

My third example is taken from a study we recently completed for the Federal Aviation Agency. The purpose of the study was to assess the economic consequences of opening Washington National Airport to jet traffic. The alternatives were to continue to exclude jet aircraft entirely, to permit short and medium range jet aircraft to use the airport or to permit unrestricted use of the airport including long-range jets.

Each alternative permitting jet operations implied a different investment required by the Government to modernize and expand the airport to accommodate the passenger and aircraft traffic growth projected to follow. Also, they implied different levels of benefits to the public users of the Washington area airports resulting from the improvements produced in air travel service. Each of the three alternatives creates a different aircraft noise environment in the surrounding communities.

Chart 11 shows some of the factors that affected the analysis. Estimates were made of the annual volumes of these physical activities for each of the three airports in Washington area. From these projections, airport operating costs and revenue were derived to estimate net revenues (profit or loss) of the airport operations. Benefits to the public users of Washington area air services were estimated in terms of the value implied by total trip time savings resulting from air carrier jet service being made available.

The results of the study provided the basis for a comprehensive examination of the issues and for the recent decision to open Washington National Airport to short and medium range jet traffic.