
Subject: FW: Final draft to CAR CP1 2007

Importance: High

Sensitivity: Confidential

From: Managers Secretary

Sent: 09 March 2007 16:29

Subject: Final draft to CAR CP1 2007

Mr. John Spicer,
Commission for Aviation Regulation,
Floor 3,
Alexandra House,
Earlsfort Terrace,
Dublin 2.

7th March 2007

Re: Commission Paper CP1/2007
Public Consultation on Dublin Airport Charges following the Capital Investment
Programme 2006

Dear Mr. Spicer,

Fingal County Council welcomes the publication of Commission Paper CP1/2007 and the opportunity to comment thereon. Rather than seeking to respond to the detailed questions posed in the paper, the Council as planning authority for the area wishes to express some more general concerns.

The Council in successive development plans, and in the exercise of its functions generally, has recognised the importance of Dublin Airport to Fingal County, the Dublin Region and the nation. The airport is the principal gateway to Ireland, and the most significant economic entity and the largest provider of employment in the County and the region. It is a vital component in the very open economy of this island nation, facilitating the movement of people and goods between Ireland and the wider world.

The Council's view in this regard is reflected in the National Spatial Strategy and the Regional Planning Guidelines for the Greater Dublin Area. The National Spatial Strategy identifies good international access through Dublin Airport as one of the factors on which the continuing economic health of Dublin and the nation is critically dependent. "Expanding the level of services available from Dublin Airport to an even wider range of destinations is essential in the interests of underpinning Ireland's future international competitiveness." (NSS, page 62). Dublin Airport is identified in the Regional Planning Guidelines as a premier international access point to the Dublin Region and to the country as a whole. Continued development of the airport is recognised as being crucial to underpinning Ireland's future international competitiveness. The guidelines identify needs for a new runway, extended apron facilities and additional terminal passenger processing facilities. Increased airfreight will require the relocation and provision of additional freight facilities on new sites within the airport area.

Court decisions in the early 1990s clarified that airport developments, along with developments of many other facilities owned and operated by and on behalf of the state, were subject to planning control, where previously it had been believed that they were exempt from such control. For the initial period the local authority made few changes in terms of land use control on the airport area, relying on the existing established uses to determine planning decision by way of precedent. As the authority became aware of the

significant year on year increases in airport use, and the consequent increases in applications for planning permission, concern rose about the lack of a complete and long-term planning strategy within which such individual applications could be set. In 2003, at the outset of the process of the assembly of the next six-year County Development Plan, the Council resolved to propose a special land use zoning designation for the area of the airport lands, namely DA - Designated Airport Area, carrying a requirement for the preparation of an Airport Action Plan or Masterplan.

In keeping with the provisions of the Fingal Development Plan 2005 – 2011 as adopted, the Council as planning authority has recently made the Dublin Airport Local Area Plan, which for the first time provides a robust and flexible framework to guide the long-term development of the airport. This plan was adopted through the democratic process by the elected Councillors following two periods of public consultation which attracted a total of 82 written submissions, all of which were carefully considered before the plan was made. It includes the main development items included in the DAA programme, notably Terminal 2 and the northern parallel runway, as well as providing for the longer-term needs of the airport.

The Council is concerned that the Commission's analysis may not be permitted to extend to recognising the importance of the airport and, in particular, the history of its development to date and that, as a consequence, that analysis may be too narrowly based in a number of respects.

The Council's principal concerns relate to the following areas:

1. It is not clear that the Commission recognises the history of under-investment and lack of overall planning which has characterised the development of the airport in the past and which is responsible for the current unsatisfactory state of the facility and the somewhat haphazard distribution of its various elements, factors that contribute significantly to the costs now being incurred and that are necessary to expend to redress this previous neglect. The level of investment in the development of the airport must reflect the deficiencies of the past as well as the demands of the future if the end product is to be a worthy gateway to a modern, vibrant region and state.
2. In this context the Council supports the use of IATA Level of Service C as a target both for the development of Terminal 2 and the refurbishment of Terminal 1 in accordance with general practice for capital airports throughout Europe. It is aware that the existing terminal falls significantly below those standards and it notes that the development of Terminal 2 will relieve the current extreme pressure on Terminal 1, thereby allowing Terminal 1 to be upgraded to provide for IATA Level of Service C. In that context it is concerned to see computation of PAX numbers per square metre for the existing Terminal 1 contrasted with the same calculation of extra PAX delivered by Terminal 2 without reference to the standard of service. This calculation and analysis seems overly simplistic in the context of the urgent and widely acknowledged need to upgrade standards at this facility.
3. The Council recognises the important role of low-cost airlines in the expansion of the range of services available from Dublin Airport and the provision of economical travel opportunities for Irish people and visitors. In this context it is aware that these carriers will and do petition vocally to reduce all costs over which they can have influence. It notes however that airport charges form a relatively low proportion of the cost base of airlines, and that Dublin Airport charges are at a modest level relative to the norm for European capital airports. The Council is of the view that an overall acceptable level of quality must be maintained, in terms of both design and service standards, in the face of any pressures for reductions in that regard because of the strategic importance of the facility in national terms as the principal gateway for most visitors to this island nation.
4. The cost-benefit analysis carried out by CEPA on behalf of the Commission appears to take a very narrow view of the likely benefits arising from investment in the airport. In

addition to the provision of very substantial direct employment, the airport supports indirect employment in the chain of suppliers of goods and services, and the incomes generated in these activities generate demands for goods and services in the economy generally. The airport also has an immense economic impact in boosting regional accessibility, facilitating tourism development, attracting investment and serving as a national and regional economic motor. The experience of the planning authority clearly indicates that many FDI firms in the Dublin area would not even have considered Dublin as a location in the absence of its international airport. It must be remembered that the Irish economy is in competition for such investment not only with other European countries but also with international locations.

5. The CEPA report does not indicate any benefits in relation to cargo at the airport. It is considered that Runway 2 together with enhanced cargo handling facilities could offer substantial benefits in respect of the flow of cargo into and out of the country. IBEC have identified benefits in this regard in the past.
6. The CEPA report also ignores the likelihood of a deterioration of service quality under a do-nothing scenario. This could result in a situation where some visitors might not come to Ireland at all because of the poor level of service. These are likely to be the highest value passengers. In particular the analysis should recognise the competition in the market place from other destinations in Europe for incoming tourists.

The Council does not wish to comment on the specific pricing mechanisms set out in the Commission paper but trusts that the Commission will take on board the wider concerns expressed here.

In conclusion I make the following point. Huge advantage has been drawn by the nation from the adoption of an open economy model of development that has served us exceptionally well in recent times as can be seen in the continuing burgeoning national economy. This model also has distinct vulnerabilities however. Of these vulnerabilities none is more marked than the mobility and legendary fickleness of the aviation business. In that context on the eve of the apparently upcoming "open skies" regime between the EU and US regulatory authorities it is all the more important that our aviation "product" is no less well placed by virtue of standards than any other in Europe. It behoves those of us who can influence it to bear a long-term rounded view of costs and expenditure so that opportunities will not be lost to spend wisely with that long-term view in mind.

Yours sincerely,

David O'Connor,
County Manager.