

# If it works in London's streets, it can work in our skies

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In London, motorists pay a fee to drive into certain parts of the city during peak traffic hours, and the idea has been considered for implementation in New York as well. Now Dr. Itai Ater, an economist from Tel Aviv University's Faculty of Management, is suggesting that introducing "congestion pricing" at airports could save travellers time and airlines money.

"What I propose is a policy to reduce the amount of delays in the airline industry," says Dr. Ater. Airlines that want to use an airport's runways during the busiest times of the day, he says, should pay an additional fee. This price for premium access to the runway could reduce airport congestion -- and the inevitable delays, as well as the risks, associated with crowded skies.

Dr. Ater will present his advice at the National Bureau of Economic Research conference in Boston this May. His aim is to spare airlines from future catastrophes as airports, and skies, get busier.

## How the Pennies (and Minutes) Add Up

"Airport congestion is a big problem in the U.S. and around the world," says Dr. Ater, who evaluated flight records from America's busiest airports for his doctoral thesis at Stanford University. "The estimated annual costs of delays are \$10 billion. When there are delays on take off or landing, a cascading effect is created, with lots of associated

problems, risks and financial costs," he says.

One direct effect is that airlines spend more money on fuel, and there are indirect costs as well, mainly passengers' time. To counter delays, many airlines "pad" their schedules, adding a considerable amount of time onto the flight plan, says Dr. Ater. This padding increases the costs of staff and the busy business flyer time -- something often more valuable than money.

## **A Little Extra to Use the "EZ-Pass Lane"**

Some airlines will prefer not to pay the charge and operate during non-congested periods, Dr. Ater says. Consequently, overall congestion would drop. Currently, airlines at most airports pay for runway use depending on the weight of the aircraft, except for a few such as Chicago O'Hare, where airports use pre-determined slots to determine charges and time of operation.

Dr. Ater warns that not all airports can benefit from his plan. "At airports where there is a monopoly or almost a monopoly by a single airline, charging a tariff during peak hours has less meaning," he says. "In these airports, like those in Atlanta, Charlotte, or Detroit, we already find fewer delays. So why intervene? Individual airlines that dominate an airport do a better job of organizing flights more intelligently and efficiently to reduce the level of delays."

Previous research on the subject found it hard to provide consistent empirical evidence for congestion pricing. By splitting airport "types" into two categories -- those with a monopoly and those that host multiple airlines — Dr. Ater began to see clear patterns emerge. Congestion pricing is the right approach for airports such as Boston and LAX, he says.

No system is perfect, however. Dr. Ater suggests that the new cost might be in your convenience. For that cheaper flight, you may have to alter your plans to get to the airport a little — or a lot — earlier in the day.

Source: Tel Aviv University ([news](#) : [web](#))

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