

G. Other Issues

In addition to airline route systems, costs, marketing, demand and pricing practices, there are a number of other characteristics of air transportation which should be noted.

- Air carriers use publicly provided infrastructure (airports and airways), and thus their operations are strongly affected by government management of the infrastructure.
- Both airports and airways are becoming increasingly congested, negatively affecting air carrier operations, service quality and cost. This is also making entry of new air carriers difficult.
- Because of advantages enjoyed by existing airlines, it is extremely difficult for a new air carrier to start operating. Major "entry barriers" facing carriers include:
 - *Airline Hubs:* Dominant carriers at hubs can channel traffic from a very large number of cities onto a particular hub city pair flight segment. A new entrant to the segment would find it difficult to access this traffic.
 - *Control of the Marketing Distribution Channel:* If one airline controls travel agents and/or the computer reservation system in a market, then other airlines will be at a competitive disadvantage.