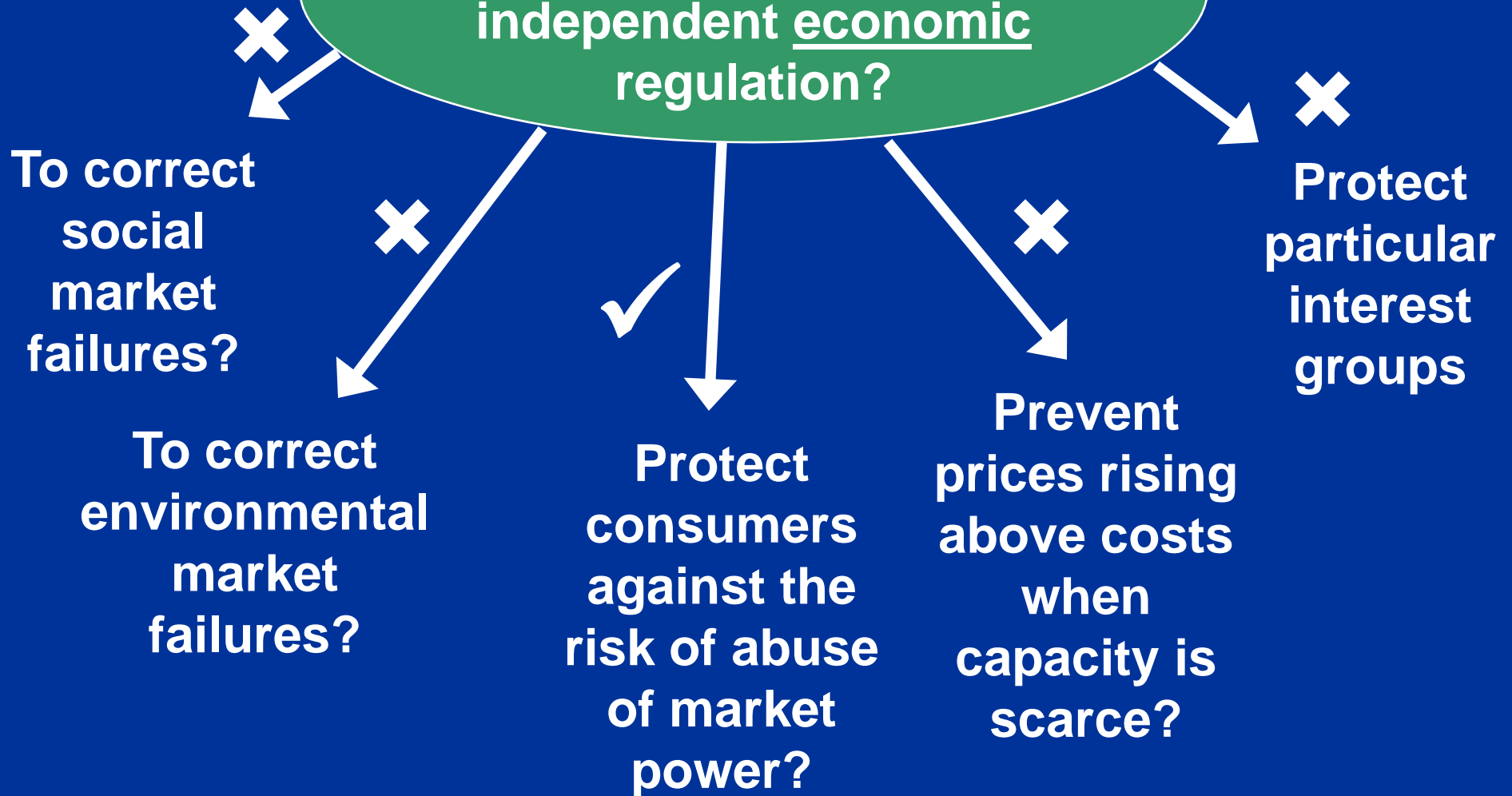


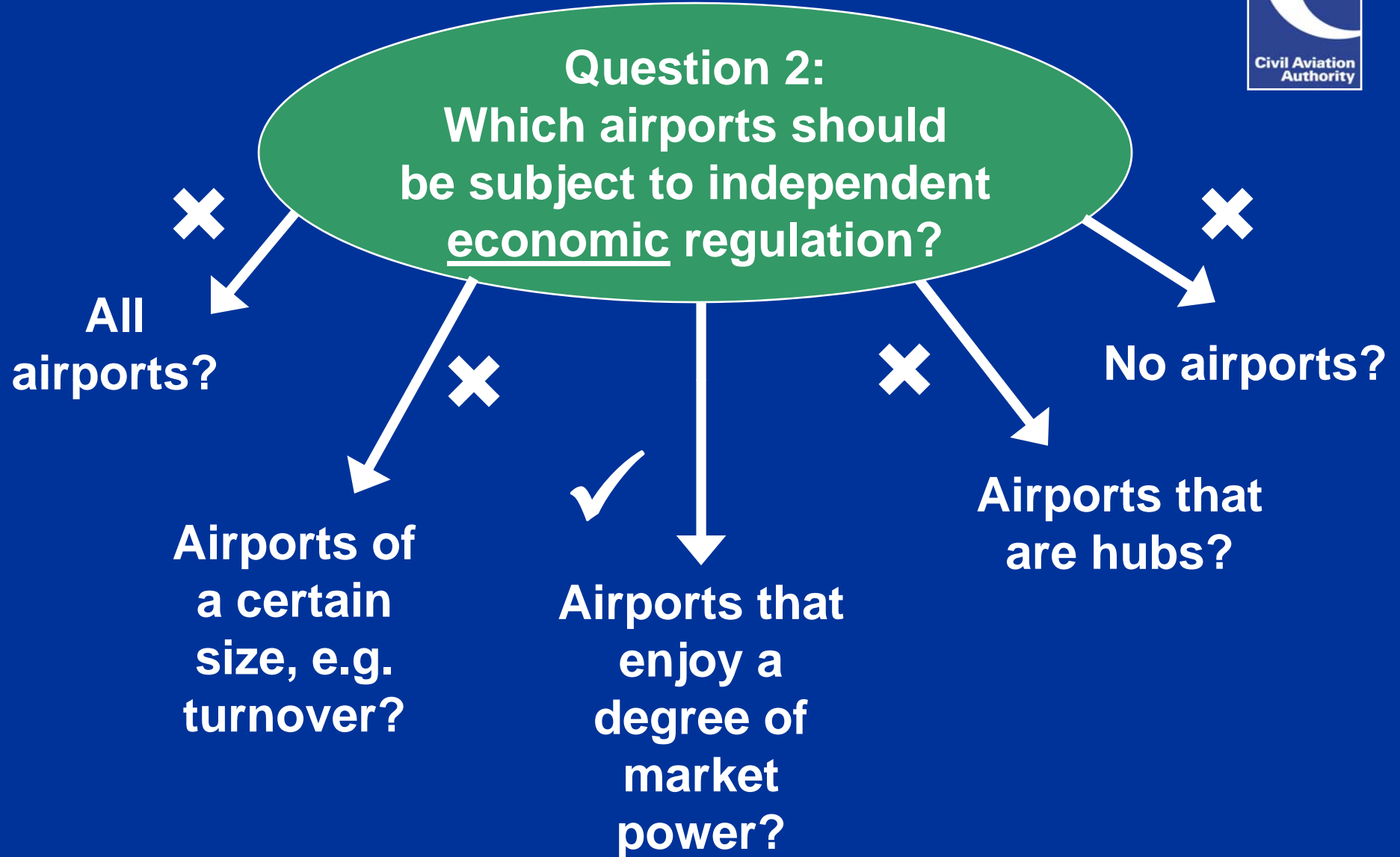
# Five questions on the economic regulation of airports

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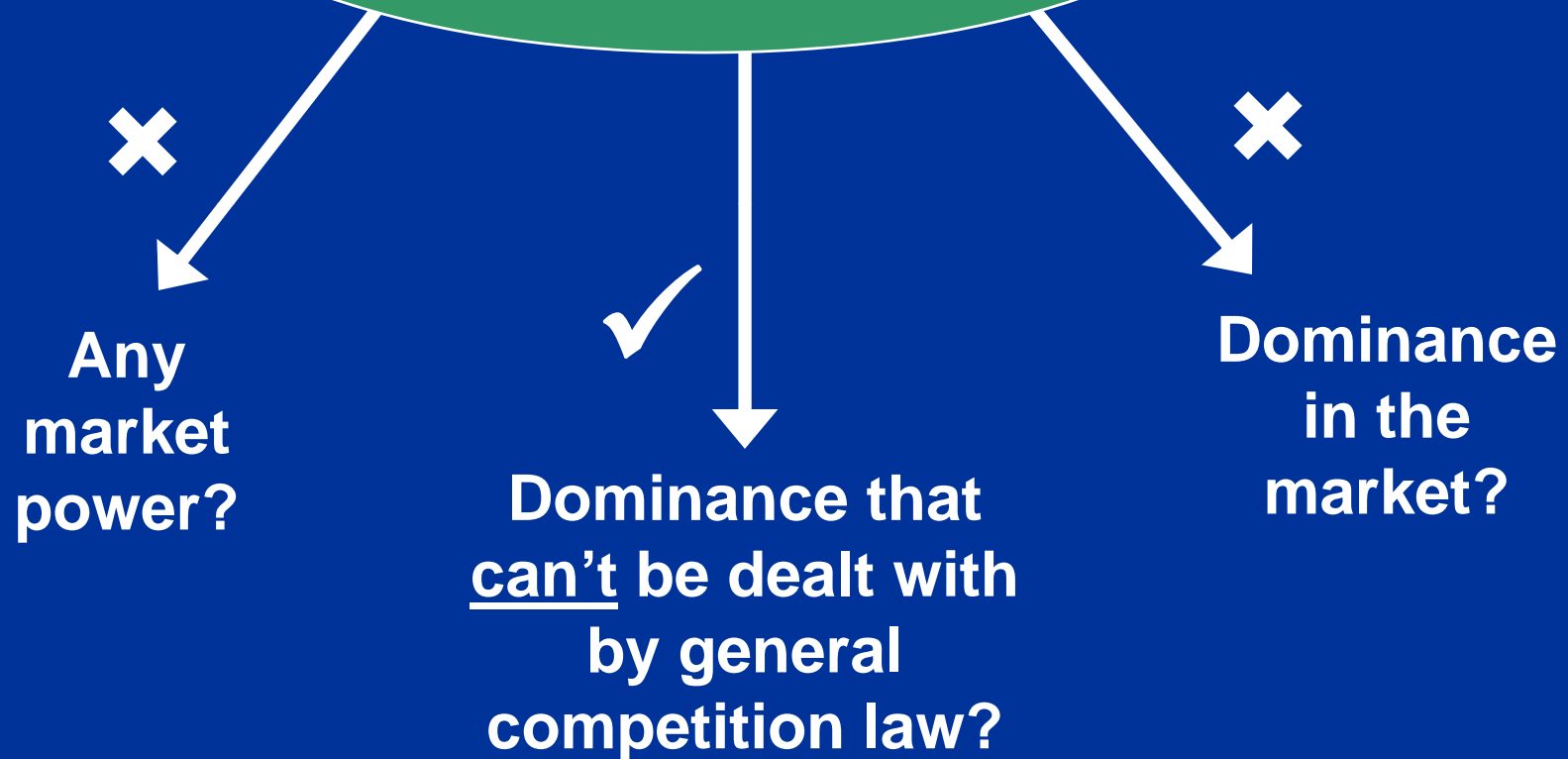
**26 May 2009**

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

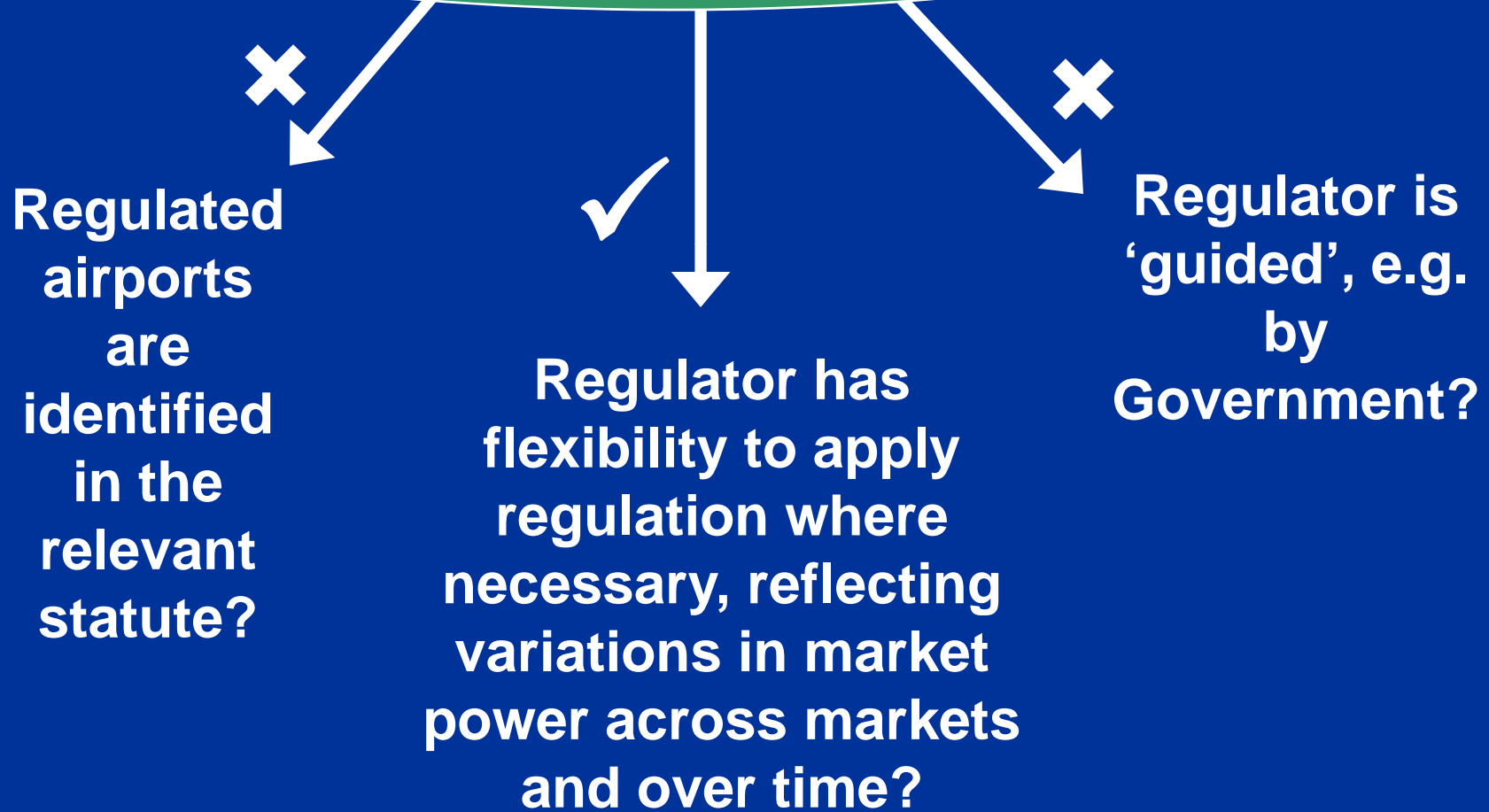




**Question 3:  
What degree of market  
power warrants *ex ante*  
price & service regulation?**



**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**