

07 February 2019

Dear Sir

Consultation into Revised Traffic Distribution Rule (TDR) at Amsterdam Schiphol

I write as a representative of Belfast International Airport (BFS) with reference to the Dutch Ministry of Infrastructure's proposal to introduce a revised Traffic Distribution Rule at Schiphol, details having been published by the Ministry on 17 January 2019 after withdrawal of the previously proposed Rule in December 2018.

Belfast International Airport had provided a previous submission to the December 2017 TDR consultation, and our position remains largely unaltered from that time. Therefore, I have taken the opportunity to reprise and attach that submission to this letter.

Some factual updates in the intervening period to this 2017 Submission:

- a) According to UK Civil Aviation Authority statistics, the two carriers serving the Belfast – Amsterdam city pair have delivered the following passenger traffic in the calendar year 2018:
 - a. easyJet BFS – AMS 130,957 two-way passengers (72.5% Market Share)
 - b. KLM BHD – AMS 49,606 two-way passengers (27.5% Market Share),

- b) These performance statistics are in line with previous market share ratios on the Belfast – Amsterdam route, and are based upon a seasonal range of 7 – 10 weekly easyJet services and 5 – 7 weekly KLM services.

- c) The current DUB – AMS schedule boasts three different airlines each offering four daily return flights daily (KLM feeding their AMS hub, IAG-owned Aer Lingus serving DUB – AMS essentially on a point-to-point basis, and Ryanair offering low cost point-to-point flights). Ryanair and KLM both launched separate extensive schedules on DUB – AMS during 2016, massively increasing the amount of seat capacity on this route compared to the traditional Aer Lingus monopoly operation on the route. easyJet have consistently served BFS – AMS since 2001. This year (2018) has witnessed intensive marketing campaigns (radio, outdoor and print) by Dublin Airport within the greater Belfast market exhorting Belfast residents to use “over eighty flights a week to Amsterdam” from Dublin Airport,

- d) Effective 28 August 2018 Belfast International Airport is wholly owned and operated by VINCI Airports.

We note that the new TDR proposal focusses upon Transfer Traffic rather than the previous TDR's focus upon Business versus Leisure Traffic. We also note that it is often impossible for airlines to

assess the level of self-connecting passengers on their flights, variously interlining onto other carriers, via a large hub such as AMS.

Furthermore, according to the new TDR proposal we observe that the spread of airports within the British Isles has altered between Annex 1 and Annex 2, listing Aberdeen, Belfast (BHD), Birmingham, Bristol, Cardiff, Dublin, Edinburgh, Glasgow, Humberside, Leeds, London City, London Heathrow, Manchester, Manston, Newcastle, Norwich and Cork in Annex 1 (permissible due to Transfer proportions) and ousting Belfast (BFS), Bournemouth, Cambridge, Nottingham, Exeter, Jersey, London Gatwick, Liverpool, London Luton, London Southend, Shannon, Southampton and London Stansted into Annex 2.

We strongly contend that this approach does not comply with EU legislation demanding no Discrimination between destinations within the EU, or between airlines.

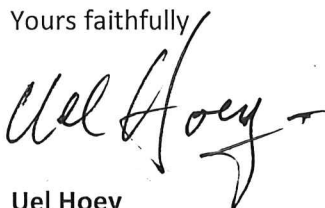
At a more granular level there is clearly an irregularity in the proposal to permit access into AMS to general services from London City and London Heathrow but not from London Gatwick, London Luton, London Southend and London Stansted; from Birmingham but not from Nottingham; from Manchester but not from Liverpool, and from Cork but not from Shannon.

This irregularity is even more acute with regard to permitting access from Belfast (BHD), 27.5% of prevailing AMS passengers, but not from Belfast (BFS), 72.5% of prevailing AMS passengers, as grossly compounded by the fact that all three carriers serving DUB – AMS appear to be permitted to continue to serve the DUB – AMS route without separate evaluation, irrespective of the differing nature of passenger flows which they command.

As such this TDR proposal will continue to have the same negative economic and social effect on Belfast and Northern Ireland as was the case with the previous 2017 TDR, denigrating access between Belfast and Amsterdam Schiphol and unfairly facilitating all airlines serving Dublin – Schiphol to deflect economic value away from Northern Ireland, the city of Belfast, airlines and passengers using Belfast International Airport.

On that basis we reserve our position, as set out in our (attached) December 2017 submission, to fully support easyJet as our airline customer, and to challenge this TDR proposal by whatever avenues are open to us as a business.

Yours faithfully



Uel Hoey

Business Development Director

05 December 2017

Dear Sir

Public Consultation into Proposed Traffic Distribution Rule (TDR) to force 'Leisure' Traffic from Schiphol Airport to Lelystad

Background

I write as a representative of Belfast International Airport [BFS] with regard to the upcoming Public Consultation regarding the above TDR proposal.

We have been appraised by our customer airline (easyJet) of the detail of proposals presently under consideration, and the direct threat posed to established flights between Belfast International (BFS) and Amsterdam Schiphol (AMS), as set out within the proposed list of affected destinations.

To this end I will set out below a number of reasons which Belfast International Airport, in partnership with easyJet, believe strongly mitigate against any specific change to the existing Belfast – Amsterdam flying following on from these assessments.

Context

Belfast International Airport fully appreciates the environmental reasoning (in Flight Cap terms) behind the proposition of this TDR. We equally accept the logic that diverting Leisure flights from Schiphol to Lelystad is a legitimate approach to consider.

Our difficulty rests with the apparent consistency of this approach (given the list of destinations and routes identified under the TDR proposals), as we strongly believe that the plan, as structured with specific reference to BFS – AMS flights, runs contrary to EU legislation stipulating that there can be no Discrimination between destinations within the EU, or between airlines.

Focussing initially upon the Airlines issue:

- a) Whilst the TDR claims its criteria are objective, the effect is nevertheless discriminatory as the proposals dictate that some EU destinations will no longer be served. Additionally, the TDR clearly strives to protect Schiphol's hub carrier, as clearly acknowledged by the Government in its explanatory memorandum when it states: "The cabinet also sees the protection of so-called captive users – from the perspective of competition – as a public interest." On this basis the implementation of the TDR disproportionately affects competitor airlines at Schiphol, to the detriment of passengers.
- b) We will use the highly topical case study of existing Belfast – Amsterdam air services to illustrate this point with specific regard to easyJet v KLM. KLM historically served Belfast International (BFS) as a monopoly carrier on the Amsterdam route throughout the eighties and nineties (1980 – 1999), at which point they abandoned the Northern Ireland market, withdrawing their services entirely from BFS at the end of IATA Summer season 1999. This route was subsequently re-launched by easyJet from January 2001, who have provided uninterrupted service, initially as sole carrier (Jan 01 – Apr 15), give or take brief, abortive attempts by Aer

Lingus (BFS) and bmibaby (BHD) to offer competing services, and latterly in parallel with KLM who re-entered the Northern Ireland market operating from Belfast City (BHD) on a single daily frequency effective May 2015. I will return to the overall structure of competing AMS services and frequencies in a subsequent section of this submission, save to illustrate at this juncture that easyJet continue to provide the strongest and most critical connectivity between the Northern Ireland and Netherlands markets as depicted in the Traffic History (2015 – 2017) schedule included as Appendix 1.

- c) Moreover, with regard to Discrimination between Airlines, the TDR needs to comply with EU Regulation 1008/2008 stipulating that both airports (as being proposed to serve Amsterdam) are served by adequate transport infrastructure and that airports are linked to one another and to the area they serve by frequent public transport services. Accessibility between both airports can hardly be claimed to be comparable. To illustrate - whereas Schiphol is connected to Amsterdam city centre by trains on average every 7 minutes, and the journey takes 15 minutes – making the same journey from Lelystad Airport takes at best 1 hour and 15 minutes – requiring a 15 minute bus journey, and a 1 hour train/metro journey including 2 transfers.

Discrimination against Destinations

Our absolute core concern is the prospective impact of the present TDR proposals on Belfast as a destination and Belfast International Airport as a business.

As earlier referenced, we have interrogated websites and flight schedules and concluded that 28 airports in the UK and Ireland currently boast direct services (of varying scale) to Amsterdam Schiphol. To this end we have summarised this research as a table, included as Appendix 2. It is noteworthy that, of these 28 diverse airports, BFS is the only one with a 'live' proposal against it within the TDR to have services exiled to Lelystad.

On this basis we foresee a series of embedded discriminatory actions within the existing proposals:

- Against Northern Ireland as a country,
- Against Belfast as a western European capital city (one of only four in the United Kingdom, alongside London, Edinburgh and Cardiff, none of whom are being proposed to be similarly impacted),
- Against Belfast International Airport (BFS) as a private business.

Elaborating upon these three issues in turn.

Northern Ireland

BFS is Northern Ireland's primary, year-round, 24-hour airport, facilitating uninterrupted access for Northern Ireland as a country on a national and international basis for a variety of social and economic purposes including Trade, Leisure Travel and Emergency requirements. [Belfast City Airport (BHD) by comparison only offers access to/from the market within its permitted operating hours, 0630 – 2130 daily]. Frankly we are flummoxed if, given the fact that BFS / easyJet facilitate 74% of activity between Northern Ireland and the Netherlands (see Appendix 1), BFS is not deemed to contribute substantially towards business activity between Northern Ireland and the Netherlands! This point is further borne out within easyJet's own 'purpose of travel' statistics which, for the past 12 months on comparative routes, indicate a broadly consistent breakdown of Business traffic (Manchester 16.6%, Bristol 15.4%, Glasgow 14.2%, Edinburgh 14.0%, Belfast 11.4%) with regular

'Commuters' – likely to also categorise as flying for business purposes – actually being higher on the BFS – AMS route (13.3%) compared to Manchester (10.9%), Bristol (10.7%), Edinburgh (10.2%) and Glasgow (8.5%). Contextually, as two significant Western European economies, the Netherlands is currently Northern Ireland's third most important mainland European trading partner (£443M trade in 2015 – Germany £534M; France £493M), a relevant statistic when the argument is being advanced that BFS-AMS is a 'Leisure' service. Furthermore, given Northern Ireland's location, as an enclave on an island, off an island, off the European continent, this proposed move to discontinue BFS-AMS flights can only serve to demean the Rights of Northern Ireland citizens and exacerbate the Northern Ireland community's peripherality within a European context.

Comparison to our direct competitor – Dublin, Republic of Ireland

Until relatively recently DUB – AMS was served by a sole carrier (Aer Lingus, carrying a KL codeshare). However the 2015 acquisition of Aer Lingus by IAG led to KLM re-launching their own rapidly escalating operation (compared to their stagnant single daily Belfast operation since 2015) from DUB alongside Aer Lingus (see Appendix 3), whilst Ryanair have also launched a third intensive schedule on Dublin – Schiphol, dictating that Dublin – Amsterdam is currently served 13 times daily by a range of three different airlines. Quite apart from the fact that Dublin is not proposed to have any comparative reduction in Schiphol access levied upon them (compared to Belfast), it is entirely incongruous that, despite the reality of easyJet's BFS – AMS service being the sole established airbridge between Northern Ireland and the Netherlands over so many years, it is now being dictated that this BFS flight should be removed from AMS, yet an obviously similar (third operator) service recently inaugurated from Dublin with Ryanair has patently not been similarly identified for displacement to Lelystad!

Belfast

- Belfast is a vibrant, Western European Capital city, therefore a clear and developing Business market for Amsterdam / Netherlands (not to mention one of the most popular growth markets for visitor traffic, being designated by 'Lonely Planet' as the place to visit in 2018),
- (Alongside the question posed above regarding Dublin flights), why is Belfast, which has essentially two daily flights into Schiphol, being spotlighted for loss of connectivity when, as an example, a destination so overtly leisure-focussed as Alicante is being retained as a Schiphol link, even though peer destinations like Girona, Reus, Almeria and Malaga are all being targeted for transfer to Lelystad?
- Why, when London boasts over 60 daily flights into Schiphol – is London's *Sixth* gateway (Southend) not even under threat of transfer to Lelystad when Northern Ireland's Primary gateway (BFS) has been uniquely targeted within the UK & Ireland for ejection?

Belfast International Airport (BFS)

- Belfast International Airport (BFS) is established as one of the **UK's Top 10 Airports** by Annual Passenger Volume, only eclipsed by four London area airports (LHR, LGW, STN, LTN) and five larger regional airports across the UK landscape (MAN, EDI, BHX, GLA, BRS),
- BFS is Belfast and Northern Ireland's principal airport, well over twice the size of Belfast's secondary airport (BHD), and efficiently connected to all towns and commercial centres across the north of the island of Ireland,
- As a private business Belfast International Airport (BFS) is owned by Airports Worldwide UK Holding Limited. The ultimate parent company and controlling party, and the largest group of which the Company is a member and for which financial statements are prepared, is Airports

Worldwide Cooperatief U.A., a company registered in the Netherlands (Muiderstraat 9, 1011 PZ Amsterdam),

- Why then (as the 10th largest airport in the UK) is BFS being singled out and victimised for prospective loss of access to Schiphol when none of the other 25 UK airports with prevailing service to Schiphol are being actively targeted under this TDR for loss of connectivity?? (See Appendix 2 & Appendix 4)

Conclusion

It is abundantly evident that we are in a very delicate political phase with regard to the future direction of Europe and its partners as a trading bloc. Within this context Northern Ireland [driven economically by Belfast], as an intrinsic part of the UK, and its land border and interaction with the Republic of Ireland / Dublin (as a separate EU State) is a highly sensitive and pivotal political topic.

We are unclear as to the reasoning behind this specific TDR proposal regarding BFS, whether it is founded in the narrow, specific interests of KLM singularly failing to build adequate demand for their services to develop 'wave' connecting frequency from BHD, or whether the proposal is based upon a broader misunderstanding of the Northern Ireland business market and its component parts. However we are making our partners within Northern Ireland Government aware of this specific proposal to undermine Northern Ireland's economic outlook, and they in turn will energise the topic at the heart of our national Government in London.

We sincerely hope that the glaringly discriminatory proposal to remove BFS flights from Schiphol is merely an oversight and misunderstanding on the part of the Dutch authorities and, as such, can be simply rectified by removal of easyJet's BFS services from the proposed list of transfers to Lelystad.

However, please be advised if that is not the case, we will have no option whatsoever but to challenge this diktat via every available avenue open to us.

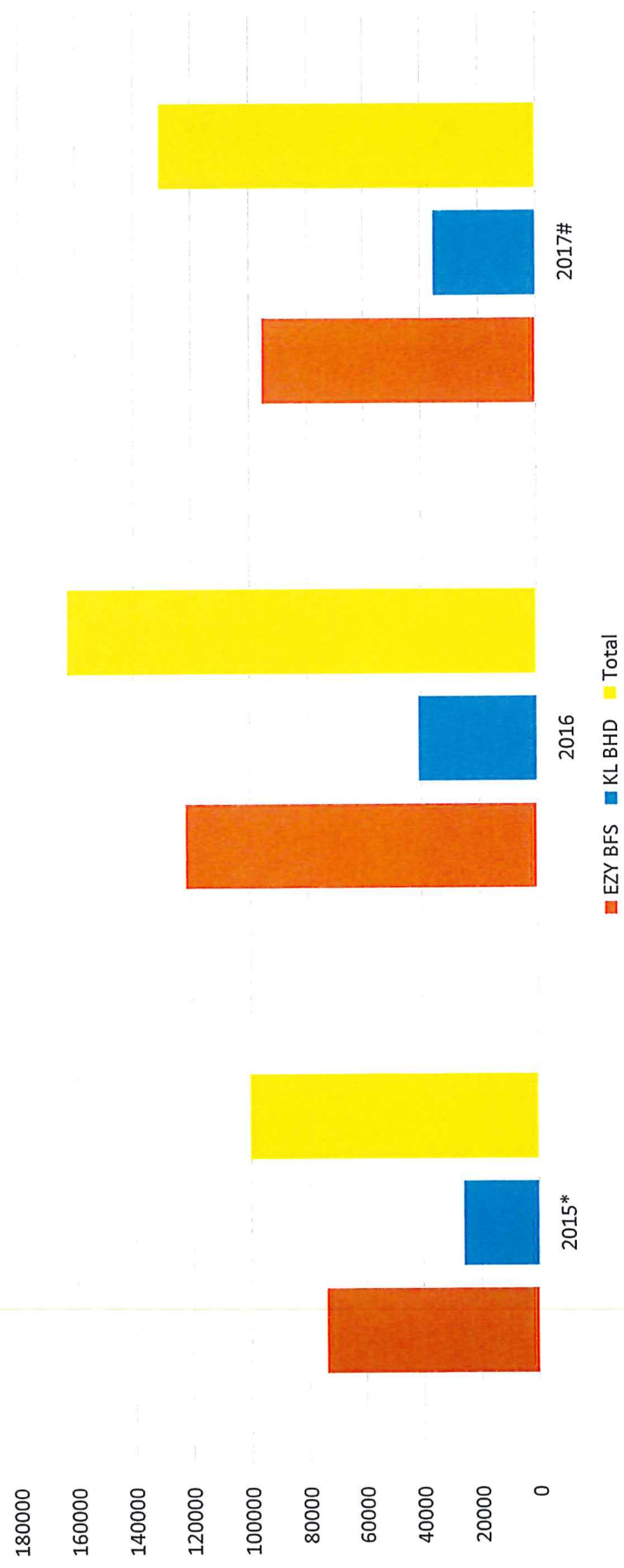
Yours faithfully



UEL HOEY
Business Development Director

Encs.

Belfast – Amsterdam Air Traffic since KLM resumed Belfast Ops [*May 2015]
 until #Sep 2017 (UK CAA Statistics) – **Traffic Ratio EZY BFS 74% : KL BHD 26%**



UK / Ireland Routes to Amsterdam (Schiphol) - S18

Airport	Operator	Daily/Weekly Freq	Proposal to Exile to Lelystad
London (LHR)	KL	11 daily	NO
London (LGW)	EZY	8 daily	NO
London (LTN)	EZY	6 daily	NO
London (STN)	EZY	4 daily	NO
London (SEN)	EZY	2 daily	NO
London (LCY)	KL	7 daily	NO
London	Other Airlines	23 daily	NO
Aberdeen	KL	5 daily	NO
Belfast City (BHD)	KL	1 daily	NO
Belfast International (BFS)	EZY	10 weekly	YES
Birmingham	KL	5 daily	NO
Birmingham	Other Airlines	6 daily	NO
Bristol	KL	4 daily	NO
Bristol	EZY	4 daily	NO
Cardiff	KL	10 weekly	NO
Doncaster Sheffield	KL	3 daily	NO
Durham Tees Valley	flybe	1 daily	NO
East Midlands	KL	3 daily	NO
Edinburgh	flybe	1 daily	NO
Edinburgh	KL	6 daily	NO
Exeter	EZY	14 weekly	NO
Glasgow	flybe	1 daily	NO
Glasgow	KL	4 daily	NO
Glasgow	EZY	6 weekly	NO
Humberside	KL	3 daily	NO
Inverness	KL	1 daily	NO
Leeds Bradford	KL	3 daily	NO
Liverpool	EZY	12 weekly	NO
Manchester	KL	6 daily	NO
Manchester	EZY	21 weekly	NO
Manchester	Other Airlines	3 daily	NO
Newcastle	KL	5 daily	NO
Norwich	KL	4 daily	NO
Southampton	KL	2 daily	NO
Southampton	flybe	4 daily	NO
Dublin	KL	5 daily	NO
Dublin	Aer Lingus	4 daily	NO
Dublin	Ryanair	4 daily	NO
Cork	Aer Lingus	11 weekly	NO

Dublin Airport Welcomes Further Route Expansion from KLM

Thursday 13 July 2017

Dublin Airport welcomes the announcement by Air France KLM that will operate five daily flights between Dublin and Amsterdam this winter.

KLM first launched its Dublin to Amsterdam route last November with two daily flights. This increased to four flights per day in March 2017 and a fifth frequency was added for the peak summer season.

Welcoming the continued expansion in the Irish market by Air France KLM, Dublin Airport Managing Director, Vincent Harrison said “I am delighted to see KLM confirm that its five-time summer daily services will continue into the winter season. I very much welcome KLM’s further route expansion at Dublin Airport and we will continue to work strategically with KLM to ensure its success”.

Warner Rootliep, General Manager of Air France KLM for UK & Ireland commented, “Due to strong results since KLM first started operating from Dublin last year, I am delighted to be in a position to announce further expansion in the Irish market. Both Air France and KLM will now have a presence at Dublin airport and I am confident that the extra capacity and improved connectivity this will bring, both outbound and inbound, will be well received by both business and leisure passengers in the local area.”

KLM first launched the Dublin to Amsterdam route in November last year with two daily flights. This was increased to four flights per day in March before a fifth frequency was added for the peak summer period. The five times a day service has now been confirmed for the winter season, further strengthening KLM's position in Ireland and offering passengers greater choice when travelling between the two cities.

KLM has also confirmed that a B737 aircraft will be used for two of its daily rotations, resulting in a 161% increase in total capacity on the Dublin to Amsterdam route when compared to winter 2016. The other three daily rotations will be operated by an Embraer 190 aircraft carrying 100 passengers.

So far this year, more than 13.8 million passengers have travelled through Dublin Airport, a 6% increase compared to the first five months of last year.

Dublin Airport has welcomed an additional 804,000 passengers between January and June.

Dublin Airport has direct flights to 185 destinations in 41 countries operated by a total of 47 airlines.

Size of Reporting Airports 2016
Comparison with 2011

Table 1



	<----- 2016 ----->		<----- 2011 ----->		
	Terminal passengers (000)	Percentage of Passengers at all airports	Terminal passengers (000)	Percentage of passengers at all airports	Percentage Change (2016/2011)
HEATHROW	75,672	28.2	69,391	31.6	9.1
GATWICK	43,115	16.1	33,644	15.3	28.2
MANCHESTER	25,599	9.5	18,807	8.6	36.1
STANSTED	24,318	9.1	18,047	8.2	34.7
LUTON	14,642	5.5	9,510	4.3	54.0
EDINBURGH	12,348	4.6	9,384	4.3	31.6
BIRMINGHAM	11,639	4.3	8,608	3.9	35.2
GLASGOW	9,324	3.5	6,858	3.1	36.0
BRISTOL	7,604	2.8	5,768	2.6	31.8
BELFAST INTERNATIONAL	5,147	1.9	4,102	1.9	25.5
NEWCASTLE	4,805	1.8	4,336	2.0	10.8
LIVERPOOL (JOHN LENNON)	4,777	1.8	5,247	2.4	-8.9
EAST MIDLANDS INTERNATIONAL	4,651	1.7	4,208	1.9	10.5
LONDON CITY	4,539	1.7	2,993	1.4	51.7
LEEDS BRADFORD	3,611	1.3	2,937	1.3	23.0
ABERDEEN	2,955	1.1	3,083	1.4	-4.1
BELFAST CITY (GEORGE BEST)	2,665	1.0	2,397	1.1	11.2
SOUTHAMPTON	1,947	0.7	1,762	0.8	10.5
CARDIFF WALES	1,344	0.5	1,208	0.6	11.3
DONCASTER SHEFFIELD	1,256	0.5	822	0.4	52.8
SOUTHEND	874	0.3	42	-	1,960.4
EXETER	847	0.3	709	0.3	19.4
INVERNESS	782	0.3	579	0.3	35.1
PRESTWICK	672	0.3	1,296	0.6	-48.2
BOURNEMOUTH	666	0.2	613	0.3	8.8
NORWICH	506	0.2	414	0.2	22.3
NEWQUAY	370	0.1	210	0.1	76.7
CITY OF DERRY (EGLINTON)	291	0.1	406	0.2	-28.3
SUMBURGH	249	0.1	143	0.1	74.6
HUMBERSIDE	201	0.1	273	0.1	-26.3
SCATSTA	162	0.1	288	0.1	-43.8
KIRKWALL	153	0.1	134	0.1	14.0
DURHAM TEES VALLEY	131	-	190	0.1	-30.9
STORNOWAY	124	-	122	0.1	1.6
ISLES OF SCILLY (ST.MARYS)	95	-	112	0.1	-15.3
LANDS END (ST JUST)	64	-	33	-	94.2
DUNDEE	38	-	62	-	-39.0
BLACKPOOL	36	-	236	0.1	-84.6

Size of Reporting Airports 2016
Comparison with 2011

Table 1



BENBECULA	32	-	34	-	-5.3
ISLAY	28	-	26	-	8.5
WICK JOHN O GROATS	20	-	24	-	-17.5
BARRA	13	-	10	-	22.2
GLOUCESTERSHIRE	12	-	15	-	-16.3
TIREE	11	-	8	-	34.9
CAMPBELTOWN	8	-	9	-	-7.9
LERWICK (TINGWALL)	4	-	5	-	-14.3
BIGGIN HILL	1	-	-	-	-
CAMBRIDGE	1	-	1	-	-1.0
LYDD	1	-	-	-	2.6
OXFORD (KIDLINGTON)	-	-	1	-	-74.3
SHOREHAM	-	-	1	-	-74.0
ISLES OF SCILLY (TRESKO)	-	-	41	-	--
MANSTON (KENT INT)	-	-	37	-	--
PENZANCE HELIPORT	-	-	75	-	--
PLYMOUTH	-	-	29	-	--
All Reporting Airports Total	268,355	100.0	219,290	100.0	-

Notes

(a) Excludes Channel Islands and Isle of Man airports.

Please note that figures may change overtime as each new version is produced. Information relating to an airport that has ceased to handle regular traffic/closed will be excluded from this table completely. For data concerning historical years it is recommended that you use earlier produced versions of this table.