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Director of Economics
Commission for Aviation Regulation
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5th May 2021

British Airways response
Commission for Aviation Regulation's Consultation Paper CP1/2021

Dear Adrian,

Thank you for the opportunity to respond to your latest consultation regarding a potential second Interim Review of the 2019 Determination for Dublin Airport.

Executive Summary

We support Aer Lingus' response providing feedback on the Commission for Aviation Regulation's Consultation Paper CP1/2021 regarding a potential second Interim Review of the 2019 Determination for Dublin Airport.

We agree that there are substantial grounds for a second interim review of the 2019 Determination to be conducted, and that a narrow focus review setting a price cap for both 2022 and 2023 is appropriate at this time.

We also agree with Aer Lingus that a shortening of the current regulatory period so as to allow any wide-ranging review conducted in 2023 to inform a full regulatory period would be desirable.

The timing and extent of any traffic recovery remains uncertain at Dublin Airport (as for other airports) and it is likely that there will be significant difference to the traffic volumes forecast for 2022 and potentially also for 2023. We believe the potential for significant variance to the forecast of a highly important building block of the price cap is substantial grounds to conduct an interim review of the 2019 Determination.

BA preference is for a narrow focus review to address both price cap 2022 and price cap 2023. It's not clear that the expectations for 2023 traffic levels will be any more settled by mid-2022 than it is now in mid-2021, as there are a number of scenarios which could play out in terms of the shape of any traffic recovery. Greater certainty now on costs for 2023 will help airlines to plan future operations and potential contribute to a faster traffic recovery at Dublin.

BA considers that a wide-ranging review of the price cap building blocks will be necessary at some point, however this is unlikely to be feasible before 2023. A review in 2023 would mean that there is only one year remaining in the current regulatory period – it would therefore be beneficial to all parties if the current regulatory period was shortened so that the full building blocks review would



take place in 2023 to inform the next regulatory period instead of being undertaken in 2023 for 2024 and then repeated in 2024 for the 2025-2029 period. (assuming the next regulatory period would be of 5 years duration).

Yours sincerely,

A handwritten signature in black ink, appearing to read "Alexander Dawe", written over a horizontal dotted line.

Alexander Dawe
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