



THE SENATE
FEDERAL REPUBLIC OF NIGERIA

**NATIONAL OIL SPILL DETECTION AND RESPONSE AGENCY
(ESTABLISHMENT, ETC.) ACT (AMENDMENT) BILL, 2021.
(HB. 351)**

A BILL

FOR

AN ACT TO AMEND THE NATIONAL OIL SPILL DETECTION AND RESPONSE AGENCY
(ESTABLISHMENT) ACT, 2006, AND FOR RELATED MATTERS, 2021

FIRST READING

WEDNESDAY, 15TH SEPTEMBER, 2021

SECOND READING

WEDNESDAY, 29TH SEPTEMBER, 2021

THIRD READING AND PASSAGE

WEDNESDAY, 29TH SEPTEMBER, 2021

NATIONAL OIL SPILL DETECTION AND RESPONSE AGENCY (ESTABLISHMENT, ETC.) ACT (AMENDMENT)
BILL, 2021.



Arrangement of Clauses

Clauses

- Amendment of NOSDRA Act No. 15, 2006.
- Amendment of section 2.
- Amendment of section 5.
- Amendment of section 6.
- Insertion of new sections 8 and 9.
- Amendment of section 11.
- Amendment of section 19.
- Amendment of section 20.
- Amendment of section 26.
- Insertion of new sections 27, 28, 29 and 30.
- Amendment of section 27.
- Short title.
- Amendment of the First Schedule.

A BILL

FOR

AN ACT TO AMEND THE NATIONAL OIL SPILL DETECTION AND RESPONSE AGENCY (ESTABLISHMENT) ACT, 2006,
AND FOR RELATED MATTERS, 2021 (HB. 351)

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Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria —

1. The National Oil Spill Detection and Response Agency (Establishment, etc.) Act, 2006 (in this Bill referred to as “the Principal Act”) is hereby amended as set out in this Bill. Amendment of NOSDRA Act No. 15, 2006.

2. Section 2 of the Principal Act is amended in subsection (2) (b) by substituting for the existing paragraph (b) a new paragraph (b) as follows: Amendment of section 2.

“(b) one representative each of the following Federal Ministries and Agencies not below the rank of Director and Heads of the Organisations:

(i) Environment;

(ii) Petroleum Resources;

(iii) Defence;

(iv) Water Resources;

(v) Nigerian Civil Aviation Authority (NCAA);

(vi) Nigerian Maritime Administration and Safety Agency (NIMASA);

(vii) National Emergency Management Agency (NEMA);

(viii) Ecological Fund Office;

(ix) Nigerian Environmental Society (NES);

(x) Oil Producers' Trade Section of Lagos Chambers of Commerce (OPTS) and

(xi) Independent Petroleum Marketers Association of Nigeria (IPMAN)”

Amendment of section 5.

3. Section 5 of the Principal Act is amended by:

(a) substituting for the existing paragraph, a new paragraph as follows:

"Objectives of the Agency.

5. The objectives of the Agency shall be to monitor and regulate Tiers 1 and 2 oil spills as well as coordinate, implement and activate the National Oil Spill Contingency Plan for Nigeria (in this Bill referred to as "the Plan") in the event of a Tier 3 oil spill as follows:"

(b) substituting for the existing paragraph 5 (a), a new paragraph as follows:

"5 (a) establish a viable national operational organization that ensures a safe, timely, effective and appropriate response to all oil spills as well as other hazardous substances in the petroleum sector".

4. Section 6 of the Principal Act is amended by substituting for section 6 (2)-(4) new section 6 (2)-(5) as follows:

Amendment of section 6.

Penalties.

(2) A facility owner or operator shall notify the Agency of an oil spill by reporting to the Agency in writing, or by electronic mail not later than 24 hours after the occurrence of an oil spill in default of which the failure to report constitute an offence and on conviction shall attract penalty of not less than ₦2,000,000 for each day of failure to report the occurrence.

(3) The failure to commence clean-up operations on the impacted site within two weeks after the completion of the Joint Investigation Visit (JIV) in accordance with the polluter-pays principle, shall constitute an offence and on conviction, the facility owner or operator shall be liable to a fine not less than ₦5,000,000 or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

(4) Failure to submit an action plan for remediation and restoration within two weeks after the completion of post clean up assessment shall constitute an offence, and on conviction, the facility owner or operator shall be liable to a fine not less than ₦5,000,000 or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

(5) The notice required under subsection (2) of this section shall be deemed to have been made, if sent in writing, or by electronic mail and delivered to the nearest Zonal or Field office of the Agency closer to the impacted site or the National Control and Response Centre within the time stipulated in subsection (2) of this section".

5. (1) There shall be inserted immediately after section 7 of the Principal Act, the following new sections 8 and 9:

Insertion of new sections 8 and 9.

Abandonment and decommissioning of drill sites and oil facilities.

8. (1) The Agency, pursuant to section 1 (1) of the Principal Act, shall monitor the process of decommissioning or abandonment of drill sites and oil facilities as well as oil industry operational areas to ensure that there is no oil spillage in the course of the exercise.

(2) Where oil spill occurs in the course of decommissioning or abandonment of facilities specified in sub-section (1) of this section, to ensure that it is cleaned up to all practical extent, in accordance with the procedure and guidelines issued by the Agency.

(3) The facility owner shall notify the Agency in writing at least two months prior to commencement of decommissioning or abandonment of any facility or installations within its area of operation.

(4) Failure to notify the Agency prior to the commencement of such activities as specified in subsection (3) of this section shall attract penalty not less than the sum of ₦2,000,000 for failure to notify the Agency.

Pipelines and other oil facilities integrity monitoring and testing.

9. (1) The Agency, pursuant to section 1 (1) of the Principal Act, shall periodically inspect the records of assets and integrity tests conducted by facility owners to ensure that such assets are safe to store or convey crude oil or petroleum products effectively to minimize potential for oil spills.

(2) The Agency shall provide a programme for periodic inspection and compliance monitoring of the oil facilities in the upstream, midstream and downstream sectors in accordance with its Regulations, Guidelines and Standards.

Consequential Amendment.

3. The subsisting sections 8-9 are renumbered accordingly.

6. Section 11 of the Principal Act is amended by:

Amendment of section 11.

(a) inserting immediately after paragraph (b), new paragraphs (c) and (d) as follows:

"(c) 2.5% of the ecological fund annually for the procurement of oil spill response equipment and materials, management of oil spill disasters, clean up and remediation of oil impacted sites arising from third party interference;

(d) penalties, permits, and certification fees prescribed in the Agency's Regulations, Guidelines and Standards".

(b) renumbering the existing paragraphs (c), (d), (e) and (f) as paragraphs (e), (f), (g), and (h).

7. Section 19 of the Principal Act is amended by:

Amendment of section 19.

(a) inserting a new paragraph "(c)" immediately after subsection "(1) (b)" that is:

"(c) inspect oil facilities with a view to ensuring full compliance with existing environmental legislation on oil pollution;

(b) amending subsection (1) (g) by adding immediately after the words "spillage" the following:

"and ensure the payment of adequate compensation to impacted party or parties";

(c) renumbering the existing subsections (1) (c) - (j) appropriately.

(d) deleting the existing subsection (3) (d).

8. Section 20 of the Principal Act is amended by substituting for section 20 (3) new section 20 (3)-(4) as follows:

Amendment of section 20.

"(3) No suit shall be commenced against the Agency before the expiration of a period of three (3) months after written notice of intention to commence the suit shall have been served on the Agency by the intending plaintiff or his agent.

(4) Such notice shall clearly and explicitly state the cause of action, particulars of the claim, name and place of abode of the intending plaintiff and the relief which he claims"

9. Section 26 of the Principal Act is amended by:

Amendment of section 26.

(a) renumbering the existing section as subsection (1);

(b) adding the following new subsections (2), (3) and (4) immediately after subsection (1) to read:

"(2) The Agency shall in pursuance of the provision of subsection (1) of this section, make regulations setting specifications and standards relating to the:

(a) use of dispersant;

(b) engagement or invitation of any oil spill responder by oil companies;

(c) establishment of a benchmark for oil spill contingency planning;

(d) development of framework to guide operators in oil Spill contingency planning;

(e) most appropriate means of preventing and combating oil spills and its attendant oil pollution; and

(f) development of benchmarks for remediation threshold for different land surfaces and uses.

(3) Any person who contravenes the regulations made pursuant to subsection (2) of this section, commits an offence and shall on conviction, be liable to a fine not less than ₦2,000,000 or to imprisonment for a term not less than two years or to both such fine and imprisonment and additional fine of not less than ₦500,000 for every day the offence subsists.

(4) Where an offence under subsection (2) of this section is committed by a body corporate, the body corporate shall on conviction be liable to a fine not less than ₦5,000,000 and additional fine of not less than ₦2,000,000 for every day the offence subsists".

10. (1) There shall be inserted immediately after section 26 of the Principal Act, the following new sections 27 - 30:

Insertion of new sections 27, 28, 29 and 30.

"Power to enter premises.

27. (1) An officer of the Agency may, in the course of his duty, at any reasonable time and on

presentation of his official identification, if so required:

(a) in collaboration with relevant agencies, enter and search with a warrant issued by a court, any premises including land, vehicle, tent, vessel, floating craft including Maritime Tankers, Barges or Floating Production, Storage, Offloading (FPSO) and oil facilities or any inland waters and other structure, at all times, for the purposes of conducting inspection, searching and taking samples for analysis which he reasonably believes carries out activities or stores goods which contravene environmental standards or legislation relating to oil pollution;

(b) examine any article found pursuant to paragraph (a) of this subsection, which appears to him to be an article to which this Bill or the regulations made under apply or anything which he reasonably believes is capable of being used to the detriment of the environment in the petroleum sector;

(c) take a sample or specimen of any article to which this Bill or the regulations apply or which he has power to examine under paragraph (b) hereof;

(d) open and examine, pursuant to paragraph (a) of this subsection, any container or package which he reasonably believes may contain anything to which this Bill or its regulations apply or which may help in his investigations;

(e) examine any book, document or other record found pursuant to paragraph (a) of this subsection, which he reasonably believes may contain any information relevant to the enforcement of this Bill or the regulations and make copies thereof or extracts there from;

(f) seize and detain for such time as may be necessary for the purpose of this Bill, any articles by means of or in relation to which he reasonably believes any provision of this Bill or the regulations has been contravened; and

(g) obtain an order of a court to suspend activities, seal and close down premises including land, vehicle, tent, well head, vessel, floating craft, oil facilities or any inland waters and other structures whatsoever.

(2) A written receipt shall be given for any article or thing seized under subsection (1) and the reasons for such seizure shall be stated on such receipt.

(3) An article seized under this Bill shall be kept or stored in such a place as the officer of the Agency may direct and shall be returned to the owner or the person from whom it was seized if the article upon analysis or examination is found to conform with the requirements of this Bill or regulations made under it.

(4) An article seized by an officer of the Agency in pursuance of this Bill or the regulations made under it, may be submitted to an analyst for analysis or examination and the analyst upon making such analysis or examination shall, issue a certificate or report in the prescribed form, setting forth the result of such analysis or examination and the officer of the Agency shall, on demand, deliver a copy of such certificate or report to the owner of the article if the article is to be subject of a proceeding under this Bill or regulations thereunder.

(5) In this section, the expression "article" to which this Bill or regulations made under it apply are:

- (a) liquid, soil, vegetation;
- (b) biological and chemical samples; and
- (c) such other articles or samples as may be determined.

Offences and penalties.

28. (1) A person who obstructs an officer of the Agency in the discharge or performance of his duties under sections 5, 6, 7, 8 and 9 of this Bill, commits an offence and is liable on conviction to:

(a) in the case of an individual, to a fine of not less than ₦300,000 or to imprisonment for a term of not less than two years or to both fine and imprisonment, and an additional fine of not less than ₦30,000 for each day the offence subsists; and

(b) in the case of a body corporate, to a fine of not less than ₦5,000,000 and an additional fine of not less than ₦500,000 for each day the offence subsists.

(2) Any person who contravenes the provision of any regulations made under the Act commits an offence and is liable on conviction to the penalties specified in the regulations and as may be reviewed from time to time.

(3) Any person who engages in any activity that causes the spillage of crude oil or petroleum products commits an offence and on conviction is liable to a fine of not less than ₦2,000,000.00 or to imprisonment for a term of not less than two years; or to both such fine and imprisonment.

Conduct of proceedings.

29. (1) Subject to the provisions of section 174 of the Constitution of the Federal Republic of Nigeria 1999, (which relates to the power of the Attorney-General of the Federation to institute, continue or discontinue criminal proceedings against any person in a court of law), the Agency may, with the consent of the Attorney-General of the Federation:

(a) institute criminal proceedings against offenders in respect of offences under this Bill or regulations made under this Bill;

(b) conduct such proceedings as may be necessary for the enforcement and due administration of this Bill.

(2) Subject to subsection (1) of this section, a staff of the Agency who is a Legal Officer within the meaning of the Legal Practitioners Act, shall, while in the employment of the Agency be entitled to represent the Agency as a Legal Practitioner for the purpose and in the course of his employment.

(3) In a judicial proceeding for an offence under this Bill or any regulation made under it, the provisions of the Criminal Procedure Act or depending on the venue, the Criminal Procedure Code shall, with such modification as the circumstance may require, apply in respect of such matter to the same extent as they apply to the trial of offences generally.

Requisition.

30. The Agency shall ensure that the polluter provides reasonable compensation for loss or damage arising from the use of any equipment, facility or personnel required under this Bill”.

11. There shall be substituted for the existing section 27 of the Principal Act, the following new section 31 as follows:

Amendment of section 27.

Interpretation.

31. In this Bill, unless the context otherwise requires:

"Agency" means the National Oil Spill Detection and Response Agency established under section 1 of this Bill;

"Centre" means the National Control and Response Centre established under section 18 of this Bill;

"Chairman" means the Chairman of the Governing Board of the Agency;

"Constitution" means the Constitution of the Federal Republic of Nigeria;

"Court" means Federal High Court;

"Facility Owner" means a registered entity given the authority to operate in the oil and gas industry;

"Governing Board" means the National Oil Spill Detection and Response Governing Board of the Agency established under section 2 (1) of this Bill;

"member" means a member of the Governing Board of the Agency and includes the Chairman;

"Minister" means the Minister charged with responsibilities for matters relating to environment;

"Ministry" shall be construed accordingly;

"officer" means any employee of the Agency;

"oil" means mineral oil (or any related hydrocarbon) or natural gas as it exists in its natural state in strata, and does not include coal or bituminous shale or other stratified deposits from which oil can be extracted by destructive distillation but including premium motor spirit, automotive gas oil, low/high pour, fuel oil, aviation fuel, kerosene, liquefied petroleum gases and any lubrication oil or grease or other lubricant oil in its natural state before it has been refined or treated;

"operator" means a person operating an oil facility whether as registered owner or on rent or lease or by any other such arrangement;

"oil spill responder" includes Clean Nigeria Associates (Oil Companies Cooperative), Oil Spill Response Limited (OSRL) or any other oil spill response contractors;

"polluter" means owner or Operator of a facility through which oil, oily waste or hazardous substances

are released or discharged into the environment;

"release" means any spilling, leaking, pump Leaking, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, discarding or disposing into the environment;

"remediation" means the process of remedying or restoring an area or situation to its natural (or as close to natural as possible) state;

"Tier 1" means a minor oil spill of 0-25 barrels to inland waters, or 0-250 barrels to land or coastal or offshore waters;

"Tier 2" means a medium oil spill of 25-250 barrels to inland waters, or 250-2,500 barrels to land or coastal or offshore waters;

"Tier 3" means a major oil spill above 250 barrels to inland waters, or above 2,500 barrels to land or coastal or offshore waters.

12. This Bill may be cited as the National Oil Spill Detection and Response Agency (Establishment, etc.) Act (Amendment) Bill, 2021. Short title.

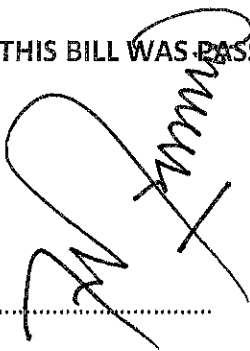
13. The First Schedule to the Principal Act is amended by substituting for the word "six" the word "five" in the third line of paragraph 3 therein. Amendment of the First Schedule.

EXPLANATORY MEMORANDUM


(This note does not form part of the above Bill but is intended to explain its purport)

This Bill amends the National Oil Spill Detection and Response Agency (Establishment, etc) Act, 2006 to provide, among other things, statutory power for the Agency to charge adequate fines, introduce criminal offences and penalties in order to ensure strict compliance with all existing environmental legislation in the petroleum sector.

THIS BILL WAS PASSED BY THE SENATE ON WEDNESDAY, 29TH SEPTEMBER, 2021



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President,
Senate of the Federal Republic of Nigeria



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Clerk,
Senate of the Federal Republic of Nigeria