Response from Joseph Ryan

Dear Sir / Madam

I wish to make a number of points regarding the interim review of the 2019 Determination.

1. The executive summary makes no mention of the substantial daily losses being incurred by Dublin Airport (DA). Earlier in the year, such losses were reported in the media as being up to one million euros per day. While most 'stakeholders' would be well aware of the losses being incurred, that reality should hardly be omitted entirely from an executive summary concerned with a review of the passenger cap.

2. How DA losses are to be funded, or recovered in time, is not commented on. The fact is, that every airline passenger currently travelling is being subsidised with public money, to a substantial degree every time they travel. This will be reflected in balance sheet of the DA. How is this public money to be recovered?

3. The 2019 decision to reduce the passenger cap substantially to approx €7.50 made no provision for any reserve for recession or other unforeseen event, to which the airline industry is prone. True, the pandemic could not have been foreseen, but the need for a reserve was impressed on the CAR. Even the government was insistent on putting in place a "rainy day fund" for state finances, but yet the CAR deemed such prudence unnecessary.

4. It is clear also, that the current regulatory 'building block' straight jacket is not fit for purpose in the current environment. The fact that DA might be required to refund money under the system, in a situation where it is losing money heavily, is the result of a system confused by its own complexity. But was it fit for purpose, even before this year? Being able to stretch a balance sheet with low cost borrowings should not be seen as a sign of financial strength in any company; and the heavy reliance on commercial revenues left the model vulnerable to shocks. It is noteworthy at present that DA lenders will continue to get paid regardless, while many DA staff will be on short-time or possibly being lined up for redundancy. The long term strategy for DA (and national other airports) should be a balance sheet that is free of borrowings. The air travelling public are well able to afford it, and should be asked to pay for it.

5. The decision to keep the cap at the existing level of for all of 2021 is questionable. For reasons of stability, it is certainly necessary for the first half of 2021, and possibly for the summer period. However, the CAR should at least leave open the possibility for an increase in late 2021, when- hopefully following widespread vaccination- airline travel will be well on the way back to previous levels. A continuation of the existing price cap at that stage, would be merely subsidising airlines to get back into profit, and subsidising air travellers to go on holidays, while DA would continue to absorb losses.

In that context, the request from DA to leave the cap at the current level until Summer 2022, seems overly cautious.