Airport Slot Allocation Problems

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Abstract

We study airport slot allocation problems during weather-induced congestion. These real-life matching problems are important to airlines as the costs of delays are significant compared to their profits. We introduce a new mechanism, Multiple Trading Cycles (MTC), to allocate landing slots. In contrast to the currently used mechanism, MTC is individually rational, Pareto efficient, strategy-proof, non-manipulable by postponing a flight cancellation, and respects property rights over slots. In addition, it is core-selecting when preferences are strict. The “You Request My House - I Get Your Turn” mechanism (?) is a special case of MTC.

JEL: C78, D47, D82, L93, L98, P14, R41.

Keywords: Slot allocation, Strategy-proofness, Mechanism design, Top Trading Cycles.

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