

DUBLIN AIRPORT AIRLINE OPERATORS COMMITTEE

Commission for Aviation Regulation

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9th January 2009

Dear Sir

Dublin AOC Response to CN5/2008

The Dublin AOC, which represents all airlines and handlers at Dublin Airport, welcomes to opportunity to respond to the points raised in CN5/2008.

The AOC very much appreciates the CAR's efforts in meeting with members of the AOC PRM Sub-Committee and in considering the large amount of documentary evidence on this issue.

The AOC agrees with the findings of the CAR that DAA has failed to properly cooperate with users and has failed to act in a transparent manner in either determining the level of service to be provided or in agreeing a contract with OCS. This flawed process has led to a more than tripling of the previous cost of providing these services for many airlines.

We also welcome the CAR's statement that it intends to issue a direction under Regulation 4 of S.I. 299/2008. We feel this is a sensible approach.

In terms of what that direction should contain, we note that the key issue is that DAA should be required to bear the risk for the excessive cost of providing the service given that it failed to properly consult with users, as required under the legislation. Therefore, the CAR should ensure that this excessive costs are not passed on to airlines in

some other form, e.g., through increased airport charges or "miscellaneous" charges.

We are prepared to consider the CAR's proposal in Paragraph 3.6, which states:

"In the opinion of the AOC, the optimal solution to the current disagreement over the proposed €0.33 charge would be for the DAA to break down the PRM charge in detail with only the costs pertaining to the airlines passed through to them and the other PRM "terminal" related costs absorbed by the DAA."

However, this does not fully address the issues of whether the level of service agreed between DAA and OCS is excessive and also whether the costs agreed for these services is also excessive.

Because DAA has refused, and continues to refuse, to disclose these details to users, we are not in a position to determine. However, given that the costs have increased by more than threefold, it is likely that both are significantly overstated.

The Dublin AOC would therefore propose the following:

1. Direct DAA to disclose to the Dublin AOC PRM Sub-Committee the full details of its negotiations with all potential PRM service providers; details of the tender process; and full details of the agreed costs and service levels with OCS. The Sub-Committee is willing to sign confidentiality agreements not to disclose details of these costs, as necessary.
2. In the alternative, airlines and handlers would be willing to pay a 20% premium over the previous PRM costs, in recognition of a slight increase in the service quality (although there were significant teething problems at the start of the contract).
3. Whether option 1 or 2 above is adopted, the DAA should fully bear the risk of the excessive costs and should have to (a) refund airlines and handlers for the excessive charges already paid; and (b) this excessive cost should be ring fenced for the remainder of the contract and DAA should not be permitted to pass it on to users in any form.

We also call on the CAR to include in the binding direction a requirement that the DAA must develop and agree a consultation

process with the airlines for all such charges. At the moment, the DAA simply presents proposed charges to users and then implements them, without properly taking the comments of users on board.

The PRM Sub-Committee is more than willing to meet with the CAR again to discuss the above comments.

Yours sincerely

Therese Jager
Chairman - Dublin Airport AOC PRM Sub-Committee