

23<sup>rd</sup> September 2019

By email: [rapconsultation@dtas.gov.ie](mailto:rapconsultation@dtas.gov.ie)

**Re: Consultation on the new Regional Airports Programme 2020 - 2024**

Dear Sir/Madam

Thank you for the opportunity to consult generally and within the aviation community in relation to the above.

As the second largest airport in the Irish Republic, Cork Airport plays a crucial role in providing air services to regional communities throughout the South of Ireland. We operate to a wholly commercial mandate and without any recourse to state funding. Cork Airport recognises that there are other airports both within and close to its catchment in receipt of substantial state funding with which Cork Airport competes for business with airlines and passengers. Consequently, in the interests of fair competition for all airports, regions and consumers and most importantly the tax payer, it is imperative that value for money is sought and delivered in the State's Regional Airport Programme.

In terms of the Regional Airports Programme (RAP) and its strategic aims in the National Aviation Policy (NAP) we would observe as follows:

1. We note that Public Policy Remit Operational Expenditure (PPR-O) funding has substantially increased at regional airports between 2015 and 2018. The increased spending in this area would appear to run contrary to the 2015 National Aviation Policy (NAP) objective: *"Exchequer support for operational expenditure at regional airports will be phased out over a maximum period of 10 years."*

One of the objectives of the RAP is to encourage airports to grow to a viable and self-sustaining position with the help of grant assistance. However, it is not clear how this is being delivered or assessed at present. We believe that the renewed RAP should taper overall levels of operating subvention per passenger on a reducing basis between 2020 – 2024 to comply with the objectives of National Aviation Policy.

2. We note that the Public Service Obligation (PSO) subvention amounts to €212 per passenger for a return ticket from Dublin to Donegal. We do not believe that this can be supported in value for money terms. We believe that a cap should be applied to the two remaining PSO routes in Ireland at say a max of €50 return per ticket.

We understand from the consultation document published that no demographic data is available in relation to the number of foreign tourists and business people using the heavily subsidised PSO routes. We believe that this should be a pre requisite for eligibility for any such future PSO.

3. We cannot see a viable business case for the proposed increased overall subvention to Waterford Airport recently flagged. The airport continues to be without a commercial flight for several years and the people of Ireland are already well served by no less than 9 international airports, almost half of which are not already financially viable without substantial state subvention. With new motorways proposed we believe that Waterford is/will be well served by both Cork and Dublin airports.

In summary, Cork Airport is a strong advocate of balanced regional development and increased business and leisure connectivity throughout the Island of Ireland. We are now the fastest growing airport on the island and operating, always, without any government subvention. The National Aviation Policy commits to phasing out operational expenditure (for unviable airports) over a maximum of 10 years. We support National Aviation Policy believing the Island of Ireland should have a defined limited number of strong, sustainable, financially viable and geographically dispersed airports. Choices will have to be made in terms of which airports can ever be sustainable and which are not viable. On that basis, we believe clear, value for money targets assessed on a per passenger or per inbound tourist should be attached to each airport's overall subvention and assessed annually as part of the new programme 2020 – 2024.

We thank you for the opportunity to consult in relation to the above and we welcome a vibrant, viable aviation community in Ireland which competes strongly contributing to economic growth.

Yours faithfully

