

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.