



# Other States Adopt Reduction of Right of Way Charges

July 2020

## Overview

Our flash note on the 27th of May 2020 (click [here](#)), showed that several states had complied with the Federal Government's directive on Right of Way (RoW) by removing, reducing or waiving the RoW charges.

The Lagos State Government has taken a different approach by setting up a special purpose vehicle, Western Telecoms and Engineering Limited, (the "Company") for the purpose of its unified fibre duct infrastructure and connectivity project. This project was approved under the Lagos State Public Private Law by the Lagos State House of Assembly in alignment with the Smart City initiative of the Lagos State Government.

The Company plans to lay the infrastructure across all the local government areas and local community development areas in Lagos state, taking into consideration demographic and geographical elements. The ultimate objective of the Lagos State Company led model is to promote neutrality of players and avoid conflict of interest. By controlling the design and routes of the fibre duct infrastructure, the erstwhile inefficient practice of multiple RoW projects and approvals along the same routes is eliminated.

Whilst the commercial terms for states that have adopted the Federal Government's directive is easy to interpret, the commercial terms for the use of the infrastructure by the Mobile Network Operators, is yet to be disclosed.

Ultimately the success of the project will depend on pricing. We however expect to see pricing that largely reflects compliance with the Federal Government's directive on reduction of the RoW charges and the emerging trends from other states.



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