



DHL submission to ANCA's noise consultation

February 2022

About DHL Express Ireland:

DHL's family of divisions offer an unrivalled portfolio of logistics services spanning 4 key product offerings including international express parcels, supply chain services, and intercontinental air and sea freight. DHL in Ireland is part of the global DPDHL Network, which employs approximately 500,000 employees in over 220 countries and territories worldwide.

This submission specifically focuses on DHL Express operations in Ireland (henceforth "DHL"). DHL employs c. 470 staff across 8 locations in Ireland. In addition, we procure the services of c.250 dedicated contractors who provided pick-up and delivery services on our behalf. Our business is growing and we continue to invest significantly in our infrastructure with new facilities opened in Shannon and Naas in recent times and further plans later this year. We operate more than 50 flight movements per week from Dublin Airport effectively doubling the number of dedicated DHL flights since 2019.

Shipments on these flights are predominantly high value and require time definite express delivery. The profile of these shipments is wide ranging, from business to business (B2B) shipments to business to consumer (B2C) – across a range of industry sectors. And while the profile of shipments is diverse, what the shipments have in common is the requirement for express delivery.

The service provided by DHL to its customer base is often business critical i.e. the time definite export and / or import of these shipments is a key part of their business process and activity. DHL services a number of key sectors, supporting jobs, growth and also wellbeing. Some examples include:

- Medical supplies, pharma-product or clinical samples required in the life sciences industry. Products or samples may only have a viability of 24-48 hours so express transportation is a 'must-have'.
- Components required by manufacturing companies e.g. components urgently required for the automotive industry to keep production running.
- Financial or legal documents required by the Insurance, Legal and Financial Services sectors. These original documents continue to be exchanged and signed in hard copy, even in the digital era.
- A wide range of products ordered online – both exported from, and imported to Ireland – where express delivery is a key part of the value proposition.



DHL at Dublin Airport

DHL operates more than 50 flight movements per week at Dublin Airport. This includes direct connections to our global hub in Leipzig and our European Hubs in Brussels and the UK. We operate an early evening departure to our UK Hub at East Midlands Airport which connects to the US providing a next day service for Irish exporters. Our current schedule includes evening departures and early morning arrivals scheduled between 00:35 and 06:00. DHL also operates a flight scheduled to arrive at 06:45 once a week specifically designed to service the Irish pharmaceutical and life sciences industry.

The connections from Dublin Airport to our global and European hubs connect Irish businesses to global markets, transporting express shipments during the night period ready for the next working day. Our East Midlands Airport gateway connects to our global hubs in Leipzig, Cincinnati and Hong Kong along with other regional hubs across Europe. These, in turn, connect to other hubs across the world via our network of over 200 dedicated aircraft worldwide.

As an island nation, air cargo is essential to Ireland's international trade. Analysis undertaken by FTAI/York Aviation demonstrates that a tonne of air freight is 53 times more valuable than a tonne of freight travelling by any other mode. The economic value of this cargo to the Irish economy is significant, as is the timing of the flight. DHL's flight schedule is designed to provide maximum productivity for our customers, enabling pick up close to the end of a working day and delivery at the start of the next working day. In utilising the night period we are able to deliver shipments to businesses across Ireland that were collected from Europe and the UK at the end of the previous working day. This is of particular importance for time-sensitive products such as medicines and life sciences supplies which have a short shelf life. Our ability to pick up at the end of the working day and guarantee a next day service drives productivity for Irish businesses, supporting jobs and growth.

DHL recognises the need to minimise the environmental impact of the flights we operate. We do this by using techniques such as continuous descent approach, reduced power take offs, re-equipping our air fleet with quieter engines and investing in air fleet improvements. Across the industry, aircraft in service today are typically 12 - 15dB quieter than those just a few decades ago. The aircraft DHL flies at Dublin Airport at night are at least Chapter 4 compliant.

Draft regulatory decisions relevant to DHL

Condition 1: revoke and replace Condition 5 of the North Runway Planning Permission with: *The airport shall be subject to a Noise Quota Scheme (NQS) with an annual limit of 16,260 between the night time hours of 23:00 and 06:59 (inclusive, local time) with noise-related limits on the aircraft permitted to operate at night.*

DHL supports the removal of the 65 night movement cap from the planning conditions. As set out in our evidence to Fingal County Council, night flying is an operational necessity



for the express industry not a choice. Flying overnight allows maximum productivity for our customers, enabling pick up close to the end of a working day and delivery at the start of the next working day. A movement cap would limit operations, hindering Irish businesses' ability to trade internationally and secure next day delivery for time-sensitive goods. DHL is however extremely concerned that any appeal of the ANCA final decision will immediately result in default to the original planning conditions, most particularly the movement cap of 65 within the hours of 2300 to 0700 which we believe is unworkable.

DHL agrees with ANCA that a Night Quota Scheme (NQS) is a more preferable form of restriction to a movement limit to manage aircraft noise. It is not clear to us why ANCA has recommended the NQS apply throughout the 8 hour night period rather than the 6.5 hour period as proposed by daa. It is our experience at other airports that operating restrictions are placed on a subset of the 8 hour night period rather than the entire period.

DHL notes the modelling which sits behind the NQS proposal is more than two years old. Over the course of the Covid-19 pandemic, air express movements have been critical in keeping supply chains moving and servicing changing consumer habits. For DHL, we have more than doubled our flight movements at Dublin Airport since 2019 driven by a combination of regulatory change, the reduction of bellyhold capacity and additional demand from customers. We expect the increased demand for express services to be sustained in the years to come. DHL is already moving the same volume of cargo in commercial bellyhold as we did in 2019. Our additional growth is being driven by additional volume rather than displaced volume. Consequently, we would encourage ANCA to review the baseline modelling or consider allocating a guaranteed QC budget for express and cargo operators to ensure new critical express freight flights are not limited by the proposed NQS.

DHL believes the associated aircraft restrictions (as set out in Schedule A, part 2.1 of the Draft Regulatory Decision) must be reconsidered in light of express freight operations. Fleet modernisation for cargo airlines is distinct from passenger fleet renewal and with aircraft flown by all-cargo operators utilised for longer. Across the DPDHL air network we continue to upgrade our fleet of dedicated cargo aircraft. This includes our investment in brand new B777 aircraft for long haul routes which will enter the fleet over the next few years and our recent investment in the first all-electric cargo planes which will enter service in 2024. Where possible, we operate the most modern and efficient freight aircraft available. Despite this, we are limited by the market in ensuring we can meet the demands of our customers. For example, there is no aircraft projected to come to the freighter market which could meet a 40 tonne payload capacity need for our short haul routes quieter than a QC2 on departure.

The QC restrictions on landing and departing aircraft from 01 January 2030 will disproportionately impact express freight operators, who typically utilise aircraft for a longer lifecycle than commercial airlines and are reliant on the night period. As set out in ANCA's report, including progressively restrictive aircraft restrictions would impact c.12% of the aircraft forecast to operate in the 8-hour night period in 2030. DHL's analysis of the



2019 fleet suggests 75% of cargo aircraft arriving into DUB have a QC of 1.0 or more in comparison to just 8% of passenger aircraft. Similarly, 44% of departing cargo aircraft have a QC of 2.0 in comparison to 4% of passenger aircraft. It is our expectation that the majority of aircraft used by all-cargo operators today will still be in operation in 2030 and therefore adversely affected by these restrictions.

As a result we would like to see cargo operators excluded from these restrictions. To our knowledge, no other airport in the world has a QC1 landing restriction. It is our belief that this proposal would make Dublin Airport more restrictive than other European competitors and has the potential to limit Irish businesses' ability to trade internationally. To reach the same payload under these aircraft restrictions, we would have to operate more flights by smaller aircraft. This is inefficient and costly for us as the operator, but also has a detrimental environmental impact.

Furthermore, airport specific aircraft restrictions significantly reduce our flexibility to respond to peaks in demand or unforeseen events. For example, we may look to use alternative aircraft within our fleet in response to technical aircraft issues. As an express operator we rely on flexibility within our network to ensure time-sensitive shipments do not miss critically timed flights and our customers receive a reliable and time-definite service. As an island nation, this flexibility is even more critical to maintain service.

Finally, DHL also notes it is unclear at this stage how the NQS will be implemented at Dublin Airport. While we recognise implementation does not fall in the regulatory remit of ANCA, clarity for operators is critical to enable us to assess the proposals fully and plan our future operations. We would encourage ANCA to work with the Commission for Aviation Regulation (CAR) to clarify the implementation process for operators before confirming regulatory controls.

Condition 2: amend Condition 3 (d) of the North Parallel Runway Planning Permissions with: *Runway 10L/28R shall not be used for take-off or landing between 00:00 and 05:59 (inclusive, local time) except in cases of safety, maintenance considerations, exceptional air traffic conditions, adverse weather, technical faults in air traffic control systems or declared emergencies at other airports or where Runway 10L/28R length is required for a specific aircraft type.*

DHL believes this condition continues to disproportionately impact express freight operators who operate night flights out of necessity not choice. As set out above, night flights drive productivity for Irish businesses, supporting jobs and growth. ANCA's proposal to amend the restriction to a 6 hour period between 00:00-05:59 will support early morning movements between 06:00-07:00 – a key hour for passenger movements rather than express freight.

In order to meet pre-9am and pre-10am delivery, express operators need to land before 06:00 to enable shipments to be unloaded from the aircraft, sorted at our airport facility and ready for couriers to depart for delivery between 07:00 and 08:00. Analysis by



FTAI/York Aviation shows that vast majority (88%) of night freight tonnage is moved between 04:00 – 06:59. Given that the vast majority of freight handled in the night period is inbound shipments (80%), this demonstrates the critical economic nature of early morning arrivals in supporting Irish businesses.

Noise Abatement Objective

DHL is committed to reducing our impact on the environment and the communities we operate within. As a group DPDHL have been designing and implementing climate and environmental protection measures for more than 15 years and have helped lead the way towards a green, sustainable future for logistics. DPDHL's Group target is an ambitious one: to reduce all logistics-related emissions to net zero by the year 2050.

Our programme of air fleet renewal is driven by investment in the quietest and most fuel efficient aircraft on the market that meet our commercial requirements. As set out above, this has seen DHL invest in innovative new electric technology as well the latest aircraft on the market. Despite our ambitious programme, we have concerns about the proposed Noise Abatement Objective (NAO), specifically the proposal to limit aircraft noise by 30% by 2030, 40% by 2035 and 50% by 2040, compared to 2019 aircraft noise levels. DHL supports the position set out by Freight Transport Association Ireland that this recommendation requires review with industry to develop a more robust and realistic plan (roadmap) to support the phased introduction of aircraft that can deliver for all stakeholders.

Conclusion & summary

- DHL and our customers rely on night flights to connect Irish businesses and consumers to global markets. They are a necessity rather than a choice for express operators.
- DHL supports the ANCA recommendation to introduce a NQS in place of a restrictive movement cap.
- DHL query the application of the NQS and the associated aircraft restrictions to the full 8 hour night period.
- We also encourage ANCA to review the baseline modelling for the NQS or allocate a guaranteed QC budget for cargo operators, taking account of current operations at the airport.
- The aircraft restrictions detailed in Schedule A must be reconsidered to take account of express freight operations and fleet replacement cycles.
- Condition 2 will disproportionately impact express freight operators who operate night flights out of necessity not choice.
- The NAO requires review in conjunction with industry in order to develop a roadmap to support the phased introduction of aircraft that can deliver for all stakeholders.