

Abstract for
14th Air Transport Research Society (ATRS)
World Conference

AIRPORT BENCHMARKING BY ECONOMIC REGULATORS

Hans-Martin Niemeier, Jürgen Müller, Annika Reinhold

University of Applied Sciences Bremen, Germany;

Berlin School of Economics, Germany

+49 89 307 600 59

annikareinhold@yahoo.de

Regulation of monopolistic bottlenecks such as aviation activities intends to create a situation apparent in perfect competition. However, due to asymmetric information the regulator does not have the same information on cost and demand functions as the airport operator. Incentive regulation such as price cap or yardstick regulation intends to overcome this problem. This paper will look at different countries such as Ireland, the United Kingdom, and France and describe quantitative benchmarking methods applied in the airport sector. The approach will include a description of the different tariff systems and the benchmarking techniques applied. There will be a detailed evaluation on how the efficiency targets in the different countries are designed and how these are integrated into the tariff level. Furthermore, the paper assesses to what extent incentive regulation and the integration of benchmarking results succeed in improving an airport's productivity. In regard to that, there will be a discussion on which problems were encountered in the benchmarking process itself and with the introduction of the according results into efficiency guidelines. The findings of this study and the experiences in the different countries will assist other airport operators to evaluate their existing efficiency incentives and improve the tariff system currently in place.

Related topic areas:

Airport economics, policies, planning, and/ or operations; Regulation, competition and privatization of airport and other infrastructure; Air transport policy, regulation and liberalization