

9 July 2003

Mr Cathal Guiomard
Head of Economic Affairs
The Commission for Aviation Regulation
Floor 3
Alexandra House
Earlsfort Terrace
Dublin 2
Republic of Ireland

Dear Cathal

Public Consultation regarding Review of the Determination and Regulatory Framework re Airport Charges

bmi do wish to consider whether there are issues that should be considered for a mid term review by the Regulator. However, as we only became aware of the review process earlier this week we have not yet concluded our views on some of the issues raised by the Commission in its notice dated 16 April 2003. I am on leave next week and therefore I have provided an update on bmi's position for your information.

We are able to inform you at this time that we do not accept the current methodology or resulting categorisation regarding off- peak runway charging at Dublin Airport. We are also concerned that Aer Rianta have not offered any consultation with its users during the last 18 months, regarding airport charges and associated information.

We may wish to raise other issues with you and we will advise you as soon as possible accordingly.

Off- peak runway charging at Dublin Airport

We raised this issue following the original determination, and as you are aware, took this case to the Appeal Panel, who upheld our views. Subsequently, the Regulator revised the calculations and categorisations to a more unsatisfactory position.

In particular, the Regulator has not addressed the specific issue of larger aircraft utilising a greater runway length, thus causing more wear and tear on the full length or a large part of the runway, compared to shorthaul aircraft.

eg) B747 aircraft use 40% more runway length than an A321.
Also, larger aircraft spend 40% more time on the taxiways and runways to take-off and land, again using more capacity and taking more airfield management.

The ACN numbers used for aircraft types and the determination of final categorisations are still unclear to bmi.

eg) the B737-800 is categorised as cost category 3 in various working and tables detailed in the Commissions report at Appendix 1 , but has been classed as category 2 at Annex 11, without explanation.

We request the Regulator to revisit this issue and we will provide more information to discuss this more fully in due course.

Consultation

We request the Regulator to require Aer Rianta to consult with its users on a regular basis, and at least annually. We would expect Aer Rianta to make its users aware of any key issues affecting charging and future developments, capex commitments and priorities, together with the results of the regulatory pricing framework for each year and any adjustments arising, etc. Clearly there are some major judicial issues mentioned in your notice, and it would be helpful for the airport to update its users on the current position accordingly.

Again, we can provide more details as required in due course.

I trust that you will find these comments helpful and we will revert to you as soon as possible regarding other matters

Yours sincerely

Jane Irving
Financial Controller -DOC's