

Optimal Fares Regulation for Britain's Railways

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Abstract

This paper reports the findings of an economic evaluation of fares regulation options for Britain's railways. The evaluation is based on the development of an econometric demand model based on a large scale survey of passenger preferences. The model was applied to comprehensive case study analysis of candidate fares regulation options based on the notion of a 'fares basket' and it was found that for any given price cap, any specific objective of revenue generation will be attained with lower welfare penalty if the basket is defined widely rather than narrowly.

* Please note that the full paper is available from Dr Whelan who is now at MVA Consultancy (gwhelan@mvaconsultancy.com) or via <http://www.sciencedirect.com>