



Corporate Head Office,
Dublin Airport,
County Dublin,
Ireland.
Telephone: +353 1 8121212
General Fax: +353 1 8121213
site; DUBHQFR
Reservations: +353 1 2497700
Website: www.ryanair.com

Department Fax Numbers
Finance: 01 8121373
Sales & Marketing: 01 8446625
Flight Operations: 01 8444404
Engineering: 01 8121338
Reservations: 01 6097902

1st November, 2005

STRICTLY PRIVATE AND CONFIDENTIAL

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

Dear Louise,

I refer to Commission Notice 7/2005 received here on 28th October.

On behalf of Ryanair, which is now Dublin Airport's largest airline user in terms of passenger numbers, we wish to make the following submission:

1. We believe there is no justification for any cost of inflation increase in the annual or hourly check-in desk rentals at Dublin Airport and this application should therefore be rejected by the CAR on the following grounds.
2. As noted in our comments on CP8/2004 and in our subsequent legal challenge of the Commission's decision, there was no justification for the CAR's approval in October 2004 of a doubling of check-in desk fees, which included an illegal bundling of CUTE charges. The annual check-in desk rental at Dublin Airport of €16,700 also greatly exceeds the original cost of recovery of the provision of these check-in desks in the terminal building that is over 20 years old. As the check-in desk rental at Dublin Airport is already inflated and excessive, there is no justification for any cost of inflation increases.
3. Thanks to greater efficiency by the airlines at Dublin Airport, a total of 1 million extra passengers have been processed through the existing check-in desks at Dublin Airport (an increase from 17m to 18m over the past 12 months), which has yielded a 6% increase in passenger fee income to Dublin Airport and this increase in passenger fee income more than covers any requirement for a cost of inflation increase in check-in desk rentals at Dublin Airport.
4. The DAA has misled the Commission when it advised "*it has already consulted with the Dublin Airport Users Committee on this proposal*". There has been no consultation as is evidenced by the actual sequence of events. At the 5th October meeting of the Dublin Airport Users Committee, the DAA handed out a booklet entitled "*Draft Miscellaneous Fees and Charges*" and without any explanation or exposition of the contents of this booklet, the Dublin Director of the DAA, Mr Bob Hilliard, requested any comments or feedback should be forwarded in writing to the DAA no later than Friday 21st October, some two weeks later.

As requested Ryanair wrote directly to the DAA on 17th October requesting supplementary information and in particular the rationale behind the increases in charges. Ryanair also requested that the DAA provide details of the actual cost to the DAA of the various services listed and requested this information as quickly as possible. The DAA wrote back to Ryanair on 27th October (in the week following the cut off point for submissions) and refused to provide any analysis or response to Ryanair's reasonable request. To quote directly from the DAA letter:

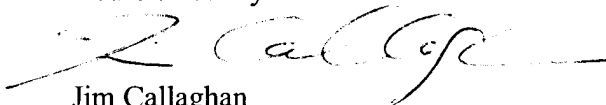
"In relation to the cost base, as we have explained at length in previous years consultations, given the level and nature of the revenues involved, where many charges are not mandatory but optional, a detailed discussion of cost would be both disproportionate and inefficient. Given the above points and the fact that no other users have raised this issue again, we are satisfied that this issue has been reasonably dealt with. In the context of the determination which requires that the level of airport revenues, other than airport charges are substantially increased over coming years, our proposal is simply to increase only by inflation i.e. keep the charges constant in real terms."

As you will see from this exchange of correspondence, not alone has there been no consultation with Dublin Airport users, but the DAA has refused to provide users with the reasonable back up information needed to allow users to understand what costs have increased in order to justify these price increases. It is neither reasonable nor fair that the Dublin Airport monopoly should simply impose price increases in line with inflation upon airport users who continue to suffer lower fares and significantly higher oil prices because the users operate in a competitive environment, whereas Dublin Airport enjoys a regulated monopoly.

As you will note from the attached correspondence, there has been no consultation of these price increases with users. There is also no justification for these price increases, since the cost to Dublin Airport of providing these check-in desks has not increased by the rate of inflation, and in fact Dublin Airport has already seen its income from these check-in desks rise by over 6% thanks to traffic growth over the past 12 months and all of this growth has been processed through the same number of check-in desks thanks to users increased efficiency. Dublin Airport should continue to demonstrate similar efficiencies as its users, and this can only be delivered if these type of unnecessary and unjustified cost increases are rejected by the CAR.

Should you require any further information or assistance from us in this matter, please don't hesitate to contact me.

Yours sincerely



Jim Callaghan

Head of Regulatory Affairs and Company Secretary