Aviation is essential for the modern economy as firms, households, tourism and trade rely, to a substantial and growing extent, on air transportation. In spite of its benefits, the continuous growth of air transportation has turned air transport delays into an acute problem globally. Solutions to the airport congestion problem include capacity expansions, controlling the total flight volume through slot constraints and implementing optimal congestion pricing. The objective of this thesis is to offer new insights into the airport pricing policy debate. For different market structures and congestion technologies, the design and efficiency of congestion pricing is investigated, also investigating and accounting for the extent to which airlines internalize self-imposed congestion already. Further focus is put on network effects and on the role of banning airports from setting differentiated charges to airlines in the design of policies to achieve socially more desirable outcomes.

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