

Mr C Guiomard

Commission for Aviation Regulation

Alexandra House,

Earlsfort Tce

Dublin 2

June 22nd 2010

Response to the decisions of the 2010 Aviation Appeal Panel

Dear Mr Guiomard,

I refer to your invitation to comment on the decisions of the 2010 Aviation Appeal Panel.

The Irish Tourist Industry Confederation (ITIC) is the representative body for the Tourism Industry which is focused on the economic development of tourism in Ireland, nationally and regionally. We wish to comment on just a few issues which arise from the Appeal Panel's findings

The fairest way for passengers to pay for standard airport services is through a single charge, whereby all passengers pay the same fee for availing of the same core passenger services. Optional services such as the use of air bridges, CBP, lounges etc are charged separately. This is the typical charging system at most airports worldwide. Terminal Two was designed to deliver the same quality of service as Terminal One, therefore there appears to be no basis for discriminatory differential charging. It would make little sense for a carrier to move to the new terminal if such a system were introduced, why should they put themselves at a serious competitive disadvantage to carriers that remain operating from Terminal One?

Ireland has been reputationally scoured for over a decade with a principal airport which has been compared to a third world facility by visitors and carriers alike, so it would be quite unthinkable to introduce a charging system which would very likely raise the spectre of the new facility not opening. The scope to leverage the marketing and publicity value of the new terminal facilities to deliver connectivity to new and existing markets would be severely curtailed in such circumstances.

Under a differential pricing regime, the only alternative scenario to T 2 not opening would be a situation in which one of Ireland's two main airlines was paying a higher price for the same level of service. This would be seriously damaging to competition. Irish tourism is fortunate in having its main entry point served by two competing airline networks. The Commission must ensure that its regulatory framework supports this.

The introduction of differential pricing, so unexpectedly and at such a late stage, creates huge risk factors for operators who have been making commercial and operational plans on the assumption that they would be paying the same charges for the same services regardless of the facility being

used. At a time of unprecedented uncertainty and vulnerability in the aviation industry, the Commission needs to ensure that all steps are taken to avoid distorting competition in this manner.

Terminal Two has been the subject of two Ministerial directions, independent verification, two appeals and two determinations. Its opening is clearly in line with the Commission's statutory objectives. It appears inconceivable that at this late stage the Commission would pursue differential pricing and in so doing place at risk the long overdue opening of this important national infrastructure.

Yours sincerely


Eamonn McKeon

Chief Executive