

Commission for Aviation Regulation
3rd Floor
Alexandra House
Earlsfort Terrace
Dublin 2

5 February 2016

CUPPS Fee Dublin Airport, Commission Notice 2/2016
CUPPS Fee Cork Airport, Commission Notice 3/2016

Dear Sirs,

We refer to the above Commission Notices and set out our comments below.

Dublin Airport

We welcome the CAR's statement that the ATI fee for CUPPS will be calculated under this process as an information item only on invoicing to users to 31 December 2019. Given that the daa will not be collecting such fees until 1 January 2020, the appropriate level of the fee should again be reviewed closer to that time.

Bearing this in mind, we would make the following comments in response to Commission Notice 2/2016:

- As previously stated, we believe that the charging structure should reflect the different passenger classifications, such as web-check or transfer passengers, who make more limited use of the CUPPS technology. While daa has indicated that this is not currently available they have also indicated that they are willing to review this in the future. Given that this charge will not come into effect until 2020 at the earliest, this matter should be reviewed prior to implementation of the charge to ensure compatibility with the criteria as set out in EU Directive 96/67/EC.
- The proposed fee is based on projected passenger numbers which have generally proved to be unreliable. The CAR should therefore ensure that the CUPPS charge is calculated using a formula which reflects the actual passenger numbers.
- We reiterate our position that CUPPS fees should be reviewed on an annual basis to reflect variable factors including the WACC and inflation. The CAR should again consider adopting a methodology which would allow such an annual review to take place.

Cork Airport

In our submission to the daa consultation on the CUPPS fee at Cork Airport we indicated that the appropriate WACC should be significantly lower than the 7.8% indicated in the daa's consultation paper. While we note that the daa has indicated that a change in the WACC will not have a material impact on the proposed fees, our view remains that the CAR should ensure that an appropriate WACC is used to establish the relevant fee.

Kind regards.

Yours faithfully,

Laurence Gourley
Director of Legal