

Oifig an Aire

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**An Roinn Iompair,
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15 September 2014

Mr John Spicer
Acting Commissioner for Aviation Regulation
3rd Floor, Alexandra House
Dublin 2

Dear Mr. Spicer

I refer to Section 10 of the Aviation Regulation Act 2001, which provides that the Minister may give such general policy directions to the Commission as he or she considers appropriate to be followed by the Commission in the exercise of its functions.

I also draw your attention to the directions issued to the Commission by my predecessors on 16 August 2001, 18 August 2005, 3 April 2007 and 27 October 2009 and remind you that they remain in place.

I wish to advise you that I have decided that it is appropriate to issue a further direction under section 10 of the 2001 Acts.

It is well recognised that aviation is a sector of national importance to Ireland as it is a key driver of economic growth. It is essential for our tourism industry, for our trading relationships and for connecting Ireland with the rest of the world. Optimising the contribution of the aviation sector to the Irish economy is therefore a key objective of Government. While the economic outlook for Ireland is slowly improving, as the Minister responsible for aviation policy, it is critically important that policies are in place that can assist Irish aviation to grow and prosper, thus creating jobs and growth in our economy.

In that context, you will be aware of the draft National Aviation Policy published on 21 May 2014 (copy attached) which sets out a proposed policy framework which aims to facilitate the continued growth and development the sector over the coming years. This policy, which is to be regarded as a statement of present aviation policy, was published for consultation in the period to end July 2014 and should there be any relevant amendments in the light of the consultation phase, you will be notified. I intend to adopt and publish the policy before the end of the year.

The principal goals of the policy are:-

- To enhance Ireland's connectivity by ensuring safe, secure and competitive access responsive to the need of business, tourism and consumers; and
- To foster the growth of aviation enterprise in Ireland to support job creation and position Ireland as a recognised global leader in aviation.

The policy outlines the actions and initiatives proposed to achieve these key goals, including the development of new routes and services, particularly to new and emerging markets, ensuring a high level of competition among airlines operating in the Irish market, supporting the development of Ireland's airports, including the development of Dublin Airport as a secondary hub airport, and proper consideration of the importance of air freight to our export industries and our economic performance.

The policy also outlines plans for ensuring aviation in Ireland, at a minimum, complies with all EU and international requirements and achieves best practice in these fields, the need for our State airports to maximise efficiencies in existing terminal and runway infrastructure and provide for timely delivery of additional capacity. This is to ensure that the main airports are well placed to accommodate passenger growth, changing passenger and freight needs and carrier needs.

Given that the Commission is now making a new determination for the next regulatory period, I think it appropriate that I clarify policy as regards the financially sustainable development of Dublin Airport.

Accordingly, in the context of the policy considerations outlined in my predecessors' directions and in this letter, and having noted your position in section 10.1 of the Draft Determination, I am directing you under section 10 of the Aviation Regulation Act 2001 to ensure that the Dublin Airport Authority's financial viability is protected in order to implement Government policy on:-

- a. The role of Dublin Airport as an international gateway for Ireland, including as a secondary hub for traffic flows between Europe/Asia and the US, and its strategic role in relation to air access for the tourism sector, inward investment and general economic development;
- b. The desirability that Dublin Airport should have the terminal and runway facilities to promote direct international air links to key world markets, including the new high growth emerging economies, and the importance of maximising the use of that infrastructure and planning for the future in that context;
- c. The sustainable operation of Dublin airport on a commercial basis without recourse to Exchequer funding or an equity injection by the State and in that context, the need to secure lender confidence and raise debt financing on a cost efficient basis.

Yours sincerely

A handwritten signature in blue ink, reading "Paschal Donohoe". The signature is written in a cursive style with a horizontal line underneath the name.

Paschal Donohoe TD
Minister for Transport, Tourism and Sport