

NIGERIA GOVERNORS' FORUM

NATIONAL SECRETARIAT
ABUJA.



To: Nigeria Governors' Forum
From: Director General
Date: 26th February 2020
Subject: Removal of Fees Paid by State-Owned Airports to Federal Airport Agencies

This is to inform your Excellencies that the Secretariat had a meeting with Captain Muhammed Balan Jibril, Chairman/CEO Penn Flyers Limited, in respect of State Government owned Airports currently paying Federal Government Agencies, including the Nigeria Airspace Management (NAMA), Nigeria Meteorological Agency (NIMET), and the Federal Airports Authority (FAAN), an estimated N200,000,000 (Two Hundred Million) annually as charges to provide Security and Aviation Services. **This has led to massive accumulation of debt by some States.**

These airports are currently operational in Nine (9) States and upcoming Three (3) others. The Consultant believes that there is no legal basis for these charges, and that the practice has continued because of the lack of awareness of State governments and their aviation operators.

Therefore, the Consultant has proposed that the State governments.

- Meet with the federal government to end airport charges by federal government agencies levied on State government-owned airports;
- Transfer the ownership of state-owned airports to the federal government if so desired.

Please find attached extract from the minutes of meeting held with the Consultant for your information and consideration

Director General

REMOVAL OF FEES PAID BY STATE-OWNED AIRPORTS TO FEDERAL AIRPORT AGENCIES

Background and Problem Statement

State government-owned airports currently pay federal airport agencies including the Nigerian Airspace Management Agency (NAMA), the Nigeria Meteorological Agency (NIMET), and the Federal Airports Authority of Nigeria (FAAN) an estimated N200 million annually as charges to provide security and aviation services.

These airports are currently operational in 9 States namely Akwa Ibom, Bauchi, Kebbi, Delta (Asaba), Taraba, Gombe, Jigawa, Bayelsa, and Imo State, while new ones are undergoing construction in Ebonyi, Ekiti and Nasarawa.

The Consultant believes that there is no legal basis for these charges, and that the practice has continued because of the lack of awareness of State governments and their aviation operators. Consequently, some States have accumulated debts reaching up to N600 million in unpaid charges.

Value Proposition

The Consultant has proposed the following steps to be taken by State governments.

1. Meet with the federal government to end airport charges by federal government agencies levied on State government-owned airports;
2. Transfer the ownership of state-owned airports to the federal government if so desired.

Next Steps

The Consultant indicated that he would provide a presentation with relevant documents to make this case.

NB: Consultant fees will be charged. No amount has been stated.