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9th January, 2009

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

Dear Cathal,

Ryanair's Response to CAR Notice on PRM Charges at Dublin Airport – CN5/2008

I refer to previous correspondence with the CAR regarding the imposition by DAA of an abusive charge for the provision of PRM services at Dublin airport. We welcome the findings of the CAR in CN5/2008 that the DAA has breached the requirements under Regulation 1107/2006 by failing to properly consult with users on the service levels and costs of these services. We attach correspondence between Ryanair and DAA on this matter in response to the CAR's request for documentary evidence and call on the CAR to now take robust action against the DAA for this abusive conduct.

We are aware that the CAR has met with the PRM Sub-Committee of the Dublin AOC on this matter and that the AOC has submitted comments on CN5/2008 to the CAR. Ryanair fully supports these comments and the work that the Sub-Committee has done in exposing the DAA's abusive conduct, which has led to a **five-fold increase** in Ryanair's cost of providing PRM services at Dublin, without a significant improvement in service levels. Indeed, you will note that in the initial months, Ryanair experienced several flight delays due to the under performance of OCS.

In terms of the proposed direction under Regulation 4 of S.I. 299/2008, Ryanair agrees with option one of the AOC submission, which calls for a complete review by the AOC PRM Sub-Committee to determine the appropriate service level and costs of providing PRM services at Dublin Airport. However, Ryanair would also support the AOC's proposed 20% increase over the average cost to users of PRM services prior to the introduction of 1107/2006. DAA should be entirely at risk for the excess cost as a result of its failure to properly consult with users prior to imposing the excessive charge.

We are available to discuss the above comments.

Yours sincerely,


Jim Callaghan
Director of Legal & Regulatory Affairs

Attachments: Correspondence between Ryanair and DAA re PRM charges at Dublin Airport

Our ref: MC/TM/110860

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20th November 2008

STRICTLY PRIVATE & CONFIDENTIAL

Ms Mary Coveney
Manager Industry Affairs
DAA
Dublin Airport
Co Dublin

Fax: 814 4364

Dear Mary

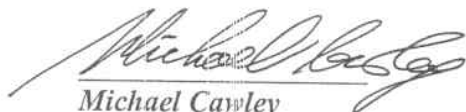
I refer to your fax of the 14th November.

Dublin Airport Authority must be the only organisation in Ireland, if not Europe, which can provide an inferior service for 5.5 times the cost of a superior service. We have already encountered substantial delays (details of which I attach) as a result of your inability to provide an adequate service for passengers with reduced mobility.

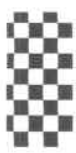
Ryanair's previous service, costing €0.12 per departing passenger never delayed our flights nor did we have any complaints from the passengers. Consequently I urge you to adopt a more commercial approach (even if it would be a first) by recognising the realities of the world in which most of your customers operate.

Consequently our offer to pay €0.12 per departing passenger remains as the only realistic one which will provide both an efficient and effective service for passengers with reduced mobility at Dublin Airport.

Yours sincerely,



Michael Cawley
Chief Operating Officer & Deputy Chief Executive



Mr. Michael Cawley
Chief Operating Officer & Deputy Chief Executive
Ryanair
Ryanair Head Office
Dublin Airport



Date: 14th November 2008

Dear Michael,

I refer to your letter of the 10th October addressed to Tom Haughey.

Rather than repeat arguments previously made, I refer to previous correspondence of 23rd September.

While Ryanair may have been happy to provide a service to PRMs equivalent to a cost of 6 cents per passenger while charging passengers 50 cents per passenger, the level of service provision required and agreed by users, including Ryanair, is the one set out in Regulation 1107/06 and the cost of provision is 33 cents at Dublin Airport.

DAA Shared Services has today also written to Ryanair requesting payment of PRM charges which are now overdue.

Please note that Tom Haughey, Director of Industry Affairs has now retired from the company and I would ask that all other correspondences in this regard be forwarded to me as and from this date.

Yours sincerely

Mary Coveney
Mary Coveney
Manager Industry Affairs

Our ref: MC/SD/90869

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10th October 2008

STRICTLY PRIVATE & CONFIDENTIAL

Mr Tom Haughey
Director of Industry Affairs
Dublin Airport Authority
Head Office
Dublin Airport

Fax: 814 4364

Dear Tom

I refer to your fax of 23rd September.

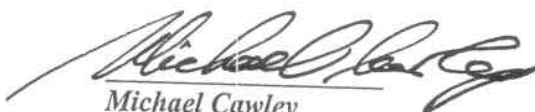
Your inane and irrelevant claims about sub standard service of PRMs by some airlines have absolutely no relevance to our discussion. It is ironic that any letter from the Dublin Airport Authority should deal with the issue of "fair competition among airlines" when, as Ireland's primary monopoly, you have no concept of what the word competition would mean.

One can only conclude that the DAA's interpretation of fair competition is any circumstance which affords you, as a monopoly provider, to increase the effective cost of providing a service by up to five times its previous charge. The service at the airport has deteriorated and your performance standards in that regard are as good as they are in many of the other services which you provide around the airport, i.e. appallingly bad.

My comments in relation to Pier C were merely to rebut the falsehood which you attempted to propagate that Pier C was still in existence and not demolished, ten years after it was claimed as a landmark building by the self same airport monopoly which is now attempting to introduce "fair competition" among airlines.

As I pointed out in my previous letter, the AOC specifically asked for cost information and you refused to provide it. Until such time as we receive a satisfactory explanation as to why the costs of providing this service to passengers has now increased fivefold under your management, we have no intention of paying anything other than the original market price which we had paid, i.e. €0.06 per departing passenger.

Yours sincerely,



Michael Cawley
Chief Operating Officer & Deputy Chief Executive

Mr. Michael Cawley
Chief Operating Officer & Deputy Chief Executive
Ryanair
Ryanair Head Office
Dublin Airport



Date: 23rd September

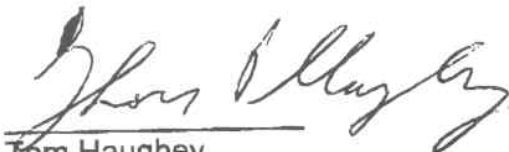
Dear Michael,

I refer to your letter of the 12th September. To reiterate my previous point, dis – satisfaction at European level with the level of service offered to PRMs, has lead to the introduction of Regulation (EC/1107/2006). Experience has shown that while many airlines have provided an excellent service to PRMs, a minority have failed to do so and even have sought to evade their responsibilities. By providing a sub-standard service, some airlines have hoped to deter PRMs from booking with them and thus, by evading the extra costs of providing for the special needs of PRMs, steal a march on their competitors. The Regulation promotes fair competition among airlines by removing this potentially market-distorting incentive to discourage bookings by PRMs.

It is clear that Ryanair was happy to provide a service to PRM's equivalent to a cost of 6 cents per passenger and to charge passengers 50 cents per passenger but the level of service provision required now is the one set out in Regulation 1107/06 and the cost of provision is 33 cents at Dublin Airport. If you are to comply with the Regulation it will require you to pay the 33 cent per passenger at Dublin Airport and we will take whatever actions necessary to recover the costs incurred as provided for by 1107/06.

As previously articulated, the DACC is not the forum to address cost information on the PRM service. The DACC was set up to discuss future CAPEX at Dublin Airport. Your commentary on Pier C is not pertinent to the concern we have in relation to Ryanair meeting the terms of this PRM Regulation, but in my letter of 29th August 2008 it was necessary to address the falsehoods emanating from Ryanair in this regard and repeated by you in your letter of 12 September 2008. Since you have now introduced further irrelevant comments in relation to Pier C I trust that you now accept the facts as outlined.

I look forward to Ryanair becoming compliant with Regulation 1107/06 and fully discharging your obligations in this regard.



Tom Haughey
Director of Industry Affairs

Our ref: MC/TM/90844

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12th September 2008

STRICTLY PRIVATE & CONFIDENTIAL

Mr Tom Haughey
Director Industry Affairs
DAA
Dublin Airport
Co Dublin

Fax: 814 4120

Dear Tom

I refer to your letter of the 29th August and apologise for the delay in replying.

While there may have been dissatisfaction at European level (whatever that means) with the nature of service provided to passengers with reduced mobility, Ryanair has never had a significant number of complaints about the quality of its service in this regard. We can already see from the first month of operation under the management of the DAA that 25 delays have been experienced by Ryanair and details of these, together with their approximate cost have been sent to Declan Collier under separate cover.

Specifically also, the regulation provides that airports may recover some or all of the costs of the services from airlines. Your specific objective of ensuring a standard of service to PRMs and airlines has singularly failed, even at this early stage and while Ryanair may have been informed of the service standards which were envisaged, it is patently obvious that, as in many of the other tasks the DAA undertakes, you are falling short of your theoretical target.

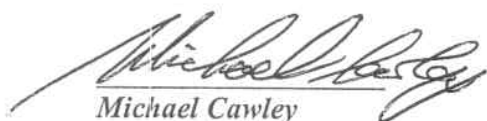
In relation to your other claims, the selection of the chosen provider, OCS, was not supported by the AOC. It is a fact that the actual cost incurred in providing the service to passengers with reduced mobility by Ryanair at Dublin is €0.06 per departing passenger. As I pointed out in my previous letter, the fact that our total average fare, including any charge for wheelchairs has declined in each year over the last five when compared with the previous year, is testament to the fact that Ryanair is not in any way profiteering but rather systematically reducing the cost of travel to its passengers despite the insatiable appetite of the Dublin Airport monopoly for ever increasing costs to the its customers.

My claim in relation to Pier C is that it was hailed as a landmark building when it was built in 1999 and not even a myopic organisation such as the Dublin Airport monopoly could claim that my statement that it has now been demolished is untrue. I will bring you with independent witnesses anytime to verify the latter statement despite your assertion that it is false. Your self delusion has reached new heights.

The DACC specifically asked for cost information, you were asked to provide this information to the AOC and you have refused to do so despite your misleading assertion in your previous letter that you had. Please respond specifically to this issue in your next letter.

Ryanair will comply with the legislation and will pay the costs which properly pertain to its provision which are €0.06 per departing passenger.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael Cawley', written in a cursive style.

Michael Cawley
Chief Operating Officer & Deputy Chief Executive

2nd September 2008



Mr. Michael Cawley
Chief Operating Officer & Deputy Chief Executive
Ryanair Limited
Head Office
Dublin Airport
Co Dublin

Reply on tate

Dear Michael

Thank you for your letter of August 26th re: PRM passenger handling.

I note from your letter that 0.4% of your flights between July 26th and August 26th suffered some delay associated with PRM handling. If you required a service level which precluded any delay under any circumstances you should have specified this in your input to the agreed service levels.

Your arbitrary actions in relation to imposing self-chosen fines of €1,000 per delay have no basis in law and are completely unacceptable. How would Ryanair react were we to impose a similar "fine" every time your check-in queue exceeded agreed limits? This kind of petulance has no place in mature business relationships, wastes valuable time and involves both sides in needless correspondence.

Yours sincerely

Declan Collier
Chief Executive

c.c. Cathal Guiomard, Commissioner for Aviation Regulation

Our ref: MC/TM/90828

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9th September 2008

STRICTLY PRIVATE & CONFIDENTIAL

Mr Declan Collier
Chief Executive
DAA
Dublin Airport
Co Dublin

Fax: 8445113

Dear Declan

I was surprised with the tone and content of your letter of the 2nd September. Ryanair doesn't labour under the misapprehension that we have a mature business relationship with the DAA, rather we have a one-sided relationship in which a monopoly airport owner attempts to misrepresent the charade of consultation on costs which it then unilaterally imposes, clearly in contravention of the views of this user and many others at your airport.

The reality of these fines is that you have assumed responsibility for the provision of a service which is now failing to deliver the industry leading punctuality for which Ryanair is justifiably proud. To compare the preservation of our punctuality with the shambles which is your check-in area at Dublin Airport is to mix pearls with swine. As in all your dealings with your customers, you are pretending to take responsibility for a service, charge exorbitantly for it and then walk away when it fails. On this occasion you are not getting away with that.

Yours sincerely,


Michael Cawley
Chief Operating Officer & Deputy Chief Executive

Reply on tat

29th August 2008

*Tracy,
Did I reply?*

Mr Michael Cawley
Chief Operating Officer & Deputy Chief Executive
Ryanair
Ryanair Head Office
Dublin Airport

David



Dear Michael

I refer to your letter of August 25th 2008.

- Do you want to correct any corrections before I write to him (see attached)

Dis-satisfaction at European level with the nature of the service provided to PRMs led to the introduction of Regulation (EC/1107/2006) which set out systematically the extent and nature of the services to be provided the transfer of the obligations from airlines to airports to ensure the adequate provision of the service and a provision providing for airports to recoup the cost of the services following the transfer of the obligations from airlines to airports. Thus a specific objective was to ensure that the standard of service to PRMs was both improved and uniform. Thus the costs which you paid are not those which must be applied in this case. Ryanair was in fact fully aware of the service standards which were envisaged, and attended the consultation meetings where these were discussed.

The cost of provision of the service have been arrived at through open procurement on a European wide basis, a basis which is open to scrutiny by appropriate oversight bodies. The selection of the chosen provider, OCS, was supported by the AOC and the weighting of the scoring chart used by the DAA was also explicitly accepted by the AOC.

— false.

DAA is not making any profit from the provision of this service and I can only assume that you suspect otherwise due to your own acknowledged profiteering in relation to "wheelchair" handling, whereby while you charge 50 cents per passenger and Ryanair has publicly asserted that this was required to cover the costs of handling passengers with wheelchairs, you have told us that the actual costs you paid were a mere 12% of this charge.

— at Dublin

Pier C is irrelevant to this issue but we must point out that Ryanair's claims in this regard are false and also constantly repeated in spite of the provision by the DAA of the audited facts in relation to Pier C. The only negligence exhibited is Ryanair's negligence of the truth.

I cannot see what relevance the PRM issue has for the DACC which was specifically established to deal with capex issues.

- refused to provide cost info to AOC who referred it to DACC. DACC is now DACC due to DAA's petty semantic

You have stated that Ryanair will comply with the legislation, which requires that you pay the costs incurred and not some notional sum. We are glad to hear that you will be compliant with the regulation

Yours sincerely

Tom Haughey

Tom Haughey
Director Industry Affairs

Our ref: MC/TM/80890

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26th August 2008

STRICTLY PRIVATE & CONFIDENTIAL

Mr Declan Collier
DAA,
Dublin Airport
Co Dublin

Dear Declan,

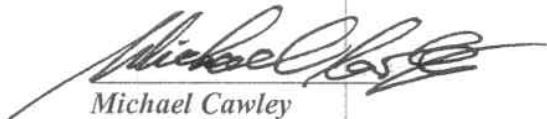
You assumed responsibility for PRM services at your airport on 26th July last. Since that date a total of 25 flights and 4,124 passengers have been directly delayed as a result of PRM service failures at your airport. A list of these flights is attached.

It is unacceptable that passengers of reduced mobility who require assistance, and fellow passengers, should be delayed and disrupted as a result of PRM service failures for which you are responsible, even though charges have multiplied since you assumed responsibility.

Please be advised that a fine of €1000 per delayed flight has been levied for these service failures and will be set against your next PRM bill.

You cannot expect us to accept unnecessary disruption to our passengers as a result of poor service accompanied by inflated prices.

Yours sincerely,



Michael Cawley
Chief Operating Officer & Deputy Chief Executive

wneeicnair Delays

CODE	DELAY TIM	TOTAL DELAY	DEP DATE	DEP	REG	STD	REMARKS	No of Pax
16	00:20	00:25	02/08/2008	DUB	EIDCY	216	LIAC/OCS DOING 3 LIFT ONS *** MVT r	164
16	00:10	00:10	02/08/2008	DUB	EIDPS	994	OCS DELAYED DOING LIFT ON *** LDM	168
16	00:20	00:55	03/08/2008	DUB	EIDAJ	2901	LIAC/PAX CONV-OCS DELAY TO UNBOOKED	184
16	00:10	00:15	03/08/2008	DUB	EIDHN	1124	LIAC/OCS DELAY OFFLOADING WCHC ***	155
16	00:10	00:10	03/08/2008	DUB	EIDWC	216	DELAY WITH OCS (BUSY TIME FOR THEM)	156
16	00:15	00:15	06/08/2008	DUB	EIDCO	7134	AWAITING OCS FOR LIFT OFF ON INBOUN	167
16	00:15	00:15	06/08/2008	DUB	EIDAR	116	AWAITING FOR OCS FOR LIFT OFF ON IN	162
16	00:07	00:07	07/08/2008	DUB	EIDLE	7044	DL16 DUE AWAITING OCS FOR LIFT OFF	167
16	00:20	00:20	07/08/2008	DUB	EIDYM	1978	DL16 DUE AWAITING OCS FOR LIFT OFF	188
16	00:08	00:08	08/08/2008	DUB	EIDWI	296	WIAYING ON OCS FOR LIFTON *** MVT	154
16	00:10	00:10	08/08/2008	DUB	EIDWZ	9997	WAITING FOR FUELING TO FINISH TO LI	163
16	00:15	00:25	10/08/2008	DUB	EIDWG	7034	FUELER DELAY DUE TO LIFTOFF AND ENG	157
16	00:35	01:30	17/08/2008	DUB	EIDCP	1976	DELAY 16 WAITING ON OCS FOR LIFT OF	157
16	00:10	00:10	18/08/2008	DUB	EIDCB	556	DUE TO WCHR ON I/B WHICH WAS NOT PR	159
16	00:10	00:10	18/08/2008	DUB	EIDAD	548	DLY 16-PAX WAS PRE BOOKED AS A WALK	154
16	00:29	00:40	28/07/2008	DUB	EIDPS	1126	LIAC/ AWAITING OCS *** LDM receive	164
16	00:10	00:20	28/07/2008	DUB	EIDYC	2906	SECURITY//MIX UP WITH SSR INFORMATI	177
16	00:20	00:35	30/07/2008	DUB	EIDHB	1948	DELAY 16 OCS DOING LIFT ON - DIV TO	165
16	00:10	00:10	30/07/2008	DUB	EIDHD	154	OCS DOING LIFT ON *** MVT received	159
16	00:14	00:20	30/07/2008	DUB	EIDHK	226	DL16 DUE LIFTOFFS ON BOTH INBOUND A	159
16	00:10	00:30	30/07/2008	DUB	EIDHN	2993	DL87/BOARDING GATE COMPUTER CRASHIN	164
16	00:20	01:05	30/07/2008	DUB	EICSX	538	OCS MVT received: Jul 30 08 at 09:2	175
16	00:15	00:15	30/07/2008	DUB	EIDAJ	856	OCS DELAY FOR LIFT ON *** MVT rece	173
16	00:15	00:35	30/07/2008	DUB	EIDCX	224	LATE FUELLER/ OCS SLOW TO LIFT PAX	166
16	00:10	00:25	31/07/2008	DUB	EIDYC	448	DL16 AWAITING OCS FOR WCHR 8 at 22	167

Our ref: MC/TM/80888

25th August 2008

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STRICTLY PRIVATE & CONFIDENTIAL

Mr Tom Haughey
Director of Industry Affairs
DAA
Dublin Airport
Co Dublin

Fax: 814 4120

Dear Tom

I refer to your letter of the 22nd August 2008.

I have no sensitivity in relation to our fares other than factual misrepresentations about them which may emanate from the DAA. The facts are that Ryanair is receiving less revenue (including all charges both discretionary and otherwise) from our passengers this year than before the introduction of any of these charges and your reference to these charges only serves to highlight the increasing and outrageous share of the total revenue from each passenger which the DAA monopoly is now grabbing.

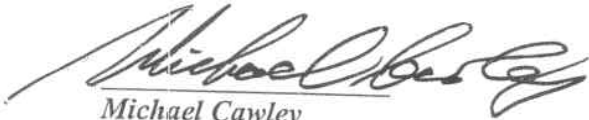
I see nothing farcical in assuming that the DAA was negligent or profiteering from the provision of any service as this would be entirely consistent with your previous performance in many areas. I need only point to the recent demolition of a "landmark" building which was built as Pier C as recently as 1999 against all the advice and expressed wishes of your customer airlines – a clear example of negligence. Your profiteering is evident on a widespread basis, not least in the 250% increase in short-term car parking charges at the airport in the last three years. Objections have been raised at every stage of the process with no satisfactory response from the DAA.

Ryanair will comply with the legislation and pay the sum which the service had previously cost the airline. To date we have not received any justifiable reason from the DAA for any increase in this cost.

You refer to the so-called consultation that took place with stakeholders on this issue. The DAA, despite multiple requests, refused to provide the AOC representatives, airlines and handling agents with any cost information whatsoever. The AOC then requested the

ACC to take up the issue at a more senior level. You refused to engage with Dublin Airport Capex Consultative Committee on this subject, claiming it was a matter for the AOC!

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael Cawley". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Michael Cawley
Chief Operating Officer & Deputy Chief Executive

Our ref: MC/TM/808117

29th August 2008

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STRICTLY PRIVATE & CONFIDENTIAL

Mr Declan Collier
Chief Executive
DAA
Dublin Airport
Co Dublin

Fax: 844 5113

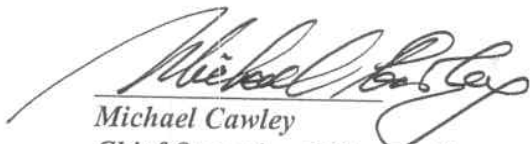
Dear Declan

I refer to your letter of the 22nd August which arrived at my office yesterday.

Instead of prolonging this futile correspondence with an abusive monopoly airport it is blatantly obvious that you have no interest in offering competitive costs to stimulate passenger growth or new route development. Consequently Dublin's high cost base prevents a Dublin - Marrakech route proceeding this winter and sadly because of the completely unrealistic and unreasonable nature of your response Dublin Airport has lost out on a new Marrakech route.

It is regrettable that a government owned airport monopoly is doing such damage to Irish tourism and economic development.

Yours sincerely,



Michael Cawley
Chief Operating Officer & Deputy Chief Executive

22 August 2008



Mr Michael Cawley
Chief Operating Officer & Deputy Chief Executive
Ryanair
Corporate Head Office
Dublin Airport
Co Dublin

A handwritten signature in black ink that reads 'Reply on tape' with a horizontal line underneath.

Dear Michael,

In your letter of 14th of August, you make a number of assertions that are untrue.

Firstly, there has been no abuse by the DAA of its powers nor has it acted unlawfully.

Secondly we strongly reject the assertion you make in your letter that you are being asked to pay for services you have not received. In fact, the situation is the reverse, as you are refusing to pay for services rendered.

Thirdly, You confirm in your letter that you do not meet the criteria of the Route Support Scheme for Dublin Airport. In particular Ryanair is in default of our credit terms and conditions.

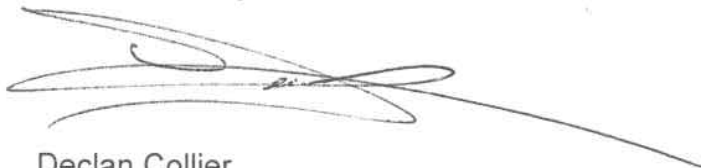
The DAA welcomes the introduction of new routes from Dublin airport and as such provides support to airlines to introduce new routes..

The DAA route support scheme is non-discriminatory, published and transparent. All route support at Dublin is awarded based on its terms and conditions. No other mechanism exists to award route support.

We would welcome the introduction of a Dublin-Marrakech route this winter and would be willing to provide support as per the current Route Support Scheme. Upon confirmation that you are willing to comply with the terms and conditions we will sanction support for this route.

While we are very disappointed that Ryanair is currently unwilling to meet the terms and conditions required of airlines seeking route support, we will be happy to consider any future proposal made by Ryanair for new route development.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Declan Collier', written over a horizontal line. The signature is stylized with a loop and a long tail.

Declan Collier
Chief Executive

22nd August 2008

Mr Michael Cawley
Chief Operating Officer & Deputy Chief Executive
Ryanair
Ryanair Head Office
Dublin Airport



Dear Michael,

I am writing in response to your letter of the 18th August to Dublin Airport and also your letters of the 19th August to Cork and Shannon Airports in relation to the PRM charge proposed at each airport.

- I note with little surprise your sensitivity to references to the wheelchair levies that you currently accrue and once again point out that the charge proposed by the DAA for PRM services is based on the costs of provision of the services following an open and competitive tender process, and are comparable to PRM charges in peer airports.
- The standards implemented have followed extensive consultation with stakeholders, and Ryanair was an active participant in this process. If you felt at the time that the service levels agreed were impractical or too costly to provide (although they are clearly in line with the obligations of EC 1107/2006), you were given ample opportunity to object during the consultation period but did not do so.
- In relation to your somewhat farcical allegations that the DAA was either negligent in or profiteering from the provision of these PRM services, it is sufficient to point out that the consultation process with users and the public tender process were designed to demonstratively prevent any such outcome.
- I again draw your attention to the obligation on all users to pay the PRM charge under the Regulation. This is to ensure that no single carrier can evade the costs of provision of this service to PRMs, given that the legislation was introduced to resolve the problems raised by just such carrier behaviour.

We will be meeting with the enforcing body to discuss your plans to operate in a non-compliant manner in relation to this legislation

Yours sincerely

Tom Haughey
Director Industry Affairs

cc Robert Hilliard, Director Dublin Airport
Martin Moroney, Director Shannon Airport
Pat Keohane, CX Cork Airport

Our ref: MC/TM/80828

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18th August 2008

STRICTLY PRIVATE & CONFIDENTIAL

Mr Tom Haughey
Director of Industry Affairs
DAA
Dublin Airport
Co Dublin

Fax: 814 4120

Dear Tom

I refer to your letter of the 5th August in relation to the cost for the provision of services to passengers with reduced mobility.

Firstly, the constituent elements of our average revenue which we collect from passengers is of no relevance to this discussion. As you well know, our total average revenue, including the "wheelchair levy" and the ever increasing DAA passenger service charges have declined in each of the last five years as evidenced by our publicly available financial information. The DAA, above all airports, does not want to follow the argument that Ryanair's average revenue should reflect the cost which it pays at either Dublin, Shannon or Cork, in which case our average payments to you per passenger would be declining in each of the last five years rather than escalating in the obscene way in which they have.

The implementation of EU 1107/2006 was never designed to increase the cost to passengers by 200% in the case of Dublin and 300% in the case of Shannon and Cork. Given that the service provided by Ryanair was in accordance with that required under EU regulation, the only possible explanation for this outrageous level of increase is either a subsidy for additional services requested by other airlines, an ineffectiveness on the part of the DAA in its negotiation with a third party supplier or the extraction of a profit by the DAA in the provision of these services. In either case, Ryanair is not prepared to pay for the cost of either such eventuality but confirm that it will pay the existing level of costs which we incur in providing this self same service.

You are incorrect in stating that we are refusing to pay a charge, indeed we are prepared to pay the correct level of charge, not some artificially inflated charge mis-negotiated on our behalf by of Dublin Airport Authority.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael Cawley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Cawley

Chief Operating Officer & Deputy Chief Executive

5th August 2008



Mr Michael Cawley
Chief Operating Officer & Deputy Chief Executive
Ryanair
Ryanair Head Office
Dublin Airport

Dear Michael,

I am writing in response to your letters of 31st July in relation to PRM charges proposed for Dublin, Cork and Shannon Airports on behalf of Declan Collier, who is out of the office at present,

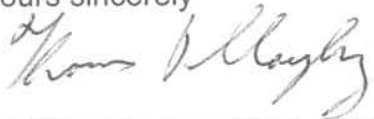
We note with some surprise your allegation that heretofore the costs to Ryanair of PRM service provision came to ca. 8 cents per passenger at Dublin and 10 cents per passenger at Cork and Shannon airports, given that you have for some time collected 50 cents per passenger as the so called "wheelchair levy" which would equate to circa. 500 – 600% of your costs. I appreciate that the supernormal profits which you have made on such services will be impacted if your costs increase to 33 cents per passenger at Dublin, and to 45 cents at Shannon and Cork, but neither the DAA nor Ryanair has discretion to refuse to operate in accordance with the legislation.

As you are aware, the implementation of EC 1107/2006 confers an obligation on the DAA to ensure that PRM services are offered at the airport in accordance with the legislative requirements. The legislation permits that a third party provide the services, and that the costs may be recovered from airlines through a charge levied on all airport users, on a per-passenger basis. The Commission for Aviation Regulation has been designated as the national enforcement body for the Directive.

The charge proposed by the DAA is based on the costs of provision of the services following an open and competitive tender process, and are comparable to PRM charges in peer airports. The service levels to be provided were the subject of discussion and consultation with the AOC, with Ryanair an active participant. Hence the process of commissioning of the service has been totally consistent with best practice and our statutory obligations in this regard, and the charge itself is both transparent and non-discriminatory.

We have noted your stated intention of arbitrarily refusing to pay the charge. It is our view that Ryanair may not unilaterally refuse to pay a charge which is legally applied. The DAA will take whatever measures are necessary to recover the monies due in this regard.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Tom Haughey".

Tom Haughey
Director Industry Affairs

cc Noel Dempsey, Minister for Transport
John Murphy, Assistant Secretary, Department of Transport
Cathal Guiomard, Commissioner for Aviation Regulation

Our ref: MC/TM/708234

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31st July 2008

STRICTLY PRIVATE & CONFIDENTIAL

Mr Declan Collier
Chief Executive
DAA
Dublin Airport
Co Dublin

Fax: 8445113

Dear Declan

I am in receipt of notification of your proposed cost for the provision of services for passengers with reduced mobility. Your proposed charge of 33 cents is unacceptable to Ryanair as it represents close to a 300% increase on the costs which Ryanair had incurred in providing this service hitherto.

As the service provided by Ryanair was in accordance with the level required under the directive, this level of increase can only arise from either the subsidisation of other airlines or the negligent negotiation by the airport with the third party service providers who are providing this service. In either case Ryanair is not prepared to pay for this unwarranted and outrageous overcharge but is prepared to pay the level of cost which it previously incurred in providing the service itself.

Yours sincerely,

pp Murray

Michael Cawley

Chief Operating Officer & Deputy Chief Executive