked at. I ask that Mr. Gray and Ms. Considine briefly give their views on whether that should happen and how it would happen.

Mr. Ray Gray: If I could address the Deputy’s question about the north runway, the reason for its construction is that Dublin Airport was full and because of the need to facilitate the demand for airlines both now and into the future. That is the rationale behind that.

The ownership and operation of the State airports, including the one at Shannon referred to by Deputy Crowe, is a matter for the State and the Government. It is a matter of Government policy and we follow and implement that policy.

Deputy Cathal Crowe: I ask Ms Considine to respond to that question as well, please.

Ms Mary Considine: We likewise implement Government policy but what I would like to note is that since the separation of the airport and, more importantly, the formation of the Shannon Group in 2014 we have seen passenger growth at the airport.

We have seen significant investment in the property portfolio of Shannon Commercial Properties. That is important because the €115 million that we as a group have invested across the airport campus and the Shannon free zone has stimulated economic activity in the region. We have grown the cluster of aviation companies from 40 to well over 80. Fourteen new companies joined the aviation cluster last year.

Last year in Shannon we built the first aircraft hangar to be built in Ireland in more than 20 years, and it was completed in January of this year. It was a significant project. As such we are very committed to our mandate from Government to promote aviation and to optimise the return on our land and property assets. It is very important that we attract new industry into the region and that it is sustainable because air services on their own will not survive without a strong regional economy and, as I have said, the air services coming into Shannon are vitally important for business and tourism.

We as a group have also increased visitor numbers to our heritage sites and in totality that is really important to the well-being of the region.

Deputy Cathal Crowe: I thank Ms Considine, and my next question is on the fire service at Shannon Airport. I understand overtime is no longer being paid and that the fire service is now at minimum staffing levels. A certain cohort of staff is required to achieve a category seven fire cover status but Shannon and all other Irish airports strive to have category nine status in order that they can cater for Boeing 767s, larger jets, four-engine aircraft and so on which may land. I understand that since overtime has been dropped that is no longer the case. Will Ms Considine explain whether it has dropped back to category seven and what is its category today? On that point, I understand that fire service staff are now cleaning the fire buildings without any training in chemicals etc. Will Ms Considine outline what the current cleaning procedures are for the fire service?

Ms Mary Considine: The Deputy has covered a number of issues there. First and foremost, we operate an up to category nine airport. Having said that, we do not, at all times of the day, have aircraft which require that level of cover. As such, if we do not have aircraft coming in which require the higher level of cover we operate to category seven and we notify accordingly. We then man up to category nine. As I said at the outset, we had to take very difficult measures when the pandemic hit us in March. We initially restricted our hours of operation. We came back up to 24-hour operation on 1 July with the restoration of terminal services. We have cover in the fire station 24 hours a day, seven days a week at the moment.

We have had to put in temporary measures to reduce pay and that would not be different to businesses all over the country. Those temporary measures are very important in ensuring the longer-term sustainability of the business, because as I have said we need to focus very much on survival and recovery and what needs to be done to ensure we have a business as we come through to the other end of this pandemic.

Deputy Cathal Crowe: I thank Ms Considine. If I have time I may ask some short supplementary questions. My last big question is on the July stimulus. I listened to Ms Considine's

presentation at the beginning. The July stimulus announcement last week included the extension of the temporary wage subsidy scheme, the suspension of commercial rates until the autumn, capital funding for projects and so on. As there is a whole stimulus package aimed at hospitality and tourism I was hoping that Ms Considine would have some good news on the Shannon Heritage sites front, such as them remaining open beyond the 31 August. What is the current status there? I know she has made requests to the TDs for the region and there is collaborative work in that regard but the landscape has changed in the past five or six days.

Will Ms Considine also explain whether the group will engage with the Shannon Heritage staff, in a similar way as it has with the airport staff, on the matter of redundancies or wage reductions? Are any options on the table or is it solely a case of closing down sites until the spring? There are some people who, due to age profile or length of service to the group may be interested in those options but they have not been put on the table. Will Ms Considine outline how she sees the next few weeks for the Shannon Heritage group?

Ms Mary Considine: We obviously welcome the July stimulus because it gave certainty about the continuation of the temporary wage subsidy scheme. However, in our dialogue with the officials in the Department of Transport, Tourism and Sport in particular we have already highlighted to them that even with the scheme continuing we would be still incurring significant losses in the heritage business through the winter, hence the requirement for the subvention of that business through the winter. We are in dialogue with Department officials on that and are waiting for an outcome. That business is predominantly reliant on international tourists coming into the country. We do not have international tourists coming into the country in meaningful numbers this year and we are looking at continuing losses in the peak summer season, even taking into account the domestic market. As such there will be no business going into the winter. Banquets, for example, are 94% reliant on international visitors coming to our sites. We would require additional subvention on top of the temporary wage subsidy scheme and we are in dialogue with Department officials on that.

There was no particular capital funding in the July stimulus. Again, that is something we have sought particularly for our aviation sector. We also sought such funding for the redevelopment of the Bunratty folk park and we will continue to be in dialogue about both of those.

We will of course be in discussion with staff once we have clarity on the situation.

Deputy Cathal Crowe: I thank Ms Considine. May I ask-----

Chairman: You may but I will have to bring you in at the end. I am sorry, I just need to get everybody in.

Deputy Cathal Crowe: That is no problem.

Chairman: Deputy Wynne is taking five minutes.

Deputy Violet-Anne Wynne: I thank the witnesses for their attendance, for the information they have provided and for their time.

I will focus my questions on Ms Considine as my main concern is Shannon Airport, its hinterland and how its survival is crucial for the region. Can Ms Considine give an indication of how many times the management team have spoken to unions in the airport?

Ms Mary Considine: We would be in ongoing dialogue with our staff, first of all, and with

their representatives in the airport and right across the group, in fact. I think the last official meeting was probably last week or late in the week before.

Deputy Violet-Anne Wynne: I thank Ms Considine. I was going to ask the same question as Deputy Crowe about the announcement of the extension of the temporary wage subsidy scheme and the recent report from the Aviation Recovery Task Force that it will be extended until 2021. Does Ms Considine believe this will benefit the airport enough to provide for the retention of good quality jobs?

Ms Mary Considine: Again, the temporary wage subsidy scheme is very important in the context of supporting aviation, particularly through the real hardship we are in at the moment. Similar to other airports, we have proposed a number of measures to reduce our payroll costs as we work through the recovery period, including career breaks, reduced working hours, a temporary reduction in pay and a voluntary severance scheme. We are not *per se* seeking significant job cuts in the airport. The measures we proposed are more about preserving employment in the long term but taking some difficult and painful measures in the short term. We are very conscious that has an impact on all our employees. To be fair to those employees, they have been working with us. It has been a very difficult period but the difficult and temporary measures we have taken will ensure sustainability of employment in the airport and region in the longer term.

Deputy Violet-Anne Wynne: Will the management team be able to row back on the 20% pay cuts at Shannon Airport?

Ms Mary Considine: The proposal with the 20% pay reduction is for a temporary pay reduction while we recover from this pandemic. All indications are that the recovery will be slow. Airport Council International, ACI, which represents airports all over the world, predicts that recovery to 2019 levels will not happen until 2024. CAPA, the centre for aviation, announced some research lately predicting that airport revenue will not return to pre-Covid levels for five to ten years. We are looking at a reduced level of activity in Shannon Airport for the near and medium term. Consequently, we must implement measures to reduce pay as we work through the recovery period. The support scheme will not alleviate the requirement for the 20% pay reduction.

Deputy Violet-Anne Wynne: I thank the witness. Will she outline how the Shannon Airport Authority has worked to entice new airlines and routes to Shannon since it split from the Dublin Airport Authority, DAA, in 2012?

Ms Mary Considine: First and foremost, one of our key priorities has been to grow passenger levels at Shannon, both for business and for tourism. We work very closely with airline partners and offer very attractive incentive schemes that are published. In addition, we offer a level of marketing support and work very closely with Tourism Ireland, which provides co-operative marketing to airlines. In total we put a very attractive package to the airlines.

Again, this goes back to airlines being commercial and market demand. It is why, as a group, we have invested in Shannon and the region to ensure we are stimulating demand. For airlines to operate routes that are sustainable in the longer term, they need to be getting yield, which relates to market demand. The more businesses we have, the more people will want to use the services. Again, demand is being created in this way and the long-term sustainability of routes is ensured.

Deputy Violet-Anne Wynne: Recently we saw reported in the media the stepping down of

two people in the managerial team. How has that affected the management during the Covid-19 pandemic?

Ms Mary Considine: We have a very strong management team in place. Prior to the two departures referred to by the Deputy, we appointed a chief operations officer for the group, who has taken on direct responsibility for the operations of our three businesses. We are supported by a strong chief financial officer and legal personnel. We have a strong team and a streamlined management structure in the group. It is appropriate for where we are as we work through the recovery period. We are very confident in the team we have in place.

Deputy Colm Burke: I thank the witnesses for coming in this morning and for their presentation. The position of Cork Airport was raised already. What was the total number of people working in Cork Airport before Covid-19? What is the long-term plan with respect to the number of people working in the airport when the support scheme is in place?

Mr. Ray Gray: I thank the Deputy for his question. We have approximately 230 people working at Cork Airport and that number would be somewhat lower in the current environment. It is still approximately 200. As part of our process of rephasing and resizing our business, we are engaged in an extensive process with staff and representatives, like that in Dublin, looking at different ways of working right across the business. We are also examining career options where staff wish to pursue those. I anticipate that, right across the group, we will, unfortunately but necessarily, sustain less employment in the near term than we had. Cork remains an efficient and effective airport.

Deputy Colm Burke: When Mr. Gray speaks about less employment, is it the case that people will be made redundant or laid off temporarily?

Mr. Ray Gray: Currently, other than absolutely essential staff, we are operating on the basis of a four-day week. That has been a necessary but unfortunate measure and a consequence of Covid-19. We have not brought on board any of the new or summer hires one would normally expect in an airport operation in the summer period. Some contracts have ceased or been ended. We are now engaging with staff on how we can operate the business in a post-Covid environment, looking at the numbers of employees we need for those areas. That will result in some redundancies but they will be voluntary and we expect they will be put in place through mechanisms of engagement with staff and trade unions.

Deputy Colm Burke: My understanding regarding flights from Cork is that, for example, Aer Lingus has pulled some but that it continues to fly out of Dublin. Is there not encouragement to airlines to try to stay within an airport rather than transfer flights to Dublin, for example? What flights that were operating from Cork have been transferred to Dublin?

Mr. Ray Gray: Rather than flights being transferred to Dublin, there have, unfortunately, been reductions in air services and a slower than anticipated resumption of those services into Cork due to continuing difficulties relating to travel. We have a team in Cork, through the managing director, Mr. Neil McCarthy, as well as Mr. Kevin Cullinane and Mr. Brian Gallagher on the marketing side, that is constantly engaged with and focused on airlines to try to maximise their return to operation and how they can work in the current environment. The news has not been good. We have been operating on the basis of something under 1,000 passengers per day, with approximately 400 coming in or out, on average, in the past number of days. That compares to something like 10,000 in a normal situation.

Deputy Colm Burke: May I return to the Aer Lingus issue? My understanding is Aer Lingus had flights to the same destination from both Cork and Dublin but that it now flies to that destination from Dublin only.

Mr. Ray Gray: The decision about capacity on a particular route is taken by an airline. We actively encourage our airlines to resume their operations and maximise them out of Cork. We work to try to prevent it where possible but, unfortunately, there has been a slow resumption in air services. The news on that has been more negative than positive in recent days. However, we continue to focus on how we can get airlines and passengers back to Cork Airport and get some resumption of normality as soon as possible. A range of actions is required to do this, both in terms of capability and rules-----

Deputy Colm Burke: May I ask-----

Chairman: Is it a “Yes” or “No” answer?

Deputy Colm Burke: It is. There is a proposal that Cork should come under regional airport designation. What kind of funding is being sought in the long term for the development of Cork?

Mr. Ray Gray: Cork has some emergency and significant projects. In the current environment, we must invest-----

Chairman: I am sorry but Mr. Gray will have to reply in writing.

Mr. Ray Gray: I am very happy to do that.

Chairman: Mr. Gray will reply in writing to the Deputy.

Mr. Ray Gray: Of course.

Chairman: I thank Mr. Gray.

Deputy Maurice Quinlivan: I refer to Mr. Gray’s answers - or probably his non-answers - to the questions put to him by other members in respect of data collection. It is simply not credible that Mr. Gray would expect us not to ask about this matter. It has been the number one topic on all media channels since the Tánaiste said on Sunday that PPS numbers are somehow being collected at Dublin Airport. I would have assumed Mr. Gray would expect us to ask this question and he has not really answered it. I know what Dublin Airport is like. Unfortunately, I travel through it a lot more than I would like. I prefer to travel through Shannon Airport. Travellers are processed by customs officials, immigration officials, gardaí and, possibly, customer service representatives. Who actually collects the PPS numbers? Mr. Gray has not really answered that question. I presume the Tánaiste does not do it himself, so someone else must collect them. Mr. Gray might come back with an answer to that question, an answer which he failed to provide to my colleagues. Mr. Gray has said he does not know, but it is not credible that he would come here and not expect to be asked about this.

Mr. Ray Gray: I am sorry if the Deputy feels I have been less than forthcoming with the committee but I can assure him that is absolutely not the case. I have said categorically in response to his inquiry that the information that is being collected is not being collected by the DAA. Several State agencies operate at the airport under their own mandates and arrangements. They do not require specific permission from us to operate, nor do they have to inform us of their activities. That is why I am regrettably unable to be more helpful to the committee.

Deputy Maurice Quinlivan: I thank Mr. Gray. He still has not answered the question. He must have known this would come up.

I would like to ask Ms Considine about Shannon Heritage. She expressed concern about staff and the fact that the sites will not reopen in September. I understand they are to close at the end of August. I was disappointed that Ms Considine made no commitment to extend this opening period. I believe the stimulus has changed things. I visited Bunnratty Castle with several of my colleagues last Sunday. Staff there told me that 60% of the visitors were domestic tourists. We all accept that international travel has fallen, but we cannot simply say that there is nothing to be done. There is an opportunity here, especially with the stimulus. We are asking people to take staycations. Shannon Heritage workers are deeply concerned. As Ms Considine knows, many of these people have given years to Shannon Heritage and the sites it operates, namely, Bunnratty Castle and King John's Castle in my own city. I ask Ms Considine to answer the question we asked in meetings with her two weeks ago. How much money did she ask the Government for, particularly with regard to Shannon Heritage? Will she consider keeping the sites open after the end of August?

Ms Mary Considine: I thank the Deputy. To clarify, we have sought subventions for Shannon Heritage to cover the operating losses that will be incurred over the winter and up to next summer. Unfortunately, we are not confident that international travellers will return next summer in the same numbers as before, so losses are likely to continue. We are in dialogue with officials in that regard. As outlined in my submission, despite several intensive marketing initiatives and national coverage for the opening of Bunnratty Castle and King John's Castle in Limerick, visitor numbers have not picked up to any great degree. Visitor numbers and revenue are still down by more than 70% at Bunnratty Castle. They are down by 86% at King John's Castle. In respect of the latter, it is really disappointing to note that the domestic market has fallen since last year. It is approximately 40% of what it was in 2019. As the committee will be aware, more than 70% of our market is international and it is very difficult to make up for that. In this business, we traditionally make money in summer and lose it in winter. We lost money as the pandemic began and incurred significant losses as it progressed. We expect that to continue this winter.

Deputy Maurice Quinlivan: I wish to ask a couple more questions before we run out of time.

Chairman: The Deputy will have to ask them quickly if he wants the answers today. Otherwise, they will have to be in writing.

Deputy Maurice Quinlivan: I wish to ask about Shannon Airport's separation from the DAA in 2013. The figures for Shannon Airport are quite clear. I have them in front of me. The numbers have not increased as quickly as those for Cork Airport. Has there been any discussion of Shannon returning to the DAA?

Ms Mary Considine: That is a matter for the Government. We have clearly outlined the benefits of Shannon Group, and the investment that has been made and work that has been undertaken to drive activity at the airport.

Deputy Maurice Quinlivan: The figures do not match up.

Chairman: I am sorry there is not more time. I have to be fair to everybody. I have a couple of questions myself. I would like to continue to discuss Shannon Heritage, which is

part of Shannon Group. Ms Considine has repeatedly told us that most of the sites rely on international tourism for business. According to the figures I have seen, 39% of the visitors to Bunratty Castle last year were Irish. The figure for King John's Castle was 26%. The GPO had 34% Irish visitors and 35% of visitors to Malahide Castle were Irish. However, 79% of the visitors to Craggaunowen were Irish. Proportionally, Craggaunowen has twice as many domestic visitors as the other sites but it is the only one that has not been opened. Could Ms Considine explain that?

Ms Mary Considine: I thank the Chairman. Craggaunowen works from a very low visitor base. Approximately 15,000 visitors visited the site last year. The Deputy is correct to note that because of its location its market is predominantly domestic. It is open from June to mid-September and is very heavily reliant on school tours during the June period. Obviously, we were not open in June of this year. Craggaunowen would lose money in any event, but because of our portfolio of sites we were able to support that business prior to the pandemic. We are now losing money right across the business because of the collapse in our revenues. Consequently, we made the decision to open our key sites in order to ensure that Bunratty Castle, a site in Clare on 26 acres of land, would be available to the domestic market while the schools were on holiday. We made the same decision with respect to King John's Castle in Limerick. Unfortunately, we were not in a position to open all our sites this year. This business is in a financial crisis and there has been a complete collapse in revenue. Shannon Heritage's revenue is down by 86% this year. It is very difficult to keep trading. Our decisions have been made with the long-term interests of the business to the fore. We made the temporary decision to close key sites during the summer to reduce losses.

Chairman: School tours have inevitably fallen off in circumstances where schools are closed. Due to the fact that they are closed, however, I suggest that parents across the mid-west are looking for places to bring their children for a day or even an hour. The children have been unexpectedly under their feet since March. A site with 30 acres of parkland, a crannóg and a castle would have been an attractive proposition if it was open, but it was closed and it remains closed.

Does Ms Considine think Shannon Heritage is a good fit in the Shannon Group? Has the group used this crisis to hobble Shannon Heritage to the degree that someone else will have to take it over?

Ms Mary Considine: I do not agree that the crisis has been used in that way. At the start of this year none of us would have envisaged the devastation this pandemic would cause for our businesses. As outlined in my submission, we had projected growth for Shannon Heritage this year. We had expanded the portfolio and taken on a new attraction. The position we are in is very disappointing. The fact remains that our visitor base and revenues have collapsed. We have had to take difficult temporary decisions this year.

In response to the question on Shannon Heritage, I note that the protection of national monuments, which is obviously our obligation, is very difficult for a commercial entity. The Shannon Group has a commercial mandate. We do not receive Exchequer funding. Consequently, each of our activities has to generate a commercial return and this, in turn, allows for capital investment. In the context of the work we have done in Shannon Heritage since 2014, we have invested €6 million in the business, we have addressed some of the historic underinvestment relating to it and we have moved it from a loss-making business to making a profit at an operational level. That was important because that then allowed us to start to invest money back into improving the product. We were also working closely with Fáilte Ireland to secure capital grant

funding for the redevelopment of Bunratty Folk Park under the platform for growth scheme so we have strong ambitions for the group-----

Chairman: I ask Ms Considine to keep it very short.

Ms Mary Considine: However, the real challenge for the group has been the pandemic and the collapse in the business. The measures we have taken this year have been very difficult. It is hard to make this business commercial in any event but the pandemic has absolutely decimated it.

Chairman: Given that many of the group's sites were closed, it was not able to avail of the temporary wage subsidy scheme at least not in respect of some of the Shannon Heritage sites. I have three questions and I ask Ms Considine to be very brief in her replies. She stated that the group took on a site for its portfolio. What was that site and is it open? Some 39% of visitors to Bunratty Castle last year were Irish. Obviously, numbers are down but has the group at least maintained the Irish component of its visitor figures? What marketing, if any, has been done in respect of Bunratty or any of the other sites? Ms Considine mentioned capital requirements for Bunratty. If these are not commercially sensitive, I ask her to outline them and indicate whether the Government has agreed to step in given that state aid rules have been relaxed?

Ms Mary Considine: The capital we have sought is for the redevelopment of Bunratty folk farm under platform for growth and we are in ongoing discussion with Fáilte Ireland and have been in discussion with our own officials in that regard. The new site we took on last year relates to the casino in Malahide. We have contractual arrangements with Fingal County Council to operate Malahide Castle, Newbridge House and the casino in Malahide and these sites have reopened in line with the Government Roadmap for Reopening Society and Business.

Chairman: Are they closing at the end of August like King John's Castle and Bunratty Castle?

Ms Mary Considine: There are different arrangements as we do not own the Fingal sites, we operate them under contract. They will continue to operate under contract.

Chairman: That will be through to the end of the year. They will be open when all the sites in the mid-west are closed.

Ms Mary Considine: Yes, they will be open in line with our contractual requirements.

Chairman: I thank Ms Considine. I have one final question for both companies. During the period beginning in mid-March when everything began to shut down, have they had to turn away business? A "Yes" or "No" answer is required here. If they have had to turn away business, can our guests explain why? I am obviously talking about the airports.

Ms Mary Considine: No, we have not.

Chairman: Has the DAA had to turn away any business?

Mr. Ray Gray: No.

Chairman: Okay. I thank our guests very much for their time and for answering all of our questions. I think some answers have to be provided in writing. One of those answers relates to the activities of Department of Employment Affairs and Social Protection on the Dublin Airport campus and what is known about it by the DAA, as opposed to Mr. Gray personally. There

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are also some other answers to be provided directly to members of the committee, including Deputy Colm Burke. I thank our guests for attending and for answering all of our questions.

Sitting suspended at 11.10 a.m. and resumed at 11.30 a.m.

Covid-19: Impact on Aviation (resumed)

Chairman: I welcome our witnesses. From committee room 2, I welcome Mr. Eddie Wilson, CEO and Mr. Darrell Hughes, people director, from Ryanair. I can now see committee room 2 and I can see two people there, so I take it they are our witnesses and I thank them very much for joining us. From Aer Lingus headquarters, which is in Dublin Airport, I welcome Mr. Sean Doyle, CEO, and Mr. Donal Moriarty, chief corporate affairs officer.

For those in attendance at committee room 2, I wish to advise that by virtue of section 17(2) (I) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to this committee. If they are directed by the committee to cease giving evidence in relation to a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise nor make charges against any person, persons or entity, by name or in such a way as to make him, her or it identifiable. For those attending remotely from Dublin Airport, witnesses giving evidence from a location outside the parliamentary precincts are asked to note that the constitutional protections afforded to witnesses attending to give evidence before committees may not extend to them. No clear guidance can be given on whether the extent to which the evidence given is covered by absolute privilege of a statutory nature as this has not yet been tested before the courts. Hopefully, today's proceedings will not give rise to that test.

I ask Mr. Doyle to make his opening statement and to confine it to five minutes or less so that we will have time for questions and answers.

Mr. Sean Doyle: I am delighted to have the opportunity to address the Special Committee on the Covid-19 Response.

Let me cut to the chase. The Covid-19 pandemic has brought about the greatest crisis that the global aviation industry has ever experienced. This crisis is much more severe than those experienced at the time of 9/11 in 2001 and the global financial crisis in 2007 and 2008. To highlight this I will outline a few statistics from the International Air Transport Association, IATA. The losses in the global industry this year will be the biggest in aviation history, estimated at over \$84 billion in 2020 and \$16 billion in 2021. By comparison, airlines lost \$31 billion with the global financial crisis and the oil price spike in 2008 and 2009. There is no comparison for the dimension of this crisis. IATA research indicates that fewer passengers are saying that they will travel again in the first months after the pandemic. In early April, 61% said that they would travel. By early June, that had fallen to 45%. Approximately two thirds of people surveyed are seeing less travel in their future, be it for vacations, visiting friends and relatives or business. Deloitte, in the context of consumer sentiment in Ireland, puts consumer confidence in air travel as low as 19% and industry commentators are predicting that capacity will not revert to 2019 levels until 2022 at the earliest.

There is not a clear understanding in Ireland about the scale of the crisis or, indeed, its significance for the economy and its prospects for future recovery. The task force for aviation recovery published its final report on 10 July and very succinctly captured the importance of the aviation sector in Ireland. It referenced some key numbers from Oxford Economics which are worth reiterating. The estimated GDP contribution of air transport to Ireland is €8.9 billion. A total of 140,000 jobs are supported by the aviation sector in Ireland. Some €8.7 billion is the estimated GDP contribution of foreign tourists and in the region of 8.8 million people visit Ireland every year by air.

The report of the task force highlights the critical importance of aviation to the economy and states that it was a strategic foundation for Ireland's open, small economy. International connectivity is a key driver of that economy and in recent years that connectivity to Europe, North America, the Middle East and Asia has significantly increased. The level of international connectivity that Ireland enjoyed prior to the crisis was looked upon with envy in many other countries and markets. That connectivity is not about serving local Irish demand to go on holiday overseas. This only represents part of it. The connectivity to which I refer connects Ireland with other markets and economies, allows business to be done internationally and allows foreign direct investment into Ireland, which is a critical driver of the economy. Connectivity is critical for regional development. Key businesses and services sectors such as technology, software, pharmaceutical, medical, finance, food and beverage depend on that connectivity, and small and medium enterprises across the country depend on the inbound tourists brought to the country by means of aviation.

There is a lack of understanding of Ireland's leadership position from a global aviation perspective. It is not just about the airlines and airports. The global leasing market for aircraft had its origins in Ireland and Ireland controls over 60% of that market. Ireland also punches above its weight in aircraft maintenance, repair and overhaul. The aviation sector is of systemic importance to the economy. It is, therefore, of strategic national importance that the sector be protected to survive this unprecedented crisis and be in a position to contribute to Ireland's economic recovery.

I urge the committee to review the final report of the task force for aviation recovery. It contains a number of key recommendations on rebuilding regional and international connectivity. The report states that the Government should: provide a rebate directly to the airlines in respect of all Dublin Airport charges and navigation charges as paid by the airlines; a stimulus package should be put in place concurrently for each of Cork, Shannon, Ireland West, Kerry and Donegal airports; the current waiver for 80-20 slot use-it or lose-it should be extended to the winter of 2021 season; the Government should adopt the interim recommendations from the tourism task force; and we should ensure that the delivery of planned airport infrastructure programmes is carried out in full and on time.

The report also contains a number of key recommendations on saving jobs and supporting Irish business. It states that the Government should enable a liquidity initiative for the aviation sector to help companies that make a material contribution to the economy and that it should ensure that a sizeable amount of funding is drawn down for the Irish aviation sector from the Next Generation EU funding of €750 billion. Unfortunately, those recommendations have not yet been progressed or implemented.

The green list published on 21 July is more restrictive than is the case in any other European country. Ireland now stands alone in applying the policy. The rest of Europe has opened for travel. The criteria used is even more restrictive than that used for passengers from third

countries entering the EU. Ireland has not acted upon the European Commission's request to member states to lift border restrictions within the EU by 15 June. The green list published this week effectively means that Ireland is closed for business and that will have profoundly negative impacts on the Irish economy and on the aviation and tourism sectors jobs within them.

I started by stating that the Covid-19 pandemic has brought about the greatest crisis that the global aviation industry has ever experienced. The situation in the Irish sector is even worse than is being experienced by our international peers. We are in the unfortunate position of, first, having the most restrictive travel policies in Europe and, second, having so far done the least in Europe to support the aviation sector. These issues will need to be urgently addressed given the strategic importance of aviation to Ireland's economic recovery. We are hopeful that the scale and depth of the crisis will soon be understood in Ireland and that the relevant actions required to address the crisis will be taken. Aer Lingus will continue to engage with the relevant stakeholders for this purpose.

Chairman: I ask Mr. Wilson to make his opening statement but to confine it to five minutes in order to allow time for questions and answers.

Mr. Eddie Wilson: I am delighted to be here to assist the committee in its work. We have already given a detailed written submission but I will draw the committee's attention to some of the key points.

Ryanair, as part of the aviation sector, is uniquely placed. Our business is risk assessment, passenger confidence and safety. When we talk about the balance between public health initiatives and returning to a functioning economy, those in the aviation business are well placed for that. We work in an industry that is probably more regulated than the medical industry. I would also say that Ryanair, given that it is the largest airline in Europe - and in the world for international passengers - is uniquely placed within the sector because of its daily interactions with the European Aviation Safety Agency, EASA, and the various governments throughout Europe. We will be able to give some insight into that.

I echo what the witness from Aer Lingus said. I do not propose to repeat everything he said except to state that the industry is in crisis, and in this country in particular. If we look at the number of jobs that are potentially on the line, there are 40,000 jobs directly in aviation, 100,000 spin-off jobs and more than 335,000 jobs in tourism that are potentially affected. If we look at what has happened in Ireland with the outbreak of this pandemic, the Government handled it well at the start in terms of lockdown, the way it resourced it and its speed of reaction. However, the way it has been opened up afterwards in terms of how we strike a balance between public health initiatives in stopping the spread of this disease and having a functioning economy has been a disaster, frankly, for aviation.

This is not just about aviation. As the witness from Aer Lingus said, this is not just about holidays. We are heading into the shoulder season. We depend on business traffic. There will be 50% less traffic, certainly from this airline, and I imagine the figure is similar for Aer Lingus, and we are on the periphery of Europe. This country needs a functioning aviation sector. It is the oil in the engine of the economy and if we push it out, we will reap what will come from that in terms of structural damage to this economy and unemployment will closely follow that.

If we consider what happened in Ireland after the initial handling of the pandemic, the green list has been a total disaster. The idea that we would be looking at connectivity to Gibraltar and Monaco has been held up to ridicule. In terms of the way the Government has complied with

its own guidelines, we need to get a handle on this. In terms of the recommendations we put in, we should have the EU 27 and the UK back on the green list. It is about the way we manage this going forward. We are easily able to handle the risk assessments and the safety concerns. If we look at what has happened in the rest of Europe, those countries are now open. They have complied with the recommendations of the European Centre for Disease Prevention and Control. The committee members should watch yesterday's World Health Organization press conference at which Dr. Michael Ryan said that closing borders is not the way to do it. We have got to get the balance right. We have got the balance wrong on this so far.

In terms of what will happen, IATA says that we will not recover to 2019 levels in terms of traffic throughout the world until 2023 and 2024. The amount of traffic in Europe in particular will shrink, and that will not just bounce back. Airlines will make their decisions but, in terms of what will happen, we will lose this traffic forever and end up going back to where we were previously in this country, with no ease of connectivity. The recommendation we make today is that we get the UK and the EU 27 countries on the green list and put in place incentives because the rest of Europe is working ahead on this. They are investing in their economies now. The rich economies - the Germans, the French and the Dutch - are putting money into their economies. We are going to get left behind.

I hope I can deal with many of the questions the members wish to ask.

Chairman: I thank Mr. Wilson. I will open the floor to Deputies. The first speaker is Deputy Devlin from Fianna Fáil.

Deputy Cormac Devlin: I welcome the witnesses and thank them for their opening remarks. I note from their opening statements that passenger numbers are almost 99% lower than 2019 levels, which is extremely worrying. As an island nation we are all acutely aware that connectivity is essential. I acknowledge this pandemic has been exceptionally difficult for the airline industry. Covid-19 will have implications well past the summer. Unfortunately, as the committee heard earlier from the DAA, job losses will be inevitable in Dublin airport in particular. It employs 21,500 people and supports 100,000 other jobs. The air transport sector is estimated to support €8.9 billion of GDP and many jobs in Ireland.

I thank the airlines, their crews and pilots for their work in the initial phase of the pandemic in securing essential medical supplies and bringing them to Ireland. That was much appreciated by the public. I hope they will pass on the committee's thanks and best wishes to the staff involved.

My first question is to Mr. Wilson from Ryanair. Does he think his airline's campaign of encouraging people to travel to countries on the green list undermines the advice being given by the Government and public health advisers in this jurisdiction about avoiding non-essential travel?

Mr. Eddie Wilson: As an airline we are complying with all the EU regulations. Everyone else in Europe is flying. The balance has been struck between public health and returning to a functioning economy. A functioning economy means that people will have to travel, and do so for business purposes as well as visiting friends and relatives, putting children in college and holidays. We are operating in exactly the same way as every other airline in Europe. The outlier here is Ireland. Ireland, for some bizarre reason, has ignored what the other EU 26 has done, namely to return to air travel, unrestricted within the EU, since 1 June. That is all we are doing. We are carrying on our business in that manner. It is the muddled response of the

Government, with green lists and people on it, and not on it, which is causing the confusion.

On public health advice, do not listen to me, but to Dr. Ryan of the World Health Organization, who says it is about how States handle infection at home, that they should stop looking abroad and for other scapegoats. People are sensible in how they comply when they get to the countries to which they are travelling. The idea that the Irish Government has excluded Germany is laughable. The Germans are the gold standard for how they handled the pandemic right from the start. Dr. Ryan singled them out at a press conference yesterday for what they have done on track and trace, for localised lockdowns and for volumes of testing, yet somehow we in Ireland have some sort of magical formula about which the Germans and the rest of Europe are unaware. The rest of Europe is moving. There are spikes and there will be spikes here too, and we will have to manage that, but shutting down the economy will bring us back, if not to the 1980s to the 1950s when we tried that experiment before by trying to do things on our own. It will not work. People need to understand that it is not about holidays, it is about connectivity. Holidays are an important element of our business but that is now done for the summer, we are heading into the winter. Traffic, not only in Ireland but from a European perspective, will halve. This committee should be asking how we will attract the remaining traffic back into Ireland because if we do not we will lose it, and lose it forever. What will happen is that next year, the 335,000 in the tourist industry will not have work because there will be nobody flying here. We have to get back to normal and balance the health concerns. The Government advice is disproportionate and will do structural damage to the economy.

Deputy Cormac Devlin: I thank Mr. Wilson for his response but I beg to differ. According to figures from the European Centre for Disease control, some of the EU countries which Mr. Wilson says should be on the list have incidence rates that are ten times higher.

Mr. Eddie Wilson: In the case of Germany, the death rate from Covid-19 is 70% less than in Ireland and it is acknowledged as the European leader in this. The Deputy can bang around about numbers and the R number, but the World Health Organization says that infections will move all the time, the numbers will go up and down. There is no point in having this self-congratulatory narrative that we will somehow or other eradicate this completely. The medical evidence says that we will live with it for many years and the way to do that is to manage it within our own countries through track and trace and testing. The idea that it is all “over there” and that if we close the borders it will not be all over here is not the way to go. For an island economy to do that will inflict structural damage that will be reaped in the next six months and continue for years. We are the oil of the engine of this economy.

Deputy Cormac Devlin: It is interesting that Mr. Wilson highlighted Germany. I note that the incidence of Covid is 50% higher there than in Ireland.

Mr. Eddie Wilson: What does the Deputy mean by “Covid is 50% higher”? Will he be more specific, please?

Deputy Cormac Devlin: It is 100,000 in Ireland, where there are 5.2 cases. I accept Mr. Wilson’s bona fides as to why he wants all countries on some sort of green list and I understand the need for this. He must also understand that, from a public health and policy perspective, we must try to slow the spread of Covid. No one is suggesting that we can prevent it from coming inside our borders entirely. I accept that the airlines are under immense pressure. As I said earlier, I thank them and their pilots and crew for their work in the initial phase. That work was essential in the context of bringing PPE to Ireland. The biggest issue now is how we live with Covid. I imagine that the green list will change.

I wish to ask representatives from both airlines how they perceive the airports in Ireland compared with those they are dealing with in other countries now. I ask Aer Lingus to respond first.

Mr. Sean Doyle: Dublin Airport and the other airports in Ireland have adopted the EASA protocol on the advice of the European Centre for Disease Prevention and Control. That is welcome and it is reassuring for passengers who are flying in and out of the airports that we are compliant and that it is safe to travel. It is worth noting about aviation industry in general and how we approach mitigating risk that we have a great track record of doing this. We have faced crises before in the aviation industry. We use data, mitigations and an onion-layer approach to dealing with risks such as Covid. The industry, and the airports within it, are responding quickly and effectively. We have had our mitigations in place since May. The industry has moved quickly to reassure people about the safety of flight. Other stakeholders should understand the urgency of restoring flight safely and move at that pace. I welcome the initiatives that the airports have put in place.

Mr. Eddie Wilson: The big difference is that the airports in Ireland are empty and that they are gradually recovering in the rest of Europe. China has recovered to almost 70% now. We have put in place all the protocols from the European Centre for Disease Prevention and Control through EASA. We need to get back to reconnecting this island. If we do not connect, we will wither.

Deputy Cormac Devlin: Returning to airline safety, my biggest concern is Ryanair's email campaign to previous customers telling them that they have the green light, which is encouraging people to travel. This flies in the face of public health advice in Ireland. Obviously, essential travel is different, but it seems that Ryanair is encouraging people who are looking at non-essential travel to do that.

All members have received queries about refunds. We probably do not have time to get into that matter today. That has certainly been an issue for people who had bookings with Ryanair and who need to get those refunds.

Chairman: I now call Deputy O'Rourke from Sinn Féin. The Deputy has five minutes.

Deputy Darren O'Rourke: I will pick up on that point. I thank Mr. Doyle and Mr. Wilson for their presentations. Could they outline the number of refunds that have been issued to date, the number of refunds that have yet to be issued, the number of vouchers issued and the number yet to be issued? Could they provide assurances to customers who are still waiting that they will receive those vouchers? The Irish Travel Agents Association estimates that consumer losses are at €800,000 per day. This represents seats that were bought but not used and not refunded. Have the witnesses produced an estimate of this themselves or do they agree with that figure? Has there been any change to rescheduling fees? Very many people are reporting exorbitant charges for rescheduling?

Mr. Sean Doyle: I will go first. To date, we have processed over 345,000 vouchers and refunds. This is approximately 17% of the requests we have received. It is an unprecedented backlog because of the scale of cancellations we have had to enact and we are working as hard as we can investing both resource and technology to clear that backlog. I can reassure anybody entitled to a refund that he or she will get it. In terms of the other flexibility we are offering, we are offering anybody with a booking up until the end of December the ability to change that booking to a new flight, time or date without a change fee. That policy is very clear. Anybody

with a booking to a destination where a travel advisory is in place can apply for a voucher for the full amount up until the end of August. We have offered unprecedented levels of flexibility to customers who have been affected by the pandemic.

Deputy Darren O'Rourke: Mr. Doyle made a comment with regard to refunds. Can he give the same assurance to people who are waiting for vouchers that they will receive them?

Mr. Sean Doyle: We are processing vouchers at the same pace. We will issue vouchers to those entitled to them.

Deputy Darren O'Rourke: Could Mr. Wilson answer my question?

Mr. Eddie Wilson: If the Deputy looks at the scale of this, for example, if he looks at April, one of the three months involved, we would have a budget for 14 million passengers to fly that month. We ended up flying 40,000. If one multiplies those three months and divides down the amount of people on different bookings, one comes up with in excess of 20 million passengers or individual refunds to deal with. Of course, there will be difficulties with that in terms of backlogs. We are not unique in that. The good news is that all our people have been back to work since 1 June. We have hired extra people in call centres to deal with this. We have processed in excess of €750 million. Some 90% of the people who are in the cash refund queue will be processed by the end of this month, which is in two days' time. There will be an ongoing process whereby people who have vouchers, change their minds and do not want to use them can simply go on the website or our chatbot and change them into cash. That amount is sitting there in terms of a liability for Ryanair and it is a question of the customers who want cash, vouchers or flight changes. They are being facilitated. Sometimes the volume of what we are dealing with is huge. Our people are doing a fantastic job-----

Deputy Darren O'Rourke: Can I ask about rescheduling fees as applied during the Covid-19 period? Is there a change in policy compared to previous times?

Mr. Eddie Wilson: Under EU Regulation 261/2004, if someone's flight is cancelled, he or she gets the option of a flight change or a refund. We put in some extra flexibility during bookings made in July, August and September and people could change those up until the end of the year if they wished without a flight change fee.

Deputy Darren O'Rourke: I thank Mr. Doyle and Mr. Wilson for their responses. I encourage full engagement with customers because I know there is a lot of frustration in respect of those issues. I take the point about Ireland being an outlier but I have a list of 44 countries in Europe in front of me and no two have the same approach to checks and controls at airports. There are restrictions and a wide range of variation in terms of testing, tracing and quarantine. Is there a specific country whose model the witnesses believe Ireland should be following? Is there an exemplar? A one-word answer will do.

Mr. Eddie Wilson: There are no restrictions between European countries. Germany is probably the leader in terms of how it has applied its public health policy throughout this. It seems to be the best innovator in that regard.

Deputy Darren O'Rourke: Does Mr. Doyle agree with the idea of Germany as a model?

Mr. Sean Doyle: I agree with Ryanair's comments on Germany, which has been open for travel since 19 June. It has been a role model at every stage of this crisis.

Deputy Fergus O'Dowd: I read an article in *The Guardian* at 11.45 a.m. which states that the head of the disease control agency in Germany is worried by that countries 550 plus new cases every day. This is up from an average of 350 in early June. The head of the agency is quoted as saying "We must prevent that the virus once again spreads rapidly and uncontrollably." He also stated that "The new developments in Germany make me very worried" and "The rise has to do with the fact that we have become negligent". Do the witnesses agree that all our actions in Ireland have been based on public health advice, notwithstanding our acknowledgement and clear understanding of the impact of this, particularly on the witnesses' business, on travel and on air travel in particular? Would they change their view now following this statement from Germany?

Mr. Eddie Wilson: It is about striking a balance. The balance must be between how we have a functioning economy and how we address the health concerns and stop the spread of this disease. They are not mutually exclusive. They have to come together, otherwise we will not have a functioning economy. A small open economy like ours will have to connect with other countries. Germany is doing exactly what the World Health Organization said countries should do, namely, call out when they have clusters and deal with them. Germany has dealt with the same difficulties we have had in this country in slaughterhouses and meat plants, although not necessarily to the extent we have had with regard to care homes. There will be clusters but it is about how one responds to that. One cannot take a blanket approach that says that we are different in Ireland. I come back to this. We keep saying we are different. The European Centre for Disease Prevention and Control, which is the official arm of the EU in the context of the spread of pandemics, has the same standing as the European Agency for Safety and Health at Work and the European Environment Agency but for some reason, this country says that is not good enough for us. It is good enough for the other EU 26, which have land borders with one another, so the Deputy's comment about Germany bears no relevance to the argument he is making.

Deputy Fergus O'Dowd: I think Mr. Wilson is quite wrong. I disagree with him because what it really shows is that this disease is accelerating in the northern hemisphere. The World Health Organization commented upon that yesterday. More than 650,000 people around the world have died and 16.5 million people have been infected. I think the approach taken by Mr. Wilson and Mr. Doyle is wrong. The Government clearly acknowledges the importance of the aviation industry. The CEO of Aer Lingus was particularly wrong when he stated that "There is not a clear understanding of the scale of the crisis or indeed its significance for the Irish economy and its future recovery." That is balderdash, Mr. Aer Lingus. We are very much concerned about it. In fact, the whole country is concerned about it but, in his commentary, Mr. Doyle does not seem to be concerned. Nowhere in the Aer Lingus submission can I find any matters relating to health. This is about public health. It is about keeping people safe. It is about protecting families and businesses obviously but it is about reaching an acknowledgement. The airlines are challenging the best medical and public health advice in this country, which they have every right to do, advice that has proved to be fantastic in terms of saving lives. I think the airlines' approach is wrong. I would like to support them when they talk about the additional support they need from Government. If, however, the airlines do not acknowledge the importance of our public health advice and the way we are fighting this disease, they are not being realistic.

Mr. Sean Doyle: We implemented every single guideline and public health policy urgently and effectively across our airline and across our operation. The act of travelling is very safe, as has been supported by evidence from the International Air Transport Association, IATA, and the European Union Aviation Safety Agency, EASA. I am highlighting how much of an out-

lier Ireland is compared with other European Union states. That is significantly disadvantaging Irish airlines. Highlighting that point provokes a very healthy debate. Legislators should consider that debate and balance the needs of the economy and the importance of restoring air travel against the very important needs of public health. We are not being one-dimensional. We are providing a very healthy comparison with countries that are managing containment and opening up air travel. These countries understand the need to balance the economy against the need to maintain public health and to contain the virus. The position the Deputy has outlined is not one we have taken. We have been very balanced in our approach and in our comments.

Mr. Eddie Wilson: I wish to add to that. With respect, I do not doubt the Deputy's concern but he seems to be taking a binary approach. We are dealing with these issues every day, which is why we are equipped to deal with the assessment of risk. It is not black and white. It will be very grey. All we are saying is that a balance must be struck. Other countries have done that. Dr. Michael Ryan of the World Health Organization said this morning that international travel bans are not a sustainable strategy. Economies have to open up, people have to work and trade has to resume. It was not Ryanair that said this but Dr. Ryan of the World Health Organization, WHO. The WHO believes it is possible to identify and minimise the risk associated with international travel and we support that view. We are going to have to move.

With respect, nobody is playing fast and loose. Like Aer Lingus and every other airline, we have people working at check-in desks and dealing with the public. Their health also has to be protected. We would not have a business without passenger confidence. Our biggest fear as a business is a second surge. We are not disconnected from this. If we do not have confidence, we do not have passengers. This is not the agenda of Ryanair, Aer Lingus or the aviation industry generally; for once this agenda actually lines up with the needs of the economy. If we do not have a functioning aviation industry, the effect on jobs will be disproportionate to that of the initiatives regarding the spread of the disease. We will have to learn to live with those concerns. That is what we are saying. With respect, we are not saying we do not care about that.

Deputy Fergus O'Dowd: Yesterday or the day before, the UK ceased aviation activity between Spain and itself. That cessation has been now expanded to include the Canary Islands and other islands. The Government in the UK had to act in that way, as does our Government. It is not that we want to do this but that we believe we have no choice. The problem is that travel increases risk. The more one travels, the more likely one is to be exposed to people who may have the virus. If the pandemic is accelerating in the northern hemisphere and worldwide, the Government is duty-bound to protect public health. I acknowledge the issues the representatives have raised with regard to jobs, employment and economic stability but I reject utterly Aer Lingus's statement that the Government does not understand the scale or significance of the crisis. If it wants us to accept its views as reasonable, it cannot expect comments such as these to be given any credibility when put before us as fact. It is obviously untrue.

Chairman: Do the witnesses want to speak on Deputy O'Dowd's point regarding the UK Government's actions?

Mr. Sean Doyle: I would like to respond to the comment regarding the Government not getting the scale of the crisis. The point I made in my opening statement is that, in reality, we have the most restrictive travel policy in Europe and that this has a more significant impact on Aer Lingus and Ryanair than on other European airlines. We also have not enacted supports for aviation comparable with those in other European countries. That was outlined by the aviation task force. That is the reality. I will judge the Government on its actions, and that is the reality of its actions to date.

Mr. Eddie Wilson: With regard to Spain, what is happening in Catalonia will happen in other countries and has happened previously. It now has an issue with care homes and there was a report in the Financial Times the other day about undocumented workers coming to the area. The virus is also present in meat plants in the area. We will have a spike like that here. The Minister for Health himself, who I believe is on this committee, said last week that nine out of ten cases are not attributed to international travel. International travel is not a bogeyman and we really have to look at ourselves and ask what we are doing differently and what risks we are taking with regard to long-term structural damage.

Chairman: Mr. Wilson keeps saying we are out of line with the rest of Europe. Does anybody know what is happening in Albania? It had an isolationist, inward-looking regime for a long time. Do either of the witnesses know what is it doing?

Mr. Sean Doyle: We do not fly to Albania so we do not monitor events there.

Deputy Louise O'Reilly: I thank our witnesses. I am not going to get into the debate as to which non-scientist is best at advising on public health. To my certain knowledge, only one scientist has been with us this morning, my colleague, Teachta O'Rourke. Everyone involved in this equation should do what they are qualified and competent to do. In the case of our witnesses that is, of course, to run airlines.

My questions relate to the retention of jobs, of which 140,000 are potentially at stake. I will address my questions specifically to Mr. Doyle from Aer Lingus in the first instance. I put to him the view of some of his own workers who say that Aer Lingus is on the brink of extinction. They fear that the company will be wound up to release assets and equity to assist the other companies that form part of IAG. They are deeply concerned about the future of the jobs. All the while, they see the airport expanding. I appreciate that is a long-term project. These people are deeply concerned about their jobs. Aside from the temporary wage subsidy scheme and the other income continuance schemes which, as we know, have been available to every single sector, what has the Government done with regard to the aviation sector and those jobs in Aer Lingus specifically? What opportunities has it missed? What would Mr. Doyle like to see it do?

Mr. Sean Doyle: Like other companies affected by the pandemic, Aer Lingus has participated in the temporary wage subsidy scheme, the quick launch of which we welcomed. We also welcome its extension but, as we head into the winter and as the crisis continues for aviation, the reality is that the relief the scheme gives to companies like Aer Lingus will decrease. As per the proposals of the aviation task force, we recommend that the temporary wage subsidy scheme be extended into next summer for aviation and aviation-related sectors.

Looking at what other countries have done, in the UK and Spain liquidity has been made available to companies that were investment grade or in a strong position before the crisis. A number of airlines in the UK have participated in those programmes. There are no such programmes available in Ireland. We also believe that, to attract companies to operate in Ireland during the recovery phase, a stimulus is required. This would take the form of the alleviation of airport charges and specific stimulus packages for the regional airports, as I outlined in my earlier statement.

I will refer to the Deputy's comments about IAG and some of the anxieties she has expressed, again I would judge-----

Deputy Louise O'Reilly: I want to be very clear. These are not anxieties I have expressed

but anxieties expressed to me by constituents. As Mr. Doyle will know, Aer Lingus and the airport are big employers in the area. People are very worried. These are not my concerns. I did not invent them. They were expressed by Aer Lingus's own workers. It is really to them that Mr. Doyle is speaking when he addresses the point. I put them to him because they were put to me.

Mr. Sean Doyle: If I look at IAG's track record since it became the parent of Aer Lingus, it speaks for itself. We have expanded Aer Lingus at a pace that we have not seen in its history. We have added eight new north Atlantic destinations, increasing the level of connectivity into and out of the island of Ireland. US foreign direct investment, FDI, makes up a large part of the economic model of Ireland and what Aer Lingus has done has been a critical enabler of that FDI, as well as boosting the tourism market.

We delivered nine new aeroplanes into Aer Lingus and we have commitments for a further 12, again to carry on the long-haul expansion. We have added more than 1,000 jobs. We entered into this crisis with a balance sheet that was stronger than most of our European peers and has allowed us to be resilient through the crisis. What we are highlighting-----

Deputy Louise O'Reilly: Time is very tight for me so I apologise for interrupting Mr. Doyle. It is a lovely story about what has happened but could he just address the concerns that were directly raised with regard to what Aer Lingus workers believe is planned and how many of their jobs are currently on the line? For them, it is a very real crisis and they are deeply concerned. Mr. Doyle will understand that given the unprecedented times, what has happened in previous times is not of interest to staff who specifically want to know their jobs are going to be protected. They want to know exactly what Aer Lingus is doing and what the Government is doing to protect those jobs.

Mr. Sean Doyle: We have communicated directly to our employees on the actions we have had to take and continue to take. We are in a process of consultation with all of the representative bodies about redundancies at Aer Lingus. I will respect the confidentiality of the process we are in. If there is any news other than that we will share that directly with employees and their representative bodies first.

Deputy Louise O'Reilly: I must tell Mr. Doyle that it is a very disappointing response. I say that as somebody who was elected to represent a significant number of those workers who have come to me with concerns. I respectfully suggest that he reflects on his communications process because the confidence he has expressed has not been expressed to me by his employees.

Mr. Sean Doyle: We have communicated directly to our employees on all of the actions we are taking. We have worked constructively with all the representative bodies to try to find ways through this crisis. As I said at the outset, it is the deepest crisis we have ever experienced. Everybody in aviation is very anxious about the crisis and we are having to take tough action to get through it. We communicated that very clearly and very honestly to our employees and we will continue to do so.

Chairman: I thank Mr. Doyle.

Deputy Brian Leddin: I thank Mr. Doyle and Mr. Wilson for attending. Given the dramatic decrease in passenger numbers due to Covid, it is timely that we re-evaluate aviation in Ireland. I represent Limerick city, which has been significantly dependent on the vitality of

Shannon Airport and we can see the trends that are emerging.

It seems to me that there is likely to be a correlation between the development of Ireland's motorway network and the growth in flights to and from Dublin Airport and the number of passengers passing through that airport. We have seen many private bus operators establish comprehensive services from Galway, Limerick, Cork and Waterford direct to Dublin Airport. Prior to Covid, we were seeing a large growth in coach tourism, which has Dublin city as its base. In recent years, tourists could jump on a tour bus on the quays in Dublin at 7 a.m. and do a whistle-stop tour of the west and be back in Temple Bar that night. I would like to hear the perspective of the airlines on this trend of the past decade and how in a post-Covid market they expect their business to develop in the coming years with regard to the balance of services between Dublin and Shannon.

Mr. Eddie Wilson: I will take that question. I am not up to speed on the bus traffic between Dublin and Shannon but I do not doubt that is the case. We have made significant investment not just in Dublin Airport but also in Shannon Airport. We are a big supporter of Shannon Airport and Cork Airport as well. We won a lot of services from Shannon Airport and our hope is that we can continue that relationship and develop and grow it. However, if we do not have markets to connect to, those regional airports are probably the ones that will be much weaker than the city airports such as Dublin. What we should do, in line with the aviation task force, is to have an incentive scheme for airport charges so that we can do something to stimulate the industry, hang on to the traffic we have and, hopefully, grow it when we come out the other side. We have a long road ahead of us. Buses are not factored into our planning on where we allocate resources.

Mr. Sean Doyle: I will add a comment on behalf of Aer Lingus. I agree with what Ryanair has said. We have a presence at Cork Airport where we expanded our network last year. We also expanded our network this summer from Shannon Airport, adding Paris and Barcelona as destinations. We do not necessarily see that the growth of connectivity out of Dublin Airport comes at the expense of the regions, but I do think the regions are more vulnerable coming out of this crisis, as Ryanair stated, without the effect of some stimulus packages. We remain committed to the region but I also urge the Government to execute the recommendations of the task force.

What Dublin is about for Aer Lingus is a hub and what that enables us to do is to begin to expand our north Atlantic presence at the hub and to compete internationally with other hubs for traffic. That enables two things; the first is that Ireland is very well placed to connect traffic from North America into Europe. In enabling that connection traffic, we are also able to expand the direct services into and out of the island of Ireland, which gives us benefits in terms of FDI and tourism. I do not see the development of Dublin as a hub coming at the expense of regional airports. I think we both remain committed to regional airports by virtue of the capacity that has been added but they need to be very competitive coming out of this crisis if we are to restore the level of commitment we would have had in the past.

Deputy Brian Leddin: I thank the witnesses.

Deputy Duncan Smith: I will address my first question to Aer Lingus. A great deal of the lack of confidence in the safety of foreign travel among the public at the moment is to do with flights coming in from North America, in particular the United States, given the levels of Covid there and how the virus still seems to be out of control. Do the witnesses have any comment on what could be done to improve public confidence in flights coming in from the United States?

Mr. Sean Doyle: The first thing I would say is that the volume of both flights and passengers coming in from the United States is a fraction of what it was last year. We shared some data publicly on that front. On average, there are about 150 passengers a day compared to about 4,200 a day last year. A significant percentage of those passengers are connecting into Europe. That traffic tends to be essential travel and repatriation. We are flying to three destinations in North America at the moment, namely, Boston, Chicago and New York. What I urge people to understand is the amount of freight or cargo on those flights. We are transporting thousands of tonnes of exports and imports, much of it pharmaceuticals, into and out of the island of Ireland. That is probably one of the main drivers of us maintaining the network as it currently stands.

What we have called for as a group is for the evaluation with urgency of some testing processes that could enable safe travel to open up Europe and the United States. If we look at the availability of testing capability in the United States, there should be a solution we would evaluate and pursue. That is cognisant of the fact that the United States is significantly behind Europe in terms of the progression of the pandemic. The United States is very important and FDI is fundamental. The number of foreign nationals who have worked for US companies in Ireland who will need to start travelling to and from their homes for work and business will be a big issue. We need to find solutions to enable that to flow safely.

Deputy Duncan Smith: No one disputes the value of the North American routes and aviation in general. While the ordinary person on the street does not have the figures, he or she does understand that it is vital for the economy that we have an aviation sector that is thriving. I am glad the witness mentioned testing as being part of the solution. This is a common theme that has come from this committee since its inception, and from the public. What have both companies been doing practically in engaging with the Government to deliver a testing regime that works? If a testing regime is implemented and the public has some degree of confidence in it, then our aviation sector will return a lot more quickly than is currently planned out.

Mr. Sean Doyle: The ambition to progress a testing solution for the United States of America came about last week. It is very early days. I know the DAA were talking about some solutions for the North American market that should be evaluated. We are keen to urge that we act with speed and that we make sure there is tight co-ordination across all stakeholders. There are many issues to deal with, including the validation, the data, the transfer of data and the standards of operation relative to the standards set by the health authorities in either jurisdiction. There is a lot of work to do. It needs to be done quickly and executed in a very co-ordinated and joined up way. Considering Ireland's importance to the US market and the importance of foreign direct investment and tourism to the Irish economy, it should be a priority for us as a group of stakeholders to work on. It is early stages of engagement but we are very keen to move on it, and we would bring a lot of energy to supporting it.

Deputy Duncan Smith: I am also interested in Mr. Wilson's comments on that. I cannot believe we are only starting this. This should have been done a couple of months ago. If Mr. Wilson could comment I would appreciate it.

Mr. Eddie Wilson: Ryanair flies to different markets from Aer Lingus, which obviously has long haul. Our short haul is exclusively within Europe. Again, the framework already exists. The European Union has decided this already, and we as a nation have decided to exit ourselves from that co-ordinated approach. Currently there is no testing between countries on short haul within Europe, but there is some talk about it. I think we should get on the first level first, which is to put all the EU 27 and the UK on the same platform.

Deputy Róisín Shortall: I welcome the representatives from both companies. My first question is to Mr. Doyle on the obvious concern among Aer Lingus staff, and the points that have been made around state aid. The other two companies within the group are in receipt of substantial state aid, British Airways from the UK Government, and Iberia from the Spanish Government. It is perfectly understandable that so many of the staff are concerned about the possibility of Aer Lingus being sacrificed or being squeezed. Can Mr. Doyle give an assurance today to his staff and to all of those other industries that depend on Aer Lingus that this is not the intention, and that he will work equally as hard to ensure a bright future for Aer Lingus as he will for British Airways and Iberia?

Mr. Sean Doyle: We are working equally hard in Aer Lingus as we are in British Airways and Iberia to come through the crisis. We are all taking similar action to shore up our business. As we said at the aviation task force, Ireland has been slower than the other countries in enabling supports for aviation to pull through this. If we enact the recommendations of the aviation task force, coupled with the things we are doing to shore up our business, Aer Lingus will be in a position to prosper in the future and come through the other end of this crisis. Trust me, that is the focus of the commitment of every one of the Aer Lingus team at the minute.

Deputy Róisín Shortall: Does Mr. Doyle know the value of the temporary wage subsidy scheme, TWSS, at the moment? I note Mr. Doyle's comments on the need to extend that to next summer for the aviation sector.

Mr. Sean Doyle: For us, it would normally cover some 15% of our typical payroll costs, but considering that our payroll has reduced it contributes some 35%. This has been the case over the past three months. It is helpful and we welcome it but it does not cover all our pay costs. In addition, it does not come near to covering the level of cash outflow we are seeing in the business over the course of the crisis. In reality, we welcome the extension but it does fall from €350 per eligible employee to €203. This means that the contribution to Aer Lingus will decrease in the winter.

Deputy Róisín Shortall: Can Mr. Doyle put a figure on the value of the TWSS to the company at the moment?

Mr. Sean Doyle: We do not disclose the detail but I have given the Deputy the percentage. It is approximately 35% of our payroll costs at the minute.

Deputy Róisín Shortall: It would be helpful to know what that amounts to. Is Mr. Doyle stating that there are similar wage support schemes in operation for British Airways and Iberia?

Mr. Sean Doyle: Wage support schemes are in operation in the UK and liquidity supports are available, not just to airlines but also to bigger businesses, which have been accessed by airlines such as Wizz Air, Ryanair and British Airways. These are the kinds of facility available in the UK. Similarly, liquidity supports are available to bigger businesses in Spain, which Iberia has been able to access.

Deputy Róisín Shortall: The witnesses mentioned the task force and the need to implement the recommendations. Is there a system in place to oversee the implementation of those recommendations? Are Aer Lingus or Ryanair involved in that?

Mr. Sean Doyle: Our involvement was through the task force that was set up by the former Minister for Transport, Tourism and Sport. I assume that the Department of Transport, Tourism and Sport is where the decision will be made around implementing the task force, but obviously

it has broader considerations across the Cabinet.

Deputy Róisín Shortall: My next question applies to both companies but I will address it to Mr. Wilson from Ryanair. We hear all the time about Ireland being an outlier and having stricter regimes. Both witnesses have identified that the big issue is consumer confidence, which is very low. Does Mr. Wilson accept that this directly relates to Ireland's supervision system for incoming travellers being extremely weak? Last week's figures showed that only 3.5% of travellers arriving to Ireland are supervised in any kind of way when it comes to contact. Does Mr. Wilson accept that if we put in place an effective testing regime, it would greatly help to restore consumer confidence? I must say again that I am surprised neither Aer Lingus or Ryanair - or the DAA earlier - is making concrete proposals in that regard. I would have thought it would be very much in their interest to ensure we have an effective testing regime. I am surprised there are not actual concrete proposals coming forward on that.

Mr. Eddie Wilson: The issue of testing is one for the public health authorities because they have to look at every citizen in the State, look at all the risks, and look at how to carry that out. The idea that one would just confine this to inbound travel is something to explore, but probably more so from countries on long-haul basis. I say this in a very general way. There is not that requirement in the European Union at the moment. I bring this back to the World Health Organization and how countries deal with this on a sub-national level rather than trying to parse it out into international travel. Regardless of whether we have international travel we will have a-----

Deputy Róisín Shortall: I accept Mr. Wilson's point on European travel but this is specifically with regard to Aer Lingus. Is there not a big issue because Ireland is the only EU country that allows North Americans to travel here? The rest of Europe, in the main, is closed to American travellers. Would Mr. Doyle accept that this is a major problem in terms of a loss of confidence?

Chairman: I ask that Mr. Doyle be brief because we need to move on to the next speaker.

Mr. Sean Doyle: The number of passengers coming in and the number of flights we operate are a fraction of what we have seen in the past. We communicate clearly all the requirements for entering Ireland in the context of quarantine, we email the passenger locator form, and our crew remind people on board of their obligations on entering Ireland. We fulfil absolutely, to the nth degree, the requirements placed on us by the Department of Transport, Tourism and Sport, by the Department of Foreign Affairs and Trade and by the HSE.

Deputy Róisín Shortall: The Irish authorities have a better system.

Chairman: Deputy Shortall is two and a half minutes overtime.

Mr. Sean Doyle: We would be up for engagement on anything that would restore confidence in the US travel market. We would be an energetic participant in that.

Chairman: We will move to the next speaker. If we have time at the end, we will return to this issue. I call on Deputy Bríd Smith.

Deputy Bríd Smith: I am struck by the statements of both of our guests. Oddly, there is something I very much agree with in them, namely, that, as an island nation, we need an aviation industry and a national airline. AIG may well let Aer Lingus go bust, but is that not a reminder to us all that the privatisation of that airline was not just a mistake in the first place but

a catastrophic one for workers, for the State and for the economy at large? I am in favour of helping workers in both airlines but we should remind ourselves that the model in the aviation industry is unsustainable in the long term from the point of view of climate and the environment. We need connectivity and a functioning airline industry. Our guests submissions include many figures but what they have left out are the figures for the airline community in the year prior to Covid-1. I refer to several hundreds of millions of euro for Aer Lingus and in the region of €1 billion for Ryanair. They both make the case for State aid in one form or another. The State is paying a large part of the companies' wages under the wage subsidy scheme and their workers have a good case for assistance, but both companies have behaved badly towards their workers. They have undermined them and tried to impose lay-offs, wage cuts and the rearrangement of contracts.

I ask the witness from Ryanair to explain why the company is coming in here with its hand out pleading for more support while it is making applications to the High Court for costs of up to €13.5 million in respect of 11 pilots arising from their right to ballot their members for industrial action? Ten of those pilots are based in Ireland and their ability to represent their colleagues is being restricted. To me, that looks like intimidation. Ryanair has sacked pilot representatives across Europe in disproportionate numbers. The best description we have of the company's negotiations with unions since its so-called recognition of them is torturous. Self-employed pilots have been used as an industrial weapon against direct employees in terms of the scheduling of full-time rosters for those who are self-employed and leaving direct employees without any flight work. In the context of its efforts to divide and conquer the workers and take these 11 pilots through the High Court to seek retribution regarding their right to ballot their members, the company has no right to come here with its hand out to the State looking for more money. If it were to back off in the war on workers, we might be able to support the cases of both Aer Lingus and Ryanair and there might be some way of bargaining support for their demands for more state aid. Can Ryanair address the question of why it is pursuing these pilots in this manner, please?

Mr. Eddie Wilson: I do not agree with how the Deputy has put that point across. I am not going to comment in detail on the court case that is ongoing. Needless to say, it is about how the ballot was actually conducted. Any worker would want ballots to be held in a proper way and that is the subject of these proceedings. The Deputy seems to be out of touch with what is happening in our relationships with unions. It may have escaped her notice that we have had an engagement with the Fórsa union here in Ireland. Our pilots and cabin crew have recognised the seriousness of the situation and have taken pay cuts of up to 20%. These will be fully restored over four years and this is in the programme because people recognise that here is a great way to preserve jobs until this industry recovers. We have done that throughout Europe with the-----

Deputy Bríd Smith: Is Ryanair willing to-----

Mr. Eddie Wilson: Can I answer the question, please? We have done that throughout Europe with the Vereinigung Cockpit, VC, union. The Deputy will be aware of the comments of the Unite union in the UK, which called us out and said that if other airlines had followed Ryanair's process of job preservation, they would have preferred to have been dealing with companies like that. Many of the Deputy's comments are, quite frankly, unfounded. This is a serious situation as regards job preservation and our people are working with us to make the right decisions.

Deputy Bríd Smith: I have described a method of intimidation that is being used against pilots. The High Court is a very serious personal threat-----

Mr. Eddie Wilson: The High Court is very serious.

Deputy Bríd Smith: -----for the people involved. I do not see how Mr. Wilson can describe Ryanair's relationship as healthy, respectable or, indeed, co-operative. It is one of intimidation and if it is getting co-operation it is because it is putting the boot in.

Mr. Eddie Wilson: No. It is because that is how a ballot is carried out. All workers would want to know that ballots are carried out in a transparent fashion; that is exactly what the proceedings are about.

Deputy Bríd Smith: Neither Ryanair nor Aer Lingus is being fair to its workforce. They are being intimidated and consistently threatened with pay cuts, layoffs and with changed contracts. That is what is at heart of this. Ryanair has no right to come here with this hand out to the State-----

Mr. Eddie Wilson: We do not have our hand out here and these issues have been agreed to through the workers representatives. The Deputy is misinformed.

Chairman: I have to allow the witnesses to respond because the Deputy has made some fairly serious charges.

Deputy Bríd Smith: He did respond.

Chairman: He did respond. I thank Deputy Smith. I call Deputy Matt Shanahan to speak.

Deputy Matt Shanahan: I thank both Aer Lingus and Ryanair for their attendance here today.

Turning to Mr. Doyle, on Friday I spoke and he reflected what I had said then, which was to raise the question of urgency with the Department of Transport, Tourism and Sport on these issues in respect of testing, in particular, at airports, together with other issues. I heard his response a couple of minutes ago. He stated that the stakeholders need to be involved. Will both Ryanair and Aer Lingus take a leadership position here and push the agenda, particularly in Europe, as Mr. Wilson has outlined? There is a travel arrangement there already for testing. Surely, we can get some of this adopted. Aer Lingus is the only indigenous long-haul provider there. Can we not get point-of-departure testing off the ground and should we not be able to do that in a matter of days? What is the block to this, please?

Mr. Sean Doyle: The point of testing issue has a number of stakeholders involved. First, this is a public health policy that could enable the point of testing to be an alternative to quarantine. That is very relevant in seeking a way to open up the US market. I agree with Ryanair on Europe. Europe has a different template for travel within the EU 27. It is in a very different place in the pandemic. We have said to the committee here today that Ireland should follow the lead of other countries in Europe in opening up travel. We advocate that we need to look at a testing solution for the US and North American market. That should be the responsibility of the airlines but should be worked on in collaboration with airports, public health officials and the relevant authorities. We are willing to engage in it. As a group we have called for the evaluation of that for travel between Europe and the North American markets. We remain ready and able to support that.

Deputy Matt Shanahan: I thank Mr. Doyle. Nobody has full expertise here but both companies are significant players and they have the leadership to drive this agenda. With due

respect to the Department and to public health, if one is waiting for civil servants to drive an agenda one will be waiting quite a length of time. I suggest that both companies which are looking for subsidies from the State should be proactive in offering and being seen to drive solutions here.

Referring to Mr. Doyle's point on the task force, planned airport infrastructural programmes should be delivered in full and on time. I refer to the comment on the national children's hospital as I am not quite sure what sort of a statement that is to put into a document. It is aspirational and does not have anything in it. Will the witness come back to me in writing on how he envisages this being done through procurement in the future?

Turning to Mr. Wilson on state aid and subsidies to travel, he stated in his document that all of the state aid that has been provided throughout Europe is on a magnitude many times that which we in Ireland can afford. If subsidies were to be offered to companies such as Ryanair, I would like to see this done on a regional basis. As bad as Dublin Airport is, the regions are going to be served even more poorly into the future. Will Ryanair look at the question of regional subsidies in trying to create more aircraft capacity for the regional airports?

Mr. Eddie Wilson: I will answer that question in two ways. The first issue is that we are not here to look for state aid. We were very grateful for the wage subsidy at the very start of this process. Now that our people are gradually coming back to work that has become less and less as only 8% of our people are here in Ireland. We are a multinational company. The state aid which we refer to in Europe is illegal state aid. Lufthansa has received €11 billion. That includes an extra €2 billion since I submitted the document because the Belgian Government stumped up €2 billion for this private company. We want to see what is happening.

Ireland has two private airlines that we take for granted and that are world class in what they do. The Government policy at the moment is to push the airlines away. It is approximately 8% of our market. We are not here looking for state aid. We are looking for incentives to preserve the traffic that exists and grow it next year. Traffic in Europe is facing an apocalypse over the next three or four years and we are going to be left on the sidelines if we do not get moving. Spain and Portugal have put incentives in place. Airlines make decisions around those incentives and allocate resources accordingly. The two Irish airlines, Aer Lingus and Ryanair, are telling the Government that they are not open for business. We need to get on top of that. The incentives for which we are looking will benefit the economy. We are not looking for a bailout or state aid.

Deputy Matt Shanahan: I was not-----

Mr. Eddie Wilson: That comment was not directed at the Deputy.

Deputy Matt Shanahan: We all recognise that there are connectivity issues. The credit guarantee scheme that has been proposed under the July stimulus package is on the basis of a relaxation of state aid, so I would fully support any subvention or subsidies that can be given to both airlines to improve their situation.

Deputy Michael Collins: I thank our guests for attending. My questions will be directed more towards the representatives from Aer Lingus if they do not mind. Cabin crew at Aer Lingus have been raising serious concerns. Their original fortnightly pay was reduced by 50% on 30 March. As of July, their level of pay has been reduced even though they are working. They were misinformed that the company would pay 30% of their salaries and that the Government

would give them a top-up of €700 fortnightly. They assumed that they would be getting more than €350 per week but that is not the case. Going by their payslips, those crew members are only getting a Covid-19 payment.

Some crew members have filled out the UP1 and UP14 social welfare forms to claim reduced work benefits. They were told by Citizens Information and the Department of Employment Affairs and Social Protection that they are entitled to claim. However, the human resources department in Aer Lingus is refusing to sign the forms. The crew members are not allowed to self-declare so if the company refuses to sign, they do not get any added benefits from social welfare in order to claim their stamps. I have a couple of questions to ask about that and I would like this issue to be specifically addressed. These staff members are definitely entitled to supports according to Citizens Information and the Department. The process in question is the famous X and O options on social welfare applications. If someone is to work five days a week but is only provided with three days' work, he or she is entitled to two days off if the company will mark the appropriate X or O. I have done it as an employer. Why will Aer Lingus stamp those forms? I would appreciate an answer to that simple question. What is being done to save the jobs of the cabin crew? What can be done? Aer Lingus and Fórsa have informed staff that they are in talks and that 230 crew members will be made redundant in the coming months. Nobody knows whether it will be based on voluntary redundancy or not. If not, it will be mostly junior crew who will be made redundant without a redundancy package. In May, Aer Lingus made redundant anyone who joined the company in 2019. There was no press coverage of that at all.

Members of Aer Lingus staff have told me that they have been flying in America and over-nighting in Europe throughout this time and, while managers have been kind and helpful, those members of staff are worried and feel that they have been let down after all their hard work. It is horrendous that they may potentially lose their jobs. Those people have little or no money on which to live after their rent has been paid. They are members of Fórsa but feel that the union is not doing much to stick up for them.

Aer Lingus will begin new working conditions in the coming months which will mean more work for less pay, according to some crew members. What plans has Aer Lingus to look after its staff who worked through the pandemic and should be considered front-line staff?

Mr. Sean Doyle: There is a lot in what the Deputy has asked. Perhaps I will start about the questions about payroll and the TWSS. We have operated the TWSS in a way that is entirely consistent with the legislation enacted and have worked closely with the Revenue Commissioners in that regard. We have had to implement cost-saving measures and I refer the Deputy to the hours of work and pay that have been given by the airline. We operated approximately 5% of the normal Aer Lingus flying programme between April and June. Our programme increased a little in July but was still less than 20% of a normal year. Over that period, we guaranteed 50% of hours and wages to our employees. In every case, the full value of the subsidy has been passed on to our employees. Anybody who was entitled to more, on the basis of the commitment that we made, was topped up over and above the subsidy to the pay applicable to the hours they have worked. In addition, for the days that employees did not work, we paid an amount equivalent to the short-time working payment they would otherwise have received from social welfare.

We have, unfortunately, had to lay off some staff members but we still paid them the full subsidy, thereby maintaining the employment relationship between the airline and those employees. We have been compliant with the legislation pertaining to the TWSS and have worked

hard to make sure that is the case.

I will talk about the guarantees we can give. At the outset, I told the committee about the scale of the challenge we are facing and how unprecedented it is. At the moment, we are well behind what other European carriers are doing to reinstate services, recover the operation and have more hours to go around. We are uncertain about the future because our pathway, in the short term, is unclear. That returns to the points I made earlier. We have been engaging constructively with Fórsa, SIPTU and the Irish Air Line Pilots Association. Unfortunately, we are yet to reach the kinds of agreements that we would have liked but we have put a lot of effort and energy into those engagements.

Deputy Michael Collins: I apologise but I am running out of time, so I will stop Mr. Doyle there. I asked about people who are working a three-day week instead of a five-day week. Those employees have two days outstanding there and the company is refusing to stamp their forms. Why is Aer Lingus refusing to stamp those forms?

Mr. Sean Doyle: We are complying with the guidance that we have been given by Revenue and the Department about the TWSS. I can give the Deputy a more specific response in writing if we do not have time to go into that issue now.

Deputy Michael Collins: I would appreciate it if Mr. Doyle did that because the matter is of serious concern to the staff. It has caused a loss of income to the staff who are struggling at this time. It is a common basic right if an employer can only provide work to an employee three days a week. The employer should mark on the forms the days on which the staff member has been employed and the days on which he or she has not been. That is being refused to staff in Aer Lingus and is unfair in these difficult times. I would appreciate it if Mr. Doyle replied to me in writing as to why this is the case.

Deputy Cathal Crowe: I have a number of questions to pose to our guests. I will direct my first question to Mr. Doyle. We all understand that the industry is suffering from a shock. It is on its knees and I want to preface everything I say by recognising that. I represent County Clare and I live on a flight path for planes landing in and taking off from Shannon. I do not need Flightradar24 to tell me that there is very little in the skies. When I look up at the sky from my back garden, it is evident that aviation in Shannon is suffering a real downturn.

When Aer Lingus announced the temporary laying off of staff, its decision was communicated by video. That was totally improper given that the news was received with devastation by staff members. Many of those staff members did not see it coming. The week before the lay-offs were announced, there had been talk of company restructuring which staff members read about in the media and on a WhatsApp message that was circulating. Would Mr. Doyle say that, from the outset, he and his colleagues in human resources of Aer Lingus handled all of this well? I would like to hear his views on that.

Mr. Sean Doyle: The Deputy must remember that we were communicating in the midst of the pandemic so it was impossible to co-ordinate face-to-face communication. We communicated directly through video links and set up briefings. Those were the best means we could enable considering the crisis we were in at the time. If we were not in a pandemic crisis, of course we would have got people together face-to-face but that would have been in breach of HSE guidance at the time. That was the reality of the situation in which we were.

Deputy Cathal Crowe: One had to be logged in and online in order to watch those videos.

I was in the company of one employee shortly after she heard of the temporary lay-offs via a WhatsApp message she received from a colleague. That is not good enough and, despite of all the restrictions under which we are all living, there would have been better ways for that to have communicated that information from a human resources perspective.

My understanding is that Aer Lingus contracts are to the company and are not specific to Shannon, Cork or Dublin airports or the other bases from which the company operates. The contracts are specific to the company as opposed to the relevant airport. Many of the cabin crew based out of Shannon rank among the most senior of the 1,600 cabin crew of Mr. Doyle's company. The standard procedure in most places of work is that it is a case of last in, first out but in this case, when lay-offs were on the horizon, it seemed that staff recruited in Dublin, some of them as late as last November and December, retained their jobs while some in Shannon who have been committed to the company for 20 or 25 years faced temporary lay-off. Will Mr. Doyle explain the logic behind that because it certainly seems unfair and tilted towards one side of the country?

Mr. Sean Doyle: We have had to lay staff off in all of our locations. In fact, we have laid off more people at our Dublin base than we did in Shannon. Unfortunately, we are not operating any flights out of Shannon Airport and throughout this crisis we have aligned the work-----

Deputy Cathal Crowe: Did Mr. Doyle offer cabin crew an opportunity to relocate to Dublin and minibus up and down for a couple of weeks? Airlines have done that in the past. Did he offer them a plan B in that regard?

Mr. Sean Doyle: We do not have an operation out of Shannon. We have cabin crew and a ground handling base at Shannon. There was no work there to employ them to. We were also laying off people at Dublin and we were reducing the hours of operation significantly at Dublin. This is not an issue to do with seniority. It is simply an issue of where the work was and how we were able to deploy that work. At the minute we do not have flights at Shannon that we are operating.

Deputy Cathal Crowe: Their contract is with Aer Lingus, not with Shannon Airport, so there was an onus on Mr. Doyle's company to at a minimum offer them the possibility of taking a minibus up and down to Dublin. Other airlines flying from Shannon have done it in the past. They could at least take home a salary every week. Some of them with 20 and 25 years service have lost out to someone who is only with the company five or six months but I heard Mr. Doyle's answer, which I believe is a resounding "No".

When does Mr. Doyle anticipate a resumption of flights to and from Shannon, in particular flights to and from Heathrow Airport?

Mr. Sean Doyle: We evaluate what is happening on the demand side. We are making commercial decisions all the time about where we fly. The reality is that when we see the demand pick up we would then evaluate what we can reinstate. The Shannon-Heathrow service is very much on a watch list and as soon as that becomes viable we would be keen to reinstate that service, but at the minute it is not at a point where it is viable.

Deputy Cathal Crowe: In talks we have had with airport management, September has been flagged as a potential return to that service. Could Mr. Doyle confirm that, if possible?

Mr. Sean Doyle: I cannot confirm it because it is not confirmed. We are evaluating the situation. As I said, the impact of the current policies are suppressing demand and we are not in a

position to confirm when the Shannon-Heathrow service will be restored.

Deputy Cathal Crowe: Is it the case that if somebody books online vis-à-vis the Aer Lingus for a Shannon flight they will get an email a day or two later stating that flight is not possible and offering them an alternative flight out of Dublin?

Mr. Sean Doyle: I can give the Deputy the specific details but we are trying to keep as much of the shape of our network as possible in the medium term. Sometimes that involves having schedules that are published for later in the year open. That is a way of us gaging whether there is enough demand for those to fly, and then we have to take action. It is an important indicator as to whether there are enough people to fly the route to make it viable. The reality of the situation is that it is very fluid and dynamic and, at the minute, we are not seeing the demand come back to confirm when the Shannon-Heathrow service will be reinstated. I would love to see the demand come back more quickly to be at a point where we could do that.

Deputy Cathal Crowe: I understand the traditional customer demand, which is obviously the driving motive of a company. It has to meet customer demand and that is how it schedules flights but we are in extraordinary times. I understand that people who were booked on flights out of Shannon got emails to state they can fly out of Cork or Dublin airports. Alternatives were given so ipso facto that works also. Aer Lingus has perfectly good aircraft parked up now for nine or ten weeks on the apron of Shannon Airport. It could reverse its policy where it flies everything out of Dublin and offer a few flights out of Shannon.

I ask about the neojets. I understand it is more efficient for Mr. Doyle's airline to fly them out of Shannon because it is a longer runway. Every time a neojet takes off from Dublin Airport its payload is reduced by 40 passengers. There is less cargo going off it so therefore it is less profitable. In these crisis months has Mr. Doyle looked at flying some of those neojets out of Shannon where he will get a better payload, certainly in terms of cargo if not passengers?

Mr. Sean Doyle: The reality of the neo is that we are addressing the payload restrictions by installing some additional tanks. It is not a significant issue out of Dublin and it will become less of a significant issue as we get into the winter. We stopped using wide-bodies out of Shannon some years ago and they are the main way in which cargo is transported. The cargo uplift on a narrow body is much smaller so I do not think cargo would make the case for the neo being deployed to Shannon. We need healthy passenger demand to make the case work. In terms of the neo out of Dublin, the payload restriction, considering the loads we currently have, is not a significant factor in the economics.

Deputy Cathal Crowe: I ask Mr. Wilson about the change fee in Ryanair. Yesterday evening, I got an email from a constituent and I asked her if I could outline her case. She has not replied yet so I will anonymise it. Essentially, it was very attractive, costing approximately €1,000 for her to fly out of Shannon on a Ryanair flight to sunny Spain but the change fee Mr. Wilson's airline is applying is €870. I will repeat that. The cost of the flight is €1,000. The change fee is €870. Will Mr. Wilson comment on the ethics of that? It is screwing people to charge that amount to administratively change names and dates on a ticket.

Mr. Eddie Wilson: I do not have the specifics but what the Deputy may be alluding to is that somebody booked a flight, probably at a much earlier time, and then availed of lower fares. That person then wanted to change it to another time when other people had booked but the fares have increased and they paid the appropriate fare differences. That is what I can best guess in that regard. The Deputy should believe me that we have enough of a problem filling

flights without putting in additional charges. There are no additional charges in that. It would be a reflection on the popularity of the particular flight in question.

Deputy Cathal Crowe: I would dispute that given it cost €1,000.

I have a final question which may be replied to in writing. Aer Lingus Cargo continues to have very profitable cargo, much of it from Boston Scientific, sitting on the apron of Shannon Airport. It is trucked overnight to Heathrow. It does not make any commercial sense for that to be happening but I understand my time is up so Mr. Doyle might-----

Chairman: The Deputy has a little more time.

Deputy Cathal Crowe: Mr. Doyle might comment on that because it is codeshare airlines that then take that from Heathrow Airport and fly it to the United States. It makes no sense. It is on the runway of Shannon Airport and trucked overnight to Heathrow. I wonder what our Green Party colleagues would say in terms of the carbon footprint but leaving all that aside, it seems illogical and costly-----

Chairman: I think we will just get the answer.

Mr. Sean Doyle: We provide freight solutions through a number of gateways. Ideally, one would get those through Dublin but we do not have the type of capacity at Dublin to meet that particular flow and we then find another flow. The most important thing we can do is provide a service to Boston Scientific to get its goods in and out of the country. As I said, a solution that works for it is not available at the minute on Aer Lingus metal. It normally would be available because we would have a wide-body aircraft for Boston Scientific but the overall cargo demand and the overall passenger demand do not justify the deployment of that type of solution on that route. As I said, if demand came back we would have an island of Ireland solution that would enable that freight but at the minute we do not.

Chairman: The next speaker is Deputy Quinlivan from Sinn Féin.

Deputy Maurice Quinlivan: My question is for Aer Lingus. I am a TD representing Limerick city. Shannon Airport is crucial to the economic development of the mid-west region and of particular importance is the Shannon-Heathrow service. When Aer Lingus made the decision to restructure at the start of the pandemic and stopped flights from Shannon, why did it allow flights from Cork and Dublin and why did it choose not to have flights from Shannon?

Mr. Sean Doyle: The decisions were taken purely on the commercial realities. We kept a flight from Cork to Heathrow and three per week into Amsterdam. There was greater demand out of Cork than there was out of Shannon so the flights at Shannon would have been unviable based on the assessment we did at that time. We do it very frequently and at the minute we have not seen any recovery that would indicate we can reinstate those flights. I look forward to the day when we would because we understand the importance of the Heathrow connection to Shannon.

Deputy Maurice Quinlivan: In reply to a Deputy earlier, Mr. Doyle referred to when demand for Shannon comes back. How will he know when demand for Shannon comes back if the airline has no scheduled flight from Shannon? How will he judge that?

Mr. Sean Doyle: We have various indicators that we look at. One would be the overall level of passengers and from where they are booking. We look at the level of searches on our website

for flights to Shannon and we also look at some of the longer-term booking trends. That evaluation is something we do routinely. It is part of our business to evaluate where flights are viable to reinstate, and we do it very frequently.

Deputy Maurice Quinlivan: I understand that. I worked in the travel industry for 19 years and I know how search flights processes work. However, the question is who would search for a flight when one knows it is not there. How is Aer Lingus going to anticipate demand from and into Shannon?

Mr. Sean Doyle: We have various ways of anticipating demand and we also publish longer-term schedules that allow us to see whether or not flights are picking up. We have a number of very capable people who look at this. If we look at the wider demand this summer, it is not recovering in the way we would have hoped for five or six weeks ago. I refer back to the fact that policies and the narrative around travel have been negative in this period. That has not helped any evaluations we have done with a view to reinstating the Shannon-Heathrow service.

Deputy Maurice Quinlivan: As Mr. Doyle knows, a number of staff at Shannon Airport are on temporary lay-off. Are there any plans to bring them back and put them to work, whether at Shannon, Cork or Dublin Airport?

Mr. Sean Doyle: The Deputy mentioned full-time work and that would require us to operate more or less to full-time hours. Whether we can do so will be driven by the speed at which we can reinstate the Aer Lingus flying programme, and that is driven by the environment in terms of both policies and how much demand is out there. That is the reality of the way we are having to plan our business at this time.

Deputy Maurice Quinlivan: Has Aer Lingus been in discussions with the trade unions representing the workers at Shannon?

Mr. Sean Doyle: We were in discussions with the Irish Congress of Trade Unions, ICTU, initially. We agreed a Covid recovery plan but, unfortunately, it was not accepted by the parties within the timeline we set. We had a subsequent engagement with SIPTU and again agreed a Covid recovery plan. That plan would have enabled us gradually to restore hours and pay but it was rejected by ballot. We are now in consultation with all the representative bodies around the redundancies we need. We have had a consultation with the unions representing pilots which concluded with an agreement that was successfully balloted.

Deputy Maurice Quinlivan: Finally, I have been contacted by a large number of constituents complaining about the length of time it is taking for Aer Lingus to respond to email and telephone queries regarding cancelled and rescheduled flights. I am sure other Deputies are hearing the same from their constituents. Aer Lingus has had a really good reputation for many years for first-class customer service. How can management stand over the poor customer service it is currently offering when it has staff who want to come to work and would be able to do the work of answering emails and telephone calls?

Mr. Sean Doyle: We have reinstated a lot of resources to deal with our backlog. We have kept on our books people who are technically capable of processing customer queries and employed them to do so. We have also invested in a lot of technology to get through the backlog. I refer back to the point we made, as did the representatives from Ryanair, that the scale of cancellations and refunds we are seeing is unprecedented. We in Aer Lingus and the industry in general have never seen anything like it. We had to cancel 95% of our planned flights for

April, May and June. We are working as hard as we can to get through the backlog of customer queries as quickly as we can. We are making progress, as I said, but the scale of transactions we are having to process is unprecedented.

Deputy Maurice Quinlivan: I understand the scale of what is involved because I was working in the business when the terror attacks of 11 September 2001 happened. That was a difficult situation, although I accept it was not on the same scale as what is happening now. My point is that there are staff in Shannon who have told me they would be able to do this work but they have not been asked by Aer Lingus management to do it. I find that strange. Constituents are contacting me to say they cannot get through to Aer Lingus customer service on the telephone and have had no response to their emails. I understand the scale of the cancellations but if Aer Lingus have staff available who are able to help, I find it bizarre that management would not ask them to come in and do the job.

Mr. Sean Doyle: We are doing everything we can to clear the backlog. As I said, the scale is unprecedented. The Deputy mentioned the terror attacks that occurred on 11 September 2001. Air travel fell by 7% in the period after those attacks. It fell by 95% in the first two months of this crisis.

Deputy Colm Burke: I thank the witnesses for their submissions and presentations. The submission from Ryanair contained a suggestion that there would be a reduction in airport charges to help the industry. Has that been done in any other EU member state at this stage?

My second question relates to the criticism by some of the witnesses of the Government's approach to foreign travel and the issuing of the green list. To what extent has activity in the airline industry increased since policy changes have been introduced in other countries? We know that there was a 95% reduction in flight activity overall, with a reduction in the April monthly total from 14 million trips the previous year to 40,000 this year. To what extent has there been any recovery in the numbers in the rest of Europe?

Mr. Eddie Wilson: On the issue of supports, there has been, for example, a 100% discount in landing charges in Spain and a 75% reduction in Portugal. Cyprus is offering incentives on a per passenger basis and Sicily, which has a larger population than the Republic of Ireland, has introduced a specific incentive scheme for low-fare airlines. In those cases, the airlines know what is going to happen in terms of supports being offered. The point is that there is going to be a smaller pool of available seats, not only this winter or next summer but for the next three or four years. Once we get into next summer, assuming we do not have a full second wave and nothing else untoward happens, we are probably the only airline that has the ability to grow. We have 200 additional aircraft on order. What is going to happen in Ireland is that the only seats that will be available in any significant volume are those on the two airlines that are represented here today. Everybody else is retrenching. We can see that happening already. What the Government should do is introduce a programme that reduces charges, not just for Ryanair but for any airline that wants to fly here.

Deputy Colm Burke: As a matter of interest, what was the total amount paid by Ryanair in airport charges in 2019?

Mr. Eddie Wilson: In Ireland it was probably close to €160 million.

Deputy Colm Burke: That was for 2019.

Mr. Eddie Wilson: Yes. That is the approximate figure for what we might call the last nor-

mal year of operation.

Deputy Colm Burke: Does Mr. Wilson accept that because the number of flights is drastically reduced, any reduction in airport charges, if it is to be effective in providing an income to airlines, will have to involve a major subsidisation by the Government?

Mr. Eddie Wilson: Yes, but the Government has to put a response in at this point. We can see the responses happening in other countries. Aena, for instance, which is the equivalent of the Dublin Airport Authority for most of the airports in Spain, has put in a scheme. These are extraordinary times and there is nothing wrong with stimulus. Indeed, the Government is putting in stimulus in other parts of the economy and the same is needed for aviation if Ireland is to maintain its current connectivity. An airport without passengers is just a building, not an airport. The State needs to incentivise airlines.

Deputy Colm Burke: Will Mr. Wilson address my second question about the extent of any increase in aviation activity since the changes in approach on the part of other member states?

Mr. Eddie Wilson: Ryanair has brought its schedules back to 40% in July and 60% for August. We hope we will fly approximately 70% of the 40% in July and 70% of the 60% in August. However, the prospect for the winter is completely uncertain. Yesterday, we guided to the market that we are going to fly 60 million passengers this year instead of the 150 million we had previously indicated. That 60 million may well be on the down side. As I said, we are going to have countries vying for capacity. People really need to wake up to that reality. Our attendance here today is not like the representatives of some localised industry coming in and saying they are in trouble. Airlines can move to different countries and Ireland is one country in the European Union that needs airline connectivity probably more than any other. We all remember what it was like before we had that connectivity and it will be gone unless we do something now. If the Government does not act, the traffic will go. There are 140,000 jobs in aviation that depend directly on that connectivity and another 350,000 indirectly dependent on it. We need to get real about this because if we do not incentivise aviation activity, it will go elsewhere.

Deputy Colm Burke: I wish to ask Aer Lingus about moving flights from Cork or Shannon to Dublin. I have received complaints about flights being moved out of Cork. I know the complaint has already been made about Shannon. Is there no policy of trying to keep some connectivity with the airports outside Dublin?

Mr. Sean Doyle: As I said, we have had to make some tough decisions. We have a very small operation in Cork now, a service to Heathrow and another to Amsterdam. It was not viable to maintain a service at Shannon. The Senator should trust me, we have also made significant reductions at Dublin Airport, which is operating at a fraction of what it would have operated at this time last year. There is no part of the Aer Lingus operation that has not been dramatically downsized in the past couple of months. Where we have not had a flight operating out of Shannon, we have given people an alternative. That makes sense for us to do for our customers.

Chairman: Deputy Wynne has five minutes.

Deputy Violet-Anne Wynne: I thank the witnesses for attending and for answering the pressing questions. Both airlines are calling for the removal of the 14-day quarantine period in respect of visitors from all EU countries. If this happens, how will the airlines help the Govern-

ment to ensure the safety of passengers and staff coming into and going out of Ireland?

Mr. Eddie Wilson: What we will do, or, rather, what we have already done as we continue to fly, is to adapt the safety protocols that were set out by the EASA and also the European Centre for Disease Prevention and Control. We comply with those. As the WHO has stated, there are no known cases of person-to-person transmission onboard aircraft. We have a state-of-the-art filtration systems and masks are used on board. The Deputy will recall that we were the first to call for the use of masks more than two months ago. These sensible measures, if put in place, will facilitate the return to normal air travel. We are complying with that already.

Ireland does not have to do anything other than to say that it is complying with this and to put the EU 27 and the UK on the green list. The health service does what it has done exceptionally well, namely to deal with clusters and infection rates within their jurisdiction. There should be no idea that other countries in Europe are not taking the health of their citizens as seriously as we are here; of course they are. Ireland will also be unfortunate enough to have clusters as we open up. The WHO says that once countries start to open up, there will be more infection. Countries must get on top of that. We really need to get all the countries in Europe back on the green list. They are exactly the same as us and we should take that direction from the EU. I think it is the first time ever that we have not. The idea that Ireland would ignore, say, the European Environment Agency would suggest and do something completely different is unprecedented. People may think they are doing the right thing but it is about the damage they will do, not only to the airlines but the economy. I would like to come back here next year and what it will look like then.

Deputy Violet-Anne Wynne: What is the airline's commitment to Shannon airport. It is in my region, in Clare. This is a pressing issue. Were the Government to fund the airlines, how would they ensure that service would return to the regional airport of Shannon.

Mr. Eddie Wilson: Is that question for me? We have two aircraft based in Shannon. We operate 17 or 18 routes out of Shannon. We have come to an agreement with our people down there at a time of reduced activity to spread that work. We are still not operating at full capacity. Government policy is that it wants us to fly but it does not want anyone to fly with us. There has to be a breaking point at some stage as to whether we as a business would be better putting those aircraft elsewhere. We are committed to Shannon, the regional airports and to Cork. We fly into Knock and Kerry. If incentives are put in place, we will put in more traffic.

Deputy Violet-Anne Wynne: There are fewer flights in Shannon.

Mr. Eddie Wilson: There are still two aircraft there. We have not taken out any of the aircraft, they are just flying less. Of course we want to fly them more, it would be helpful if we had a programme of incentives, for instance it would be helpful to link Shannon with the rest of Europe if the Government put the rest of Europe and the UK on the green list so that people would want to fly to Shannon.

Earlier Mr. Doyle asked for the relaxation of airport charges. While this would help airlines, how would it help airports?

Mr. Sean Doyle: As Ryanair put it earlier, an airport without airlines is simply a building. Airports would benefit from passenger stimulus. They benefit from throughput. Retail opportunities come out of it. The Government can also support airports and compensate them for the reduction in charges. The stimulus would work by reducing charges for flying into and out of

Ireland which would lead to more competitive air fares and attract airlines including Aer Lingus and Ryanair to reintroduce service. Everybody wins; airports get more volume through the airports and tourism and business benefits because there is more direct service.

Deputy Bernard J. Durkan: I would respond to comments by Aer Lingus and Ryanair as follows. It goes without saying that the Government and the Oireachtas are acutely aware of the necessity of ensuring connectivity for business and for reasons of pleasure. However, the airlines must be conscious that the Government also has responsibility for maintaining best practice in health measures. We know this is an island nation and there are only two ways to get off it, one which is appreciably faster than the other, and we know all the implications.

Instead of pointing the finger at the Government and its regulations, can the airlines do anything further to improve the connectivity while simultaneously enhancing the safety measures that are necessary now?

Mr. Sean Doyle: Both Ryanair and Aer Lingus have implemented the safety measures since May to ensure that flying is safe, that is, aircraft cleaning processes, the wearing of masks, health declarations that people submit before they travel, compliance with the passenger locator forms, and the filtering on aircraft which is as clean as a hospital operating theatre and is very effective at dealing with micro-organisms including the coronavirus. What we have heard from IATA thus far is that an aeroplane is a very safe place on which to travel. We do this. We adopted the EASA and the ECDC recommendations very early in the recovery period from the pandemic. What we are shining a light on today is the fact that public health policy and the political policy here in Ireland is out of sync with Europe and is not sustainable as we head into winter and may have to live with the coronavirus for a sustained period. We will have to live alongside the virus. The stated strategy was containment but the aviation strategy appears to be one of elimination and that has big consequences for aviation. We are happy to engage in ways we can support the opening up of borders but we have done everything we can as quickly and as proactively as we can to make sure the elements of travel we cover, when people get to an airport, get on an aircraft and get to the other end, are as safe and as reassuring as they can be.

Deputy Bernard J. Durkan: Have the airlines carried passengers recently from areas of high infection who have been responsible for another spike at their destination?

Mr. Sean Doyle: We would work with the HSE on any contact tracing request we get. HSE tracker data show that in the overall source of transmission, travel averages at about 2% today. As such we have to understand where travel sits alongside other causes of transmission.

Deputy Bernard J. Durkan: I myself, and I think most people here, would be anxious that every possible assistance be made to the airlines to ensure their long-term viability. We realise the serious threats they are under at the present time, but do they also recognise the issues that face Government at present? These include the possibility of a spike, a recurrence, a second wave and what that will do not only to the health of the people of the country but also ultimately to the economy, including air travel and all the other elements of it.

Mr. Eddie Wilson: Of course we do. We also have to protect our people who, as I alluded to earlier, come into close contact. We have said several times during the meeting that this is not just an aviation agenda or a company agenda, it is an economic agenda for this country.

The idea that all infection comes from outside the country is misplaced. We are going to have recurrences of this regardless of air travel. This week Spain had spikes in Catalonia, in

Lleida which is just outside Barcelona. There have been spikes in Germany as well, despite the best efforts. It is completely disproportionate to cut off the economic lifeblood of this country, with all the economic damage that will do, on the basis that we believe the only place infection is going to come from is overseas. That is not the case. The virus is going to be with us for a long time and we are going to have to find a way of minimising the risk. Unfortunately, the narrative in this country has moved to people going on their holidays when it is about connectivity. We have got this green list but we have a land border with Northern Ireland. It is porous with people moving backward and forward. People can fly from one country into another. It is a nonsense, it does not work. Even if one wants it to work, it does not work. The public health authorities will do their job in a safe environment within the European Union and the UK where people are working to eliminate this disease. This is not some far-flung place that is not taking this seriously. We will all work together on it.

We in this country are the most vulnerable because we are an island nation. We are going to go back to the 1950s if we do not wake up and do something now, because there are reduced seats and people do not realise what is going to happen with unemployment in this country if we do not get up and do something about it.

Deputy Bernard J. Durkan: We do realise all the implications, on both sides of the argument. That is why I put that out there because I do not always accept the figures put forward by the airlines. For instance, restrictions between the UK and Northern Ireland have been reintroduced in the past couple of weeks.

Chairman: I thank Deputy Durkan.

I have a couple of questions. Mr. Doyle and Mr. Wilson, you are both Irish, you both live in Ireland or you at least work in Ireland, so you understand Ireland. Why do you think our reaction to the coronavirus is as different as you say it is from that of every other state?

Mr. Eddie Wilson: My personal view is that the Europeans have a history of knowing when there is trouble coming. They have gone through many periods of upheaval. They know they have got a problem and they have to deal with it. Here we have dealt with it by taking positions as if there is an aviation position and a medical position. There is not. There is a middle ground here.

The Europeans approach it like that because they have been through this before, they have been through various crises like this and they get down to business. The German Chancellor, Ms Angela Merkel and the French President, Mr. Emmanuel Macron, are investing in their industries at breakneck speed at the moment. They are breaking every rule because they know what is actually coming. The EU bailout package is a sideshow compared to what they are doing with their private companies. That will play itself out over the next number of months and we will lose out because of that. It may be a historical thing and there may be an island mentality here to some extent, which believes that it is all over there and cannot be over here. We signed up for being in Europe. I know people are concerned about this but there is a balance to be struck.

Chairman: Does Mr. Doyle wish to offer an opinion?

Mr. Sean Doyle: I do not necessarily have an opinion but I struggle to see why we are taking a different approach. I was looking at a 2018 report on foreign direct investment. I think Ireland is approaching something like €700 billion of GDP value in foreign direct investment.

That is 256% of domestic GDP. That is approximately five times higher than the European average. We have built our economic model on being open for business and being a global economy. Many companies have invested in Ireland over the past decade on the basis that it is a great place to be headquartered and doing business globally and in Europe. We are taking that for granted and not understanding the consequences for that sector and that economic model if we do not enable connectivity. In other countries, we may be seeing the effect of unemployment more immediately. Certainly in the UK there is news of unemployment levels reaching very scary heights and job losses beginning to hit home a bit more quickly. Politicians are responding to the economic outlook with a bit more urgency on the back of that.

Chairman: This is a question for Mr. Doyle. He may not have the answer to it. How many of the Heathrow slots that IAG has are currently being used?

Mr. Sean Doyle: I can get the Chairman the exact details, but we are exercising our rights under the slot waiver rule enacted for the summer by the EU. We are not mandated to keep those slots in the 80-20 use-it-or-lose-it space, so we have a much smaller operation. I can write to the committee with the detail of exactly what that looks like.

Chairman: Mr. Doyle stated that Aer Lingus will reinstate the Shannon service if and when there is sufficient demand and he discussed how that will be determined. People cannot book flights from Shannon to Heathrow at the moment. If Aer Lingus determines there is insufficient demand, what will happen to the Heathrow slots which were guaranteed until 2022 as part of the IAG takeover of the company?

Mr. Sean Doyle: Before the crisis, we were very happy with the performance of our Heathrow services out of Shannon, Cork and Dublin. On the basis that we can recover demand and we can all work together to recover aviation, I would not see that strategy of serving all three of those points from Heathrow changing.

Chairman: Turning to Mr. Wilson, Ryanair unlike some of its competitors, has a change fee in respect of flights booked after 20 June. The change fee is, I think, €130. For flights booked before 20 June, there is no change fee. How does Mr. Wilson justify that difference and does he think it is appropriate in view of the fact that many families and individual passengers are not flying in response to Government advice or on foot of concerns regarding medical advice relating to other countries?

Mr. Eddie Wilson: People have been put in a very tricky situation whereby their hard-earned money has gone into a holiday and then there is some doubt about whether they should fly based on advice from the Government. The Government needs to deal with that. It cannot have it every way. It cannot say that it wants airlines to fly but that it does not want us to fly any passengers and would rather that the only people who flew had some sort of essential reason for travel, which the Government has yet to specify. Airlines need passengers. There are commercial concerns; it is an expensive business. We changed the policy for July, August and September such that people could change with no change fee. We are on extremely low fares, however, and the reason there is a change fee is so that when somebody books a €9.99 fare, we do not incentivise them to change for a time when that fare goes up to €200 or €250. It is purely commercial. If the Government wants to do something about the conditions it has put in place, it should put something in place for people who have been put in that position. The Government cannot have it both ways. It cannot say that it is going to allow people to fly and then tell them not to fly.

Chairman: Does Mr. Wilson not think that Ryanair, as a corporate entity, could do something to demonstrate goodwill to those people who will not be flying? These are, as everybody accepts, unprecedented times. These people are not asking for refunds. They are not entitled to them because the flights are still going. Could Ryanair at least wait-----

Mr. Eddie Wilson: I will say two things about our commitment. Through to the end of March and in April, May and June, we continued to offer repatriation flight services at a total loss, sometimes with one or two passengers on board. We know what our responsibilities are. We did put in a no-change fee, and people can change that up to the end of this calendar year. That is the decision we have made.

Chairman: It only applies to flights booked after 20 June, not to flights booked prior to that.

Mr. Eddie Wilson: That is correct.

Chairman: Ryanair could waive the change fee in respect of the flights prior to that if it chose to do so.

Mr. Eddie Wilson: The skies are open. We are complying with the European regulations and it is up to the Government to have some coherent policy on this. We are either open or we are not. If our flights are cancelled, people can get their money back, as is their right, under EU Regulation 261/2004. With the green list in place, the Government cannot say that Ryanair and Aer Lingus should leave these flights in place but that it does not want anyone to avail of them. If the Government puts out that sort of conflicted message, well then that is a matter for the Government.

Chairman: Does Mr. Wilson not think that Ryanair would be in a better place to argue for a more coherent Government policy if it had a more coherent policy in respect of-----

Mr. Eddie Wilson: We have a perfectly coherent policy, which is that the schedule is in place and that the fares are the lowest in Europe. People booked in good faith. The Government has not stopped people flying. It is incomprehensible as to why it is doing that when the rest of Europe is back flying. If there is doubt as to whether people should fly, that is a matter for the Government in terms of what its advice is.

Chairman: I am being reminded that we are out of time. I thank the witnesses for attending and for answering our questions.

The committee adjourned at 1.37 p.m. *sine die*.