

## *ECONOMIC EFFECTS OF SEVERE DISRUPTION: AIRLINES AND THE NAS*

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**Services Provided:** Constructed a methodology to estimate the costs of a severe disruption for a single event and for the NAS as a whole

**Description of Project:** Most experts acknowledge that severe disruptions to the NAS cost the airlines millions of dollars a year in revenues each year. But there are many issues not completely understood about a “severe disruption.” First, what constitutes a severe disruption? Can it be defined by an event, a duration of an event or a certain level of minimal performance. Second, when do airlines seek to mitigate the effects of a severe disruption and enter into a phase of “irregular operations”. The project focused on how does an airline estimate the cost and loss of revenue associated with irregular operations due to severe disruptions.



### **Project Start Date**

December, 1998

### **Similar Issues**

Economic Impact  
Capacity Analysis