

Reference: RA/51(b)

21st March 2001

Dear Mr. Prasifka,

I refer to the Aviation Regulation Act 2001 and in particular to the section regarding the decision on airport charges. The Mid-West Regional Authority wish to make the following submission to you.

The Mid-West Regional Authority is keenly interested in the future performance and development of Shannon International Airport because of its vital importance in the economic well being of the Mid-West Region and indeed the surrounding regions.

It, therefore, has a particularly keen interest in the Aviation Regulation Act, 2001 which gives responsibility to the Commission for Aviation Regulation for deciding maximum airport charges at Shannon Airport as well as at the other two major airports, Dublin and Cork.

The value of Shannon International Airport, in terms of economic impact was highlighted in our 1997 report "Shannon Airport Impact Study". In the intervening 4-year period, the value and importance of Shannon International Airport has grown, and in the future an enhanced role is envisaged for the airport particularly in the context of the National Spatial Strategy which will reflect the regional development policy of the Irish Government.

The Mid-West Regional Authority is of the view that the future development of facilities and services at Shannon International Airport is the most important requirement for proper planned economic development of the country, not just the local region, because of the obvious need to balance the inordinate growth of the East coast region, including Dublin.

(2)

Therefore, we wish to make the following brief submission in anticipation of the Commission determining the maximum charges for Shannon International Airport.

- 1. There currently exists a major imbalance in the level of economic development between the East of Ireland and the West of Ireland; recent trends show this imbalance to be accelerating at an unacceptable degree.*
- 2. While Shannon International Airport as a business in itself is an extremely valuable source of employment and income in the West of Ireland, its predominant role is as a catalyst for economic development by means of its air transport infrastructure and services, and its international connectivity for industrial and tourism usage.*
- 3. Because of 2 above, the imbalance described in 1 above, may be reduced by further enhancing Shannon's role in the future.*
- 4. A prerequisite for maximizing the impact of Shannon International Airport is that it will establish and maintain a competitive position in its market place and that it will have sufficient capital investment to allow development of facilities which users require.*
- 5. A further requirement is that Shannon may continue to develop an increased level and frequency of air service by astute marketing supported by the availability of funding to provide incentives and carry out marketing programmes for route development.*
- 6. The scale of Shannon as against Dublin Airport is such that it is inherently at an economic disadvantage because of the Dublin region population base and the level of air services and frequencies available at Dublin Airport.*
- 7. Therefore, it is essential that it should not be placed at a further disadvantage by allowing a situation to develop in the future whereby the actual airport charges at Dublin Airport are lower at any time than those at Shannon.*
- 8. The conclusion of the Mid-West Regional Authority is that in order to recognize the contribution and essential importance of Shannon International Airport to the region and in the interest of balanced regional development, a minimum requirement is that maximum airport charges at Shannon International Airport are determined as part of a three airport approach, by regarding the airport authority, Aer Rianta, as a single entity and regulating charges in accordance with this approach.*

(3)

The Authority would also appreciate, if at some time in the future, that you might be available to address the authority on the important role in implementing the Aviation Regulation Act. If you require any further comments on our submission, we will be only too glad to respond.

Wishing you every success in your new role.

Yours sincerely,

*T. Kirby,
Secretary.*

*Mr. William Prasifka,
Commissioner,
Commission for Aviation Regulation,
36 Upper Mount Street,
Dublin 2.*