

Seamus Fitzpatrick (Transport)

From: [REDACTED]
Sent: Monday 9 December 2024 14:01
To: Transport Minister Chambers
Cc: Simon.harris@oireachtas.ie; taoiseach@taoiseach.gov.ie;
micheal.martin@oireachtas.ie
Subject: Re: Ref: DTTAS-MOSC-00788-2024

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Dear Mr Leonard,

Thank you for your response to my email which is duly noted. I am aware of the Code of Practice you refer to and indeed the Ethics Act which I believe is also relevant in this instance but is not mentioned in your reply.

However, from your email I am somewhat unsure of how to interpret The Department of Transport's position in this circumstance as, as far as I am aware, the Government of Ireland, is the sole shareholder of the DAA and has representatives on the Board of Directors from both the Department of Transport and the Department of Public Expenditure and Reform.

My first question therefore is, that while you state it is the Board's responsibility to have procedures in place to manage "potential" conflicts of interest, what if anything is being done by the Department of Transport to monitor whether this is actually the case? And who decides whether these procedures are being implemented by the Chairman of the Board the first instance and correctly in the second instance?

The Chairman of the Board of the DAA has stated that Mr Jacob's has declared his shareholding interest in 12 airlines and seems to think that is sufficient however under the guidelines and the Ethics Act it seems to me that simply declaring an interest is insufficient and further steps must be taken such as recusing himself from commercial discussions and decisions where he has a personal financial interest.

Given Mr Jacobs has declared his interest, in that he is a shareholder of no less than 12 airline shares (presumably most of which are operating out of Dublin Airport but we know for certain that he is a shareholder in Ryanair the largest airline operating out of Dublin Airport), and indeed the Chairman of the DAA, Mr Basil Geoghegan, has acknowledged this interest, does it not concern the Department of Transport to ascertain whether Mr Jacob's has recused himself from commercial decisions involving the airlines, so that the Government and Department of Transport, as the guardians of this valuable state infrastructure, can be satisfied that commercial decisions are being taken in the best interests of the state rather than enhancing Mr Jacob's personal wealth?

Presumably, as the Department has representatives on the board and is the sole controlling shareholder, is the Department in a position to state whether this is the case? Do your representatives on the Board of the DAA not report back to the Minister on the executive board's and the Chairman's performance of their duties?

Two simple examples of a fairly clear current conflict of interest are:

Mr Jacob's is publicly calling for the passenger cap at Dublin airport to be raised, as are the two major airlines Ryanair and Aer Lingus so that they can grow their business and enhance their profits. As we know Mr Jacobs is a shareholder in Ryanair and 11 other airlines, do these calls by Mr Jacobs, if they come to pass, not also lead to an increase his personal wealth? And should he not declare his personal shareholding interest every time he makes such public statements?

If landing charges in Dublin airport are lower than other comparable international airports does this not increase the airline's profits and shareholder returns? In this regard if Mr Jacobs, since taking up his role, has had any part in commercial decisions impacting the cost base and commercial charges for landing slots to Ryannair (or other airlines) does this not fundamentally undermine the the basis all of these decisions where he stands to personally benefit financially also via his shareholding?

One would have thought that the oversight of state infrastructure, including ensuring compliance with the code of practice, and best practice, would be one of fundamental reasons why The Department of Transport has representatives on the DAA board in the first instance. If not, it would be helpful to understand what exactly your board members are doing at the DAA? To me it seems very odd to suggest that this is the sole responsibility of the DAA board when The Department and Government of Ireland is the controlling shareholder which owns the organisation and has several representatives on the DAA board.

I believe I could be forgiven from your email in interpreting that The Department of Transport and The Government has no say or interest in the conduct or oversight of the DAA board and that this is the DAA board's exclusive remit. Am I correct in concluding this from your email?

And if this is not the case, what, if any steps been taken by the Department of Transport, or their DAA board members, to establish whether the board responsibilities in relation to having procedures in place to monitor and manage potential conflicts of interest of Board members have been implemented, and implemented correctly by its Chairman who is the primary guardian of corporate governance?

I am somewhat baffled as to what the role of the Department of Transport is in relation to the DAA so I would be grateful, in the public interest, if you could please clarify and answer the questions I have raised above directly as soon as possible.

Yours sincerely,

[Redacted signature]

On Mon, Dec 2, 2024 at 1:36 PM Minister of State Chambers Office <MOSC-Transport@corr.cloud.gov.ie> wrote:

Our Ref: DTTAS-MOSC-00788-2024

Dear [Redacted]

Thank you for your email of 21 June in relation to the CEO of daa.

I wish to advise you that the Code of Practice for the Governance of State Bodies provides a framework for the application of best practice in corporate governance by both commercial and non-commercial State bodies.

Section 5 of the Code deals with the disclosure of interests by Directors and sets out the procedures for addressing any conflict of interest. As provided for in the Code, it is the Board's responsibility to have procedures in place to monitor and manage potential conflicts of interest of Board members.

Yours sincerely,
Patrick Leonard
Private Secretary to Minister of State James Lawless TD

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An Roinn Iompair

Department of Transport

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