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**Mr William Prasifka**  
**Commissioner for Aviation Regulation**  
**Commission for Aviation Regulation**  
**3<sup>rd</sup> Floor**  
**Alexandra House**  
**Earlsfort Terrace**  
**Dublin 2**

22<sup>nd</sup> July 2005

Dear Bill,

I refer to the CAR's request for comments on the submissions regarding Commission Paper CP2/2005 on the Draft Determination on Maximum Levels of Airport charges.

We limit our comments to the DAA's claims that it has consulted with users on its CIP. The DAA claims that the users are engaging in "*regulatory game playing by refusing to engage constructively in consultation on the CIP where the Commission would interpret lack of consensus as a reason to disallow capital expenditure.*" This is a complete fabrication and the reality is that the DAA has continued the strategy of its predecessor of ignoring the requirements of its users and claiming that this is consultation. As noted in our original submission, the DAA has failed to respond to any of reasonable requests by users for justification of particular projects. Aer Lingus has confirmed this also.

It is correct that "*there has been a similar experience in the UK*" at Stansted where the BAA is also refusing to engage in any meaningful consultation because they are confident that the CAA will eventually sign off on their exorbitant and unnecessary plans to waste £4 billion on a second runway at Stansted. The regulatory regime at Stansted equally incentivises the airport to ignore user requirements and to overspend on capital projects in order to benefit from an inflated return on capital.

The DAA is likewise confident that the CAR will bow to pressure and sign off on its €1 billion in capex, much of which is completely unnecessary and has not been justified in any manner to users. The fact that the CAR has indicated that it is considering allowing the DAA to recover its past wasteful spending provides a clear signal that it can continue to ignore users and waste tax payers' money on gold plated capital projects. The CAR has abysmally failed to address this worsening problem at Dublin Airport and has been entirely absent from the charade currently being passed on as consultation by the DAA.

We strongly recommend – the CAR must reject the DAA's CIP until it has properly consulted with users and has excluded projects that are deemed to be unnecessary by those users and/or those projects with inflated costs. Failure to do so will lead to a challenge of the decision as users cannot continue to pay for these abuses or regulatory failure.

Yours sincerely,

pp. *Juliusz Komovek*

Jim Callaghan

**Head of Regulatory Affairs and Company Secretary**