



## **REVISED STATUTORY LEVY FOR 2008 AND AFTER**

Commission Paper CP9/2007

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## **1. THE CONSULTATION PROCESS**

This Paper sets out the Commission's conclusions on the recent consultation process regarding the fees and levies to be charged in 2008 and the revised future cost recovery methodology.

On 15 October 2007 the Commission published CP7/2007 thereby initiating a consultation process on the requirement to examine the shortcomings in the existing methodology of cost recovery as carried out under the powers contained in Section 23 of the Aviation Regulation Act, 2001 (the "Act").

By the closing date of one month later, the Commission had received 8 submissions from the following parties: AirOps, Air Dispatch, DAA, DAA Shannon, Ryanair, Kerry Airport plc, IWAK and Aer Lingus.

All submissions and responses were placed on the Commission's website.

After consideration of all the submissions and responses, the Commission is now in a position to publish its conclusions on the best approach to imposing the statutory Levy for 2008 and onwards.

## **2. SUMMARY OF PROPOSALS IN CP7/2007**

In CP7/2007 the Commission proposed amending the approach it followed when setting the levy, an approach that had been developed in 2002 shortly after the Commission was established. The rationale for the change was three fold. First, the Commission had assumed new responsibilities relating to air passenger rights which gave rise to costs the Commission needed to recover, to which the existing approach had no regard, because its design predated the Commission's new responsibilities. Second, the Commission was keen to reduce the significant and unpredictable annual variations in individual levies. And finally, the Commission had observed that under the current arrangements some functional areas were not generating sufficient revenues to cover their costs by a significant margin.

The most fundamental change from the previous levy regime that the Commission

proposed was to change all airports (State and regional) a new levy. This was to cover the costs associated with the Commission's new consumer protection role. The Commission also proposed setting a central levy, charged to all the airports, to cover legal costs and other costs that cannot be directly attributed to the different functions the Commission performs.

The Commission also proposed increasing the fees charges to licensed air carriers and approved ground handlers. At the same time, a number of amendments to the structure of fees charged to licensees were proposed, designed to encourage applicants to submit documents in a timely manner. The rationale for this proposal was to eliminate the need to continuously follow up licence holders for their statutory accounts and related information. This practice had a disproportionate effect on the resources and costs of a small Office and it was considered that a late fee requirement was an appropriate policy response.

Finally, the Commission proposed setting the levies charged to the DAA, IAA and Irish airlines to cover the Commission's costs of regulating airport and aviation terminal services charges and complying with EC slot-allocation legislation according to the expected costs of carrying out these functions, without making annual adjustments.

### **3. INDUSTRY SUBMISSIONS AND COMMISSION'S RESPONSES**

This section summarises the industry submissions made to the Commission concerning the draft proposals and the Commission's responses to those submissions. The material has been structured using the same headings as in Commission Paper CP7/2007; respondents' representations and Commission responses that are not specifically applicable to individual levies and charges are considered in the last part of this section.

#### **3.1 Airport Charges**

The DAA queried the Commission's much greater cost of regulating Dublin Airport's charges compared to the cost of regulating aviation terminal services charges (ATSC), given the similarity in the regulatory regime. While the difference is large, it has traditionally been so over the many original, interim and varied determinations since 2001. The Commission has therefore budgeted for 2008 accordingly.

Ryanair queried the budgeted cost for 2008 given that there will be no price cap reviews in 2008. The Commission wishes to point out that it will be undertaking work in 2008 in preparation for the next airport charges determination; moreover, the revised cost recovery method is in part specifically designed to benefit the industry by smoothing costs over price control periods.

### **3.2 Regulation of Aviation Terminal Services Charges**

DAA queried the computation of the ATSC levy given the share of Commission staff time devoted to ATSC price determinations. However the 5% proportion of the Commission's time that the DAA cited (drawing on a statement on p.23 of CP7/2007) equated with one member of staff and not the Commission-wide average.

### **3.3 Slot Allocation and Co-ordination**

Ryanair disputed the need for slot co-ordination at Dublin Airport, as well as the current 50:50 cost recovery split (between Irish-registered airlines and Dublin Airport).

The Commission consulted on the slot control regime in late 2006 and early 2007 and does not propose to reopen that discussion here, which in addition, is the subject of a current judicial review challenge. The cost apportionment was consulted upon in 2002 and is based on industry norm in other jurisdictions. The Commission remains satisfied that the current apportionment is reasonable.

### **3.4 Ground Handling**

The submissions from the DAA and AirOps proposed a sliding scale of ground-handling charge related to turnover, similar to the charging regime applied by the Commission to its fees collected from licensed Tour Operators. The Commission is open to suggestions on how such a scheme might work, but does not currently propose to introduce a sliding scale for ground-handling charges. Among the Commission's concerns are the practical difficulties associated with defining turnover.

Ryanair argued that the Commission provides no basis or justification for the fees proposed. The Commission wishes to point out that in CP7/2007, in addition to setting out the legal basis and the amended methodology, the rationale for the revised approach was clearly explained.

The submission from Air Dispatch argued for the deadline for submission of accounts by ground-handling firms to be extended when they form part of a larger corporate group with a group-wide financial year-end. If parties inform the Commission in advance that certain information can only be finalised and provided after the due date, the Commission, where there is legal discretion, will consider waiving the application of its late fees.

The DAA interpreted the text of CP7/2007 to mean that the Commission would charge ground-handling firms a fee only once every five years. For avoidance of doubt, the Commission will charge ground-handling firms a flat annual fee each year, but no renewal fee (in line with what the DAA has advocated).

While late fees might mean greater fee income volatility, their primary objective is to give firms a financial motive to submit applications and accounts on time.

### **3.5 Air Carrier Licensing**

The DAA submission proposed a sliding scale of charges, based on turnover, for air carrier licenses, similar to the charging regime applied by the Commission to its fees collected from licensed Tour Operators. The Commission is open to suggestions on how such a scheme might work, but does not currently propose to introduce a sliding scale for air carrier licensing charges. Among the Commission's concerns are the practical difficulties associated with defining turnover.

The DAA understood the Commission's proposal in CP7/2007 to be a quinquennial (once-every-five-years) licence fee for air carriers. For avoidance of doubt, the Commission will charge air carriers a flat annual fee each year, but no renewal fee (as the DAA has advocated).

While late fees might mean greater fee income volatility, their primary objective is to give firms a financial motive to submit applications and accounts on time.

Ryanair hold the view that the Commission has provided no basis or justification for the fees proposed. The Commission refers Ryanair to the contents of CP7/2007.

### **3.6 Travel Trade Licensing**

The Commission received no submissions concerning the fees charged for licensing the travel trade sector.

### **3.7 Consumer Protection**

Kerry Airport and the DAA-Shannon airport argued that certain classes of passengers should be excluded from the passenger measure for the purpose of computing the cost allocation proportions. Kerry Airport wished to exclude passengers flying to Dublin, and the DAA-Shannon airport wished to exclude all transit passengers. The Commission has decided to use total passenger numbers on the grounds that all passengers are covered by the consumer protection legislation.

Kerry Airport noted a miscalculation in Table 4.7 of CP7/2007, whereby the total revenue was not the sum of the individual revenues. The corrected and updated figures are presented in the table in section 4.9 of this document.

Ryanair said that the budgeted cost for air passenger rights enforcement was excessive in its view. The Commission wishes to point out that this function is not only a new role for the Office but by its nature involves in addition to complaint investigation and enforcement, requirements to advise the public as to their legal rights, preparing and publication of notices and information leaflets, site visits and data/statistical analysis. The proposed budget in this area has been further considered, including in the light of the submissions received. Given the progress made in 2007 in carrying out its statutory role and the considerable level of media publicity for air passenger rights, the Commission has now revised downwards its expected total cost for consumer protection in 2008 to €305,296.

### **3.8 Central Levy**

Kerry Airport and Ireland West Knock Airport objected to the levying of the Commission's overhead costs, especially legal costs, on regional airports. As explained in CP7/2002, while the CAR price regulates only Dublin Airport, it believes that most of the Commission's functions are to the ultimate benefit of air passengers generally and may therefore reasonably be charged to passengers at all of the 9 Irish airports.



The DAA and Ireland West Airport Knock disputed the Commission's statement in CP7/2007 that the regulatory costs would be expected to be borne ultimately by passengers. The Commission remains of this view because cost increases that fall on all the suppliers in an industry tend under conditions of competition to be passed on to consumers by suppliers in the expectation that other suppliers will do the same.

The DAA queried the changes in the time allocations of Commission staff between 2002 and 2007. The time allocations in CP4/2002 were based on a single year's observation. The most recent are based on those and subsequent year's observations. These statistics inform the final judgement, which also has regard to the fact that the resources devoted to each of the Commission's functions evolve over time, and in the case of consumer protection historical data is likely to understate expected effort merely because the Commission has only relatively recently assumed this function.

The DAA's submissions query why some regional airports, that are not price regulated, are proposed to be charged more than the aggregate of companies in some other sectors; CP7/2007 explained the rationale for levying airports. The level of charges is a result of the proposed methodology and the costs that the Commission expects to incur next year.

The DAA submissions stated that sharp variations in the Commission's annual levies would not be a major concern for it, and that the Commission's proposed solution was disproportionate to the problem. The Commission's proposal to implement a central levy was not just to counter fluctuating levies but also to help the Commission recover costs that it considers cannot be borne by small operators in some aviation sectors. The DAA recommended spreading all of the Commission's costs over several years to avoid Levy and fee fluctuations. The Commission sees merit in the proposal to spread all its costs over several years to avoid Levy and fee fluctuations, but is currently required to balance revenues and costs on an annual basis.

The DAA submissions strongly objected to the Commission's proposal to adjust only the central levy for any difference between the Commission's overall costs and overall revenues, on grounds of unfairness and weakened efficiency incentives for the Commission. The proposal to only vary the central levy annually does not bias the expected total contributions from airports vis-à-vis other parties that pay fees and charges to the Commission; all of those other fees are set with the expectation that they

will recover directly attributed costs. Differences between forecast and out-turns for these costs could be positive or negative. It is unclear why the proposal should have any effect on the efficiency incentives facing the Commission. The situation remains that the Commission will be setting levies and fees so that in aggregate it recovers sufficient revenues to meet its costs.

The DAA-Shannon Airport submission states that the timing of the Commission's consultation has not allowed them to budget for a charge in 2008. The Commission always sets the levy late in the year, since it allows it the opportunity to forecast next year's costs with more accuracy. Had the Commission published the consultation paper earlier in the year, there would have been greater uncertainty attaching to the forecast levies and fees. The Commission also wishes to point out that it wrote to all airports at the start of 2007 to notify them that it was required to introduce a cost recovery programme for its consumer protection function.

### **3.9 Other Comments**

#### 3.9.1 The Commission's costs

The respondents that made the lengthiest representations about CP7/2007 (DAA, DAA-Shannon Airport and Ryanair) devoted a significant part of their submissions to the Commission's costs, rather than to the Commission's proposals to revise the structure and levels of future levies and charges. Section 5 of this Paper recaps on the arrangements by which the Commission is accountable for ensuring that its own costs of operations "are kept to a minimum and are not excessive", as required by the Act.

#### 3.9.2 Transparency of the Commission's costs

DAA and DAA-Shannon Airport argued that the Commission's revised cost recover methodology - especially the collection of some costs from a central levy - would reduce the transparency of the Commission's accounts. This is not, in fact, what the Commission proposed in CP7/2007; the costs of each of the Commission's functions will continue to be identified and published separately as part of the statutory accounts. However, in future, the Commission will no longer aim to *recover* the total of each function's costs from charges or levies collected from firms or users in that sector; rather, some of the costs of the office will be collected from the central levy. However, reporting of the Commission's functional costs in its financial accounts will continue.

### 3.9.3 The Commission's Legal Costs

Decisions of the Commission have been subject to legal challenges from the outset. In 2001-2003, the former Aer Rianta prosecuted a lengthy, costly but unsuccessful action against the Commission in respect of the first Airport Charges Determination. In relation to that case, Ryanair's submission asserts that the Commission:

*"failed to recover over €3m in legal fees in 2002 and 2003 following the [Commission's] successful defence of a challenge ... to its first determination ... the Commission instead chose to settle the case under threat of an appeal by Aer Rianta/DAA and pay these excessive costs, which were then passed on to airline passengers through the airport levy. Airline passengers are in essence paying the penalty for the CAR's failure and incompetence."*

This account is manifestly in error and all the more surprising given that Ryanair was a Notice Party to the action. The facts are as follows; the 2001 Aer Rianta judicial review case was not settled but won in its entirety in the High Court by the Commission together with an Order for Costs; following that Judgment, an appeal went forward to the Supreme Court. Prior to its hearing the then Aer Rianta proposed a settlement which included provision that the DAA will pay for the costs of the litigation, and the Commission will make an appropriate downward adjustment (via the price cap) to the charges paid by airport users.

Regarding whether some legal costs should not be funded through the levy, the Commission has only two sources of income - fees and levies - therefore all costs of whatever nature must be recovered from these sources. This applies regardless of the outcome of court cases.

Of the 6 Judicial Review challenges to the Commission's decisions between 2001 and 2007, only three have been finally decided. The Court found in favour of the Commission in each of these cases. One further case is under appeal from the High Court to the Supreme Court, and two new cases commenced in 2007. Given this situation the basis for Ryanair's claim that the legal challenges "arise from the CAR's own incompetence and its failure to apply the rules and regulations fairly or in accordance with the legislation" is non-existent.

A second set of legal challenges to Commission decisions commenced in 2005. In the

intervening two and a half years, five Judicial Reviews were taken, all of them by Ryanair. Between the date of publication of CP7/2007 and the publication of the present paper, the High Court has revised the time it expects that will be required to hear the most recent Ryanair legal challenge. In consequence, the Commission's estimate of its legal costs have had to be revised upwards.

#### 3.9.4 Possibility of a direct Passenger Charge

The DAA submissions as well as that of Kerry Airport proposed that the Commission's costs be recovered as a direct charge on passengers, collected from airlines, and identified separately on the face of airline tickets. The Commission has rejected this proposal including on grounds of practicality and the likely high overhead and administrative costs to the CAR of seeking to collect a levy from the large number of airlines (from many States) using the 9 Irish airports.

## **4. FEES AND LEVIES**

This section details the levels of fees and levies that the Commission will collect in 2008. The fees and levies figures for 2008 are based on a revised 2008 Commission budget. The principal differences between the 2008 budget on which the Commission's decision is based, and the provisional budget that underlay the draft proposals in CP7/2007, are twofold:

- A higher estimate of the Commission's legal costs in 2008 arising from the lengthier expected duration of the Ryanair challenge to the Commission's decision (CP6/2007) on the DAA's 2006 investment plan (CIP 2006);
- A reduction in the Commission's budget for its air passenger rights work in 2008, taking account of submissions received on this matter.

In future years, the Commission will alter these fees and levies in line with changes to the Consumer Price Index (CPI), with the exception of the central levy charged to airports which will be set annually so as to ensure that the Commission complies with the statutory requirement that it not collect more revenues than it needs to perform its functions.

### **4.1 Airport Charges**

The levy charged to the DAA to cover the costs of regulating airport charges will be €830,638 for 2008. This equals the expected directly attributed costs to the Commission of regulating Dublin Airport's aeronautical charges, including an allowance for 20% of what the Commission expects to spend on consultancy support over a five-year period (the expected length of Determinations).

This charge does not include any costs that the Commission expects to incur in legal challenges relating to its regulation of airport charges. The Commission will recover such costs from the central levy.

The cap on airport charges at Dublin Airport will be adjusted to allow the DAA to recover the costs of this Levy.

#### **4.2 Aviation Terminal Services Charges**

The levy charged to the IAA to cover the costs of regulating ATSC will be €57,898 for 2008. This equals the expected directly attributed costs to the Commission of regulating these charges, including an allowance for 20% of what the Commission expects to spend on consultancy support over a five-year period (the expected length of Determinations).

The cap on ATSC will be adjusted to allow the IAA to recover the costs of this Levy.

#### **4.3 Slot Allocation**

The levy charged to the DAA and Irish-registered airlines to cover the costs of implementation of EC regulations relating to slot allocation will be €331,823 for 2008. This equals the expected directly attributed costs to the Commission of regulating these charges. The charge does not include any costs that the Commission expects to incur in judicial challenges relating to its implementation of schedules facilitation at Dublin airport. The Commission will recover such costs from the central levy.

As previously, 50% of this levy will be collected from the DAA and 50% from the Irish airlines (in proportion to their air traffic movements at Dublin airport during the last year for which complete data is available).

#### **4.4 Ground handling**

The fees to be charged to ground handlers for 2008 are set out below:

Application Fee	€1,800
Annual Fee	€1,800
Licence Amendment Fee	€ 800
Late fees	€2,000

The Commission will charge a late fee to approval holders who fail to submit to the Commission relevant financial information within six months of the company's year-end. Section 5 (1) of the European Communities (Access to the Groundhandling Market at Community Airports) Regulations, 1998 requires that

*"Where the managing body of an airport, an airport user or a supplier of groundhandling services provides groundhandling services to third parties, that body shall separate the accounts of its groundhandling activities from the accounts of its other activities, and shall produce audited annual accounts in respect of its groundhandling activities which shall be submitted to the Minister (now the*

Commission) *within six months of the end of the bodies accounting year.*

If parties inform the Commission in advance that certain information can only be finalised and provided after the due date, the Commission where it has statutory discretion will consider waiving the application of its late fees.

#### **4.5 Air Carrier Licensing**

The licence fees chargeable to air carriers for 2008 are set out below:

Application Fee	€7,500 for a new Category A Air Carrier Operating Licence €2,500 for a new Category B Air Carrier Operating Licence
Annual Fee	€7,500 for monitoring approved Category A air carriers €2,500 for monitoring approved Category B air carriers
Additional Approval Fee	€2,000
Late Fee	€2,000

It will also charge a late fee to licensees who submit required financial information more than six months after year-end. Article 5(6) of Council Regulation No 2407/92 requires that:

“An air carrier shall provide to its licensing authority every financial year without undue delay the audited accounts relating to the previous financial year. At any time upon request of the licensing authority an air carrier shall provide the information relevant for the purposes of paragraph 5 and, in particular, the data referred to in part C of the Annex.”

The Annex to the above-cited Regulation refers to the information existing licensees are to provide for the purposes of assessing continuing financial fitness. It requires that audited accounts be provided “not later than six months after the year end of the relevant period”.

If parties inform the Commission in advance that certain information can only be finalised and provided after the due date, the Commission where it has legal discretion will consider waiving the application of its late fees.

Finally, the Commission will charge an additional approval fee to users that make a notification under Article 5(3) of the current Council Regulation No 2407/92 requiring the

examination of a business plan and to users that require processing of a waiver application under Article 8(3) of Council Regulation No 2407/92. (It should be noted that an amalgamation of this Regulation with other EC aviation regulations is proposed by the European Commission and the reference number of this Regulation may change during 2008).

#### **4.6 Travel Trade Licensing**

The Commission will apply unchanged fees for licence applications and renewals but will raise fees for late applications and late receipt of financial accounts.

These licence fees will be:

##### **Travel Agents:**

New Applications	€ 300
Renewal of Travel Agent's Licence	€ 300

##### **Tour Operators:**

The fees will be determined on the basis of "licensable turnover" according to the following scale: -

<b><i>Licensable Turnover</i></b>	<b><i>Fee</i></b>
€635,000 or less	€ 300
€635,001 but not exceeding €1,270,000	€ 600
€1,270,001 but not exceeding €3,810,000	€1,550
€3,810,001 but not exceeding €6,350,000	€2,150
€6,350,001 but not exceeding €12,700,000	€3,100
€12,700,001 but not exceeding €25,400,000	€7,800
For every €1,270,000 or part thereof in excess of €25,400,000	€ 300
Additional fee for new applicant	€ NIL
Travel Agent's application - licence wanted within 2 months	€2000
Travel Agent's application - licence wanted within 1 month	€4000
Tour Operator's application - licence wanted within 2 months	€2000
Tour Operator's application - licence wanted within 1 months	€4000
Late Accounts Fees:	
Travel Agent:	€2000



Tour Operator: €4000  
 (If both licences held, both fees are applicable)

The annual fees are unchanged from the current levels.

In future years, the fees and the thresholds relating to licensable turnover will change in line with changes in Consumer Price Index (CPI).

#### 4.7 Consumer Protection

The levy charged to State and regional airports to cover the costs of implementing EC Regulations associated with air passenger rights will be €305,296 for 2008. This equals the estimated directly attributed costs to the Commission of protecting passenger rights under Regulation 261/2004. The charge does not include any costs that the Commission expects to incur in legal enforcement. The Commission is treating such costs as overheads, which it will collect from the central levy.

The levy will be charged to airports in the following proportions, based on their share of total passenger numbers at the nine airports in 2006:

<b>Airport</b>	<b>Passengers, 2006</b>	<b>% Passengers, 2006</b>
Dublin	21,196,000	72
Shannon	3,639,000	12
Cork	3,011,000	10
Knock	633,329	2
Kerry	392,400	1
Galway	248,972	1
Waterford	82,826	<1
Donegal	56,533	<1
Sligo	34,310	<1
<b>Total</b>	<b>29,294,370</b>	<b>100</b>

Due to the fact that in 2005 and 2006 the Commission did not have a levy on regional airports, the DAA's levy was set to recover the total cost to the Commission of its consumer protection function. In 2008 the Commission will adjust the levies charged to

each of the airports so as to collect these costs (some €261,000) from all airports and not just Dublin airport. This will involve increasing the charges levied on all airports except Dublin airport, where there will be an offsetting decrease. When the Commission's financial accounts for 2007 are available, a comparable adjustment will be made in respect of 2007. The cap on airport charges at Dublin Airport will be adjusted to allow the DAA to recover the costs to it of this charge, insofar as the costs are those accruing to Dublin airport (and not Cork or Shannon airports).

#### **4.8 Central Levy**

The estimated central levy to be charged to the nine airports in the State will be €2,576,142 for 2008; this corresponds to approximately 9 cents per passenger using an Irish airport in 2006. This is sufficient to make up the shortfall between the Commission's expected total costs in 2008 and the income the Commission expects to collect from levies and fees on each of the functional areas, and to address a brought forward budget deficit of €381,779.

The levy will be charged to airports in the same proportions, based on their share of total passenger numbers at the 9 airports in 2006, shown in the table above.

The cap on airport charges at Dublin Airport will be adjusted to allow the DAA to recover the costs to it of this charge, insofar as the costs are those accruing to Dublin airport (and not Cork or Shannon airports).

#### **4.9 Levy (and Fee Revenues) by entity in 2008**

The following table summarises (to the nearest thousand euros) the total levies and fee revenues that will be levied upon, or collected as fee income from, the various classes of undertaking in 2008. For the airports, the table has summed the amounts due for consumer protection and the central levy. In the case of Dublin Airport, there are additional charges relating to the levy for regulating airport charges and the levy for implementing EC legislation on schedules facilitation.

<b>Entity</b>	<b>Levy 2008</b>
DAA	2,846,000
IAA	58,000
Irish-registered airlines #	166,000
Shannon Airport	358,000
Cork Airport	296,000
Knock Airport	62,000
Kerry Airport	39,000
Galway Airport	24,000
Waterford Airport	8,000
Donegal Airport	6,000
Sligo Airport	3,000
Ground Handler Licensees *	86,000
Air Carrier Licensees *	99,000
Travel Agent and Tour Operator Licensees *	450,000
<b>Total</b>	<b>4,501,000</b>

# Revenues from runway slot allocation levy.

\* Revenues from licence fees.

In CP7/2007, the total of this Table was stated in error as €4.122m whereas the total should have been reported as €4.467m and thus differed from the final figure in this table by some €0.03m.

## **5. COMMISSION PROCEDURES AND ACCOUNTABILITY**

### **5.1 The Oireachtas**

The Commission is accountable to the Oireachtas in the following ways.

The Commission is answerable to the Committee of the Oireachtas specifically charged with transport issues.

A new Oireachtas committee on Regulation has recently been established, which may also decide to examine the work of the Commission.

As heretofore, the Commission is prepared to engage with public representatives in relation to matters within its remit at any time, either personally, in writing or by appearance.

### **5.2 Procurement Policy**

In regard to procurement, it is the Commission's policy to abide by all applicable national and EU legislation in relation to tendering for and sourcing of, services.

In the procurement of even relatively minor goods and services, the Commission seeks quotes from a range of possible suppliers before awarding contracts.

### **5.3 The Minister**

As a public body, the Commission although statutorily independent, is answerable, within the limits of statutory functions, to the Minister for Transport on any aspect of its functions.

The Aviation Regulation Act, 2001 provides that the Commission's accounts be audited annually by the Comptroller and Auditor General to the standards ordained by that Office. When audited, the legislation also provides that those accounts be submitted to the Minister and the Government and are laid before the Houses of the Oireachtas in accordance with statute.

#### **5.4 Annual Report**

The Commission is obliged to produce an annual report and work programme for the following year. Such a report has been completed for the period ended 31 December 2006 and it was laid before the Houses of the Oireachtas. That Report was also published on the Commission's website. The Commission's work programme is published each year as part of its Annual Report.

#### **5.5 Contracts of Employment**

The terms and conditions of employment of the Commission staff are subject to scrutiny and approval by both the Minister for Transport and the Minister for Finance. Its personnel, remuneration, administrative and HR practices accord with public service norms and are subject to on-going monitoring.

## **6. 2008 LEVY**

Regulations to give effect to the Levy are currently being drafted and will be finalised before 31 December 2007.

### **6.1 Invoicing**

Invoices will be issued as follows;

- a. Airport Charges – Invoices will be issued quarterly in advance.
- b. Aviation Terminal Services Charges – Invoices will be issued quarterly in advance.
- c. Slot Allocation – Invoices will be issued in January 2008.
- d. Ground handling – Invoices will be issued in January 2008.
- e. Air Carriers– Invoices will be issued in January 2008.
- f. Travel Agents and Tour Operators – Fees are payable on receipt of applications.

Payment Terms: 30 calendar days from the date of the invoice.

Payments Methods:

- i. The Commission's preferred method for receipt of funds is by electronic payment into the Commission's Bank account.
- ii. The Commission is happy to accept payment in Euro, in any other form.