

03 November 2004

Patricia O'Connor  
Head of Legal Affairs  
The Commission for Aviation Regulation  
3rd Floor  
Alexandra House  
Earlsfort Terrace  
Dublin 2  
Republic of Ireland

Dear Patricia

Consultation paper on the making of a new determination under the Aviation Regulation Act, 2001, as amended by the State Airports Act 2004

bmi welcome the opportunity to comment on the Commission's consultation paper regarding the making of a new determination, and our views are summarised below.

## 1 Consultation on the process and determination

We note that the Commission have stated their intention to involve all interested parties in full consultation and we welcome this position. However, we are concerned that adequate notice and timeframes are allowed to enable the engagement of interested parties, and recognising the involvement of non-Eire carriers. For example, an initial consultation meeting was convened by the Commission at less than 3 days' notice which bmi were unable to attend., and responses have been requested within a one month timeframe which is again inadequate to allow proper review.

## 2 Statutory Objectives

We look to the Commission to ensure that the Airport business is thoroughly reviewed by an independent body such that costs are minimised consistent with meeting the requirements of airlines. This should be achieved through ensuring appropriate procurement processes and efficiencies are driven through the business, the maximisation of commercial revenue opportunities, and the prioritisation of economically viable investments in line with airline needs which add value for money and have a supported positive business case.

Full consultation between the airlines and airport will be essential in order to determine an acceptable & viable investment plan and to deliver the service standards and quality of facilities required by airlines.

A reasonable return on capital employed can then be determined and allowed within the pricing, taking into account the business review including the investment programme, and bearing in mind the monopolistic nature of the business.

### **3 Single till**

We fully support the single till and it is imperative that this is retained to include all business within the airfield at the airport. This is the only reasonable approach which recognises the intrinsic business relationship between airlines and the airport.

### **4 Capex**

It is essential that the Airport engage with the airlines to produce an agreeable capex programme to deliver investments in line with airline requirements at minimal cost. The airport cannot be allowed to develop the airport except on this basis, as it is the airlines who pay for the investments.

Investment delivery to an agreed programme should be linked to price paid by airlines.

### **5 Off- peak runway charging at Dublin Airport**

We wish to reiterate that we do not support the current structure of charging for off-peak usage of the runway and expect this point to be addressed to charge on a conventional, internationally accepted basis of MTOW and rate per tonne.

I trust that you will find these comments helpful

Yours sincerely

Jane Irving  
Financial Controller -DOC's