

CONSULTATION ON PASSENGER REPRESENTATION IN REGULATORY DECISION MAKING FOR DUBLIN AIRPORT (Commission Paper 9/2017)

Written Response of the Competition and Consumer Protection Commission (“CCPC”) on the consultation questions circulated by the Commission for Aviation Regulation (“CAR”)

Introduction

1. The CCPC welcomes the publication on 7 September 2017 of the CAR’s *‘Consultation on Passenger Representation in Regulatory Decision Making for Dublin Airport’*, concerning the possible ways CAR can increase their focus on the needs of passengers when making regulatory decisions regarding Dublin Airport.

2. To date, the CCPC has engaged on this matter as follows:

- a) Response to the Department of Transport, Tourism and Sport consultation *‘Review of the Regulatory Regime for Airport Charges in Ireland’*, published on 4 July 2016. The consultation was based on a report entitled *‘Review of the Regulatory Regime for Airport Charges in Ireland’* dated 11 March, prepared by Indecon International Economic Consultants (the ‘Indecon Report’).

A range of areas were covered in the Department’s consultation, which included Section 3.7: Consultation, which requested views on establishing a new consultative group on airport charges in Dublin Airport and that CAR should undertake research to ascertain the views of airport users. The CCPC supported both of these proposals based on our position that it is important that the views of consumers and end users feed into the design of the regulatory regime.

The CCPC also supported the proposal to amend the existing statutory objectives to focus more on the interests of existing and future airport users (Section 3.5: Statutory Objectives), where we detailed that users should encompass both airlines and passengers.

- b) Response to CAR engagement to obtain views on *‘Passenger Representation in Price Control Decisions at Dublin Airport’*. A workshop and consultation process was used to obtain feedback on the work undertaken by other organisations on this area; the issues that should be covered in the engagement process; the

role of the regulator i.e. CAR; most appropriate consumer research techniques; and, the composition of a consumer panel and benefits and costs associated with models being reviewed by CAR.

The CCPC response, dated 11 July 2017, welcomed the CAR initiative based on the CAR approach *'to give passengers direct control over some or all stages of a process shaping the issues that affect them'*, where we considered CAR, the regulator with responsibility for aviation, as being best placed to consider and develop the most appropriate engagement model.

Response to the Consultation Questions

1. The CCPC acknowledges that the information provided in the consultation paper and the supporting report entitled *'Study on Passenger Representation in Airport Charge Determinations at Dublin Airport'*, is based on an extensive consultation and research process, which includes the views provided by CCPC on 11 July 2017.
2. The CCPC note that the questions detailed below are based on a considered assessment by CAR of the stakeholder feedback received and research undertaken to date:

Q1: Do you agree with the Commission's assessment that the level of customer engagement in our decision making could be improved? If not, please provide your views.

Q2: Do you agree with the selection of criteria chosen by the Commission to assess any customer engagement mechanism? If not, please provide criteria you think should be applied.

Q3: Do you agree with the Commission's proposals to (a) provide guidance to Dublin Airport about how to involve passengers in certain aspects of their business plans (b) some form of incentive arrangement to underpin the guidance; and (c) establishment of an ad hoc panel to inform our decisions? Please provide any relevant evidence to support your views either in favour with the proposals or otherwise.

3. For both Q1 and Q2 we accept the analysis undertaken by CAR where it is stated in Q1 that the current consumer engagement model does not provide sufficient evidence that the views of passengers have explicitly been taken into account when CAR make decisions. We support the criteria being suggested in Q2 as being reasonable and

comprehensive, where we welcome that one of the criteria specifically relates to improving representation by passengers.

The CCPC also support the high level principles detailed in Q3, sections (a) to (c), as an appropriate approach on which to proceed, which will be assessed by CAR based on the criteria being proposed in Q2.

4. The CCPC note the view of the airlines that they already fulfil the role of representing all consumers during the price determination process. The CCPC does not share this view and we stated in the Departmental consultation process that the understanding of what comprises a user of Dublin Airport should encompass both airlines and passengers, where we welcomed the reference to passenger interests at various stages of the Indecon Report.
5. The CCPC understand that CAR may undertake further consultation on the detail being proposed for Q3. We would welcome the opportunity to provide a response should our contribution constructively inform the development of this initiative.

Competition and Consumer Protection Commission
20 September 2017