IRELAND’S TOURISM GATEWAY

KERRY AIRPORT

DRAFT EU GUIDELINES ON STATE AID TO AIRPORTS AND AIRLINES - REMARKS

September 2013
Notes to draft EU Guidelines on State aid to Airports and Airlines

1. 4.2 (Para #68) has a figure of ’200,000 passengers over the duration of the SGEI entrustment’ as the upper limit at which State Aid must be advised to the EU. We feel that this figure is too low and will put unnecessary work on the Commission. We feel that a figure of 800,000-1,000,000 would be preferable as the National Authorities would handle below this figure locally.

2. 5.1.2 c (Para #106) ’Operating Cost Coverage –
   a. Need a full definition.
   b. Clarification would also need to be made as to whether State Aid related turnover to be included in calculations of Turnover.
   c. Airports (Airport 1) with ‘Initial Cost Coverage percentage’ that is quite High (say 60%) have access to State Aid for only 4 years while a less profitable airport (Airport 2) with a Low percentage (20%) can access aid for 8 years. Depending on clarification of the definitions – this could mean that Airport 2 could claim up to 3 times of support than a more profitable airport.

3. Para #96. Airports less than 1m pax only can get aid to 75% max investment aid leaves airports supporting 25% on investments themselves. In the case of Security & Safety these should be a minimum 90%-100% as most of these recent investments have been introduced at EU level with no considerations as to airport size and revenue potential e.g. a €1m X-Ray machine for Dublin Airport is the same machine and cost that is required for an airport the size of Kerry airport – but the financial burden on Kerry of €250,000 could not be funded as easily. Also this cost is not of Kerry Airport’s making and is in effect imposed on same with no allowance for how this investment can be re-couped.