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11th December, 2008

Mr Cathal Guiomard
 Commission for Aviation Regulation
 3rd Floor
 Alexandra House
 Earlsfort Terrace
 Dublin 2

Dear Cathal,

I refer to the attached news paper article regarding a review that the CAR is apparently undertaking of the travel trade industry. We were not aware of this review.

We understand from this article that the ITAA is attempting to broaden the requirement of an industry levy to all airlines. This is unacceptable for the following reasons:

- The proper way to avoid/manage airline failures is to have a robust licensing system with regular reviews to identify problems with failing airlines/tour operators before it becomes an issue whereby they are stranding passengers. The CAR has failed spectacularly in this respect.
- Many airlines, including Ryanair offer airline failure insurance and this should be required for all airlines/tour operators, which would enable passengers to protect themselves in the event of an airline failure.
- The availability of alternatives for passengers to repatriate themselves and the fact that many airlines offer low cost deals to such passengers in the event of an airline failure, obviates the need to have costly bonding requirements on the industry, which are outdated and hark back to an era when it was difficult for passengers to repatriate themselves in the event of such an incident.

I would appreciate your confirmation that no such bonding requirement will be imposed on scheduled airlines. You should note that similar attempts by the travel trade industry in the UK have twice been rejected and the issue has also been considered and rejected at the European level.

Yours sincerely,

Jim Callaghan
 Director of Legal & Regulatory Affairs

PRESS CUTTINGS

PUBLICATION: THE SUNDAY BUSINESS POST - P. 6

DATE: SUNDAY, 07 DECEMBER 2008

ITAA calls for protection

By Nicola Cooke

The government should ring-fence €1 out of every €10 of the new airport departure levy

to protect customers in case a travel company collapses, according to the Irish Travel Agents Association (ITAA).

In its submission to the Commission for Aviation Regulation (CAR), which is carry-

ing out a review of travel trade regulation, the ITAA also requested a clampdown, in conjunction with gardai, on illegal operators in the sector.

Simon Nugent, ITAA chief executive, urged the aviation

regulator Cathal Guilford, who is expected to present the review to transport minister

Noel Dempsey later this month, to give the travel trade a break from "red tape".

"The most recent laws about

against travel company collapse

regulation of the travel trade go back to 1982 - when the industry was a lot less complex than it is now - and these were brought in hurriedly after the collapse of an Irish travel operator.

"These stated that all travel companies had to keep four per cent of their turnover ring-fenced for customers in case of collapse," he said.

The ITAA is calling for that 4 per cent to be revised down to 2 per cent or removed with a

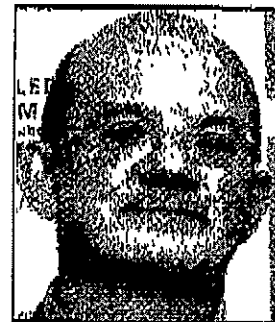
universal protection established - using €1 of the €10 travel tax. He said this would be sufficient to cover any claims that arose from the public.

Nugent also pointed out that many online companies are not bonded, which he said "makes for an unlevel playing field, and one in which customers are not aware of the differences, or dangers, of booking with one company over another".

Nugent said he received

calls every month about illegal traders. "When these operators are brought to the district court and prosecuted, they usually get a slap-on-the-wrist fine of €500, which is not a disincentive to them, or other operators, not to trade in an unregulated way. Higher fines must be introduced," he said.

The ITAA also wants licences of indefinite duration introduced for agents to replace the current system of written annual renewal.



Cathal Guilford