

**Reference: RA/51(b)**

**25<sup>th</sup> July 2001**

**Reference - Commission Paper CP6/2001 26<sup>th</sup>. June,2001.**

***Dear Mr. Prasifka,***

*I refer to your Draft Determination and Explanatory Memorandum dated 26<sup>th</sup>. June,2001 regarding Proposed Maximum Levels of Airport Charges and set out hereunder the views of the Chairman and Members of the Mid West Regional Authority.*

*I would like first to refer you to letter dated 21<sup>st</sup>. March,2001 (copy enclosed) from the Mid West Regional Authority and this letter in particular stressed the contribution and essential importance of Shannon International Airport to the region in the interest of balanced regional development. The policy of balanced regional development is particularly contained in the National Development Plan 2000/2006 and is one of the reasons why the Government sought approval to regionalisation proposals in the preparation of the National Development Plan. This Plan identified the imbalance within regions and in particular the concentration of development that had taken place along Dublin and the East Coast of Ireland in previous National Development Plans 1989/1994 and 1994/1999.*

*The Shannon Region and in particular Shannon Airport plays a major part in developing the economy of not alone the Mid West but of the West of Ireland generally and as you must be aware this airport serves the interest of a very wide area stretching from a part of the Midlands to the South East to the South West and to the whole West of Ireland up to Donegal. It is particularly important therefore, that the region is not placed at any further developmental disadvantage by allowing a situation to develop whereby the airport charges that are being proposed at Dublin are lower than those at Shannon. This point was stressed in our submission to you on 31<sup>st</sup>. March,2001 but appears to have been ignored by you in your Determination. I fail to understand why you would consider that the continued development of Shannon Airport and its contribution to proper planned economic development of the country would be harmful to Dublin East Coast region while our national policies and again our National*

*Development Plan would not agree with your view. I would also refer you to the Draft National Spatial Strategy and again the Draft Strategy and the reports to date point to the economic strengthening of the Limerick/Shannon/Ennis Corridor. The hub of this proposed development will of course be Shannon Airport and we must ensure that no regulations such as those contained by you in your report will harm this proposal and continued investment. In fact one of the draft proposals coming from the National Spatial Strategy is the transferring of 7-8% of industrial development from Dublin to other parts of the country and the Mid West Region in particular has been identified as one of those areas.*

*Shannon Airport in recent times has been very successful in attracting new business to the airport and to the region and in particular has attracted low cost airlines. If the fees as proposed by you are allowed to be introduced, these low cost airlines will have little incentive to land at airports such as Shannon and the loss of such carriers will have a significant knock on effect on the numbers of visitors coming. This view has also been recently expressed we understand by the Irish Hotels Federation.*

*Shannon Airport has been successful in the last three years in developing a substantial cargo business and the charges been proposed by you at £61.50 per ton will result in a loss of business to the airport and to the region. These charges will in particular damage high tech, high value weight exports such as Dell Computers who are major exporters out of Shannon. The Authority/Committee does not also agree with the bench marking proposed of comparing one passenger to one tenth of a ton of cargo and this is certainly not a suitable one for determining airport charges. The airports as used by you for comparison in the bench marking were measured for passenger numbers and runways and not for cargo.*

*In conclusion therefore I would again ask you to revisit our letter dated 31<sup>st</sup>. March,2001 and also further points set out hereunder:*

- The importance of Shannon Airport to this region and to the West of Ireland both from a tourism and industrial perspective.*
- Economic impact of airports should be assessed by taking into consideration not only direct employment expenditure benefits but also the indirect benefits that accrue from air services to the airport. The Mid-West Regional Authority wishes to emphasis that Shannon Airport helps to underpin between 40,000 and 50,000 jobs both at the airport and manufacturing and internationally traded companies who are located adjacent to the airport.*
- The National Spatial Strategy being currently prepared is a policy incentive to further pursue the objective of balanced regional development and a critical feature of this strategy is to encourage a stronger economic growth rate outside the Dublin area.*
- Shannon Airport, Town and Industrial Estate employ 12,000 people in total, but of course the indirect employment sustained by the Airport is considerably*

*greater when you consider the Airport's contribution to the tourism, industrial and commercial economics of the region.*

*Yours sincerely,*

*T. Kirby,  
Director.*

*Mr. William Prasifka,  
Commissioner,  
Commission for Aviation Regulation,  
36 Upper Mount Street,  
Dublin 2.*