

27 September 2006

Ms Anne Moloney  
Commission for Aviation Regulation  
Floor 3  
Alexandra House  
Earlsfort Terrace  
Dublin 2

**Commission Paper CP6/2006**

Dear Anne,

Cityjet welcomes the opportunity to submit its opinion with regard to an interim review of airport charges.

In principle Cityjet endorses the regulators general position that the determination should not be reviewed unless there are substantial grounds for a review. However the regulator needs to ensure that the DAA can deliver infrastructure in a cost effective and timely manner.

Cityjet is a network operator for Air France KLM and the SkyTeam alliance. The disparity between the level of infrastructure provided in Dublin compared to the major airport hubs we operate out of such as Paris CDG and Amsterdam Schipol is huge. Dublin Airport is heavily congested and this leads to delays and unnecessary stress for current and future passengers.

Future Network expansion for Cityjet will arise from the rapid concurrent developments in Paris CDG; Terminal 2E(capacity 14m pax.) has opened, Satellite 3( capacity 11m pax.) will open in 2007 for A380's and Terminal 2G(capacity 3m pax.), a regional terminal, will open in September 2008. Development at Dublin on the other hand, continues to be frustrated by a combination of political indecision and intensive lobbying of a single interest party.

In the Global context Dublin Airport, and by extension Ireland Inc. is competing for traffic and business with other similarly sized airports across Europe such as Copenhagen, Manchester, Barcelona, Milan and Zurich. Many of these airports have significant advantages in terms of rail and road links to other cities and

countries. Failure to invest in adequate infrastructure in Dublin airport will put Dublin at a significant disadvantage in trying to attract inward traffic and this could have a negative impact on the continuing growth of the economy.

Cityjet strongly supports the growth of Dublin Airport and it is our view that the current airport infrastructure is not sufficient to cope with either the current traffic or the projected traffic growth over the next few years. On that basis, it is essential that additional infrastructure be built quickly and cost effectively to meet the projected demands for all airlines and projected passenger numbers.

The infrastructure requirements are quite broad and include Pier D, Terminal 2, Pier E, additional remote parking areas, additional and dual taxiways and an additional parallel runway. Cityjet recognises that this level of investment does require airport charges to be set at a reasonable level so that these costs can be recovered.

In regard to the specific questions asked in the commission paper CP6/2006,

1. Yes. A determination by CAR on airport charges is normally valid for 4 years. Reviews or changes to this determination should only occur if there had been a fundamental change to the operating environment. Otherwise the principles of determination would be undermined. Setting the cost for 4 years also allows airlines and the airport to accurately budget for costs over a reasonable period of time.
2. Yes. The requirements of all operators in Dublin have changed significantly. Items such as increased immigration and increased average travel patterns and continued economic growth have resulted in increased requirement for capacity and this should be delivered as part of the capital project.
3. Yes. The expected increase in traffic is on a very large scale, up from 5% to 10% growth per year for the next couple of years. The continued increase in traffic does have implications on infrastructural requirements and these revisions require additional investment and do have financial implications for the DAA.
4. Yes. A realistic CIP takes time prepare, as it must incorporate every possible requirement of capital investment. This could not have been completed accurately between May and September 2005.

5. Yes. The government decision to delay the construction of Pier D has resulted in a significant delay in providing much needed capacity at Dublin. This in turn will lead to additional disruption during construction, as the airport will be busier. This was clearly outside the control of the management of the DAA.
6. This question is fuliginous in its draftsmanship but an interim review should only cover the “substantial grounds” upon which the interim review was granted. -.

Cityjet, as part of the Skyteam Alliance and as an Irish based airline has invested significant capital in Dublin Airport operations and on it Irish routes. Future investment by Cityjet and Skyteam requires better and increased delivery of infrastructure by Dublin Airport.

In conclusion Cityjet supports a review of the determination in these specific circumstances and supports cost effective and sustainable capital expenditure to meet the anticipated requirements of our passengers and these need to be delivered without delay.

Yours sincerely,

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**Geoffrey O’Byrne White,**  
**CEO**  
**Cityjet Limited**