

Air Transport Research Group

of the World Conference on Transport Research Society



Air Transport in the New Millennium: Opportunities in a Competitive Market

July 20-21, 1998

Dublin, Ireland

Programme and Abstracts

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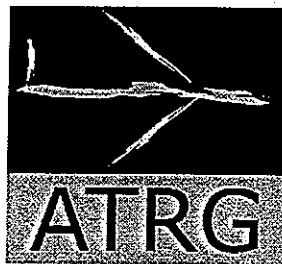


**AIR TRANSPORT IN THE NEW
MILLENNIUM:
OPPORTUNITIES IN A
COMPETITIVE MARKET**

AIR TRANSPORT RESEARCH GROUP

**OF THE WORLD CONFERENCE ON
TRANSPORT RESEARCH SOCIETY**

ORGANISED BY DR AISLING REYNOLDS-FEIGHAN



**ENGINEERING BUILDING
UNIVERSITY COLLEGE DUBLIN
IRELAND
JULY 19-21, 1998**

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GE Capital Aviation Services

Department of Economics, UCD

PMS, Pavement Management Services Ltd.

Servisair (Ireland) Ltd.

Transport Policy Research Institute, UCD

University College Dublin.

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Thanks to Frances McSweeney and Vera Bolger of the Department of Economics, UCD for their assistance during the symposium.

PROGRAMME SUMMARY

Monday 20th July, 1998

- 0930 *Registration*
- 1030-1100 *Symposium Opening: Room 326, Engineering Building*
- 1100-1230 *Plenary Session: European Air Transport in the New Millennium*
- 1230-1400 *Lunch*
- 1400-1530 *Session 1A : 1.A: Airline Networks & Airline Alliances, I*
Session 1B: 1.B: Airport Management, Economics and Pricing I
- 1530-1600 *Coffee*
- 1600-1715 *Session 2A: 2.A: Aircraft Financing and Airline Financial Performance*
Session 2B: 2.B: Airport Management, Economics and Pricing II
- 1900 *Symposium Dinner*

Tuesday 21st July 1998

- 0915-1100 *Plenary Session Irish Air Transport Policy in the New Millennium*
- 1100 -1130 *Coffee (Sponsor: Transport Policy Research Inst., UCD)*
- 1130 - 1300 *Session 3A :3A: Airline Competitiveness, Financing and Economics*
Session 3B: 3.B: International Experiences of Airline Deregulation
- 1300-1415 *Lunch*
- 1415-1545 *Session 4A: 4A: Air Freight & logistics*
Session 4B: 4.B: Airline Networks & Airline Alliances, II
- 1545-1615 *Coffee*
- 1615-1700 *ATRG Business Meeting*

**ATRG DUBLIN SYMPOSIUM PROGRAMME
ENGINEERING BUILDING, UCD, BELFIELD, DUBLIN 4**

Sunday 19th July, 1998

1900 Welcoming Reception at Mansion House, Dawson Street hosted by The Lord Mayor of Dublin, Alderman Joe Doyle. (Coach from UCD Belfield main Bus Terminus leaves at 1830 and will return to UCD Belfield Campus at 2015)

Monday 20th July, 1998

0930 Registration & Coffee: Concourse area, Engineering Building, Belfield Campus

1030 Symposium Opening: Room 326, Engineering Building

Chair: Dr Aisling Reynolds-Feighan (University College Dublin)

Speakers:

- (i) - Dr Art Cosgrove, President, University College Dublin
- (ii) - Prof. Tae Oum, President, Air Transport Research Group

1100-1230 Plenary Session : Room 326, Engineering Building

European Air Transport in the New Millennium

Chair: Prof. Tae H. Oum (University of British Columbia, CANADA and President of ATRG)

Speakers:

- (i) **Frederik Sørensen**, Head Air Transport, CEC Directorate General for Transport DG VII, Brussels, BELGIUM
- (ii) **Doug Andrew**, Group Director, Economic Regulation Group, Civil Aviation Authority, UK
- (iii) **Prof. David Kennedy**, Director, Trans World Airlines, Inc., and part-time Professor of Strategic Marketing, Graduate School of Business, UCD , IRELAND

1230 - 1400 Lunch (Sponsored by GE Capital Aviation Services) Montrose Hotel Restaurant

1400-1530 Sessions IA & IB:

I.A: Airline Networks & Airline Alliances, I

Room 326, Engineering Building

Chair: Prof James Crowley (University College Dublin Transport Policy Research Institute, IRELAND)

Globalization of Airline Networks and Airline Alliances Prof. T. Oum (University of British Columbia, CANADA)

Strategic Airline Alliances: Complementary Vs Parallel Alliances Prof. J.Hun Park (City University of Hong Kong) & Prof. A. Zhang (City University of Hong Kong and University of Victoria, HONG KONG)

Analysis of Airline Systems Using Boeing's Decision Window Model C. Soncrant (Boeing, USA)

The Pros and Cons of Multi-hub Structures in the Airline Industry E. Romano (University of Lausanne, SWITZERLAND)

Analysis of Networking Effects in the Asia Pacific Aviation Market Prof. K.Takada (Tokyo Institute of Technology, JAPAN)

I.B: Airport Management, Economics and Pricing I

Room 317, Engineering Building

Chair: Tom Haughey (Aer Rianta Irish Airports, IRELAND)

Benchmark Airport Charges, 1996 A. de Wit ((Netherlands Directorate General of Civil Aviation) & N.Cohn (Hague Consulting Group, NETHERLANDS)

The Tax Free Shop: Its Influence on Income Generation in Spanish Airports R. Rendeiro Martin-Cejas (Universidad de Las Palmas de Gran Canaria, SPAIN)

Non-Parametric Measures of Efficiency at US Airports Prof. D. Gillen (Wilfred Laurier University, CANADA) & Dr. A. Lall (Nanang Technological University, SINGAPORE)

Access to Airports : A Case Study of the San Francisco Bay Area E. Pels, Prof. P.Nijkamp & Prof. P.Rietveld (Free University, NETHERLANDS)

1530-1600 *Coffee*

1600-1715 *Sessions 2A & 2B:*

2.A: Aircraft Financing and Airline Financial Performance

Room 326, Engineering Building

Chair: Prof. Paul Hooper (University of Sydney, AUSTRALIA)

Aircraft Financing Requirements Approaching the 21st Century Dr K. Holden (GE Capital Aviation Services Ltd., IRELAND)

Aircraft Finance J. McMahon, (Debis AirFinance, NETHERLANDS)

An Empirical Analysis of the Demand/Supply System and Operations Management Behaviour in Japan's Domestic Airline Markets Prof. H. Murakami (Kobe University, JAPAN)

A Tale of Two Airlines: A Comparative Study of the Divestment Experience of Two Caribbean Airlines Dr J. Melville (University of the West Indies, TRINIDAD AND TOBAGO)

The Role of Capital Productivity in British Airways' Pre- and Post-privatisation Financial Performance P. Morrell (Cranfield University, UK)

2.B. Airport Management, Economics and Pricing II

Room 317, Engineering Building

Chair: Prof. D. Gillen (Wilfred Laurier University, CANADA)

Integrated Airport Pavement and Facility Management Using GIS Technology

Prof. M. McNerney (University of Texas at Austin, USA)

An Integrated Airport Competition Model J. Essers, J. Veldhuis, (Netherlands Directorate General of Civil Aviation), D. Bakker, N. Cohn & E. Kroes (Hague Consulting Group, NETHERLANDS)

Airport Competition: Reality and Illusion T. Haughey (Aer Rianta, IRELAND)

Network Management: The Development of Euro-hubbing in the EU Prof. J. de Wit & P. Uittenbogat (Netherlands Directorate General of Civil Aviation)

1900 Symposium Dinner (Viking Feast at Dublin's Viking Adventure, Temple Bar) Sponsored by Aer Rianta.(Coach from UCD Belfield main Bus Terminus leaves at 1850 and will return to UCD Belfield Campus at 2245)

Tuesday 21st July 1998

0915-1100 Plenary Session : Room 326, Engineering Building

Irish Air Transport Policy in the New Millennium

Chair: Dr Garret FitzGerald (Chancellor, NUI and Former Taoiseach , IRELAND)

Speakers:

(i) **John Lumsden**, Head Air Transport & Assistant Secretary General, Department of Public Enterprise, IRELAND

(ii) **John Burke**, Chief Executive, Aer Rianta, (Irish Airports), Dublin , IRELAND

(iii) **Garry Cullen**, Chief Operating Officer, Aér Lingus, Dublin, IRELAND

(iv) **Colm McCarthy**, DKM Economic Consultants & External Evaluator, Operational Programme on Transport, 1994-99, Dublin, IRELAND

1100 -1130 Coffee (Sponsor: Transport Policy Research Inst., UCD)

1130 - 1300 Sessions 3A & 3B:

3A: Airline Competitiveness, Financing and Economics

Room 326, Engineering Building

Chair: Dr Sean Barrett (Trinity College Dublin, IRELAND)

Productivity, Prices and Financial Trends in the World's Major Airlines Prof. W.G. Waters II, Prof T. Oum & C.Yu (University of British Columbia, CANADA)

Enhancing Global Competitiveness: Benchmarking Airline Operational Performance in Highly Regulated Environments Dr B. Bowen (University of Nebraska at Omaha, USA) & Dr D. Headley (Wichita State University, USA) & K. Kane (University of Nebraska, at Omaha, USA)

Measuring the Competitiveness of International Airlines: Implications for Deregulation and Liberalisation of Global Aviation Markets V. Tamms (Australian National University, AUSTRALIA)

A Fuzzy Approach to Overbooking in Air Transportation M. Ignaccolo & G. Inturri (ITALY)

Airline Overbooking in the Multi-Class Case J. Coughlan (Dublin Institute of Technology, IRELAND)

3.B: International Experiences of Airline Deregulation

Room 317, Engineering Building

Chair: John Dodgson, (NERA, UK)

Airline Deregulation in Australia: A Medium Term Assessment Prof. P. Forsyth (Monash University, AUSTRALIA)

A Position Paper: Why Japan Cannot Deregulate Airlines Immediately Prof. Y. Sakakibara (Osaka University of Commerce, JAPAN)

Towards a Market-Oriented Air Transport System?: Recent Developments in Russian Civil Aviation Performance and Policy Prof. J.Strong (College of William and Mary, Virginia, USA)

The Asian Economic Crisis and Its Implications for Aviation Policy in Asia Pacific Prof. P. Hooper (University of Sydney, AUSTRALIA) & Prof. A.Chin (National University of Singapore, SINGAPORE)

1300-1415 Lunch (Sponsored by Servisair (Ireland) Ltd.) Montrose Hotel Restaurant

1415-1545 Sessions 4A & 4B:

4A: Air Freight & logistics

Room 326, Engineering Building

Chair: To be announced

Air Freight Demand: Responding to New Developments in Logistics Prof. J. Crowley (University College Dublin, IRELAND)

Growth and Development of International Air Freight D. Allen (Dublin Institute of Technology, IRELAND)

Air Cargo Business Relationships R. Ferreira (PORTUGAL) & N. Lenoir (Ecole Nationale de l'Aviation Civile, FRANCE)

Issues facing the development of Irish Aviation: A Ground Handling perspective B. Farrell (Servisair (Ireland) Ltd.)

Policy issues in the Express carrier sector M. D'Arcy (D'Arcy Smyth Associates, Dublin)

4.B: Airline Networks & Airline Alliances, II

Room 317, Engineering Building

Chair: To be announced

Hard Choices and Low Prices: Positioning for Sustainable Advantage in the Airline Industry (the Case of Ryanair) Dr T. Lawton (University of London, UK)

Assessing Two Means of Promoting Interlining: IATA versus Alliances E. Aloy (Cerna-Centre d'Economie Industrielle, FRANCE)

Airline Network Choice and External Costs Y. Schipper, P. Rietveld & P. Nijkamp (Free University, Amsterdam, NETHERLANDS)

The TGV Effect: Opportunities for Reconciling Sustainability with Aviation. Dr J. Patterson (Concordia University, CANADA) & Prof A. Perl (University of Calgary, CANADA)

1545-1615 *Coffee*

1615-1700 *ATRG Business Meeting Room 317, Engineering Building*

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The 3rd ATRG Conference, H.K.S.A.R., China; mid-June, 1999.

Professors Anming Zhang, Yimin Zhang and Jong-Hun Park at the City University of Hong Kong will host an air transportation conference based on the theme of **"Infrastructure Development and Financing in the Asia Pacific and Air Transport Issues."** Further details and the call for papers will be announced in future newsletter editions and in our website. Early inquiries can be directed to Prof. Anming Zhang: efanming@cityu.edu.hk.

OBJECTIVES & BENEFITS OF ATRG

Objectives of ATRG

The Air Transport Research Group (ATRG) was launched as a special interest group of the WCTR Society at the seventh Triennial WCTR Conference in Sydney. The objectives of the ATRG are as follows:

- To help organize and expand the air transport related sessions at the WCTR Conferences.
- To attract more people from airlines, airports, governments, research institutes and academia to the WCTR Society and its activities.
- To exchange research ideas and results via more frequent symposia, conferences or regional meetings than the WCTR Conference can provide via its main conferences every three years.
- To enhance research capability for truly multinational and multi-disciplinary issues on air transportation. For example, a good research on the globalization of airline industry requires expertises in various disciplines (economics, engineering, law, management, operations, planning and others) as well as good knowledge of the international, regional, and national institutions and regulations related to air transportation.
- To interact with various international and national institutions which deal with policy and/or infrastructure issues concerning international aviation. Examples include the International Air Transport Association (IATA), the International Civil Aviation Organization (ICAO), the World Trade Organization (WTO), the European Commission (EC), the Pacific Economic Cooperation Council (PECC), etc.
- To eventually provide forums to facilitate exchange of ideas for forming multinational and/or multi-disciplinary research teams to investigate topics of worldwide or continental interest.
- Other research on educational matters related to air transportation.

Benefits of ATRG Membership

The ATRG is a non-profit organization with members worldwide. Through the nominal membership fees and the corporate sponsorships, the ATRG will continue its efforts to provide networking opportunities among air transport researchers from established institutions all over the world, senior policy makers from various government organizations, and seasoned experts from the aviation industry ranging from airports, airlines, aerospace manufactures and aviation consulting services.

- All ATRG individual and corporate members will receive official recognition at future ATRG conferences and public events.
- The ATRG gives its members unique opportunities to exchange ideas and research papers with some 350 research members worldwide, that further facilitates mutual collaborative research with other ATRG members to enhance their career. All members will have the benefit of announcing their research findings or corporate initiatives in the ATRG Newsletter timely.
- Corporate members can include up to 20 individual members to the ATRG network, free of charge. In addition, all corporate members will enjoy preferential arrangements as corporate sponsors for all ATRG events, to enhance their global identity and exposure.
- Members will receive ATRG newsletters, with information on research relating to air transportation. Upcoming conferences, ATRG events, and public events, related to air transport matters will also be announced promptly. ATRG annual reports will be distributed network-wide, in the year end.
- All members are invited to attend ATRG-organized symposia, conferences and regional meetings to exchange research ideas and results, to deliberate on policy initiatives and alternatives, and to engage in debate on issues vital to the development of the aviation industry.
- Together with the ATRG, members may help organize the aviation sessions at the World Conference on Transport Research, the world's primary transportation forum. Willing members may also initiate independent symposia and events in coalition with our network committee.

Conference proceedings will be published for most conferences, which are available for ATRG members at cost-based prices.

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