



AOPA NAMIBIA

AIRCRAFT OWNERS AND PILOTS ASSOCIATION
Protecting your right to fly

Our Ref: ED/NCAA/044/05/2023

05 May 2023

Executive Director

Namibia Civil Aviation Authority (NCAA)

Rudolph Herzog Street

Windhoek

Namibia

Sent via e-mail: semt@ncaa.na, fees@ncaa.na

RE: Request for Clarification and Supporting Information Relating to the NCAA's Intention to Amend Part-187 (Fees) Regulations.

Dear Ms Sem,

AOPA is in receipt of the Notice for the Stakeholder Consultation Meeting to be held on 9 May 2023 regarding the NCAA's Intention to Amend Part 187 (Fees) Regulations. In preparation for the upcoming meeting, AOPA requests certain clarification, information, and documentation to be properly prepared for said meeting.

Please find attached the letter from AOPA Namibia to the NCAA dated 23 February 2023 and the response from the NCAA dated 02 March 2023.

AOPA and its membership continue to stand behind the 23 February 2023 letter and would like it placed on the agenda to be brought up and discussed at the Consultation Meeting. We feel that the 02 March 2023 response sent by the NCAA did nothing to properly address the valid concerns of AOPA Namibia and the Aviation Industry. The General Aviation Industry feels the NCAA's responses (both written and verbally) neither addressed nor resolved a single issue raised. It is also imperative that any other comments received by the NCAA be listed and discussed at the Consultation Meeting.

ICAO Document 9082 states amongst others that ICAO's Policies on Charges for Airports and Air Navigation Services contain the recommendations and conclusions of the Council resulting from ICAO's continuing study of charges in relation to the economic situation of airports and air navigation services provided for international civil aviation.

The Council emphasizes regarding private involvement that States, when considering the commercialization or privatization of airports and ANSPs, bear in mind that **the State is ultimately responsible for safety, security**, and, in view of the potential abuse of dominant position by airports and ANSPs, economic oversight of their operations.

Many New Fees Lack Provisioning in the Current NAMCARs

It is AOPA Namibia's position that several of the proposed new Part 187 fees envisaged by the NCAA for Part 91, Part 121, Part 127, Part 135, Part 141 and Part 145 have no legal basis for adoption as there is currently no provision for such fees in the NAMCARs. In essence, the NCAA cannot regulate what does not exist.

As the NCAA is aware, regulatory amendments to the aforementioned NAMCAR Parts must first be passed into law to provision such new Part 187 user fees. AOPA Namibia would also like to raise this as a critical agenda item for the 09 May 2023 Stakeholder Meeting.



AOPA NAMIBIA

AIRCRAFT OWNERS AND PILOTS ASSOCIATION
Protecting your right to fly

Rate of Inflation

It has been stated numerous times by the NCAA, both written and in the most recent Allgemeine Zeitung article dated 19 April 2023 (interview with Ms. Maria Haipinge), that the current Part 187 fees and rates need to be increased a minimum across-the-board 30% to track with year-over-year inflation rates.

In reality, however, the NCAA is proposing to raise most fees by a shocking 30-55%, far above any published inflation rate.

AOPA Namibia strongly disagrees with the inflation rate figures used by the NCAA. For discussion purposes at the 9 May 2023 meeting, AOPA and the public at large request the NCAA provide:

- The background, any studies, calculations and;
- The methodology applied to determine the basis on which the calculations for the proposed increases were based on.
- The *official* Namibian Government inflation rate figures for 2018-2022, that enabled the NCAA to determine such fee increases.

General Aviation Contribution to the NCAA's Budget

In reference to your letter of 02 March 2023, paragraph 2, we request any studies or calculations that support the Executive Director's assertion that the General Aviation Industry contributes "*less than 5%*" of the NCAA's revenues.

The NCAA financial statements for previous years do not give a breakdown as to income, by source, as received by the NCAA.

If indeed, General Aviation, in its entirety, produces minimal income for the NCAA, then it is incredible to believe that the NCAA wishes to *more than double* the amount of user fees paid as well as double the number of fees that the NCAA is currently levying on an industry that is still in survival mode after the Covid 19 pandemic.

It is our humble opinion that the NCAA is a Government Entity which is primarily funded by the Treasury, which in turn is funded by the Namibian Income Tax basis. The public at large, the business community served by general aviation, who are the clients of AOPA and the general flying industry at large, are extensive contributors to the central budget and treasury income. This income stream is further supported by the tourism industry who are extensive contributors to the treasury.

It is thus totally unfair to be taxed twice for an essential government service.

Justification for an increase in fees with an almost 50% decrease in Air Travel

Your 02 March 2023 letter states that Namibian air traffic has "seen an upward trend in air-traffic movements which stands above 50% of pre-Covid-10 levels".



AOPA NAMIBIA

AIRCRAFT OWNERS AND PILOTS ASSOCIATION
Protecting your right to fly

In other words, Namibia's Aviation Industry, by your own admission is still **down almost 50 %** from its pre-Covid 19 pandemic level. How can an industry that is still down 50% survive a 30-55% increase to all existing user fees, *plus* an extreme addition of 300+ new high-cost user fees?

Can the NCAA kindly provide AOPA Namibia the data, calculations, and reasoning the NCAA used to arrive at the conclusion that, with an almost 50% reduction in air travel, there is justification to raise **ALL USER FEES** by such an exorbitant amount?

The NCAA should acknowledge that the cost of flying is directly influenced by the exchange rate to the USD. The impact of the extensive adjustments to the exchange rate over the past 4 years have resulted in a major influence in the operational cost of the flying industry. The rise in cost has also raised the value of imported spares and parts, further contributing to the Treasury income.

The past 3-4 years have been devastating for the General Aviation Industry in Namibia. Due to the ravages of the Covid-19 shutdown, loss of significant tourism income, a significant loss of Namibia's private and Part 135 airplane fleet (sold and shipped abroad), as well as the never-ending increase in fuel prices, repair and maintenance costs (primarily as a result of over-regulation and devaluation of the Namibian Dollar), the Namibian GA industry cannot be expected to survive if forced to make up for the NCAA's fiscal and budgetary shortfalls.

Ultimately, our still vulnerable aviation industry and its rapidly declining number of aircraft and operators will bear the brunt of the NCAA's attempt to address its financial position through an unsustainable increase to fees rather than first working towards more balanced, effective, and efficient operations.

AOPA Namibia looks forward to working with the NCAA to achieve an appropriate Part 187 amendment that will work to grow instead of diminish General Aviation in Namibia.

Based on our previous success resolving our Part 139 regulatory differences, AOPA Namibia feels confident a similar positive outcome can be achieved with amending Part 187.

Yours faithfully,

Matthew Totten Jr
 Acting CEO
AOPA NAMIBIA