10<sup>TH</sup> SENATE NATIONAL ASSEMBLY FIRST SESSION NO. 15



Senate order Thursday, 20th July, 2023

- 1. Prayers
- 2. Approval of the Votes and Proceedings
- 3. Oaths
- 4. Announcements (if any)
- 5. Petitions

## **BUSINESS OF THE DAY**

#### PRESENTATION OF A BILL

- 1. Nigeria Maritime Zone Act (Repeal & Re-enactment) Bill, 2023 (SB. 02) *First Reading* Sen. Suleiman, Umar Sadiq (*Kwara North*).
- 2. Coastal and Inland Shipping (Cabotage) Act (Amendment) Bill, 2023 (SB. 03) *First Reading* Sen. Kalu, Orji Uzor (*Abia North*).
- 3. Environmental Impact Assessment Bill, 2023 (SB. 04) *First Reading* Sen. Monguno, Mohammed Tahir (*Borno North*).
- 4. Development Planning and Project Continuity Bill, 2023 (SB. 05) *First Reading* Sen. Barau, Jibrin (*Kano North*).
- 5. Defence Industries Corporation of Nigeria Act (Repeal & Re-enactment) Bill, 2023 (SB. 06) *First Reading* Sen. Bamidele, Opeyemi Michael (*Ekiti Central*).
- 6. Bitumen Development Commission Bill, 2023 (SB. 07) *First Reading* Sen. Jimoh, Ibrahim Folorunsho (*Ondo South*).
- 7. Constituency/Special Projects (Budgetary Provisions) Bill, 2023 (SB. 08) *First Reading* Sen. Hussaini, Babangida Uba (*Jigawa North West*).
- 8. Nigerian Railway Corporation Act (Amendment) Bill, 2023 (SB. 09) *First Reading* Sen. Olamilekan, Adeola Solomon (*Ogun West*).
- 9. Dishonoured Cheques (Repeal & Re-enactment) Bill, 2023 (SB. 10) *First Reading* Sen. Karimi, Sunday Steve (*Kogi West*).
- 10. Nigerian Content in Programme, Contracts, Science, Engineering, Technology and Innovation (Establishment) Bill, 2023 (SB. 11) *First Reading* Sen. Musa, Mohammed Sani (*Niger East*).

# ORDERS OF THE DAY

#### MOTIONS

1. Urgent Need to Protect Local Meter Manufacturers in the ongoing National Mass Metering Programme of the Federal Government.

Sponsor: Sen. Umeh, Victor Chukwunonyelu (Anambra Central)

#### The Senate:

*Notes* that the Duty of Industry Procurement Regulators in every developing Economy, first and foremost, is to protect its Local Manufacturers and would only try to augment importation of goods and services where there is a clear-cut gap between local production and consumption;

Also notes that the members of Association of Meter Manufacturers of Nigeria (AMMON) are capable of producing world standard smart meters, hence the Transmission Company of Nigeria (TCN) and the Nigerian Electricity Regulatory Commission (NERC) under Phase 1 of the Mass Metering Programme of the Federal Government, issued the Association, after a competitive Bidding Process a "Letter of No Objection" to award 4 million meters in 2022;

Aware that the Central Bank of Nigeria also in 2020 undertook to fund the National Mass Metering Programme (NMMP) Phase 1 but after 8 months of Awards to Local Manufacturers, withdrew funding, which affected the workability of the Programme;

Also aware that the World Bank has approved a loan of One Hundred and Fifty-Five Million US Dollars only (\$155,000.00) for the National Mass Metering Programme;

*Worried* that the Ongoing World Bank funded NMMP Phase 2 seeks to promote foreign companies participation against competent and prequalified Local Meter Manufacturers will ultimately result in the loss of jobs and revenue. A deliberate policy to prioritize Local Manufacturing will catalyze job creation and economic growth;

*Informed* that the Transmission Company of Nigeria (TCN) on behalf of the World Bank closed Bidding Advertisement on July 11, 2023 and further extended it to July 25, 2023 for the supply and installation of 1.2 million Smart Meters to the 11 Distribution Companies in Nigeria;

*Cognizant* that the Bidding Criteria put in place which can only be satisfied by foreign companies have totally marginalized and eliminated the participation of the 35 Local Meter Manufacturers;

Also Cognizant that the current Bidding Criteria do not only negate some policy initiatives that will facilitate the establishment of a Local Metering Industrial Base with its impact in terms of generating employment opportunities for Nigerians, it also enables loss of revenue to the nation by granting these foreign companies additional concession of a Custom duty waiver of 45%;

*Alarmed* that if the bidding process continues as it is, the outcome would be disastrous to members of the Association of Meter Manufacturers of Nigeria who have invested billions of Naira in the Sector and currently employs 10,000 workers directly and more than 30,000 workers indirectly; and

*Concerned* that if the Federal Government and other Stakeholders do not make urgent Intervention, the Ongoing World Bank funded NMMP Phase 2 would ultimately encourage foreign company participation, loss of jobs and funds, to the detriment of Local Manufacturers and causing economic retrogression,

### Accordingly resolves to:

i. *Urge* the Federal Government to immediately suspend the Transmission Company of Nigeria (TCN) Tender for World Bank funded NMMP Phase 2 in order to undertake comprehensive Review of the Procurement Criteria to prioritize local Manufacturing and Assembling in line with Local Content and Backward Integration Policy that catalyzes local capacity building, employment generation and economic growth for Nigeria; and

- *Also urge* the Transmission Company of Nigeria and other stakeholders to negotiate and engage the African Export-Import Bank (AFREXIM) and the African Development Bank (AFDB) for alternative Loan if World Bank loan conditions do not favour local economic growth at this critical time of massive unemployment and devaluation of Naira.
- 2. Need to Halt the Proposed Increase in Electricity Tariff by Eleven Successor Electricity Distribution Companies (Discos).

Sponsor: Sen. Akintunde, Yunus Abiodun (Oyo Central)

Co-Sponsors: Sen. Asuquo, Ekpenyong (Cross River South) Sen. Abbas, Aminu Iya (Adamawa Central)

The Senate:

*Observes* that the eleven (11) successor electricity distribution companies ("DisCos") have filed an application for rate review with the Nigerian Electricity Regulatory Commission (NERC). The request for rate review is premised on the need to incorporate changes in macroeconomic parameters and other factors affecting the quality of service, operations and sustainability of the companies;

*Also observes* that the Commission in line with its mandate has requested the general public for comments on the rate review applications by the distribution licensees; while advising interested stakeholders to review and take into consideration the excerpts of the Rate Review Applications filed with the Commission by the respective licensees;

*Aware* that as part of Nigerian Electricity Regulatory Commission (NERC) rule-making process and in the exercise of the powers conferred by the Electricity Act 2023, the Commission is empowered to conduct a Rate Case Hearing on the applications prior to making a ruling;

Also aware that Nigerian Electricity Regulatory Commission (NERC) had through its official website published and set 20th July, 2023, deadline for comment by stake holders;

*Worried* that within the last within the last 10 years, billions of naira were spent by Senators across Nigeria in the procurement and installation of transformers through various Zonal Intervention Projects (ZLPs) as a result of request in Senator's various Constituencies;

*Also worried* that when these transformers are supplied and installed it become registered properties of the DisCos (a privately owned enterprise); while sadly same DisCos have consistently refused to energize such Transformers on the ground that affected communities have to pay millions of naira arrears of bills for electricity never consumed while keeping the affected consumer in perpetual darkness;

*Concerned* that the services of the 11 discos is currently bedeviled with total failure, occasioned by prolonged black out due to lack of provision of relevant infrastructure like transformers, electricity poles, poor distribution network compounded with unjustifiable estimated billings, lack of supply of prepaid meters, reap off etc; and

*Also concerned* that despite repeated previous increase in the multiyear tariff with assurances of improved service delivery by the DisCos no commensurate improvement has been made by any of 11 DisCos in their respective service deliveries to justify the previous increment,

Further concerned that the:

- proposed increase will significantly impact the affordability of electricity for the average Nigerian, further exacerbating the financial burdens faced by households and businesses;
- less than one week time frame window provided by Nigerian Electricity Regulatory Commission (NERC) for comments from all relevant stake holders is too small for any meaningful engagement;

- high electricity tariffs will impede industrial growth, job creation, and overall economic development. This will have adverse effects on the nation's drive towards sustainable development and poverty reduction;
- it is essential to address the issues of inadequate power supply, metering, and quality of service provided by the DisCos. Customers should not bear the brunt of inefficiencies in the power sector.

### Accordingly resolves to:

- i. *Call* on the Federal Government of Nigeria to intervene and halt the proposed increase in electricity tariff by the Distribution Companies (DisCos);
- ii. Urge Nigerian Electricity Regulatory Commission (NERC) to decentralize proposed engagement with Stakeholders scheduled for Abuja to the Six Geopolitical Zones of the Federation for effective participation by all;
- iii. *Also urge* NERC to thoroughly look into the rate review applications filed by the DisCos, taking into consideration the interests of citizens, affordability, and the need for improved service delivery;
- iv. *Further urge* NERC to explore alternative measures to address the financial challenges faced by the DisCos, such as improving operational efficiency, reducing technical and commercial losses, and enhancing revenue collection mechanisms;
- v. *Equally urge* DisCos to henceforth discontinue estimated billing and make available to all electricity consumers prepaid meters at affordable prices; and
- vi. *Mandate* the Committee on Power (when constituted) to engage with the Federal Ministry of Power, NERC, and other stakeholders to find lasting solutions to the challenges facing the Nigerian electricity sector, including the need for comprehensive sector reforms.
- 3. Need to Revive and Revamp Enugu Coal Mines.

Sponsor: Sen. Osita, Ngwu (Enugu West)

### The Senate:

*Notes* that since its inception in 1909 and through its peak production periods in 1950/60 the coal industry had made tremendous contribution to the economy of the country until its recent practical abandonment;

*Also notes* that though coal has been mined for over 89 years in the country, there is still large proven reserves of about 140 million metric tons (MT) (sub-bituminous coal) and unproven reserves of about one billion metric tons (MT) (superior quality bituminous coal) still lying underground, and yet to be mined;

*Further notes* that the abandoned coal reserves in Enugu would take arguably over 300 years of exploitation to be exhausted with today's technological advancement at a peak production of about 1.5 million metric tons per year;

*Aware* that the quality of Enugu coal, particularly that in the Amasiodo area of Ezeagu Local Government Area of Enugu State is of equal grade as the type needed and being imported for use at Ajaokuta and other steel production plants in the country;

*Mindful* that the coal industry still has huge socio economic potentials for the country, particularly in the area of alternative source of energy for power generation, business investment and employment opportunities;

*Observes* that on the African continent, South Africa, Mozambique, Botswana, Zimbabwe, Nigeria and Tanzania are globally ranked as countries with high coal reserve deposits. With about 77% of South Africa's energy needs directly derived from coal;

*Recognizes* that though coal has been listed as having a high emission of greenhouse gasses with its consequential environmental impact, nevertheless, according to Enerdata Global Statistical Year Book 2019, China leads in coal production with 3,474 metric tonnes in 2018 despite its public pledge to the Paris Climate Change Agreement in 2015. This is followed by India with a production of 764 metric tonnes in 2018, and India is also home to the world's largest Coal Company, Coal India Ltd, which controls 85% of the country's coal production. This is followed by the US, Australia and Indonesia;

*Informed* that according to Coal Consumption by Country, 2023, a World Population Review, the statistical review of world energy in 2021, China, India, the US, Germany, Russia, Japan, South Korea and South Africa rank among the countries with highest coal consumption in the world;

*Cognizant* that the implementation of the Power Road map aims to create a robust power sector through creation of enabling environment for investment, while pursuing an inclusive growth in the economy;

*Also Mindful* that since the recent Constitutional Alteration has enabled States to generate, transmit and distribute electricity, a re-evaluation of the coal industry provides a huge potential for the achievement of the goals of the power sector;

*Worried* that an already established industry with enormous economic potentials is neglected and allowed to lay waste when economic opportunities are ceaselessly being sought for the teeming unemployed youths of the country ; and

*Concerned* that the continued abandonment of the Enugu coal mines invariably foists an enormous economic, social and cultural losses on not just the economy of Enugu State but also that of the South-East and indeed the entire country at large,

Accordingly resolves to:

- i. *Mandate* the Committee on Solid Minerals, Steel Development and Metallurgy (when constituted) to investigate the circumstances surrounding the abandonment of the Coal Mines in Enugu and make appropriate recommendations with a view to re-activating the coal industry for the socio-economic benefits of Nigerians; and
- ii. *Urge* the Ministry of Mines and Steel Development to take preliminary steps in reviving and revamping the coal mines in Enugu.
- 4. Need to Investigate the Incessant and Nefarious Acts of Crude Oil Thefts in the Niger Delta and the Actors.

Sponsor: Sen. Nwoko, Ned Munir (Delta North)

#### The Senate:

*Notes* that Nigeria is largely dependent on crude oil for its economic growth and development. According to the National Bureau of Statistics, the oil sector represents 6.33% of the Nation's GDP which translates to \$45.6 billion in 2022;

*Also note* that Nigeria oil sector provides jobs for millions of Nigerian citizens, it also provides for 70% of its budget financing while oil and gas accounted for 90% of export income and 85% of Government revenue in the first quarter of 2022;

*Further notes* that statistical data which has been reported over the years even till date, have shown that pipeline vandalism, illegal oil bunkering, oil theft, illegal oil refining has brought Nigeria into serious socio-economic crisis, and this remains an intractable challenge to the Nigerian oil dependent economy;

Informed that crude oil thefts started at about the late 1970s and early 1980s under the military regime;

*Observes* that the present efforts of the Joint Task Force of the Nigerian military such as "Operation Delta Safe", "Operation Dakartada Barawo" as well as other Operations in the Niger Delta region have resulted to an increase in oil production to 1.51 Million barrels per day in the first quarter of 2023 from 1.49 Million barrels per day recorded in the same quarter of 2022 and also higher than the fourth quarter of 2022 production volume of 1.34 million barrels per day;

*Disturbed* that, despite the good efforts of some of the military personnel in curbing oil thefts in the Niger Delta region, there are bad eggs among the military who work in connivance with relevant opportunistic oil industry operators to sabotage the economy;

Also informed that oil thefts in Nigeria are enhanced by the pragmatic cooperation between security forces, militia organizations, the local population and oil company employees who use various sophisticated methods to steal from oil facilities that are stationed within the country;

*Aware* that there have been accusations and counter-accusations of oil thefts, illegal oil bunkering, illegal oil refining and other sundry crimes in the Niger Delta region between the military and the local militia, which shows the high level of sabotage and destruction of our economic mainstay;

*Also Aware* that it was reported in 2022 that Nigeria lost an average of 437, 000 barrels of crude oil a day, worth \$23 Million to criminal entities, and between March, 2022 to March, 2023, Nigeria also lost 65, 700, 000 barrels of crude oil at \$83 Dollar per barrel, worth N2.3 Trillion revenues to oil theft;

Also observes that the damage to our oil sector by these oil thefts is even more significant than what is reported;

*Further Observes* hitherto, this malaise was discussed in whispers but now the voices are getting louder; and

*Worried* that giving Nigeria's enormous oil and gas reserves, it is expected that crude oil production should continue to rise to meet OPEC production quota of 1.74 Million barrel per day. However, the activities of these oil thieves and their actors have drastically reduced crude oil production thereby undermining the economy. Recall that Section 20 of the 1999 Constitution of the Federal Republic of Nigeria (with alterations) empowers the State to protect, improve the environment and safeguard the land of Nigeria. Also Section 88 of the 1999 Constitution is in consonance with order 101 of the Senate Standing Orders 2022 (as amended) gives the Nigerian Senate unfettered and absolute powers to conduct investigation into the affairs of any person or government department charged with responsibilities,

Accordingly resolves to:

- i. *Constitute* an Ad-hoc Committee to:
  - investigate the activities of Security Agencies, Militia Organizations, the local population, Oil Company Employees and any person or body who uses various sophisticated methods to steal from oil facilities that are stationed within the country; and
  - consider ways of officially engaging Modular and Illegal Refinery Operators;
- ii. Deploy modern technologies like aerial drones to secure oil and gas facilities in order to curb oil thefts and buffer the revenue profile of the country.
- 5. Urgent Need to Lift the Restriction Order placed on Supply of Fuel to Border Communities.

Sponsor: Sen. Olamilekan, Adeola Solomon (Ogun West)

The Senate:

*Notes* that Federal Government of on the 6<sup>th</sup> of November, 2019 through the Comptroller - General of Customs directed that "no petroleum product is permitted to be discharged in any filling station within a radius of 20 kilometres to the border" of Nigeria nationwide;

*Also notes* that this directive was to checkmate smuggling of Nigerian petroleum products, mostly Premium Motor Spirit, PMS, to the neighbouring countries where there was a thriving market for Nigerian petrol because of subsidy that was still on petrol then until the May 29, 2023 inaugural announcement by the President and Commander-in Chief of the Armed Forces, His Excellency, Senator Bola Ahmed Tinubu removing the subsidy;

Aware that this policy had brought untold hardship and major losses to businesses of the residents and indigenes of the affected border communities, which later made the Nigerian Customs to relax the policy slightly by given licence to two or three petrol stations in each of the Local Government Areas that borders these neighbouring countries. But that remedy was just a drop of water in an ocean scarcity of petrol considering the mass population of the people affected in these border towns and communities;

Also aware that the suspension order by the Federal Government since 2019 has negatively impacted on the socio - economic activities with attendant hardships to lives and livelihood of people living in the border towns and communities across Yewa land in Ogun State, particularly in Idiroko axis, as only less than five licensed independent petroleum marketers are allowed to dispense the commodity to over five hundred thousand residents of the area with over one hundred and fifty dispersed towns and villages;

*Observes* that since there is no longer subsidy on our petroleum product as proclaimed by the President there is no longer any justification for the restriction order because the price of petrol across the international border has also gone up in line with the new price regime across the Nigeria; and

*Concerned* that the residents of our border areas are now suffering from the double jeopardy of insufficient supply of the product to the area on one hand and price hike on the other hand in addition to the hitherto crippling of economic activities,

# Accordingly resolves to:

- *i.* Urge the Comptroller General of Customs and Excise to lift the subsisting restriction order placed on supply of petroleum products to the affected border communities because the removal of Subsidy by the Nigerian government has substantially put paid to the smuggling of the PMS products, therefore the products should be allowed to circulate freely without restrictions;
- *ii.* Also urge the Comptroller General of Customs and Excise to intensify preventive and enforcement measures to combat smuggling of all kinds; and
- *iii. Mandate* the Committee on Customs and Excise (when constituted) to ensure compliance and report back in four weeks for further legislative action.
- 6. Urgent Need for Reversal of the Increment in the Tuition Fees of Federal Government Colleges (Unity Schools).

Sponsor: Sen. Nwebonyi, Onyeka Peter (Ebonyi North)

# The Senate:

*Observes* that Education in Nigeria is undoubtedly at its worst in the present time and for a nation to develop and achieve a high level of industrialization, it must have to develop its citizens through a qualitative, skill and technology-driven formal education;

*Notes* that the increase in the tuition fees of unity schools by the Federal Ministry of Education has generated public uproar and opprobrium against our embryonic government especially as Nigerians are currently battling with removal of fuel subsidy;

Thursday, 20th July, 2023

Aware that the Ministry of Education increased the tuition fees of unity schools from N30, 500 to N72, 200, which is to take effect from September 2023 when the pangs of the subsidy removal are still much felt; and

Informed that the increase is as a result of poor funding of the Unity schools by the Federal Government; and

*Convinced* that the increment of the tuition fees of unity schools at this critical moment is ill-time and insensitive to the economic woes facing Nigerians, especially as a direct result of the fuel subsidy removal,

Accordingly resolves to:

- i. *Urge* the Federal Ministry of Education to reverse the tuition fee increase forthwith; and
- ii. *Also urge* the Federal Government to step up the funding of unity schools in Nigeria.

# **COMMITTEE MEETINGS**

No.	Committee	Date	Time	Venue
1.	Ad-hoc Committee to Investigate the Abuse of Fire Arms by the Officials of the Nigeria Customs Service	Thursday, 20 <sup>th</sup> July, 2023	2.00pm	Committee Room 323 Senate New Building