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10 June 2020

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*By email*

**Re: Response to the consultation on the decisions of the Aviation Appeal Panel on the 2019 Determination (CP2/2020)**

Dear Adrian,

I refer to the above matter.

Ryanair welcomes the Appeal Panel's decision to uphold one of our principal grounds of appeal, namely that CAR had not justified the adoption of a longer 4 year glidepath to allow for the achievement of an efficient level of opex in the Final Determination dated 24 October 2019 and that the originally proposed 2 year glidepath was appropriate, having regard to the time already allowed in past determinations for daa to have achieved efficient opex at Dublin Airport.

We make no comment on CAR's proposed changes to the mathematics of the operating cost pass through mechanism referred back by the Appeal Panel on foot of daa's appeal.

### **Opex Glidepath**

In response to our successful appeal, we welcome the proposal by the CAR to reduce the price cap by 5c on average over the determination period based on the adoption of a 2 year glidepath. We concur with the calculation of the reductions in the price cap for 2022 and 2023 based on the adoption of a 2 year glidepath.


We consider that the achievability of this adjustment by daa is entirely reasonable.

However, in making this response to CAR's proposal for adjustments to the allowed opex in the Final Determination, we would emphasise that this is without prejudice to our overarching view as to the appropriate start point for considering opex efficiency at Dublin Airport, which we continue to believe should be lower than the 2019 base figure accepted by CAR in the Final Determination. Hence, we do not necessarily accept that the proposed opex in any revised Final Determination is fully reflective of the level of efficiency that would place Dublin Airport on a truly competitive footing and believe that issues will remain to be addressed in future determinations.

In making this submission, we are cognisant of the likely need for a further interim review of the 2019 Determination in light of the Covid-19 crisis. However, we consider that it is important that key principles underpinning any future determination are established now, specifically the importance of CAR determining an efficient level of opex for Dublin airport and ensuring that this is attained in a timely manner to ensure that users are not being asked to pay unfairly for the inefficiencies of the regulated entity.

Please do not hesitate to contact me if you have any queries or would like to discuss.

Yours sincerely,



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Eoin Kealy

*Head of Competition & Regulatory*