

**Irish Association of International
Express Carriers (IAIEC)**

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Mr Bill Prasifka
Commissioner for Aviation Regulation
36 Upper Mount Street
Dublin 2

02 July 2003

Dear Commissioner,

This letter has been prepared by the Irish Association of International Express Carriers (IAIEC) on behalf of its members. The Association has considered the Commission's *'Public consultation notice on a review of the determination of the maximum levels of airport charges'* and agrees with the Commission that there are indeed substantial grounds which would justify commencing a review at the statutorily proscribed time after the 26th of August.

1. Grounds for a review:

The Association believes that the grounds as laid out in the Notice comply with this and in addition would like to submit the following matters:

- Cargo operations have experienced a significant downturn both in Ireland and worldwide, since the events of September 11th, the war in Iraq and the downturn in the world economy.
- This downturn in revenues has coincided with a period of significant increases in charges by Aer Rianta Teo (ART). For example, the cost of parking freight aircraft increased by almost 600% for freight airlines using their airports and the cost of landing freight aircraft by 31 % in January 2002.
- However reductions and cost savings were secured in October 2002 following a sustained effort by the Association and other cargo operators and largely due to a change in the political landscape rather than any change of policy by ART. It is clearly ART's policy to raise charges again and this may include once again disproportionately penalising freight operators.
- The cumulative impact of these matters may well be seen on the level of airport usage, particularly outside of Dublin and in the volume of available airlift capacity for goods. The Association believes it is likely that such developments will have implications in respect of a second terminal at Dublin airport and the proposed segregation of responsibility for the airports at Dublin, Cork and Shannon.

In the broader context, any review of the Determination will have a major impact on the Association's business and their clients and therefore the Association supports a review of the Determination to take into account the commercial consequences of recent economic developments and other events such as the development of a second terminal at Dublin airport.

2. Specific grounds that should be included as the basis of the review:

- i. The Association believes any review should take into account a re-balancing of the passenger versus cargo contributions to airport charges and therefore a more equitable charging structure for cargo.
- ii. In light of point (i), the Association also believes that any review should ensure a regulatory framework that encourages ART to facilitate the development of cargo at Dublin airport in particular or at the very least prevent it from discriminating against cargo operators.
- iii. The IAIEC would like the review to re-examine the rationale behind the cargo sub cap as in the Association's opinion the current landing and parking charges cover all services currently provided by ART to facilitate its members.
- iv. It is the Association's view that a single till approach should be maintained by the Commission as it represents a very much more effective and transparent method of comprehensively regulating revenues generated by ART from airport related activities.

The Association would welcome any review of the Determination and the opportunity to contribute to any such process.

Yours faithfully,

Michael D'Arcy
Policy Advisor to the IAIEC