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21<sup>st</sup> June 2007

Mr Cathal Guiomard  
Commissioner for Aviation Regulation  
3<sup>rd</sup> Floor  
Alexandra House  
Earlsfort Terrace  
Dublin 2  
Fax No. 6611269

**Ryanair Submission re CP 5/2007 – Draft Decision Interim Review of 2005  
Determination on Maximum Levels of Airport Charges at Dublin Airport**

Dear Cathal,

As a result of the CAR's failure to properly regulate the Dublin Airport monopoly over the past 2 years, the DAA has proceeded to massively increase its planned capital expenditure in order to inflate the regulated asset base (RAB) and exploit excessive passenger charges through the regulatory process. The cost of DAA's capex plan for 2006 – 2009 has more than doubled (from €571m. in May 2005 to €1,178m. in the October 2006 Capital Investment Programme (CIP)). The size of T2 has inexplicably increased by 50% (from 50,000m<sup>2</sup> to over 75,000m<sup>2</sup>) - **without any increase in the claimed 15mppa capacity of the facility** - with the costs more than quadrupling (from between €170m. - €200m. to over €850m. by Ryanair's calculation). As a result, the CAR acknowledged at a meeting with the Dublin Airport Operators Committee (AOC) that passenger charges at Dublin Airport could increase to €11 per passenger – almost twice the existing level.

During this period, and despite repeated requests by Ryanair and other airlines for the CAR to intervene, you have taken an entirely passive approach and have refused to even attend the so-called "consultation" meetings and "workshops". During these meetings DAA ignored the reasonable requirements of users, and repeatedly refused to provide information and valid justifications for proposed developments. The correspondence at Annex 1 makes it abundantly clear that the CAR was aware as early as September 2005 of the DAA's refusal to disclose information and properly consult with users on T2 and other developments. Instead of addressing the DAA's behaviour, the CAR attended separate private meetings (seven in all) with the DAA to discuss the DAA's development plans, without the benefit of having heard the views of users directly. This unprecedented "light handed" approach to regulation has clearly emboldened the regulated monopoly and contributed to the current crisis facing airlines and the travelling public at Dublin Airport.

Although the CAR has finally begun to ask the right questions and has exposed some of the widespread abuses by the DAA during the past two years, the Draft Decision fails to adequately address the blatant regulatory gaming by the DAA or to force DAA to provide users with sufficient information and to consult properly on their facilities requirements. Moreover, as noted in our original submission regarding the CAR's consultation on the Review (see Ryanair Submission of 9<sup>th</sup> March 2007), the CAR is still accepting the €850m. T2 as a fait accompli and is only considering how it should be paid for. This is entirely unacceptable and a further example of regulatory failure. It is now established, even by the CAR's own consultants, that the size and cost of T2 are grossly excessive and that it has been designed specifically for Aer Lingus. If T2 is allowed to go ahead, then Aer Lingus should be forced to pay for it – something Aer Lingus has already signalled they are not willing to do.

It is unacceptable for other airlines to be asked to pay for a facility when, on DAA's own admission, these other airlines were not a full party to the specification and design. Indeed, Ryanair has been repeatedly denied access to the information by DAA (most recently at the planning inquiry into the development) necessary to make meaningful comment on the specification and design thereof. It is only now that, through the CAR's investigations, some of the key factors determining the size and scale of the development have been exposed to scrutiny. This highlights the need for the development to be halted to allow the proper exploration of efficient alternatives to meet the need for additional capacity at Dublin. The CAR has confirmed that there is sufficient time to allow for the redesign of T2 given that, on DAA's own forecasts, the second terminal would be required until 2011.

The attached detailed submission by Ryanair highlights the deficiencies in the CAR's Draft Decision and proposes actions that the CAR must take in order to address what is now clearly abusive behaviour by the regulated monopoly to game the regulatory system and inflate passenger charges. Specifically, the submission deals with the following areas:

- **The Capacity of Terminal 1 and the Requirement for Additional Capacity at Dublin Airport.** *The CAR should be analysing the total capacity of both T1 and T2 and ensuring that DAA is prevented from building excessive capacity that cannot be used given the current 30-35 mppa cap on traffic by Fingal County Council. By Ryanair's calculation, DAA is proposing to build between 15 mppa and 20 mppa of entirely unnecessary capacity between T1 and T2 and the CAR can not allow DAA to recover its costs on any of this excessive capacity.*
- **Lack of Proper Consultation.** *Consultation has been entirely farcical throughout the T2 and CIP processes and the CAR has failed to attend any of the so-called consultation meetings, despite repeated requests from users. DAA has consistently stonewalled users' reasonable requests for information and has refused to consider lower cost options for airport developments. This has led to grossly inefficient and expensive developments, including T2, the proposed terminal 1 extension (T1X), and Pier D. DAA should not be allowed any recovery on these developments beyond what meets the reasonable requirements of users and based on objective cost benchmarking against appropriate airport facilities.*
- **Excessive Size and Cost of Terminal 2.** *The CAR has finally forced DAA to produce the passenger forecasts and busy hour rates that DAA claims to be the basis for the*

massive increase in the size and cost of T2. As a result, the CAR's consultants have verified what Ryanair has been saying all along – i.e., that the numbers produced by DAA are entirely fictitious and that the size of T2 is grossly excessive. DAA is building a facility for 25 mppa as opposed to the 10 mppa permitted under the Fingal County Council Local Area Plan (LAP). It is now clear that T2 as proposed by DAA is inappropriate and DAA must be forced to provide a low cost, efficient facility that meets the requirements of the vast majority of users at Dublin Airport.

- **Excessive Cost of Other Developments.** Although the Draft Decision and related reports confirm that DAA's costs for various developments are excessive, the analysis does not go far enough and merely relies on DAA's own benchmarking report – which generally compares costs with **other DAA projects** or BAA developments - another highly inefficient airport monopoly. The CAR also fails to consider the work carried out by its own consultants regarding benchmarking against other low cost facilities around Europe. For example, DAA intends to spend a further €400m. on extending/refurbishing T1 but stated at the planning inquiry that at the same time it intends to reduce the capacity of T1 from the current 25mppa to 15mppa. **It is incomprehensible how the CAR could contemplate allowing DAA to waste a further €400m. on T1 when DAA has stated that it will reduce capacity by some 40%.**
- **The Charges Determination for the Period 2006-2009.** Ryanair has demonstrated that the current charges being paid by airport users under the regulatory cap are too high given the fact that there are unjustified costs in the RAB and the number of passengers currently using Dublin Airport is considerably higher than originally forecast by DAA. Charges should therefore be **reduced**. Moreover, passenger charges should be further reduced in the next review based on a much lower cost for T2 (approximately €150 for a 10 mppa terminal) and other developments, including Area 14 and Pier D.

Based on the above, we expect the CAR's Final Decision on the review of the 2005 Determination to:

1. Permit DAA only to recover the financing costs on 10 mppa worth of capacity in T2, given the current planning restrictions, taking into account the 25 mppa threshold of capacity provided by Terminal 1;
2. Permit DAA only to recover reasonable costs for T2, i.e., no more than €150 million necessary to build a 10 mppa terminal facility;
3. Require Aer Lingus and any other T2 users to pay for the cost of T2. Ryanair's passengers should not be forced to cross subsidise a terminal they will never use;
4. Claw back the cost of the €150m., 7-year old Pier C, which will now become redundant under DAA's plans for T2.
5. Claw back the excessive financing costs allowed in the current regulatory determination;
6. Claw back the grossly excessive costs of Pier D and other projects when benchmarked against other low cost developments elsewhere in Europe;

7. *Disallow any future projects that do not meet the reasonable requirements of users, following proper consultation, and that do not have the agreement of the majority of airport users.*
8. *Provide for strict requirements regarding information disclosure, including the independently verified costs of each project, by the regulated monopoly and actual consultation with users regarding all of the options;*
9. *Attendance by the CAR at all future consultation meetings to ensure that the regulated monopoly is properly consulting with users.*

We look forward to these points being addressed in the Final Decision.

Yours sincerely,



Jim Callaghan

*Head of Regulatory Affairs and Company Secretary*

Attachments



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Mr Robert J. Hilliard  
General Manager – Dublin Airport  
Dublin Airport Authority  
Dublin Airport  
Fax: 814 1034

Dear Bob,

I refer to your letters of 28<sup>th</sup> March and 4<sup>th</sup> April and respond as follows:

1. I attach a memo prepared by David O'Brien regarding the claims in your letter of 28<sup>th</sup> March on the T1 extension. It is clear from David's memo that the DAA engaged in bogus consultation regarding the Masterplan, T2 and the T1 extension and also Ryanair's proposed terminal on the northside (T3). As David's note points out, our discussions and subsequent rejection of a T1 extension were in the context of the DAA's promises to proceed with a low cost terminal for Ryanair. It would therefore have made no sense to proceed with a T1 extension. We have objected to DAA's T1 extension on the basis that it is only being constructed to relocate retailing as a result of your badly located T2. We will continue to oppose planning on this basis.
2. With regard to your letter of 4<sup>th</sup> April 2007, you actually confirm the point that I made at the Coordination Committee Executive meeting regarding the DAA's unilateral withdrawal of further works on runway 10/28. You note that Ryanair's representative at the RCG (runway capacity group) meeting expressed the view that the works should remain in the CIP. You claimed to have stated at that time that "*if that was Ryanair's corporate position, this could be communicated as part of the overall CIP consultation process*". However, you did not mention at the CIP workshop that questions had been raised in this regard but only that the DAA had decided that it was "*not a sensible proposition*". There was no invitation at the CIP Workshop to revisit this issue.

Finally, given what has now been revealed in the planning appeal on T2, it is abundantly clear that DAA has engaged in regulatory gaming to massively inflate the size and cost of T2. We have demonstrated that the DAA's T2 is capable of handling approximately 26 mppa and you yourself confirmed at the last CIP workshop that T1, with the extension, will also be capable of handling 26mppa (4,800 per hour). However, Fingal County Council has now indicated that it will impose a formal cap on the amount of traffic permitted to operate out of the eastern campus, i.e., 35 mppa. Therefore, DAA is planning to waste approximately 17mppa worth of capacity. This is extraordinary even for the DAA and we are taking this up with the regulator.

Yours sincerely,

Jim Callaghan  
*Head of Regulatory Affairs and Company Secretary*

Cc: Cathal Guiomard, CAR

**MEMO**

**TO:** Jim Callaghan  
**FROM:** David O'Brien  
**DATE:** 24<sup>th</sup> April 2007

Jim

I have been copied on Bob Hilliard's letter to you of 28<sup>th</sup> March 2007.

The letter is littered with the falsehoods and misrepresentations which have characterised DAA, and previously Aer Rianta, on the subject of T2.

1. Ryanair is not "on record" as supporting the Pascall and Watson Masterplan. Ryanair was never consulted on the Pascall and Watson Masterplan and DAA/Pascall and Watson refused/failed to provide any costings associated with this Masterplan to Ryanair. Bob claims, falsely, that Ryanair is "on record" as supporting this report - there is no such record.
2. My participation in discussions regarding T1 followed from a meeting between the respective Ryanair/DAA Chief Executives. I attended this meeting - Bob was absent. I can confirm, once again, that my involvement in subsequent discussions on extracting extra capacity from T1 followed directly from a commitment by the DAA Chief Executive to proceed "within weeks" with plans for T3.

It quickly became apparent that there was no requirement whatsoever for the T1 extension. This point was agreed and accepted by all at our last meeting on the subject.

3. It is now apparent that DAA's commitment to commence work on T3 planning within weeks were empty and misleading. It is now equally clear that this lie was used to draw Ryanair into a completely bogus consultation.



David O'Brien



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27<sup>th</sup> April 2007

Mr Mark Foley  
Director of Capital Programmes  
Dublin Airport Authority  
Head Office

*Strictly Private & Confidential*

Dear Mark

I refer to an email from your Gabrielle O'Donovan, dated 11<sup>th</sup> April 2007.

The email falsely claims to have attached "*A summary document outlining all stakeholder issues raised by you during our 2006 consultation events for airlines and ground handlers*". It further claims that "*we have also provided an update on responses where relevant*". Your "*summary document*" does not outline all stakeholder issues, neither does it provide "*an update on responses*".

Specifically your "*summary document*" purports to demonstrate that satisfactory answers were provided to questions raised by myself at the DAA/ARUP presentation on Friday, 21<sup>st</sup> April 2006. Your summary ignores my letters of 28<sup>th</sup> April 2006 (copy attached) and 16<sup>th</sup> May 2006 (copy attached) which demonstrate clearly the failure of DAA to provide sufficient information for consultation to occur. I have not yet received a response to my letter of 16<sup>th</sup> May 2006, and you have failed to provide information requested over one year ago.

Please now withdraw this so-called "*summary document*" from circulation, or alternatively please circulate my letters of 28<sup>th</sup> April 2006 and 16<sup>th</sup> May 2006 on the subject of this so-called "*consultation*" to the circulation list and explain why you failed to respond to the questions raised therein.

Please confirm which of these courses of action you intend to take, or how you otherwise propose to correct the misrepresentation of this "*consultation*" in the "*summary document*". It is clear, as identified in my previous correspondence, that the process was a complete sham which sought to justify your grossly overspecified T2 option. I understand that these issues are coming to light in the planning enquiry, and we will continue to highlight the DAA's abuses in every possible forum.

Yours sincerely

David O'Brien  
Director of Flight & Ground Operations

cc. Cathal Guiomard, Commission for Aviation Regulation  
cc. Michael O'Leary, Ryanair  
cc. Jim Callaghan, Ryanair



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6<sup>th</sup> March 2007

Mr Cathal Guiomard  
Commissioner for Aviation Regulation  
3<sup>rd</sup> Floor  
Alexandra House  
Earlsfort Terrace  
Dublin 2  
**Fax No. 6611269**

### **Consultation re review of the September 2005 Determination**

Dear Cathal,

I refer to my letter of 21<sup>st</sup> February regarding the CAR's public meeting, to which I have had no reply. I note that other airlines I have spoken to have confirmed that they also did not receive any invitation to the public meeting.

As noted in my earlier letter, and in my fax of March 1<sup>st</sup> attaching the latest letter from Mark Foley of the DAA, the DAA continues to refuse to respond to any of the detailed questions and comments submitted by Ryanair to DAA's Chief Executive on 8<sup>th</sup> December 2007. These questions and comments highlight serious flaws in the consultation process being pursued by DAA, which is clearly designed to tick the box vis-à-vis the regulatory process. Friday's farcical consultation meeting – at which the CAR was yet again absent - provides further proof of this regulatory gaming. Although the DAA claims to have completed an "audit" of all questions raised during the consultation process and details of how these have been addressed, the DAA specifically excluded from this audit all issues raised by their single largest user, Ryanair. Moreover, the DAA proposed to provide this "audit" to users the day comments are due to be submitted to the CAR. I attach Ryanair's minute of the meeting, which highlights that the DAA refuses to even acknowledge the issues raised by Ryanair.

More worrying was a comment by Bob Hillard after the meeting where he said that they have been in contact with the BAA regarding the level of information that the BAA had provided to its users. We therefore now have one monopoly airport, which is being investigated by the OFT for regulatory gaming, consulting with/assisting the DAA monopoly on how to stonewall its users in order to maximise their regulatory settlement.

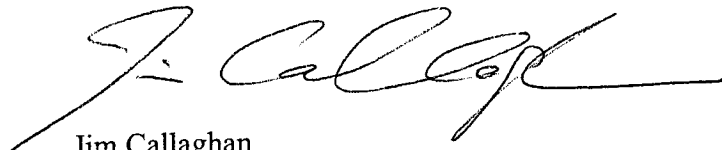
Despite this clear evidence of regulatory gaming the CAR is still failing to even attend the consultation meetings and is pressing on with a review of the price cap to further reward the DAA for its abuses of the process and its failure to meet the requirements of its users.



It is now clear that the CAR cannot proceed with a review of the cap. If the DAA continues to refuse to actually engage with users on their requirements, including regarding the costs and timing of facilities, then they should be forced to bear the risk of any developments that do not have the support of users.

I therefore await your response to my letter of 21<sup>st</sup> February and your confirmation that the review of the cap will not proceed until the DAA has properly consulted users and responds to the issues raised in Ryanair's letter of 8<sup>th</sup> December.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Callaghan', with a long horizontal flourish extending to the right.

Jim Callaghan  
*Head of Regulatory Affairs and Company Secretary*

Attached: Ryanair minutes of the 4<sup>th</sup> CIP meeting

## Ryanair Minutes of the 4<sup>th</sup> CIP Workshop

Meeting Rooms 2/3 Cloghran House, Dublin Airport  
2<sup>nd</sup> March 2007

### Attending for DAA:

Mark Foley (MF); Bob Hilliard (BH); Tom Haughy (TH); Gabrielle O'Donovan (GOD); M Murphy (MM); David O'Brien (DOB); J. MacGowan (JM)

### In attendance:

Jim Callaghan	Ryanair
Adrian Dunne	Ryanair
Lesley Gosker	Ryanair
William McGonagle	Aer Lingus
Raymond (surname to be confirmed)	Aer Lingus
Anne Bradley	Aer Lingus
Therese Jager	US Airways
Dympna Dwyer	SAS
Richie Copeland	SKY Handling Partner
Declan Ryan	Cityjet
Colin Spear	IATA
Armal Khan	American Airlines
Karen McLoughlin	Lufthansa
M Briggs	BMI
Elizabeth Roche	Aer Arann
Joe Daly	SRT
Joan Carrick	Delta

### Agenda

MF introduced the agenda and said that BH, MM and DOB would go through the issues and responses raised by various parties during the consultation process, MF would then summarise the CIP document and a Q and A session would follow.

Jim Callaghan (Ryanair) raised an issue concerning the minutes of previous meetings and said that Ryanair had raised several instances where its comments had not been reflected in the minutes and that, contrary to MF's letter of 1<sup>st</sup> March to Adrian Dunne (Ryanair) the minutes did not represent a "balanced and accurate reflection of the meetings" and that the meeting record from the last

workshop was not a "comprehensive inventory of all issues raise by attendees." He said that he still had not received a revised set of minutes from the 2<sup>nd</sup> workshop with Ryanair's comments reflected in them despite two requests. He introduced Lesley Gosker (Ryanair) and said that Ryanair would take its own minute of the meeting.

Mr. Callaghan also requested clarification regarding the questions that Ryanair had raised on 8<sup>th</sup> December 2006, to which Ryanair still had not received a response. He referred to a letter received the evening before from MF in which he stated:

"I refer to your letters of 7 and 28 February.

Our consultation process was independently verified and found to be in line with best practice. Full details of this review can be found in the proposed Terminal Two and associated works Dublin Airport Report, which is a public document. This brings an end to our dialogue on this subject."

Mr. Callaghan said that Ryanair's letter of 8<sup>th</sup> December to DAA's Chief Executive, Declan Collier, had pointed out that the DAA's CIP for 2006 – 2009 represented an approximate 100% increase in costs that users are expected to bear over a 5-year period and that the DAA had failed to explain or justify this increase. Ryanair had raised a series of 43 questions, prepared by Ryanair's Aviation advisors, none of which had been answered by the DAA. He said that after chasing Declan Collier for a month Mr. Collier replied on 12<sup>th</sup> January 2007 stating that a response would follow "shortly". Following a further follow up on the 26<sup>th</sup> of January, MF then replied on 30<sup>th</sup> January stating that no information would be provided. This was then contradicted by statements made in the 3<sup>rd</sup> CIP workshop where the DAA committed to answering all remaining questions raised by users. Item 14 of the report was "Ryanair - Answers to Letter of 8<sup>th</sup> December".

Mr. Callaghan asked why DAA had consistently failed to provide the answers and information requested in the letter of December 8<sup>th</sup>. BH said that the DAA felt that it had responded to all issues raised during the entire consultation. Mr. Callaghan disputed this and queried why DAA had not at least responded to the questions by indicating where in the consultation process they claimed each of these points had been addressed. MF said that they did not consider this to be necessary.

Mr. Callaghan noted that users were expected to respond to the Commission for Aviation Regulation's consultation paper on 9<sup>th</sup> March and Ryanair was not in a position to respond as users had not been given sufficient information and had not been properly consulted on the CIP. For example, the DAA claimed that a massive increase in peak morning traffic in T2 justified a 50% increase in the size

of the facility. He said that the DAA had failed to explain how such a peak could exist at the 6.00 hour when T2 was being built primarily for long haul traffic, which would not be present at the airport during that hour. BH said that it was not only for long haul traffic and that the DAA had explained in great detail the reason for the peakiness of traffic in T2 and that the DAA was not going to disclose the details of other airlines' forecasts. Mr. Callaghan said that Ryanair was not asking for the specifics of other airlines' forecasts but without the data and assumptions behind their traffic forecasts it was impossible to disprove their claims to the regulator. This was a key issue in the review.

BH suggested that the purpose of the meeting was to address the questions raised by all users and suggested moving on to the agenda items. Mr. Callaghan said that he wanted to have the opportunity to air the questions raised by Ryanair, which were agenda item 14, and for the DAA to indicate where these questions had been addressed during the consultation. BH again stated that the DAA considered that these issues had been addressed during the entire consultation. He said that he did not want the meeting hijacked by any one airline and suggested proceeding with the agenda. Jim Callaghan stated that he wanted it on record that the DAA had refused to respond to its questions.

## **Issues and Responses**

### **1. Servisair - difficulties of operating out of two terminals**

With regard to their being a competitive disadvantage of operating out of 2 terminals BH said that it was an option for all handlers to compete for business in either T1 or T2 or both, although he acknowledged that it might be more costly to provide a given level of service out of two terminals. He said that the Government's Aviation Plan stated that DAA should build a second terminal that would be capable of independent operation and that all groundhandlers would be operating under the same conditions. He also noted that some handling agents at Dublin Airport already compete across multiple terminals at Gatwick, Heathrow and Manchester and that this was therefore not a new issue.

With regard to access to Apron 6a & b while 16/34 is still open, BH noted that the apron phase 6a and b had been approved by the IAA for parking of aircraft with some self-manoeuving permitted but that aircraft loading, fueling, ground servicing or passenger movement would not be permitted initially. He said that DAA anticipate that the apron would be used for the parking of aircraft and that in order to facilitate the towing of aircraft to and from this apron a towing route had been identified using taxiways P1 and P2. He went through other procedural issues for the use of apron 6.

In terms of baggage transfer between T1 and T2, BH said that there were no plans for an automatic baggage transfer link between the two terminals and that this would be done via baggage transfer vehicles between the terminals. He said

that Arups had been commissioned to consider demand for connectivity of both pax and baggage and that the DAA would engage with users on this exercise.

## **2. Fedex – Cargo Issues**

Fedex raised issues regarding the impact of cargo stands during the period 2007 to 2010. BH said that the cargo apron would be reorganized to facilitate continued operations in the cargo area during the construction phase of T2/Pier E. He said that when Terminal 2/Pier E become operational in late 2009 that two wide body stands would be available between Piers D and A and one in the current freight area. The longer term plan is to develop freight facilities in the west, initially for integrators, although he acknowledged that there was a need for facilities for belly hold freight also.

He added that the DAA was in discussions with other land owners to the west in relation to the future development of cargo facilities, which he expected to be concluded by year end with a view to lodging a planning application in early 2008.

## **3. CBP Proposal Update**

BH said that a feasibility study would be concluded in the next 2 weeks and that a facility processing location had been identified along with segregated hold rooms. Jim Callaghan (Ryanair) asked why the cost of CBP was being included in the RAB when only Transatlantic pax would use the service. TH said that there would be a per passenger fee for using the service and that it was included in the RAB because this revenue was part of the single till. Jim Callaghan asked what the price per passenger would be and whether this would fully cover the cost of the facility. TH said that they had not yet determined the price per passenger but that it would cover the cost. Jim Callaghan asked why the charge had not yet been determined and TH said that it was because the exact cost of the facility had not yet been determined. Jim Callaghan pointed out that the €30 million figure had been presented to the CAR in the CIP document. TH replied that this was only an indicative figure.

## **4. Centralised Bussing Operation**

BH said that DAA believed that a single bus operator would bring economies of scale resulting in lower unit costs and improved service provision. He said that the DAA had confirmed at the meeting of 12<sup>th</sup> January 2007 that DAA would not be undertaking the bussing and that it was up to the AOC to contract directly with a provider. He said that DAA had proposed a 75% discount off passenger fees for bussed passengers. Richie Copeland (Servisair) said that the DAA could not simply wash their hands of the issue given that it arose out of the DAA's development plans. BH said that DAA was not washing its hands and had done research at other airports and that it was up to the AOC to contract with an

operator. Dympna Dwyer (SAS) said that the DAA had never before proposed a 75% discount. BH said that he thought they had but would check this. Declan Ryan (CityJet) said that DAA had previously said that it would look at the question of bussing. BH said that DAA had always made it clear that it would not do bussing.

## 5. Costing of T1X

Jim Callaghan (Ryanair) queried the cost and rationale of T1X. He said that the DAA had never responded to Ryanair's questions regarding the total passenger processing capacity that could be achieved if the T1X was used predominantly for passenger processing instead of almost exclusively retail, as planned. He said that this issue had been raised at the second workshop in the context of the additional check-in capacity in Area 14 and the 14 stands coming on stream in Pier D. TH said that the tenders that had been received thus far all came in under the estimated cost for the facility. He also said that the commercial revenues from the retailing in T1X had already been included in the assumptions by the CAR and that if this didn't come on stream it would lead to higher airport charges. Jim Callaghan said that he did not accept this and queried how the costs of T1X could already have been considered by the CAR. He also said that maximising the capacity of the existing terminal would lead to higher aeronautical and commercial revenues to the DAA. It would also delay the timing and reduce the size and cost of the second terminal. BH said that DAA had had extensive discussions with Ryanair on a terminal extension and presented three scenarios, one of which maximized passenger processing capacity. He said that Ryanair had rejected these proposals. Jim Callaghan said that he was not aware of these discussions but very much doubted that they were in the context of delaying T2 and reducing the size and cost of the facility.

Jim Callaghan said that in any event the DAA could not simply state to users that commercial revenue would outweigh the cost of the facilities in the context of a proposed doubling of airport charges. He said that the DAA had failed to provide a ready reckoner that demonstrated how the revenues from commercial activities would impact on airport charges. TH said that the numbers for T1X had been provided to the regulator and that the hurdle rate set for T1X by DAA was quite high at circa 13.5% which would lead to airport charges being subsidized in excess of €3 million per annum. Jim Callaghan asked what happens if the DAA failed to achieve this rate. The users would then have to bear the cost of the facility but would not have the benefit of the commercial revenues. TH said that this would only impact in the following review period. Jim Callaghan said that this was not acceptable and that users were not properly consulted on this and the impact of other projects proposed by the DAA.

## **6. T1 developments**

BH mentioned that there were other works planned in T1, including substantial refurbishment of T1 post T2 opening. Jim Callaghan asked what the total cost of these works was given that Declan Collier was quoted in the media as stating that the total cost would be in the region of €500 million. MF said that this was not correct and that the total refurbishment of T1 would cost approximately €50 million with the T1X costing a further €50 million. When pressed he said that the total cost of T1 developments, including Pier D would total approximately €450 million. JC asked why Pier D was included in this figure given that it was already in the RAB in the previous review. MF said that he was not aware of this.

MM then went through the details of T1X noting that it added 4 additional check-in desks and additional circulation area in area 13. He highlighted the increased retail space and additional airside catering facilities and airside restaurants. In terms of the current status, MM said that 60% of the detailed design was completed and that a planning application had been lodged to which three planning observations had been submitted, including one by Ryanair. Jim Callaghan clarified that Ryanair had objected to T1X on the basis that it failed to maximize the capacity of the existing facility and instead added unnecessary additional retail. Ryanair had requested the planning authorities to allow the development only if it increased passenger processing.

## **7. Audit of all Previous Minutes and Outline Queries/Responses**

BH said that the DAA had conducted a complete audit of questions raised during the 2006 consultation process and that this compilation document would be distributed to all users by 9<sup>th</sup> March (note: the day submissions are due to the CAR). Jim Callaghan queried whether the questions raised in Ryanair's letter to Declan Collier were included in the audit and BH said that they were not. Mr. Callaghan queried how this was a complete audit if questions clearly raised in the context of the consultation were not included. BH said that the DAA considered that all of Ryanair's questions had been responded to during the consultation. Mr. Callaghan asked why, if this were the case, the audit document did not point out where in the process these questions had been responded to. BH said that he considered the matter to be closed.

## **8. Proposals for 2<sup>nd</sup> Phase of Pier D**

BH said that the temporary Forward Lounge would be located on the western end of Pier D. He said that it was planned to start construction in quarter 4 of 2007 to be occupied by end of May 2008.

Colin Spears (IATA) queried whether this would have any impact on the crosswind runway and BH confirmed that it would not.

## **9. Answers to Ryanair Letter of 8<sup>th</sup> December 2006**

Jim Callaghan noted that contrary to the statement in the report of the 3<sup>rd</sup> CIP Workshop, the DAA had not responded to Ryanair's questions in either the letter of 31<sup>st</sup> January or 1<sup>st</sup> March. Mr. Callaghan pointed out that in both letters, MF had stated that he would not be providing any information to Ryanair in response to the questions raised in the 8<sup>th</sup> December letter. Mr. Callaghan noted that this was contrary to the confirmation at the last Workshop where the DAA committed to providing responses to all questions raised by users. Mr. Callaghan asked why only Ryanair's questions had not been responded to. BH said that the DAA had responded to Ryanair and considered the matter to be closed. Mr. Callaghan clarified that the DAA's response was that they were refusing to respond to the specific questions.

## **10. CIP Summary**

MF then went through a summary of the CIP for 2006 – 2009 and said that it reflected 12 months of consultation with users and that circa 70% of the programme was at the planning application stage. He summarized the projects and costs for a total of €1.17 billion. On the costs of T2 he went through each element of the plan and said that contrary to certain claims, the cost of the terminal was only €395 million and that with Pier E and associated works the total came to €609 million. Jim Callaghan reiterated that the terminal was not functional without the pier. He also noted that Pier C became redundant under the DAA's plan and therefore the cost of this facility must be added, i.e., a further €150 million. MF queried this cost and said that Pier C had only cost IR£35 million at the time of construction. He also said that Pier C was not redundant and would form part of the new terminal. Mr. Callaghan said that the figure of £35 million was incorrect and asked MF to confirm that the 6 stands in Pier C would no longer be useable once T2 had been completed and MF confirmed that this was the case.

MF also said that he had been asked by a user to clarify statements made by the CAR which implied that the cost of the terminal itself cost €609 million. Mr. Callaghan said that this was in fact the case and asked who the user was that raised this question. MF said that he was not at liberty to disclose this.

## **11. Q and A's**

Jim Callaghan said that he wanted the questions of 8<sup>th</sup> December annexed to the minutes of the meeting and for the DAA to indicate where in the consultation process these questions had been answered, otherwise the so-called audit of the consultation process would be meaningless. BH said the Ryanair could annex the questions to its own minutes and reiterated that the DAA considered the matter to be closed.





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ab/MOL/2172

28<sup>th</sup> February, 2007

**STRICTLY PRIVATE AND CONFIDENTIAL**

Mr Cathal Guiomard  
Commissioner  
Commission for Aviation Regulation  
3<sup>rd</sup> Floor  
Alexandra House  
Earlsfort Terrace  
Dublin 2

Dear Cathal,

I refer to my letter dated 2 February.

I am concerned that the Commission appears to have made no attempt to examine the current plans of Frankfurt Hahn airport to construct a 15 MPPA terminal building at a cost of just €60m, when this provides compelling evidence that the overwhelming majority of the DAA's proposed €750m T2 facility (which also has a capacity of 15 MPPA) is unnecessary, wasteful and profligate.

Since Frankfurt Hahn is owned and operated by Fraport, one of the world's leading airport operators, it is incumbent upon the Commission to examine these plans in some detail, and query why the DAA proposes to spend over 12 times this amount building a similar capacity facility at Dublin Airport.


I enclose a letter from our Deputy Director of Group Operations to the DAA which confirms that at the recent "9<sup>th</sup> Consultation Event" the DAA refused to discuss either the design or costing of the Frankfurt Hahn terminal with airport users, claiming instead that "Dublin is a main city airport". This exchange proves yet again that the consultation process is wholly ineffective, because the DAA monopoly refuses to engage in genuine consultation with the airport users who you expect to pay for these facilities. The CAR will of course be aware that this consultation process is a complete sham, if only the CAR could be bother to attend any of these so called consultation meetings.

Please now confirm what steps you are taking to acquaint yourself with the design and costings of the Frankfurt Hahn facility and what steps you are taking to ask the DAA why they are not designing a similar low cost facility here in Dublin.

It is up to you to raise these issues, because the DAA monopoly refuses to answer these questions when put to the them by airport users.

I would appreciate an early reply.

Yours sincerely



Michael O'Leary  
Chief Executive

c.c. Jim Callaghan,

# **RYANAIR.COM**

**THE LOW FARES WEBSITE**

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Gabrielle O'Donovan  
Programme Stakeholder Management  
Programme Office  
Dublin Airport Authority  
Cloghran House, Dublin Airport

***Strictly Private and Confidential***

**Re: Minutes of 9<sup>th</sup> Consultation Event with airlines & Handlers – CIP workshop 3**

28<sup>th</sup> February 2007

Dear Gabrielle,

The minutes of the above meeting distributed by you on 20<sup>th</sup> February 2007 are not an accurate account of the meeting, and appear to be a deliberate ploy by DAA to conceal the issues raised by Ryanair.

The following items raised by Ryanair at the meeting need to be reflected in the minutes:

- Following Mark Foley's opening of the meeting; I asked why Ryanair had received a letter from Mark Foley at 17:43 on 31<sup>st</sup> January by e-mail, dated 30<sup>th</sup> January, in reply to our letter / questions of 8<sup>th</sup> December, which basically stated that DAA would not be answering any of our questions.
- At page 14 in Mark's presentation, I asked Mark to explain how a similar Terminal to Dublin's T2 could be built at Frankfurt Hahn for €100m. Mark refused to discuss in detail, saying that Dublin is a main city airport.
- The level of concerns raised by all in attendance at the meeting at the lack of answers to any of their questions, which was well summarized by Tom Lonergan of IATA appears nowhere in the record of the meeting.
- SAS raised the cost of the T1 Development, especially the €50m cost of 2 additional check-in desks, which again has been excluded from the minutes (point 11.2).
- All others in attendance at the meeting have had their questions included in the minutes. It would therefore be appropriate to include all of the Ryanair questions, detailed in our letter of 8<sup>th</sup> December to be included, in order to allow for an open and transparent consultation process.

Regards,



Adrian Dunne  
Deputy Director - Ground Operations

cc: Jim O'Callaghan, David O'Brien, Michael O'Leary - Ryanair

## 9<sup>th</sup> Consultation Event with Airlines & Handlers CIP Workshop 3

Meeting Room 2/3, Cloghran House, Dublin Airport  
1<sup>st</sup> February 2007

### Attending for DAA:

DAA: Mark Foley (MF), Gabrielle O'Donovan (GOD), Tom Haughey (TH),  
Mary Coveney (MC), Vincent Wall (VW), Christophe O'Brien (COB)

Arup: Jim Peacock (JP)

### In Attendance:

Geoffrey Scripture	Continental
Niall Walsh	Aer Lingus
Brian Kavanagh	Penauille Servisair
Dave Delaney	Penauille Servisair
Tom Lonergan	IATA
Ken McHutcheon	Fingal Aviation
Joe Daly	SR Technics
Adrian Dunne	Ryanair
Ciaran Brennan	Fedex
Elizabeth Roche	Aer Arann
Dympna Dwyer	SAS
Marjorie Briggs	BMI
Joan Carrick	Delta
Therese Jager	US Airways
Richie Copeland	Sky Handling Partner
Eoin Scott	Air France
Declan Ryan	Cityjet
Robert Airaut	American Airlines

### Agenda:

- Introduction MF
- Gating Study – Phases 1 & 2 JP
- Summary of 2006 Consultation MF
- Overview of CIP MF
- Questions & Answers All
- Next Steps

Mark Foley opened the meeting and outlined the agenda for the morning. He advised that Bob Hilliard was unavailable as he was attending the funeral of the Managing Director of Birmingham International Airport and had sent his apologies to the meeting accordingly.

Jim Peacock (ARUP) gave a presentation on the outputs of the Gating Study – Phases 1 & 2. This study clearly articulates the extent of the challenge facing DAA/Users with regards to the provision of stands (both contact and remote) Even allowing for the proposed CIP, contingency provisions to deal with a shortfall of c. 10 stands will need to be developed over the period 2007 to 2010.

Mark then proceeded to give a summary of the 2006 consultation process, together with the background and rationale to the October 2006 CIP.

The meeting was very interactive with emphasis on a range of issues including the impact of the construction programme on operations, bussing, CAR's statement re airport charges, concerns at the lack of response on some issues and the business case for the Terminal 1 Extension project.

DAA proposed that a specific meeting be held to deal with all current or previously raised concerns of users in order to bring closure on this phase of the process and in this context Mark Foley requested that each individual table their issue(s) for consideration at a meeting on 1<sup>st</sup> March (**subsequently changed to 2<sup>nd</sup> March at DAA's request**).

In this context, the inventory of issues raised by users forms the substantive output of the meeting and these are documented by stakeholder representative in the table below.

In the context of the specific concerns re lack of response to queries from users, the consultation team have conducted a review of all meetings / minutes from the 2006 consultative process and have attached a detailed inventory of questions raised and answers given during this process.

### **Stakeholder Issues:**

#### **1.0 Servisair**

1.1 Competitive disadvantage operating out of two terminals.

1.2 What are the costs to individual airlines, ground handlers, cargo operators who operate out of two terminals.

1.3 Access to Apron 6A,B while 16/39 still open – proposed model of operation and operational implications for users.

1.4 Baggage transfer between T1 and T2
<b>2.0 Fedex</b> 2.1 Impact on Cargo stands during the period 2007 to 2010. 2.2 More information on future relocation of freight operations to the West
<b>3.0 Delta</b> 3.1 CBP proposal update.
<b>4.0 Sky Handling</b> 4.1 Centralised bussing operation 4.2 Financing of bussing operation 4.3 Bus lounges – current and future plans 4.4 Towing from remote stands (6A & 6B) 4.5 Bussing to active stands on 6A & 6B 4.6 Cargo & ground equipment accessing 6A & B 4.7 T1X – Financing of this development, commercial revenue versus airport charges 4.8 Cargo wide-body stands 2007 – 2010: 4.9 GSE maintenance facility especially in context of new handlers 4.10 Bussing from Pier E
<b>5.0 IATA</b> 5.1 Agreed importance of further meeting on outstanding issues
<b>6.0 US Airways</b> 6.1 Costing of T1X 6.2 Stand Allocation Rules 6.3 Bussing
<b>7.0 American Airlines</b> 7.1 Stand Allocation Rules 7.2 CBP

## **8.0 Cityjet**

8.1 Integration passenger operations T2 and Pier B

## **9.0 Aer Arann**

9.1 As per Sky Handling

## **10.0 BMI**

10.1 T1 Development – Proposals / Timeframe

## **11.0 SAS**

- 11.1 Audit all previous minutes and outline queries / responses.
- 11.2 T1 Development – Proposals / Timeframe
- 11.3 T1X and Car Hire relocation – Commercial Revenues & Airport Charges / Payback period for projects
- 11.4 Confirmation that CBP will be funded by client airlines

## **12.0 Fingal Aviation**

- 12. 6A + 6B Fuelling operations and the crosswind runway restrictions
- 12.2 Fuel hydrant (option to extend to 6A & 6B)
- 12.3 Timeframe for withdrawal of Avgas facility to rear of Pier C
- 12.4 Proposals for locations of the 2<sup>nd</sup> phase Temporary Forward Lounge

## **13.0 Air France**

- 13.1 Bussing (Eoin Scott commented that issue was critical to airline / user response to CAPEX plan)
- 13.2 T1 / T2 Integration, passenger interlining
- 13.3 Cargo solution important to Air France and other users, need input and visibility on proposed solution

## **14.0 Ryanair**

14.1 Answers to letter of 8<sup>th</sup> December

## **15.0 SR Technics**

- 15.1 2<sup>nd</sup> Phase Temporary Forward Lounge – Where and when?
- 15.2 Outputs of Symod exercise – Vehicle access to Apron 6A and 6B

## **16.0 Continental**

- 16.1 Proforma on T1X costings / Financial expectations on T1X  
(Commercial Revenues versus Airport Charges)
- 16.2 Project schedule (Major phases, start / finish, linkages)

A provisional date for the workshop of 1<sup>st</sup> March 2007 at 9:30am with the venue of Cloghran House was agreed, **this was subsequently changed to 2<sup>nd</sup> March, 2007**



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21<sup>st</sup> February 2007

Mr Cathal Guiomard  
Commissioner for Aviation Regulation  
3<sup>rd</sup> Floor  
Alexandra House  
Earlsfort Terrace  
Dublin 2  
**Fax No. 6611269**

### **Consultation re review of the September 2005 Determination**

Dear Cathal,

I refer to the public meeting yesterday. It was unfortunate that there were not more airlines present and I note that you are to revert as to whether an e-mail was sent prior to the meeting.

I would like to reiterate a number of points raised in the meeting yesterday:

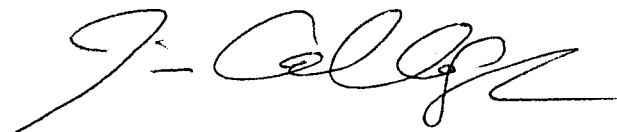
1. I refer to my letter to Bridin O'Leary dated 4<sup>th</sup> January 2007, where we expressed concern over the fact that the DAA has refused to provide us with relevant information in order to allow Ryanair to consult on CIP 2006. We noted that the CAR's timeline of a draft determination by April appeared ambitious considering the fact that proper consultation has not taken place on the CIP. We have had no response to this letter.
2. I noted again yesterday that it is impossible for us to have an informed discussion regarding the CIP or the review until we receive the information requested in our letter to the DAA of 8<sup>th</sup> December. We remain concerned that the CAR is still failing to send a representative to the workshop meetings, despite the fact that we and other airlines have raised concerns regarding the refusal of the DAA to provide relevant information. The DAA similarly refused to provide information or respond questions regarding the last CIP. This is the same game that BAA have played in Stansted. It was only after approximately 18 months and the announcement that the OFT would investigate their market abuse that the BAA finally started to provide this information. The continuing failure of the CAR to intervene in the face of the same regulatory gaming by DAA is completely unacceptable. We cannot engage in a "mature discussion" of the issues when we are constantly being blocked from receiving the relevant information.



3. It is disturbing that your consultants have issued a report on the costs and benefits of T2 when they have taken no account of alternative options of the second terminal. The fact that they rely on some flimsy surveys conducted by the DAA as the basis for assuming that T2 should be provided three years before there is sufficient runway capacity to accommodate increased peak traffic is equally disturbing. I should stress again that we do not believe that there are runway constraints and that better management of existing facilities would allow a significant increase in traffic and ATM. However, the CAR has rejected this by going to full coordination from Summer 2007.
4. The morning peak claimed by the DAA as the sole reason for the huge increase in the size and cost of T2 is complete nonsense and we will gladly prove this if we get access to the necessary data. York aviation were able to do a detailed analysis of the forecasts for Stansted once they received data from the BAA. We would anticipate doing the same when/if we receive adequate data from DAA. However, if we do not receive this data, the CAR cannot rely on it as we will not have had an opportunity to debunk it.
5. We also require, among others, information from the DAA as to the maximum passenger processing that the T1 extension would be capable of if it was dedicated to passenger processing, instead of retailing. This would enable the new capacity provided by Area 14 and Pier D to be maximised and would significantly delay the need for T2. It would also lead to a smaller sized facility and therefore lower cost.
6. In terms of peak pricing, we will not accept to be punished through higher prices simply because we are a based carrier and have to operate in the peaks. We do not have a choice and no amount of "incentive" is going to move us out of the peak. Moreover, the DAA has consistently restricted capacity in the peaks in order to justify full coordination and the building of unnecessary facilities. Peak pricing would further award them for this inefficiency and regulatory gaming.

I note that you are to come back to me regarding our data request from the DAA. If we do not receive this information within the next week we will not be in a position to adequately respond to CP1/2007 and it will seriously call into question the process of the review.

Yours sincerely,



Jim Callaghan

*Head of Regulatory Affairs and Company Secretary*



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8<sup>th</sup> February 2007

Mrs Brídín O'Leary,  
Economist,  
Commission for Aviation Regulation,  
Alexandra House,  
Earlsfort Terrace,  
Dublin 2  
661 1269

Dear Brídín,

**Interim Review of Dublin Airport Charges Determination**

I refer to your letter of 22<sup>nd</sup> January 2007 regarding the CAR's interim review of the DAA's CIP.

I attach in annex responses to the questions raised in your letter. We would welcome the opportunity to discuss these responses. However, I would note that we are limited in our ability to respond in detail on issues concerning the CIP given that the DAA is refusing to provide any responses to a number of questions (prepared by our aviation consultants, York Aviation), which were submitted to Declan Collier on 8<sup>th</sup> December last. I attach a response we received from Mark Foley, DAA's Director for Capital Programmes. Mr. Foley subsequently promised airlines at a meeting last week that he would provide responses to questions raised by users so we remain hopeful that we will receive this information.

I have written separately to Cathal Guiomard requesting that the CAR intervene to ensure that users are provided sufficient information to enable them to engage with the DAA to ensure that facilities provided meet their requirements.

Yours sincerely,

Jim Callaghan  
*Head of Regulatory Affairs and Company Secretary*

# FAX



**Date** 7<sup>th</sup> February 2007

**Number of pages including cover sheet** 3

**TO:** Mr. Cathal Guiomard  
Commissioner for Aviation  
Regulation  
**Fax Phone** 6611269

**FROM:** Jim Callaghan  
**Head of Regulatory Affairs  
and Company Secretary**  
**Phone** 353 1 812 1236  
**Fax Phone** 353 1 844 4409

**CC:**

**REMARKS:**  Urgent  For your review  Reply ASAP  Please Comment

**STRICTLY CONFIDENTIAL**

Cathal,

Attached is a letter to Mark Foley in DAA regarding their refusal to provide any response to our letter of 8<sup>th</sup> December. It arose at the meeting last week that the DAA has also failed to respond to questions raised by other airlines. This is typical of the DAA's notion of consultation – they engage in endless meetings and workshops but refuse to provide sufficient information to allow users to properly assess whether facilities are necessary and meet their requirements and are being provided at an appropriate cost.

As noted in the letter and as discussed previously with you, this kind of regulatory gaming has been identified by the OFT and it is clear that the DAA are engaging in sham consultation and railroading through projects that clearly do not meet user requirements.

The continued absence of the CAR from these meetings is contributing to this problem. Users cannot engage in consultation where the regulated monopoly is blatantly withholding necessary information and the regulator consistently fails to intervene.

I would therefore ask that you write to the DAA requesting that they provide information necessary for users to actually engage in consultation in order to ensure that facilities are been provided in a cost effective manner. We also again request that the CAR send a representative to these meetings. It is now obvious that the DAA has no interest in actually engaging with users and it is time for the regulator to intervene.

Yours sincerely,

Jim Callaghan



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4<sup>th</sup> January 2007

Mrs Brídín O'Leary,  
Economist,  
Commission for Aviation Regulation,  
Alexandra House,  
Earlsfort Terrace,  
Dublin 2  
661 1269

Dear Brídín,

### **Interim Review of Dublin Airport Charges Determination**

Referring to the Commission's Paper, CP9, regarding the decision to undertake an Interim Review of the 2005 Charges Determination, you asked for comments on the proposed process for undertaking the review.

You are aware of Ryanair's major concerns regarding the capital investment proposals for Dublin Airport, which form the cornerstone of this Interim Review. We note that the Review will commence with a period of 'data gathering' by the Commission followed by internal consideration prior to the publication of a Draft Determination in April 2007. Ryanair has major concerns regarding the initial stage of the process and whether this can be achieved within the timescale envisaged. Furthermore, you do not spell out how consultation with users will be managed during this period and what information you require from users. It will be critical that the review is informed not merely by consideration of the CIP as submitted by DAA but also by the detailed views of users.

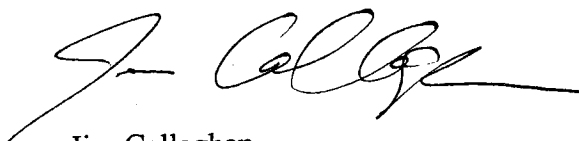
You are aware that Ryanair has submitted detailed comments to the DAA regarding the plan and has asked for substantial additional information (Copied to Cathal Guiomard on 8<sup>th</sup> December 2006). Only once detailed responses to these questions have been received and we have had the opportunity to consider these with our advisors will we be in a position to comment on the plan in detail. To date, we have received no response from DAA. We envisage the need for further meetings with DAA, which may result in further modifications to the Plan. We need to be clear how CAR will engage with this process to ensure that the CIP used in the Draft Determination reflects the output of consultation with users, rather than simply the initial draft submitted by DAA.

We anticipate that there will still be unresolved issues regarding the CIP and we are anxious to understand the process by which the CAR will engage with users to inform its view on the appropriateness of the CIP, within the terms of the efficiency criteria

set out in CP9. It seems ambitious to assume that this process can be concluded in time to issue a Draft Determination in April. It will be unacceptable if that Draft Determination is made unquestioningly on the basis of the plan submitted leaving users with an impossible 2 month timescale to respond both in respect of the Determination and the Plan itself.

Provided that issues regarding the CIP have been resolved prior to issuing a Draft Determination, however, the two month consultation period following the publication of the Draft Determination may be reasonable.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jim Callaghan', with a long horizontal flourish extending to the right.

Jim Callaghan

*Head of Regulatory Affairs and Company Secretary*



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11<sup>th</sup> December 2006

**STRICTLY PRIVATE AND CONFIDENTIAL**

Mr Cathal Guiomard  
Commissioner for Aviation Regulation  
3<sup>rd</sup> Floor  
Alexandra House  
Earlsfort Terrace  
Dublin 2  
**Fax No. 6611269**

**Consultation re review of the September 2005 Determination**

Dear Cathal,

Please find attached a letter to Declan Collier regarding the DAA's 2006 CIP with a number of questions on this plan. Similar to the situation with Stansted, the DAA has not provided sufficient information to allow for actual consultation and the projects are presented as a fait accompli. Indeed, the DAA has specifically stated that as much as 68% of projects have already started so it is clear that they have no intention of actually consulting with users.

In this respect, I note that DAA announced last week that they had submitted an application for planning permission for an extension to the existing terminal. Whereas this was included in their 2006 CIP and was mentioned at the last "Workshop", it certainly has not been established whether this project meets the requirements of airport users. From what we can determine, the DAA proposes to spend €50 million on this extension, which will almost exclusively contain retailing space as opposed to additional passenger processing.

At the last Workshop I queried why the extension contained so much retailing when what is needed is additional passenger processing in order to accommodate the additional stand capacity that will come on stream once Pier D is completed for winter season next year. Bob Hilliard was unable to answer this question. Of course, providing additional passenger processing in the current terminal would undermine the need for the DAA's proposed T2.

Additionally, I attach a note completed by York Aviation in the context of our bid for Aer Lingus. It is clear that on DAA's own passenger forecasts there is no need for T2 if DAA were to properly manage the existing terminal facility in the short to medium term. These forecasts show traffic numbers only reaching 26 million by 2010. If a terminal extension is to be built, it should be designed to maximise passenger processing in order to delay the need for a second terminal.

Yours sincerely,

Jim Callaghan  
*Head of Regulatory Affairs and Company Secretary*



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8<sup>th</sup> December 2006

Mr Declan Collier  
Chief Executive  
Dublin Airport Authority  
Head Office  
Dublin Airport  
Co Dublin  
**Fax: 814 4120**

Dear Declan,

### **Dublin Airport CIP 2006-2009**

I refer to your updated CIP covering the period 2006-2009. In the Foreword to this document the DAA makes great play of the process of reviewing the Master Plan for Dublin Airport in the light of the Government's Aviation Action Plan of May 2005. It highlights that you have engaged consultants and programme managers of international renown to assist you. However, this process has not involved any real consultation with users of Dublin Airport. The "consultation" that has taken place is the same form of sham consultation that led to the DAA spending €180 million on a 3 million passenger capacity in Cork. This is wholly unacceptable and will lead to more unnecessary cost and inefficiency at Dublin.

The document states that the original 2005 plan has changed because of "*major changes in factors such as mix, home based carrier fleet development and market share*". Yet the needs and requirements of Ryanair, the DAA's largest airline customer, have not been taken account of and comments made on the previous CIP have been wholly ignored. I set out below a summary of the key points raised in respect of the previous CIP:

- The need for a ready reckoner to demonstrate the impact of various projects on airport charges;
- The need for low cost facilities to reflect the fact that the vast majority of growth is in low fares services base at Dublin Airport;
- Lack of adequate consultation to determine the needs of users and to discuss how these needs will be met;

- Questions regarding the basis and accuracy of the DAA's traffic forecasts;
- Detailed questions regarding the need for several individual projects that still appear in the 2006 CIP.

Now we are presented with a revised CIP which represents virtually a 100% increase in cost, which users are expected to bear, over a 5 year period. This is wholly unacceptable and cannot in any way be accounted for through the alleged changed requirements by the main airlines using Dublin Airport over the year since the previous CIP, which was in itself unacceptable, was published.

The 2006 document claims to provide users with all the detail underpinning the plan. It does not, as we will make clear.

It is imperative that there is a full and proper consultation on the CIP prior to the process of charges determination by the CAR. This must consider in detail:

- User requirements in detail, including growth projections, fleet plans, changes in the pattern of traffic, level of service requirements;
- The current capacity of Dublin Airport, including those facilities such as Pier D now under construction;
- Capacity bottlenecks and how to alleviate them through operational or other measures in order to maximise the capacity of existing facilities before any new build;
- Alternatives for overcoming such bottlenecks considered through a full cost benefit appraisal, including their impact on charges to users and potential for commercial revenue generation to offset costs.


None of this has been done by the DAA and users are presented with a document that does not provide adequate detail and are asked to "take it or leave it". Indeed, the DAA has gone ahead with several of the major projects when it claims to be in consultation with users. For example, I note that DAA announced that it has applied for planning permission for the €50 terminal 1 expansion before it has even discussed design options and costs with users. Indeed, I questioned why there was so much retail space in the planned layout instead of maximising the amount of passenger processing in the facility, which would then contribute to greater utilisation of T1, particularly given the fact that Pier D will introduce 10 million worth of stand capacity. However, my comments were ignored at the meeting.

It is unacceptable for the DAA to be requesting any further price increase based on this document until proper consultation has taken place and user requirements are reflected in the projects. Only once this process has been completed will users be able to consider whether the plan put forward is appropriate to meet their needs at Dublin Airport.



Prior to commencing on this detailed consultation process, we have a number of initial questions and requests for further information attached, which are necessary to enable us to comment on the plan as presented. This information is needed before Christmas in order that we can engage properly with the forthcoming review of charges proposed by the CAR.

Yours sincerely,



Jim Callaghan

*Head of Regulatory Affairs and Company Secretary*

CC: Cathal Guiomard, Commissioner for Aviation Regulation

further from the terminal areas than long haul aircraft. This is perverse in terms of the share of Dublin Airport traffic and in terms of check-in times and other aspects of customer service on short haul flights.

22. To what extent would better use of the land area between the two runways provide for a more rational airport layout overcoming some of the problems identified above.
23. Could the phasing of development be adjusted so the need for more substantial new terminal and pier facilities is delayed until after the second runway is built? For example, the DAA recently announced that it had applied for planning permission for an extension to T1. What is the maximum passenger processing capacity that could be provided from such an extension (not necessarily DAA's current design, on which it has not consulted with users).
24. More detailed explanation is needed in respect of the timing of the second runway and the assertion that a move to full coordination will delay the requirement. Why is the sustainable capacity of 10/28 set as low as 44 movements per hour?
25. With whom is DAA consulting about the runway capacity strategy and how does this fit within the overarching CIP consultation? Reference is made to consultation to follow the publication of the CIP. The text also suggests that projects for RETs as included in the last CIP have been dropped – where are the cost savings?
26. How was the anchor tenant for Terminal 2 selected? Is this the most optimal use of new capacity or would the optimum solution for the Airport be for a different mix of anchor tenants? What would have been the cost saving of leaving the 'anchor tenant' in existing facilities designed for their use and developing a customised low cost second terminal instead?
27. Please set out a full value for money comparison between the option of extending Terminal 1 to match Pier D capacity versus the option of building Terminal 2 first. What are the comparative costs per mppa?
28. Please supply benchmark costs for the proposed Terminal 2. How do costs compare with proposed terminal developments at Stansted, Luton, Liverpool, Manchester, Frankfurt Hahn, and Marseille T2.
29. Please supply benchmark costs for other major infrastructure elements – piers, car parks, aprons, etc.
30. Please describe outputs from each project in terms of hourly and annual capacity increases as well as m<sup>2</sup>. Please set out clearly the demand triggers or other requirements for each project.
31. For each scheme, please set out the options considered and the costs and benefits of each in terms of meeting the identified requirement.
32. Where IRRs are quoted, as for T1 retail, it is unclear whether this is the incremental IRR for the retail/commercial element or the IRR of the whole

project, with some underpinning assumption about aeronautical revenues. More information is needed about the extent to which commercial revenues offset project costs.

33. Why are DAA funding the fit out of retail units when more usually this would be by the retailers themselves with the airport providing only shell and core?
34. Please supply copies of the various supporting documents referred to in Section 20 of the CIP.

### **Individual Projects**

35. Please clarify the stand demand and supply values set out on page 32. It is not clear what the net number and mix of stands is at present and at each of the years 2007 to 2010. Why are there two sets of 'minus' values for Delta and how do these relate to the net total?
36. The strategy adopted by this CIP appears to dispose of some of the current stand and pier infrastructure, some of which is quite recent such as Pier C, in order to facilitate the position and scale of Terminal 2. Why has such a strategy been adopted as this is wasteful of current serviceable facilities and introducing a level of replacement CAPEX that is unnecessary had a more cost effective and coherent approach been adopted. Can you then explain why this wasteful and expensive approach has been proposed?
37. There is a major emphasis on the provision of several wide bodied stands for long haul operations including pier/gate facilities. Notwithstanding that some of these wide bodied stands will be MARS configured for two smaller alternative aircraft types, this provision and resultant major adaptations of the stands, taxiways and buildings appears highly disproportionate to the relatively modest 10% contribution that long haul traffic has to the forecasts. Why then has so much long haul stand, pier and taxiway provision been included and why cannot existing long haul facilitation be retained rather than replaced as proposed?
38. The cost of the Terminal 2 facility is entirely excessive. Why have costs approximately quadrupled (including the redundancy cost of Pier C) from DAA's initial estimates just 11 months previous to the announcement of T2?
39. There are several enabling schemes within the CIP to make way for the Terminal 2 site, for example the cars hire relocations. Please provide details regarding all related enabling costs associated with Terminal 2 in order to provide the real cost of this scheme? It appears that the real cost of Terminal 2 will then in fact be much higher than the €609m suggested; which in itself is grossly excessive.
40. The €30m provision for the Customs and Border Protection 'US Pre-clearance' facility is excessive. Why is this facility being proposed at DUB when the principle beneficiaries will be the US Airports themselves where Immigration capacity for DUB originating passengers will not be required?

What evidence is there that passengers will not choose to fly on a US flight from DUB if such facilities are not provided?

41. Notwithstanding the proposed T1 extension CIP 7.002, we believe there is considerable scope for extending the throughput of Terminal 1 to 30mppa at least. This would be aided by improved allocation of facilities to users to gain the maximum return from current and future investment. This includes but is not limited to how the current check-in and new Area 14 will be used and how the new Pier D will be utilised. In so doing it would then be possible to delay the timing of a second terminal to a much later date and still meet the needs of the users and facilitate the forecast. Please explain why this approach has not been considered?
42. Regarding all capacity related schemes in the CIP it is not clear what incremental capacity each provides and what the mutual dependencies may be. For example, some can only be provided or are only necessary if others are progressed. Please clearly set out the current capacity capability of DUB, where the pinch points are, what utilisation and management solutions can be implemented to ensure the maximum possible return can be realized and what then additional capacity can be derived and when from the schemes proposed.? The CIP as set out makes it difficult to appreciate this.
43. It would appear that much of the CIP is driven by a busy hour interpretation of the forecast demand coupled to a predicted peak stand mix. It is important that we have the confidence in this base data, the assumptions applied and its interpretation as the solutions required must meet the needs cost effectively and in full. As things stand we do not have this information and hence have little confidence that the right solution for DUB is being proposed. Please provide this information as soon as possible.



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1<sup>st</sup> December 2006

**STRICTLY PRIVATE AND CONFIDENTIAL**

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Dublin 2  
**Fax No. 6611269**

**Consultation re review of the September 2005 Determination**

Dear Cathal,

I refer to our meeting earlier this week and note yesterday's decision that the CAR will review the level of airport charges at Dublin Airport. As noted during our meeting, we will engage in this process and trust that you will fully address the current chronic problems at Dublin Airport in terms of the lack of actual consultation by the regulated monopoly and their complete failure to take on board the reasonable requirements of users in their capex plans. This has led to the current situation where DAA is railroading through massive increases of entirely unnecessary capital expenditure in order to inflate their regulated asset base and increase airport charges.

It is our firm belief that there is sufficient capacity and the potential for considerably increasing the capacity in the existing terminal (combined with the additional stand capacity that will come on stream next year as a result of Pier D) that will facilitate traffic growth at Dublin Airport over the next 3 to 4 years. There is therefore a perfect opportunity to ensure that the DAA does not further irreparably damage the future development of Dublin Airport.

As discussed, we have drafted the attached questions which we believe the CAR should be asking (at the very least) of users and other stakeholders. These are high level general questions designed to elicit requirements and overarching comments. We would stress that getting the answers to these questions is just the start of the process. The responses will need to be analysed in detail and a reasoned judgement taken on whether the schemes in the CIP are appropriate to meet the expressed requirements of users. We assume that the CAR will engage consultants that have experience in these matters and we note that Jacobs have been addressing many of these issues in their current analysis of the capacity of the existing terminal.

Please do not hesitate to contact me should you require further information or clarification on any of the attached questions.

Yours sincerely,

Jim Callaghan  
*Head of Regulatory Affairs and Company Secretary*

## Dublin Airport CIP 2006-2009

### Suggested Questions for Users

1. To what extent has your organisation been consulted about the CIP and detailed schemes within it? Have your comments been taken on board?
2. To what extent has your organisation revised its plans for the use of Dublin Airport since the beginning of 2005. To airlines, in particular, have your traffic growth projections for Dublin changed since the beginning of 2005 in terms of:
  - Frequencies of service
  - Aircraft types
  - Facilities required at the Airport

Please set out your anticipated projections for your own traffic at Dublin over the next 10 years (to 2016) and any specific facility requirements which you may have. To what extent is your traffic expected to have the same profile over the day and over the year as it did in 2006, will there be a spreading of the peak over the day/year? Have you informed DAA of these requirements?

3. Do you have specified levels of service applicable to Dublin Airport, for example:
  - check-in opening times
  - acceptable passenger queuing time
  - time at security
  - time at gate
  - proportion of passengers with hold baggage
  - proportion of web and/or kiosk check-in
  - number of bags per passenger
4. Does your airline have a view on the appropriateness of IATA design standard C as an objective for the design of Dublin Airport? Has DAA advised you of the cost implications of this standard compared to lower/higher standards?
5. In terms of the CIP proposed by DAA, what are the key capacity bottlenecks at Dublin Airport and are there operational or management measures which could be taken to alleviate some of these bottlenecks?
6. What is your view of the options and measures required to maximise the capacity of the existing runway system at Dublin? Do you have a view on the need for and timing of:
  - Additional remote aircraft parking Phases 5 & 6
  - By-pass taxiway to H1/H2
  - The timing of the second runway
  - The timing of the runway overlay vis a vis the timing of a second runway and any disruption consequences

7. What is your view of the options to provide additional terminal capacity at Dublin Airport? In particular, given the construction of Pier D, what is the next priority for capacity enhancement? What are your views on:
  - the scope of the proposed extension to Terminal 1 and whether this will adequately match the airside capacity to be provided by Pier D
  - the effect of increased use of web-check-in and other automated systems on the space requirements of future terminal developments
  - the loss of Pier C to enable the construction of Terminal 2
  - the adequacy of Terminal 2 in terms of providing a net gain in the number of pier served stands at Dublin
  - the timing of the need for Terminal 2 and the cost effectiveness of losing Pier C capacity
  - the traffic for which Terminal 2 should be designed, having regard to your growth plans and those of the airport more generally.
8. What are your views on the various commercial and surface access schemes proposed at Dublin Airport? Are the proposed schemes necessary or appropriate? To what extent have the proposed schemes been justified in terms of net gains to users?
9. Please set out any other detailed comments on the content of the CIP.

21<sup>st</sup> November 2006

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**STRICTLY PRIVATE AND CONFIDENTIAL**

**Consultation re review of the September 2005 Determination**

Dear Cathal,

I refer to your letter of 3<sup>rd</sup> November 2006 and I note that we are currently scheduling a meeting to discuss the issues raised in your letter.

I thought that it might be useful to update you in advance of that meeting on certain developments with regard to the DAA as the situation continues to deteriorate and we are concerned that the DAA is working in concert with the Government and Aer Lingus to railroad through a costly and grossly inefficient capital expenditure plan, including T2.

The following is the latest catalogue of abuses by the DAA:

- We have written separately regarding the shambolic consultation process that has led to the current proposal for another "Cork like terminal" facility in Dublin Airport. T2 as proposed by the DAA is a nonsense and has specifically been developed for the purpose of massively inflating the RAB to achieve a higher return for the DAA. This is exactly the kind of regulatory gaming engaged in by the BAA in Stansted and is the basis of the OFT's investigation and the current rethinking of the whole regulatory process in the UK. Similar to the situation where the BAA is trying to justify a £4 billion spend in Stansted, the DAA presented glossy pictures and plans to users but not the cost implications. The only cost indication was from September of last year that the facility would cost between €170 million and €200 million. This cost has roughly quadrupled in just 11 months to €609 million (€760 million including the redundancy of Pier C). The only airline that supports this development is Aer Lingus and I note that they have conspicuously absent from any recent "consultation" meetings now that they have gotten their shiny bauble. This is again similar to the situation in London, where the BAA consistently buy off BA and the other users are completely ignored.



- We attended a “workshop” this morning regarding the DAA’s revised Capital Investment Programme, during which the DAA failed to explain how the costs of the programme have doubled from €633 million over 5 years from 2005 to €1.178 million over 4 years (from 2006 to 2009). They also failed to explain why the CAR seems to be of the understanding that there has been a massive increase in forecast traffic when their own forecasts remain unchanged from the previous CIP document, i.e., 28 mppa by 2014. We have noted in previous correspondence to you that it was inappropriate for the CAR to base a presumption for a need to review the September 2005 determination on this claimed increase in demand. The DAA have now confirmed that this is the case.
- At the meeting I questioned the timing and need for their proposed T2 when Pier D will add an additional 10 mppa stand capacity to the existing terminal, which would bring capacity up to approximately 30 mppa. Why are the DAA not trying to maximise the terminal processing capacity of T1 in order to push out the need for T2, which could then be a much smaller facility? I questioned why there was so much retailing in the proposed T1 extension and how much additional capacity would be available if this extension was dedicated only to passenger processing. Bob Hilliard replied that they are “*required to balance the aeronautical activities with commercial activities in order to cross subsidise the cost of any facilities*” – which is patent nonsense! I queried why they would build Pier D if they are unable to match the terminal processing capacity and received some rubbish about the DAA wanting to improve the overall level of passenger comfort in T1 once T2 comes on stream. There seems to be an obsession with IATA standard C whereas the vast majority of the traffic at Dublin Airport is now low cost traffic and we demand much more efficient standards for the processing of our passengers. We will be submitting detailed comments on this latest attempt by the DAA to further inflate the RAB at the expense of its customers.
- Incidentally, I note that again there was there was no one from your office at this meeting, despite the fact that the lack of proper consultation has been repeatedly raised with you.
- Clear proof of the DAA’s abuse of the current regulatory process is the fact that the DAA is forcing a 15% increase in airport charges on users as of summer 2007. At the latest sham “consultation” on airport charges, the DAA claimed that this is based on an “under recovery” on the regulatory cap for this year. This is of course nonsense as the DAA have been consistently pricing up to the cap and have had an additional 1.5 million passengers delivered by Ryanair this year and will have a further 1.5 million next year. I asked for the calculation on which they base this claimed under recovery and they refused to provide it. When pushed on the issue they then blamed you - i.e., the cap is based on a per passenger yield and they are only taking advantage of a loophole in your regulatory formula. Thus, if we deliver more passengers, we get punished with higher prices. This is the same flawed process that we have highlighted in Stansted.

The situation is clearly a mess out here and getting worse. If the DAA are allowed to proceed with their clearly abusive attempts to inflate the RAB, users, and more importantly passengers will be left footing the bill as they have in Cork. We are anxious to work with you to try to prevent this from happening. At the CIP meeting, the DAA kept referring to the fact that the

Government's "independent consultants" have verified the costs of T2 and that they anticipate that the CAR will sign off on their request to increase charges to €8.50. Each time the issue of cost is raised, their charges seem to go up further!

I look forward to meeting with you on the 29<sup>th</sup> and hopefully we can make some progress on these issues.

Yours sincerely,

Jim Callaghan  
*Head of Regulatory Affairs and Company Secretary*



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27<sup>th</sup> September 2006

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### Complaint re DAA's plans for T2

Dear Cathal,

We wish to make a formal complaint to the CAR regarding the Dublin Airport Authority's (DAA) recently announced plans for Terminal 2 at Dublin Airport. The estimated costs for this development have already ballooned by 450% - from the original estimate of approximately €170m. - to €760m. (including the redundancy of Pier C, which cost €150m. just 7 years ago). In September 2005, just 11 months before the announced their proposal for T2, DAA made the following statement:

*"The new terminal, which will become operational in late 2010, will have a capacity for up to 15M passengers per year. It will cost between €170M and €200M to build depending on detailed design specification."*

DAA T2 announcement Sept 2005

However, in just 11 months, these costs have now increased to €609m., according to DAA's website, for a total of €759 including the write off of Pier C:

<b>Cost</b>	<b>€m</b>
Terminal 2	395
Enabling works	6
Access & Roads	39
Utilities/Energy Centre	12
Pier E Apron Works	43
Pier E	114
<b>Total</b>	<b>609</b>
Pier C write off	150
<b>T2 actual cost</b>	<b>759</b>

We understand that the DAA has now approached the CAR asking for a further increase in airport charges, in addition to what the CAR already granted in September of last year based on the earlier estimates by the DAA. The recent announcement by DAA is evidence of regulatory gaming on an unprecedented scale and it is up to you as the regulator to ensure that consumers are not forced to pay for this abusive waste.

I attach a presentation that we made to members of the media yesterday to highlight the extent to which DAA are abusing their monopoly position in Dublin Airport and continue to waste money on facilities that do not meet the requirements of users and are designed with the sole purpose of inflating the regulated asset base in order to increase airport charges. I also refer to my letter to Declan Collier proposing that Ryanair would fund a low cost facility, thus avoiding the need for any further increase in already high airport charges.

Let me summarise below the points made in the attached presentation:

### **1. Wrong Location**

- Increased road congestion as T2 has the same road entrance as T1.
- Long distance from the multi-story car park and no connection to the car park.
- Long distance/inadequate connection to T1.
- Makes the €150m. Pier C redundant after just 7 years.
- Pier E positioned in a cul de sac and at the furthest distance from the proposed 2<sup>nd</sup> runway, causing long taxi times and congestion.
- T2 should be adjacent to the new 2<sup>nd</sup> runway as in Heathrow and other airports.

### **2. Wrong Design**

- Two buildings instead of one – doubles the costs.
- The second building for “deep queuing check-in space” is unnecessary as airlines are increasingly moving to web and kiosk check-in.
- The two building layout, plus the long walk through the retail building, plus the long Pier E leads to an inordinately long walk for passengers.
- A 5 storey building, instead of 1 or 2, significantly increases costs.
- Inadequate access to Terminal 1.
- Wastes €150m. by making the 7 year old Pier C completely redundant.
- Builds in waste costs and inefficiency at every opportunity.
- Needlessly causes the destruction of the listed Corballis House.

### **3. Wrong Designer**

- DAA/Aer Rianta have been an abysmal failure at building efficient facilities.
- In 1999, Pier C cost €150m. and will be made redundant under DAA T2 plans.
- In 2002, T1 extension cost €150m. to cater for 20 mppa. This has been an abysmal failure with airlines refusing to use underground baggage hall because of poor design.
- In 2006, the new terminal in Cork cost €180m. for just 3 mppa (€60m. per pax).

#### 4. Wrong Cost

- Dublin T2 - €759m. (inc. redun. of Pier C) for a 15 mppa terminal - €50.6m. per pax.
- Luton Airport - €60m. for 14 mppa - €4.3m. per pax.
- Bristol Airport - €145m. for 15 mppa - €10.5m. per pax.
- Liverpool Airport - €75m. for 7 mppa - €10.1m. per pax.
- Frankfurt Hahn - €25m. for 6 mppa - €4.1m. per pax.
- Brussels Charleroi - €53m. for 5 mppa - €10.6m. per pax.
- Marseille T2 - €16m. for 3 mppa - €5.3m. per pax.
- Ryanair T2 - €250 m. for 20 mppa - €12.5m. per pax.

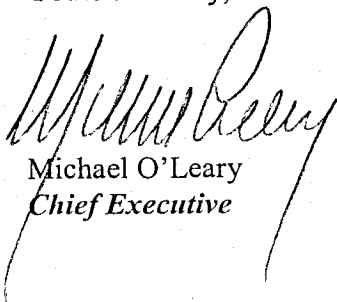
#### 5. Wrong Financing

- DAA want a 25% increase in pax fees, beyond what was granted in Sept 2005.
- 15m. additional pax paying €7.50, plus existing 20m. pax paying additional €1.50 = **€142m. per annum.**
- 60% of DAA pax funding T2 will never use it. This is illegal under EU Unfair Contracts Directive.
- Prefunding is illegal under EU law as ordinary businesses cannot charge consumers for facilities before they are available for use.
- If a competing terminal were built, there would be no increase in pax charges, and in fact charges overall would fall and services improve.
- If DAA used other funds to finance T2 – sale of GSH and overseas airport holdings (total of approx. €1.4bln.) - no increase in charges would be necessary.
- Why are Dublin pax subsidizing DAA's overseas holdings?

It is clear that economic regulation of the DAA has failed to prevent them from bringing forward these ludicrous proposals. It is now time for you as the regulator to ensure that they are not rewarded with a further price increase, which forces consumers to fund this abusive nonsense. If the DAA wish to ignore the requirements of users and to waste money on glorified shopping malls, then they should fund it themselves. Given that Ryanair has offered to fund a sensible facility that meets the actual requirements of users, there is no justification for any further price increase.

I would welcome the opportunity to urgently discuss this matter with you.

Yours sincerely,



Michael O'Leary  
*Chief Executive*