AMERICAN
CHAMBER *of* COMMERCE
IRELAND

Consultation to inform a Mid-term Review of the Regional Airports Programme 2021-2025 and Future Policy Supports to Regional Airports

Response from the American Chamber of Commerce Ireland (AmCham) to the Department Transport

June 2023

The American Chamber of Commerce Ireland
The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

Regional Airports Midterm Review

AmCham is pleased to have the opportunity to contribute the public consultation on the Midterm Review of the Regional Airports Programme 2021-2025.

AmCham recognises the vital role of air connectivity for trade, business, and personal connections and notes the importance of supporting Ireland's regional airports in promoting balanced regional development. Regional airports, such as Cork, Shannon, Donegal, Kerry, and Knock, play a crucial role in strengthening Ireland's regions and in attracting Foreign Direct Investment (FDI) to regional locations.

By prioritising balanced air connectivity, we can unlock the potential of Ireland's regions, enabling businesses and talent to leverage the unique strengths of each region. As we evaluate the progress and future direction of the Regional Airports Programme, it is essential to focus on enhancing connectivity, safeguarding air links, promoting sustainability, and optimising the Irish airport network in line with Ireland's 2040 goals.

Regional Connectivity

AmCham maintains that by establishing balanced air connectivity and developing further connections for Ireland's regions with major European hubs and transatlantic routes, Ireland can promote overall balanced regional development. AmCham supports actions to enhance transatlantic and European Union (EU) connectivity at regional airports, recognising their crucial role in ensuring our regions are attractive locations for talent and for business, now and into the future.

Connectivity via regional airports is important to support businesses in establishing and expanding facilities outside of Dublin. In 2022, 52% of total business investments won in Ireland went to Ireland's regions.

By bolstering connectivity at regional airports, Ireland can enhance its overall competitiveness and stimulate economic growth, while simultaneously continuing to create an appealing environment for FDI to flow into the regions.

Expanding the Regional Airports Programme

AmCham acknowledges that both Cork and Shannon airports were eligible for support under the RAP due to reduced passenger numbers during the Covid-19 pandemic. Recognising the significance of preserving air connectivity for our regional airports, the mid-term review of the RAP should assess the eligibility of these airports to continue to receive support under the RAP.

AmCham acknowledges that the primary objective of the RAP is to provide funding to Irish airports that "*facilitate connectivity and handle fewer than 1 million annual passengers*". However, the European Commission permits capital expenditure support for airports with fewer than 3 million passengers, exempt from EU State Aid regulations. It would be beneficial to consider expanding the qualifying threshold for regional airports to align with the European regulations. This expansion would bolster our regional airports and maintain vital air connectivity links for Ireland's regions.

Additionally, this adjustment would enable airports that temporarily received support during the pandemic to continue receiving assistance as they recover from its impacts and support their growth into the future.

Safeguarding Ireland's Air Connectivity

The Covid-19 pandemic highlighted the importance of safeguarding our air connectivity, particularly as an island nation. Ireland serves as a significant gateway to the EU for transatlantic business. Following on from the pandemic, it is imperative that we prioritise the expansion of travel capacity for transatlantic, EU, and global connectivity and safeguard air connectivity links to protect from any potential future shocks. This necessitates providing the required level of capital investment to ensure Ireland can deliver the necessary connectivity to support business and people living in our regions, with key markets.

Sustainability and Public Transport

AmCham members believe that investing in sustainable connectivity at regional airports is not only crucial for economic competitiveness but also for achieving long-term sustainability goals and fostering a greener future.

Regional airports are recognised as vital contributors to economic growth, connectivity, and balanced regional development. It is imperative to optimise the Irish airport network to strike a balance between global connectivity and minimal environmental impact.

The inclusion of additional regional airports under the RAP offers the opportunity to ensure that airport capacity within the State is utilised efficiently, in line with the Whole of Government Circular Economy Strategy (2021).

Improved public transport connectivity to regional airports would also facilitate better use of their infrastructure. The introduction of more regular direct public transport services, coinciding with flight times, would give more sustainable travel options for passengers resulting in significant carbon emissions savings compared with car travel.

Enhancing public transport connectivity would play an important role in promoting the utilisation of regional airports in a sustainable manner, fostering a more sustainable and interconnected aviation network in Ireland.

AmCham recommends:

- Prioritising balanced air connectivity for regional airports, including Shannon, Cork, Donegal, Kerry and Knock.
- Providing necessary levels of capital investment to support air connectivity and protect air links in the face of future challenges.
- Including Cork and Shannon airports under the Regional Airports Programme (RAP).
- Expanding the qualifying threshold for regional airports to align with passenger numbers, as permitted under the relevant European regulation.
- Enhancing transatlantic and European Union (EU) connectivity at regional airports.
- Aligning supports with sustainability and climate action measures outlined in the Government's Climate Action Plan.
- Investing in sustainable infrastructure and transportation options at regional airports to support Ireland's net zero goals.