



Ms. Brídín O'Leary
Economist
Commission for Aviation Regulation
3rd Floor, Alexander House
Earlsfort Terrace
Dublin 2



18th December 2008

Maximum levels of airport charges at Dublin Airport

Dear Ms. O'Leary,

The maximum levels of airport charges at Dublin Airport is an important issue for the IBEC Transport Council and I welcome the opportunity to deliver a submission on the Council's behalf. The IBEC Transport Council is the voice of Irish business on transport matters and represents the views of both users and providers of transport infrastructure.

High-quality air transport facilities are crucial to the growth of the Irish economy. As an island nation that is heavily dependent on international markets, every opportunity must be available to our airports to meet continually-increasing passenger demands. In the case of Dublin Airport, major infrastructure development is well underway to meet the needs of the business community and the public. The decisions taken by the Commission for Aviation Regulation (CAR) regarding maximum airport charges will have a significant impact on the ability of Dublin Airport to sustain efforts that address the requirements of the economy. In drawing conclusions as to the maximum levels of charges at Dublin Airport, CAR should be cognisant of the following points:

1. Further evidence is required by CAR prior to embarking on the significant step change of linking service quality metrics to a price cap. It must first be established that an improved passenger service will result from formalising the link between a price cap and the quality of particular services. As referenced by CAR in previous issues papers, linking a price cap to selected service quality indicators may only yield an improvement in the quality metrics chosen and not an improvement in the overall quality of service to the passenger. It should also be noted that while the price cap applies to the Dublin Airport Authority (DAA), the quality of many services at the Airport is shared by several organisations.
2. Significant development is taking place at Dublin Airport at a cost over €2 billion. This is a vital investment in national infrastructure. It is crucial that commitments from CAR to allow users to pay for this improved service via airport charges is kept. IBEC have consistently accepted user charges that are clear, transparent and equitable.
3. As with any other organisation, DAA seeks the best value for money when inviting tenders for developments. The current level of sensitive information requested by CAR regarding these projects is having a negative impact on DAA's ability to



secure the best value for money and may also cause difficulties for those tendering for projects.

4. In order for Dublin Airport to continue to plan for the future long-term needs of passengers, strategic planning and policy certainty are required. As with any large-scale piece of infrastructure, facilities must be in place ahead of demand. The approach taken by CAR must reflect this need for long-term planning. The Commission's focus should be on the medium to long-term development of the Airport. This will allow Dublin Airport to deliver sustained, high quality services to passengers.
5. Should the opportunity arise for Dublin Airport to fund needed developments through maximising revenues from ancillary services, this should be allowed to take place independently, without input from CAR.

I trust these issues will inform the Commission's decision regarding the maximum levels of airport charges at Dublin Airport. The availability of efficient and effective air transport facilities is a very important matter for IBEC members. I look forward to working with you further on this and related matters.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Paul Sweetman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul Sweetman
Head of Transport Policy, IBEC