

**LEAD DEBATE ON THE BILL FOR AN ACT TO REPEAL THE NIPOST ACT
CAP N127 LFN, 2004; PROVIDE FOR THE OPERATION AND
DEVELOPMENT OF POSTAL SERVICES;
THE ESTABLISHMENT OF THE NIGERIAN POSTAL SERVICES
COMMISSION; AND FOR OTHER RELATED MATTERS**

Sponsored by Senator (Prince) Gilbert Emeka Nnaji

BACKGROUND

I thank you Mr. President for the opportunity to lead debate on the general principle of this Bill. Let me quickly say that the Bill is a wholesome reform of the Postal industry. It is not an amendment, but a repeal of the existing NIPOST Act to re-enact a new legislation to cater for the far reaching reforms in the postal industry. The Bill was first read on the floor of the Senate on Thursday, 22nd October, 2015.

Mr. President, Distinguished Senators, the Nigerian Postal Bill seeks to establish a regulatory framework for the Nigerian Postal Industry, by creating an effective, impartial and independent regulatory authority. It is proposed as a catalyst to encourage local and foreign investment in the Nigerian Postal Industry, particularly given the innovative services and practices in the industry in recent times. And above all, it seeks to engender international best practices.

For more than a century, the Post Office has existed in the country as part of the Post and Telecommunications Department (P&T) before it was split in January 1985 into NITEL and NIPOST. Through the promulgation of Decree No. 18 of 1987, NIPOST became an Extra-Ministerial Department. It subsequently became a parastatal with more autonomy and responsibility for the provision of postal and allied services to the public through its existing law, NIPOST Act, Cap N127 Laws of the Federation of Nigeria, 2004.

In line with its international obligation, the Federal Government has the social responsibility to ensure and guarantee the constitutional right to basic level of communication for its citizens. For postal services, this fundamental right is cemented in the concept of the Universal Service Obligation (USO) which corresponds to the essential minimum postal service under the UN charter and guaranteed the entire society.

The postal sector can be defined as an amalgam of transport, logistics and distribution and related entities that are involved in the linking of communities by movement of messages, information, goods and services. The

industry impacts on the daily lives of the people all over the world. Even in this digital age, the postal sector remains the most accessible means of communication and message/parcel delivery.

The Postal system is a sub-key result area for the Knowledge-based economy. The extensive network penetration into rural areas and variety of services it can offer makes the postal system a necessary tool for the promotion of social, financial and digital inclusion.

Mr. President Distinguish Senators, globally, the development of product-mix in the postal industry has made it a potent instrument for socio-economic development and transformation. This is important for bridging the digital divide and taking financial services and governance to the grassroots in order to reduce poverty and encourage life-long learning.

Over the years however, the environment has continued to change, requiring the postal industry in the country to equally change to meet contemporary reality. It is for this reason that the Bill proposes to restructure the postal industry with still relevant contribution to national development.

THE BILL

The Bill is proposed as a catalyst to facilitate the reform of the postal industry. It provides for a governing Board and a Commission to formulate postal industry policy with clear objectives on role of the postal sector in the national economy.

The Bill provides for the Staff of the Commission to be headed by a Director-General in addition to other key personnel. It makes financial provisions for the commission, creates power to grant licences, conditions of the licence renewal and revocation. Sundry powers are also provided for the effective regulation of the industry in addition to the administration of post code system, tariff regulation and maintenance of technical standards.

Mr. President Distinguished Senators, the Bill splits up the dual roles of policy maker, independent regulator and industry operator which NIPOST currently enjoys. Whereas the NIPOST is to solely retain the role of industry regulator to ensure level playing field, its existing commercial arm would be incorporated as a limited liability company to operate in the industry independent of NIPOST, in addition to other operators.

This split would facilitate a radical change in the business culture of the successor company of the commercialized arm of the NIPOST. And this is

expected to cause an extensive change in the management of the successor company, injection of investment fund and attraction of the skilled personnel in the industry.

The Bill provides the framework for the phased liberalization of the postal market to encourage increased private sector participation and service diversification based on pre-defined milestones of NIPOST. The Bill will make the postal sector commercially viable, and provide a safe and efficient postal service that is sustainable and keeps pace with development in the rest of the world.

The Bill would ensure fair competition in the industry as it seeks to encourage Nigerians to own, control and manage postal organizations. It offers a basis for the protection of rights and interests of service providers and consumers. And encourage the development of postal manufacturing and supply sector within the Nigerian economy and also encourage effective research and development effort by all postal industry practitioners.

The Bill does not have financial implication as the management structure, infrastructural facilities and assets of the NIPOST would form the nucleus of the Commission with subsequent appointments made pursuant to the provisions of the Bill.

CONCLUSION

Mr. President Distinguished Senators, this Bill facilitates major industry reform. It liberalizes postal service operation in the country. And above all, it ensures international best practices in the industry.

I therefore urge my Distinguished Colleagues to support the second reading of this Bill. Thank you

Senator (Prince) Gilbert Emeka Nnaji