
Cllr. Jimmy Guerin PC



Commission of Aviation Regulation
3rd Floor
Alexandra House
Earlsfort Terrace
Dublin 2
D02 W773

By email to: info@aviationreg.ie

2nd July 2019

Response to the 2019 Draft Determination CP3/2019

Dear Sirs

I am writing to lodge my observation on your proposal to reduce the passenger charges at Dublin Airport as detailed by you last May.

I view this matter so seriously that I took the unusual step of raising it at the inaugural meeting of the new Council last June. I stated that I saw your proposals as a direct attack on the economy of Fingal.

I am a County Councillor in Fingal representing the area of Howth Malahide for over five years.

I am making this observation in relation to your proposals as a result of this matter being raised with me by various groups and people I represent during my recent canvass and since my re-election.

I would like to point out some important facts that we must remember in relation to Dublin Airport.

- Dublin Airport contributes to the employment of 117,000 people in the republic of Ireland with 19,500 of these in direct employment at Dublin Airport itself. It makes an €8.3 Billion or 3.1% contribution to the national GDP. Even though we are a small country Dublin Airport is the 11th largest in the European Union.
- In 2018 the DAA group increased its profits to a record €133m from its operations in 13 countries and is one of the few State owned entities that is fully self financing and returns a dividend to the state.

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- Dublin Airport has constantly performed exceptionally well and has enjoyed eight years of consecutive growth. It carried a record 31.5m passengers in 2018, providing over 2,400 flights to 200 destinations in 43 countries on 4 continents.
- In developing the North Runway Dublin Airport engaged in an unprecedented way with the various stakeholders and was successful in working with communities that I represent in resolving many concerns held by them.
- The successful delivery of this project will facilitate by 2043 a 31% increase in connectivity, new services to many continents, 10m extra passengers and 30,000 new long term jobs not including the 1,200 jobs created during construction.

As you will be aware the DAA has exciting plan for a €2 billion investment programme over the coming years. Much of this was being spent on improving facilities for airlines.

It was partially because of engagement with stakeholders, Airlines and customers that the decisions to provide additional facilities was arrived at. These are much needed facilities if Dublin Airport is to continue its success into the future.

The proposal to reduce the passenger charges is in my view flawed and ill advised on many fronts and the unintended consequences of such a decision will have a negative impact on Ireland, Dublin and also the people of Fingal, whom I represent, for many years to come.

In this regard I would like to make the following points:

- The price reduction that you propose will result in Dublin Airport being one of the cheapest within the EU. It will be a third of the cost of Amsterdam and some 70% cheaper than UK airports.
- You are proposing a price reduction which will benefit Airlines and their shareholders as it is highly unlikely that in the present economic climate these reductions will be passed to the end user.
- We have no guarantee that any of the €400m that you are gifting airlines will be passed to the consumer and as such it could be enjoyed by a few

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very wealthy investment funds and corporate shareholders of the Airlines who use our Airport and actually sought the improved facilities that are now at risk of being cancelled.

- The DAA like any business has made its investment plans on the basis of prudent projections and has gained support for these proposals from its bankers. To have such a large amount of its annual income removed it places it in a weakened position with its bankers as its ability to repay has been significantly reduced. This makes no economic sense.
- The proposed reduction is penalising a company for being successful, in your report you have highlighted the fact that there has been a significant increase in the number of passengers as being one of the reasons for the proposed cut. It was, amongst other investments, the provision of Terminal 2 that has contributed to this significant growth and had the type of savage reduction being currently proposed by the commission, been made in the DAA in the years prior to that development then it is unlikely that Terminal 2 would have been built, and had it been, it would have required substantial funding from the state.
- Since you have produced your proposals for a reduction in price the likelihood of a hard Brexit is a reality and this will pose huge challenges for Ireland. We should be taking measures to help our Airport and not imposing forced cost reductions that place much needed investment at risk.
- Your proposed cuts have already put parts of investment programmes on hold and will result in job losses within Fingal creating a major negative impact on not only our local economy but on the wider national economy.
- Dublin Airport is successful because it is in a position that it can compete with other European Airports on the basis of the facilities and service it offers to passengers. Without the proposed investment planned Dublin Airport will not continue to be in a position to deliver the Government's Aviation Policy and as a result the experience of customers will suffer.

I would ask that in light of the various points I have made above the Commission for Aviation Regulation reconsiders its recent proposal and makes no change in the existing and reasonable prices being charged by the DAA at Dublin Airport.

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I understand the need for regulators and am usually supportive of recommendations put forward by various bodies when it is clear that any changes are for the benefit of the wider public.

In this case I fear that the winners are big corporate airlines who are under no obligation to pass these cuts back to the consumer and the real losers will be the people of Fingal, the economy of Ireland and the millions of oversea visitors who will not enjoy the travelling experience available in other major European Airports if the DAA are not in a position to deliver its very ambitious development programme.

Thank you in anticipation for taking the time to consider my submission

Yours Sincerely

Cllr Jimmy Guerin
Howth Malahide Ward
Fingal County Council