



Dr. Adrian Corcoran
Director of Economics
Commission for Aviation Regulation
Third Floor
Alexandra House
Earlsfort Centre
Dublin 2

07 October 2016

RE: Capacity Declaration at Dublin Airport

Dear Adrian,

Further to our recent correspondence regarding the capacity declaration at Dublin Airport for the 2017 summer season, daa notes that CAR (acting in accordance with its role as the competent authority) has now decided to engage a technical expert. We look forward to meeting this technical expert as soon as possible.

We are contacting you at this stage to ensure that the co-ordination parameters for Dublin Airport are declared in accordance with the proposal presented by daa on 27 September at the Co-ordination Committee AGM. This declaration must be made before 17 October 2016.

As you are aware, past declarations have been managed by daa with CAR exercising its statutory functions through oversight and attendance at Co-ordination Committee meetings. daa has always sought consensus amongst airlines and other stakeholders for the declared capacity. To this end, daa has specifically obtained the approval of the Co-ordination Committee for all declarations since 2001 (including by way of a vote of members since 2010).

Council Regulation 95/93 (as amended) specifically envisages that competition should be facilitated in community airports. The recitals make reference to *“a Community policy to facilitate competition and to encourage entrance into the market”* and state that *“these objectives require strong support for carriers who intend to start operations on intra-Community routes”*.

At the most recent AGM, a number of airlines voted against the co-ordination parameters and sought an outcome whereby there would be no increase in the declared capacity in the peak hours. In circumstances in which daa (in conjunction with the IAA) has verified that two additional departures can be accommodated in the most congested hours, daa is concerned that the outcome sought by the airlines is anti-competitive and any arrangement to restrict capacity in this way risks breaching competition laws. This is all the more given known interest from new entrants. daa is fully committed to compliance with competition law. The ability of airlines to approve the declared capacity was never intended as a veto to be exercised in an anti-competitive manner.

daa considers the current circumstances to be exceptional. To avoid an impasse with airlines, daa considers it would be appropriate for CAR to exceptionally intervene to ensure the co-ordination parameters for Dublin Airport are declared in accordance with the proposal

presented by daa at the AGM. This could be achieved by way of formal notice from CAR to the Co-ordination Committee.

For the avoidance of doubt, daa does not believe that there is any basis for the introduction of new co-ordination parameters. Furthermore, daa notes that new co-ordination parameters have not been formally proposed by any parties and there is no evidence to support their introduction.

I would ask you please to acknowledge receipt of this letter.

Yours sincerely,

A handwritten signature in purple ink that reads "Valerie Ní Fhaoláin" with a stylized flourish at the end.

Valerie Ní Fhaoláin
Head of Economic Regulation, Pricing & Incentives