



Regulation of Airport Charges in Germany

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Preliminary Draft (13 5 08)

Abstract: This paper examines the implementation of German laws stipulating the regulation of airport charges. It is based on a structured survey among decision-makers of six regional aviation authorities, being responsible for evaluating the airport operators' applications. After a short analysis of market dominance in the airport industry, the paper takes a closer look at the actual procedure of regulating charges. Special emphasis is given to the modalities of rate-of-return regulation on the one hand and incentive regulation on the other hand. Thereby, potential negative impacts of public airport ownership are taken into account. The paper aims for developing constructive suggestions for the improvement of airport charges regulation. It therefore concludes with an assessment of possible modifications, referring to the regulation of postal service charges by the Federal Network Agency.