



# ATI Fee for Common User Passenger Processing System (CUPPS) Usage Charge

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# Agenda

1. **Background**
2. **Costs of CUPPS**
3. **ATI fee criteria**
4. **Fee Proposal**
5. **Next Steps**

## Background

- **Common User Terminal Equipment (CUTE), now known as CUPPS, has been in place at Dublin Airport since 2007.**
- **The prior contract was held with Ultra where daa leased the equipment and support and maintenance.**
- **A new five year contract for CUPPS has recently been awarded to ARINC. daa will purchase the new CUPPS equipment and support and maintenance will be supplied by ARINC.**
- **Appropriate time to re-assess the charging mechanism for CUPPS as CAR have previously determined (2007) that fees charged for CUPPS are ATI fees.**
- **Fees charged by airport management bodies for access to installations (ATI fees) are governed by certain conditions which are laid out in the 1996 EU Ground-Handling Directive.**
- **CAR is required to determine whether the ATI fee application submitted by the airport operator is in accordance with Article 14(3) of S.I. 505 of 1998.**
- **Application to CAR for approval of ATI fees is therefore required.**
- **Following this consultation we intend to make such a fee approval application to CAR in respect of CUPPS.**

## CUPPS Costs

The below table summarises the direct capital and operating costs associated with CUPPs.

| Costs Associated with CUPPS provision*                     |            | €**              |
|--|------------|------------------|
| <b>Capital Costs</b>                                       |            |                  |
| <i>Total Dublin-specific capital required</i>              |            | 1,296,097        |
| <i>Allocation of server &amp; software capex to Dublin</i> |            | 306,400          |
| <b>Total Capex</b>   |            | 1,602,497        |
| <b>Total Costs per Annum:</b>                              |            |                  |
| Return on capital (5.8%)                                   |            | 57,860           |
| Return of capital (5 year asset life)                      |            | 320,499          |
| Operating Costs – maintenance and support                  |            | 681,715          |
| <b>Total Cost per Annum</b>                                |            | <b>1,060,075</b> |
|  |            |                  |
| Average annual departing passengers                        | 13,660,000 |                  |
|  |            |                  |
| Cost per departing passenger***                            |            | 0.08             |

\*\*Rounded to nearest €

\*\*\*Rounded to nearest cent

### The costs associated with CUPPS under the new contract include:

- The purchase of Dublin-specific CUPPS equipment
- Maintenance and support of the CUPPS equipment on a 24/7 basis including the initial set-up of airlines on the equipment, on-going technical support & equipment maintenance and the carrying out of necessary upgrades

**ARINC were the lowest cost compliant bidder**

## CUPPS Costs – Dublin-specific Capital Expenditure

| Item   | Cost per item | number   | Total Cost*      |
|--|---------------|----------|------------------|
| Workstation provision under existing daa PF contract | 800           | 370      | 296,000          |
| Keyboard - Desko BMOS 5204 U                         | 403.22        | 338      | 136,288          |
| BGR - Desko BGR 504pro                               | 706.80        | 149      | 105,313          |
| BTP – TK180  | 763.59        | 249      | 190,134          |
| ATB – TK180  | 822.65        | 241      | 198,259          |
| LSR - Desko LAS 2D 32                                | 253.75        | 177      | 44,914           |
| DCP - OKI280   | 203.87        | 80       | 16,310           |
| daa capitalised labour (installation)                | 400           | 225 days | 90,000           |
| ARINC project costs                                  |               |          | 218,879          |
| <b>TOTAL</b>   |               |          | <b>1,296,097</b> |

\*Rounded to nearest €

- **daa capitalised labour is the estimated number of days for programme and project management by the standard daily rate.**
- **ARINC project costs relate to; Project Management and Engineering Services for Design, Implementation, Configuration, Certification and Testing Services and also Deployment Personnel (Implementation Manager, System Admin, Site Admin and 4-5 deployment engineers).**

## Setting ATI fees

- **Access to Installation fees are charged in accordance with EC Directive 96/67/EC.**
  
- **The four following criteria are set out in the EC Directive 96/67/EC for the setting of ATI fees:**
  - **Relevancy**- the fee is being charged for CUPPS infrastructure to which access is being granted.
  - **Objectivity**- the fee is set in a fair and balanced manner undistorted by any prejudice on the part of daa.
  - **Transparency**- the criteria on which the fee is based are being made available and explained.
  - **Non-discrimination**- the proposed fee for CUPPS usage will be applied to all users on a consistent per-user basis.
  
- **The fee proposed meets these 4 criteria.**

## Fee Proposal

- **daa proposes a fee for CUPPS of €0.08 per departing passenger from 2020 and bringing the charging mechanism for this service at Dublin in line with Cork Airport.**
- **The proposed fee represents full cost recovery for the provision of this facility.**
- **The costs of CUPPS provision are included in the price cap calculation for 2015-2019 and are therefore recovered by daa through general airport charges.**
- **daa will not collect any revenues from any ATI fee approved for CUPPS at Dublin Airport prior to 1 January 2020.**
- **daa proposes to calculate the ATI fee for CUPPS as an information item only on invoicing to users to 31 December 2019.**

## Next Steps

- **Minutes of consultation meeting circulated : 1 December**
- **Users submit any clarification requests : 4 December**
- **daa responds to clarification requests : 11 December**
- **Written response to daa on consultation from users : 18 December**
- **daa review fee proposal in light of consultation responses received**
  - daa issue response to consultation including ATI fee proposed for CUPPS : 22 December
  - daa make application to CAR for approval of an ATI fee for CUPPS in line with the response to consultation : 22 December
- **Possible CAR consultation with users on the fee proposed by daa : TBC**
- **CAR issue final decision on ATI fee for CUPPS : TBC**



# Thank you

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