



COMMISSION FOR  
AVIATION REGULATION

09 NOV 2007

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# Kerry Airport plc

FARRANFORE, KILLARNEY, CO. KERRY, IRELAND

Tel.: (066) 9764350 / 9764644  
Fax: (066) 9764134  
International Tel.: ++ 353 66 9764350  
International Fax: ++ 353 66 9764134

Email: [info@kerryairport.ie](mailto:info@kerryairport.ie)  
Web: [www.kerryairport.ie](http://www.kerryairport.ie)  
SITA: KIRAPXH

Mr. Alan Richardson  
Head of Administration  
Commission for Aviation Regulation  
3<sup>rd</sup> Floor  
Alexandra House  
Earlsfort Terrace,  
Dublin 2

07/11/2007

**Re CP7/2007 – Draft Consultation Paper on Levy**

Dear Mr. Richardson

I refer to the above paper.

The original principal functions of CAR were:

Regulating Airport charges at Dublin, Cork and Shannon airports  
Regulating Aviation Terminal Service Charges (ATSC) which were charged by the Irish Aviation Authority (IAA) to Dublin, Cork and Shannon airports for the provision of Air Traffic Management Services and equipment at the State airports.

Implementing EU slot allocation legislation at Dublin Airport  
Licensing Irish Air carriers  
Licensing Ground handling Services at the State airports  
Licensing/bonding tour operators  
Licensing travel agents

The costs of running the CAR were recovered by charging fees to those directly incurring the services with the bulk of the charges being borne by Dublin airport in relation to slots and airport charges.

None of the above services related to any of the Regional airports and they were not therefore charged any fees or levies.

Sometime in 2006 the CAR was given a new function of complaint investigation and enforcement of passenger rights and the Regional airports could be said to have some input in these through complaints from passengers passing through the airports. Therefore, a case could be argued for passing on these costs directly to the **passengers** who are meant to benefit from them.

The CAR states in its paper CP7/2007 that the estimated costs of running this service in 2008 is €507,645. The pro-rata costs of this to Kerry Airport using the adjusted

Denis Cregan (*Chairman*); John O'Sullivan (*Secretary*)

passenger numbers below would be €5,839, however, the commission wants to charge Kerry Airport €38,129.

CAR states “For practical reasons, it is not feasible to impose the charge on individual passengers directly”. The airlines have successfully added on a bevy of charges to the passengers including but not limited to: wheelchair charges, check-in charges, baggage charges, internet charges, credit card charges, Fuel surcharges, airport charges and Government charges. This is the easiest and most transparent way to collect properly incurred levies direct from the user.

CAR has not taken into account that a substantial amount of passengers using the regional airports travel through Dublin Airport and the CAR has therefore counted them twice. In Kerry airport’s case there were a total of 113,572 passengers on the Dublin Route in 2006 and these can be split 50/50 between Inbound and Outbound. Therefore, adjustments should be made to the figures used in the Table in para. 4.7 in calculating a correct pro rating of charges as follows:

Total Passengers	29,294,370
Less Double Counting	<u>113,572</u>
Adjusted Figures	29,180,798

Dublin Passengers	21,196,000
Less portion counted twice (50% of 113,572)	<u>56,786</u>
Adjusted Total	21,139,214

Kerry Airport	392,400
Less portion counted twice (50% of 113,572)	<u>56,786</u>
Adjusted Total	335,614

The table of Fee Revenues to be charged in 2008 shows a total charge of €4,122,507 to be collected from the various entities. However, this figure is understated by €344,999 as the correct addition of this table is €4,467,506.

The charge of €38,129 for Kerry gives a per pax charge of 0.097169 and this is the same for all airports (DAA is different as there are other levies included).

The calculation of the levy for the individual entities will be different depending on whether €4,467,506 or €4,122,507 is the correct figure. However, for illustration purposes we will use the figure of 0.097169 to calculate the levy on a passenger basis after allowing for the double counting. Therefore the total levy to be collected in this manner is €2,846,505 (29,294,370 X 0.097169).

Using the Adjusted passenger figures above (adjusted for Kerry Pax only) then the levy per pax should be calculated on total pax of 29,180,798 which would increase the per pax levy to 0.0975471 (€2,846,505/29,180,798). This would then give a correct calculation of €32,738 (€0.0975471 X 335,614) for Kerry Airport. This adjustment would obviously have to be made for all other airports where there is double counting of passengers.

However, as stated above the actual charge that can be legitimately levied on **passengers** using Kerry airport should be based on the cost of providing this service which is €507,645 and would work out at a levy of € 5,839 (€507,645/29,180,798 X 335,614) and this is what should be charged directly to the **passengers** using Kerry airport.

#### Summary

We consider that this document has been poorly thought out.

Kerry Airport has nothing to do with High Court cases taken by Ryanair against decisions made by the commission relating to charges or slots at Dublin Airport. Any attempt to pass on these costs is unreasonable.

The method of double counting passenger figures is not correct.

Any **passenger** related charges should be levied on the **passengers** directly through ticket sales.

We consider that the commission's attempt to justify dividing a levy €2,846,505 between all the airports in the state on the basis that they have incurred additional costs of €507,645 for consumer protection is at best described as extortionate.

We would assume that the majority of consumer complaints are against the airlines in relation to lost luggage, delays, cancellations etc and it is not fair to target the airports in isolation, if the passengers are not charged directly then the airlines should be required to pay a far more substantial contribution than the airports.

We trust that you will give proper consideration to our views expressed above and we await hearing from you.

Yours sincerely



Peter Moore  
Airport Manager

CC Anna Prior, Department of Transport