

## **Dáil Éireann - Volume 636 - 24 April, 2007**

### **Air Transport Agreement: Motion.**

**Mr. J. Breen:** The lack of firm commitment on the part of the Government to the long-term future of Shannon Airport and the importance of the latter to the future of the mid-west region was highlighted by the personal crusade of the Minister, Deputy Cullen, to fast track the open skies agreement. A five-year action plan detailing what needed to be done to cushion the impact of the open skies policy and to allow the mid-west to continue to develop, industrially and economically, was presented to him. I previously called on the Minister to follow up on his publicly-stated commitment to secure the future of the mid-west by stating when this report would be implemented and indicating if it would be acted upon in its entirety. Unfortunately, nothing happened. However, that is the common response of the Government to issues affecting Clare.

The lack of proper measures means that the Shannon area can expect a 30% drop in trade. The shortening of the introductory period leading into the start date of the open skies agreement confirms the apathy with which this Administration views the mid-west. In the immediate aftermath of the announcement of the agreement, Aer Lingus announced new routes to San Francisco, Orlando and Washington. Significantly, all of those routes will operate from Dublin Airport. There is no doubt that this agreement will lead to a cherrypicking of routes by airlines.

Much was made of the establishment of customs and immigration clearance in Shannon and this was trumpeted as a jewel in the crown of Shannon's future. However, it now transpires that a similar station will operate out of Dublin Airport within a year. This is further proof of the Minister's contempt for the mid-west. Last October I asked him if he would provide tourism promotional funding for Shannon Airport to partly balance out the heavy funding allocated to the development of Dublin Airport. He replied that the funding of future developments at Shannon Airport will be a

matter for commercial consideration by the new independent airport authorities when Shannon Airport becomes fully independent in accordance with the framework provided in the State Airports Act 2004.

Shannon is the one airport for which open skies represents a major negative and the Minister can only wash his hands of it. If he was serious with regard to securing the future of Shannon and the mid-west, this fund and other packages would have been put in place before the open skies agreement was announced. In the past I asked the Minister if he would provide a route support fund for Shannon. He again kicked for touch by refusing to make any commitment in that regard. It is little surprise that there is great scepticism in the mid-west with regard to the chances of Shannon Airport starting from a debt free position under the State Airports Act.

Counties Clare and Limerick are among the top three counties with the highest concentration of employment by US-owned companies per head of population. The Shannon free zone is one of Ireland's largest industrial parks and incorporates the largest proportion of American investment in Ireland. American private investment, which has maintained the Celtic tiger economy, has in the past been split 50-50 in employment terms between the west and east of the country. The impact of open skies, combined with the road network which, under the national development plan, will radiate from Dublin, will give the greater Dublin region and its environs a huge advantage in attracting American investment.

More than 120,000 jobs in the mid-west are directly or indirectly affected by Shannon Airport. If the loss of regular flights within Ireland continues and results in a decline in the level of service being offered from Shannon Airport and its not being able to support business needs because of reduced service by carriers or poorly timed flight schedules, companies based in the mid-west will not easily connect to the major business cities in Europe, including Dublin, and will

not be able to attract potential business. Last year IBEC conducted a survey of 123 companies that employ more than 20,000 people. Some 25 of these companies expressed strong concern that a substantial reduction in flights from the US to Shannon could result in their relocating their operations outside of Ireland. They also outlined their concern that their parent companies might stop any further investment if access to Shannon were hindered under open skies.

I stated in the past in the House that it is high time serious investment was made in the mid-west to protect existing industry and attract future growth. A new bridge across the Shannon is required to open up north Kerry and west Limerick and make the mid-west attractive to investors. Clare and the mid-west are long overdue a pay-off from this Administration to make up for decades of neglect. I guarantee the Minister if that payback is not announced in the near future the Government will get its own payback in spades in the forthcoming election. The Minister has let Shannon and the mid-west down and has sold us down the river.