

Country case: Challenges in the development of the Berlin-Brandenburg International Airport (BBI)

Description

After German reunification the two most affected federal states - the city of Berlin and Brandenburg - and the Federal Government created the Berlin-Brandenburg Airport Holding. This placed Berlin's three airports under a joint administration for the first time. Even more importantly, the holding was created to co-ordinate and facilitate the planning of BBI.

The year 1996 promised to be a breakthrough as politicians finally agreed on a location for BBI. Federal Minister of Transportation, Berlin's Mayor, and Brandenburg's Premier reached a consensus decision to build the new international airport in Schönefeld with private investments. Tempelhof would be closed as soon as possible, and Tegel would cease operating as soon as BBI opened. After these plans were made public, the airlines serving Tempelhof immediately stated that they would not move from Tempelhof to Schönefeld. A move to Tegel, however, was impossible because the airport could not handle any more passengers due to the terminal's circular outline.

Once there was consensus that BBI would be built in Schönefeld, the draft plan was presented to the public for comment. In total, citizens filed more than 132,000 complaints against the expansion of Schönefeld, focusing on noise pollution, the expected decline in property values, and the impact on the ground transportation infrastructure. According to German planning law, hearings have to be organised to listen and respond to all the complaints brought forward by citizens. The sheer volume (approximately 4,000 separate arguments) meant that the beginning of construction of the airport (scheduled for 2003) was delayed. At the same time as the hearings were taking place, a new Federal Government initiative reduced permissible noise levels around airports. These stricter regulations meant that BBI could not be operated late at night and that a significant amount of money had to be budgeted to provide citizens with mandatory noise insulation. Since the noise evaluation had been done based on the previous regulations, it was questionable whether it was still valid.

Public Procurement
Principle: **Participation,
Efficiency, Integration**

Procurement Stage:
All phases

Audience: **Policy Maker,
Procuring Entity, Private
Sector, Civil Society**

The debate concerning the financing of BBI also went on. According to the consensus decision, private investors should pay for the airport. After several potential investors dropped out early in the process, two serious contenders remained—Hochtief (an international construction services provider with experience in numerous large infrastructure projects) and IVG (one of the largest real estate companies in Europe). In 2000, Hochtief was excluded from consideration because of charges that it had obtained an unfair advantage in the competitive bid. However, just months later the regional court in Brandenburg overruled the decision and said that Hochtief should be allowed to bid. Rather than restarting the entire privatisation procedure again with IVG and Hochtief as competitors, a consensus was reached that the two companies should co-operate on the airport project. It appeared as if the privatisation issue was solved. However, in 2001, the consortium of the two companies made its offer, which was significantly lower than expected: DM 50 million, rather than the DM 650 million first offered by Hochtief and the DM 350 million originally promised by the IVG. After additional negotiations and extended deadlines this amount was increased to DM 70 million. This unacceptably low offer ended all hopes for privatisation.

Assuming that the investors were hesitant because of the large risk involved in building BBI—after all there was a possibility that lawsuits would stop the entire project— the Airport Holding now considered building the airport with government loans and privatising it once it was fully operational. By 2003, the estimated cost for the airport alone was EUR 1.7 billion. Additional funds would be needed to connect it to the highway and rail system and pay for noise protection measures and environmental clean-up at the site. Berlin and Brandenburg were heavily indebted, so they needed the help of the Federal Government to build BBI.

While these controversies were based on the assumption that BBI would be built in Schönefeld, a variety of different parties continued to argue in favour of other locations including Sperenberg, other Brandenburg sites, and even a military airfield in Poland. The lack of consensus was hardly resolved when, in 2004, the results of the hearings were made public. The 1,200-page document imposed strict limitations on night flights in Schönefeld and mandated that 42,000 people were entitled to receive noise-proof windows. Immediately, citizens started to compile a list of points against BBI for a lawsuit at the upper court in Leipzig. The lawyers representing the citizens were positive that the ten-point list addressing issues such as noise, pollution and other environmental hazards, and safety concerns would stop the project—in their opinion every single point would be enough to convince the judge. However, the supporters of BBI were equally convinced that they would receive permission to build the airport. In April 2005, the Federal Administrative Court (Bundesverwaltungsgericht) stopped the construction until a final decision could be reached, a step never before taken in Germany in the planning phase of a large infrastructure project. However, the airport opponents celebrated their victory prematurely: in March 2006, the court announced its final decision that the airport could be built in Schönefeld.

Source: OECD (2015), [Effective Delivery of Large Infrastructure Projects: The Case of the New International Airport of Mexico City](#), OECD Publishing, Paris.