

COMMISSION NOTICE 1/2005

NOTICE REGARDING PROPOSED TIMETABLE FOR THE MAKING OF A DETERMINATION ON THE MAXIMUM LEVEL OF AIRPORT CHARGES AT DUBLIN AIRPORT

The Commission for Aviation Regulation ("the Commission") was formally established on February 27, 2001, under Section 5 of the Aviation Regulation Act, 2001 ("the 2001 Act"). Under the Act, one of the principal functions of the Commission is the making of a determination on the maximum level of airport charges.

The State Airports Act, 2004, (the "2004 Act") which was enacted in July 2004 amended the 2001 Act in a number of respects. The primary amendments in so far as the Commission is concerned relate to the exclusion of Cork and Shannon airports from economic regulation and the modification of the regulatory objectives and factors relevant to the making of a new determination. The 2004 Act requires the Commission "as soon as is practicable, but not later than 12 months after the Dublin appointed day" to make a new determination specifying the maximum levels of airport charges that may be levied at Dublin Airport. The Dublin Appointed Day was 1 October 2004 and accordingly, the Commission is obliged to make a new determination by 1 October 2005. This new determination will replace the current determination made by the Commission in August 2001 and reviewed in March 2004.

As stated in CP6/2004, which was published on 1 October 2004, the Commission is obliged to publish a notice in respect of the making of a determination. As in 2001, the Commission considers that the best

method of doing so is to publish a Draft Determination and Explanatory Memorandum which will give all interested parties and the public, a clear understanding of the approach and methodologies used in proposing a new price cap going forward.

The Draft Determination will set out an indicative price cap. The Explanatory Memorandum will include an explanation of the following matters in relation to Dublin Airport;

1. The workings and assumptions underlying the Commission's Financial Model
2. Indicative allowances for the Capital Expenditure Programme
3. Capacity Analysis
4. Cost of capital
5. Commercial Revenue
6. Operational Expenditure

It is intended to publish the Draft Determination and Explanatory Memorandum by **6 May 2005**. This will commence the statutory consultation period required under the 2001 Act. At the end of the consultation period and following the consideration of any representations received, the Commission will, as soon as practicable and not later than 1 October 2005, make its final determination and report.

William Prasifka
Commissioner

16 March 2005