



AOPA NAMIBIA

AIRCRAFT OWNERS AND PILOTS ASSOCIATION
Protecting your right to fly

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19 May 2023

The Executive Director

Namibia Civil Aviation Authority (NCAA)

Rudolph Herzog Street

Windhoek

Namibia

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

RE: Draft Part-187 (Fees) Stakeholder Consultation Meeting – AOPA Namibia's Proposed Way Forward

Dear Ms. Sem,

This letter is being submitted to you by the Aircraft Owners and Pilots Association of Namibia (AOPA Namibia) after attending the Draft Part 187 (Fees) Stakeholder Consultation Meeting held at the NCAA Auditorium in Windhoek on 9 May 2023.

At the stakeholder meeting, the NCAA requested that AOPA Namibia submit a proposal for the aviation industry's recommended way forward to achieve successful agreement on Part 187 (Fees) regulatory reform.

The following points serve as AOPA Namibia's proposed way forward:

1. With regard to the NCAA's proposed blanket **30% increase** to all **existing fees**, AOPA Namibia is in agreement with the NCAA after discussing this issue at the stakeholder meeting.

As the proposed 30% increase to existing fees reflects the government published cumulative year-over-year increase in inflation from 2017 to 2023 (inclusive of both 2017 and 2023), AOPA Namibia is in support of this specific proposal.

Assuming all current fees displayed within the NCAA's Draft Part 187 (Fees) document are accurate, and the 30% increase is applied correctly to all existing fees, AOPA Namibia agrees that existing fees should be increased by 30% as soon as practicable.

2. As discussed at the 9 May 2023 stakeholder meeting, both the NCAA and AOPA Namibia agreed that the NCAA is currently charging fees for non-value add services that create significant operational costs for the NCAA as well as unnecessary fee costs and time-delays for operators.

As such, AOPA Namibia recommends that a Part 187 (Fees) Civil Aviation Regulations Technical Advisory Panel (CARTAP) Sub-committee be convened as soon as possible to identify such non-value add activities and fees so further NAMCAR reform can be undertaken to eliminate unnecessary NCAA activities and their corresponding Part 187 existing fees.

3. With regard to all **new fees** proposed in the Draft Part 187 (Fees) document, AOPA Namibia requests that an *immediate* CARTAP Sub-committee be convened to discuss, deliberate, and agree upon any new Part 187 fees recommended for promulgation.

Due to the high-impact any new Part 187 fees would have on both private and commercial aviation operators, as well as the relatively low-impact any new fees would have on increasing the NCAA's overall revenue (as discussed at the 9 May 2023 stakeholder meeting), extensive



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deliberation between the NCAA and the aviation industry must be conducted to ensure an *appropriate* new fee structure is achieved.

As the Executive Director is aware, aviation is a **high-capital cost, high-operational cost** and **low-profit margin** industry by its very nature. Therefore, extreme care must be taken with regard to any new fees imposed on the aviation industry.

Because AOPA Namibia feels the current list of new fees proposed by the NCAA will result in a significant reduction of General Aviation operations – and thus a decrease in NCAA revenue – all inappropriate and non-value add new fees must be eliminated from the NCAA's Draft Part 187 (Fees) proposal.

Based on the success of the recent Part 139 (Aerodromes) CARTAP Sub-committee (as evidenced by the successful promulgation of safe and appropriate Part 139 regulatory reform), AOPA Namibia recommends the same NCAA-industry consultation process (via a Part 187 CARTAP Sub-committee) be undertaken so Namibian aviation can not only grow, but thrive.

4. With regard to the proposed hourly rates displayed in the Draft Part 187 (Fees) document, AOPA Namibia requests that the recommended Part 187 (Fees) CARTAP Sub-committee also focus on this issue as it was a significant point of concern by aviation stakeholders at the 9 May 2023 stakeholder meeting.

As the NCAA agreed, **performance metrics** *must* accompany any Part 187 hourly fee rate promulgated so no abuse of hourly fees can occur.

Thus, the recommended Part 187 (Fees) CARTAP Sub-committee would be the ideal collaborative body to establish said **rates, performance metrics, and fee caps** for each hourly rate proposed.

5. ICAO Doc 9082 states, amongst others, that ICAO's Policies on Charges for Airports and Air Navigation Services (ANS) contain 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, with regard to private involvement, that States, when considering the commercialization or privatization of airports and Air Navigation Service Providers (ANSPs), bear in mind that the **State is ultimately responsible for safety, security**, and, in view of the potential for abuse of dominant position by airports and ANSPs, **economic oversight** of their operations.

What's more, ICAO and IATA clearly state that ANS and ANSPs must not cross-subsidize the Aviation Regulator – a function of the government – as this creates conflicts of interest that can endanger safety and security. However, it was demonstrated by the NCAA at the 9 May 2023 stakeholder meeting that ANS and ANSP revenues are being used to subsidize the NCAA's regulatory activities.

Because the NCAA is an autonomous regulatory body of the Namibian Government, it is the Namibian Parliament's responsibility to allocate appropriate funds to the Ministry of Works and Transport (MWT) to properly fund the NCAA so it can fulfil its safety, security and airport and air service provider economic oversight mandates.

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As such, charges and fees relating to **safety** and **security** (i.e. the PRIMARY responsibility of the Aviation Regulator) must be borne by the State – *not aviation operators*.

It is the firm belief of AOPA Namibia, backed by ICAO and IATA policies, that a solid distinction be made going forward between **Air Navigation Service charges** as well as **Regulatory Service charges** that should be borne by operators, and **charges required to fulfil the NCAA's safety and security regulatory role** that should be borne by the Namibian Government.

Once again, AOPA Namibia recommends convening a Part 187 (Fees) CARTAP Sub-committee to discuss this issue as it is the ideal collaborative body to establish such fee distinctions to both achieve compliance with ICAO and IATA fee policies, eliminate NCAA and ANS/ANSP conflicts of interest, and ensure private and commercial operators are charged fairly for the aviation services they receive.

As the Namibian aviation industry's representative and primary advocate, **AOPA Namibia is committed to working with the NCAA** to achieve *appropriate* Part 187 (Fees) regulatory reform that serves to both grow Namibian aviation and ensure the NCAA can carry out its critical aviation safety and security mandates.

Through an informed, collaborative, and comprehensive Part 187 (Fees) CARTAP Sub-committee consultation process, AOPA Namibia believes that successful Part 187 regulatory reform can be achieved for all stakeholders.

We kindly look forward to your response and eagerly await the announcement of the recommended Part 187 (Fees) CARTAP Sub-committee.

Yours faithfully,

Matthew Totten Jr
CEO
AOPA NAMIBIA