



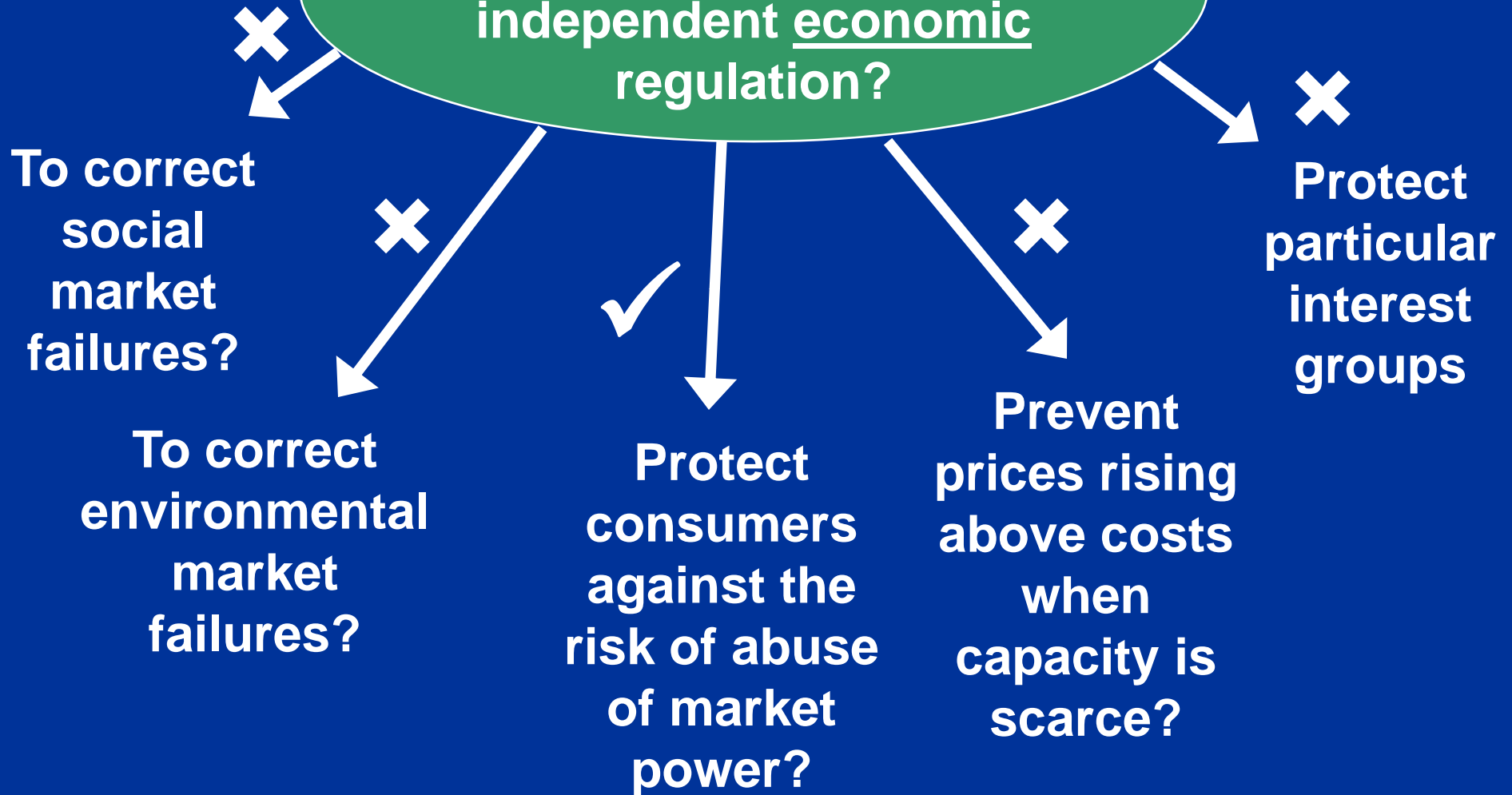
Five questions on the economic regulation of airports

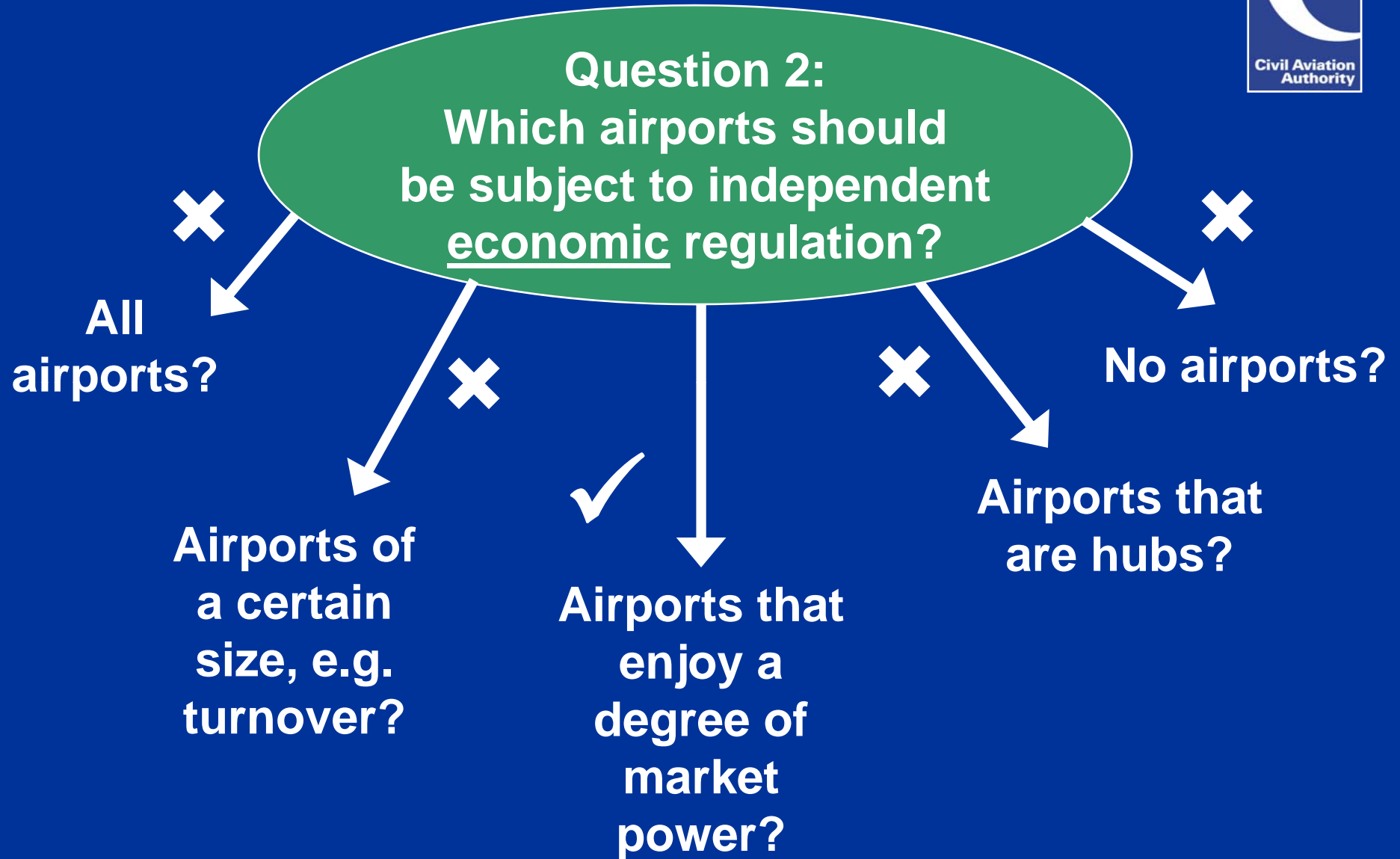
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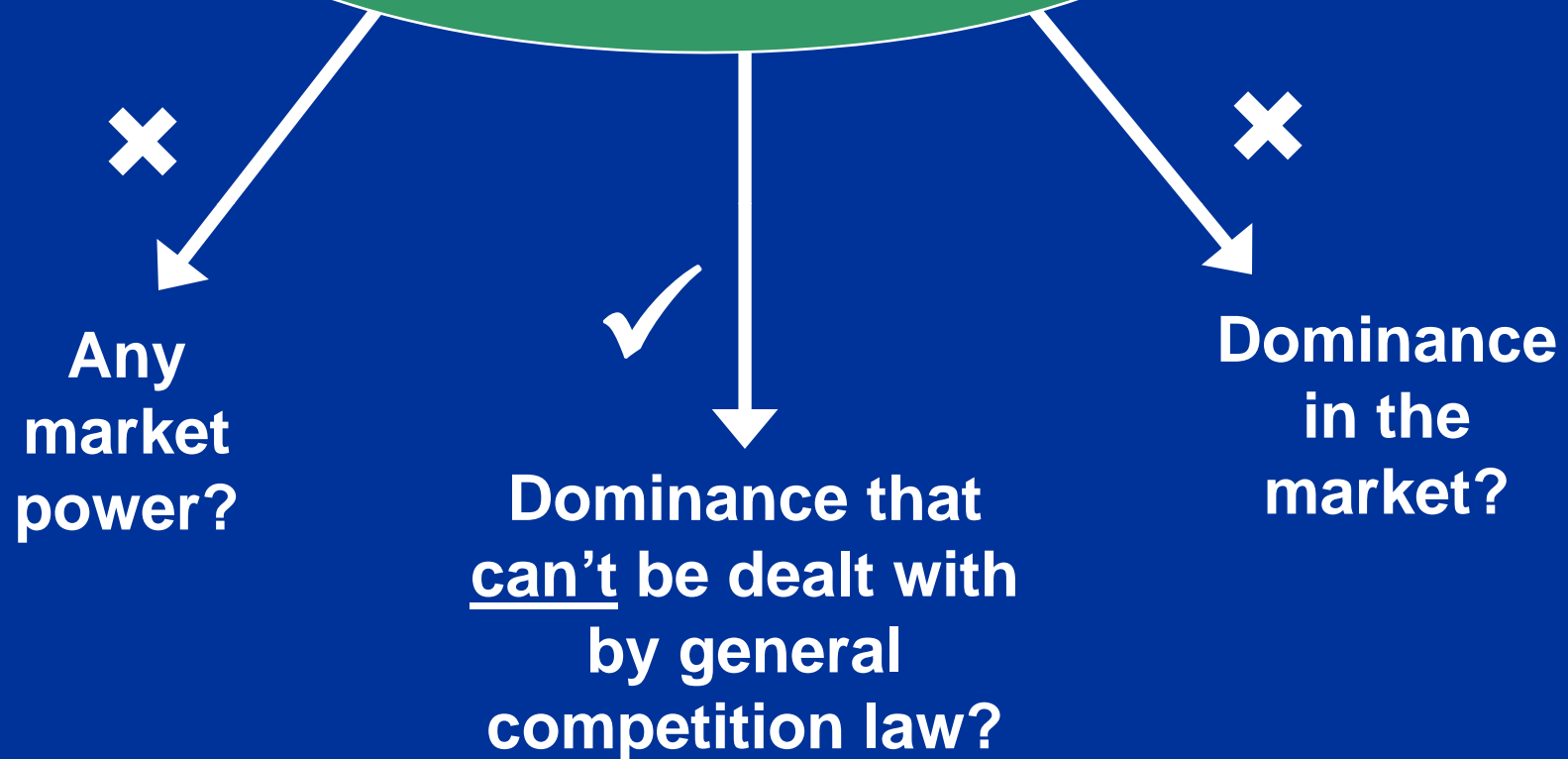
26 May 2009

**Question 1:
What is the purpose of
independent economic
regulation?**

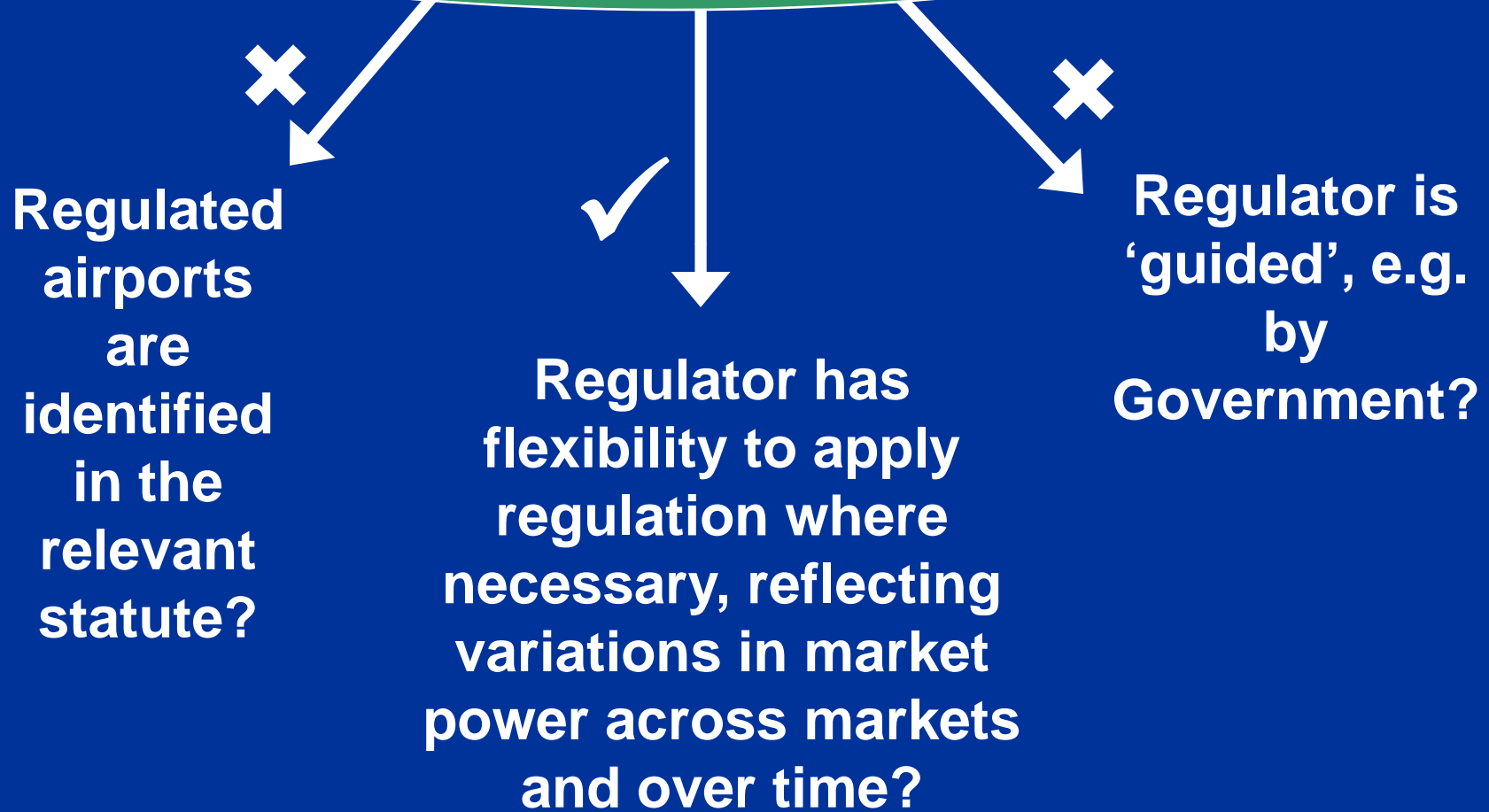




**Question 3:
What degree of market
power warrants *ex ante*
price & service regulation?**



Question 4:
**Which airports should be subject to
ex ante price & service regulation?**



**Question 5:
How can we minimise the net cost of regulation?**

... through a clear and stable framework:

- **Give regulator a clear statutory objective to protect consumer interest from abuse of market power**
- **Avoid giving the regulator other (potentially conflicting) objectives, e.g. on financing, social or environmental matters**
- **Establish independence of regulator to insulate airports from – often short term – political pressure**
- **Ensure regulatory authority complies with better regulation principles & is properly accountable**