

**PETROLEUM INDUSTRY ACT (PIA): GREY AREAS FOR AMENDMENT AS TABLED BY THE
HOST COMMUNITIES PRODUCING OIL AND GAS (HOSTCOM).**

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The National President of HOSTCOM, High Chief Benjamin S. Tamaranebi indicated that no attention was directed towards the issues affecting the Host Communities in the appointments and the following recommendations for amendment of the Petroleum Industry Act (PIA) were outlined by HOSTCOM:

1. That section 11 subsection 2 be amended to read, 'The Board of the Commission shall consist of: One non-executive chairman, two non-executive commissioners, the chief executive officer of the commission (in this Act referred to as 'the Commission chief executive'.
2. That two other executive commissioners who are responsible for finance and accounts and exploration and acreage management and one representative of the authority not below the rank of a Director.
3. That section 28 subsection 2 be amended to read 'the commission shall indemnify the commission chief executive, commissioners or any officer of the commission of any liability incurred as a result of willful misconduct or gross negligence.
4. That Section 240 subsection (2) should be amended to read: each proponent or operator, where applicable, shall make an annual financial contribution to the applicable host communities development trust fund of an amount equal to 3% of its annual operating expenditure of the proceeding financial year in the upstream petroleum operations, not less than 5% of the OPEX and CAPEX of the company or 5% of the maintenance/construction cost payable into the trust account annually from the midstream petroleum operations.
5. That section 104 (2) should be amended to read "money received under this section shall be paid to the Host Communities Sustainable Development Trust Fund" since section 104 subsection (4) has clearly stated that "money received from gas flare penalties by the Commission under this section, shall be for the purpose of environmental remediation and relief of the Host Communities of the settlor on which the penalties are levied.
6. That Section 257 should be amended as Host Communities are not contractors to any company or responsible for any negligence for any contract but only will be responsible if the surveillance contract is given to the Host Communities.
7. That Section 52 (7d) be amended to read "money received from gas flaring penalties by the Commission under section 104 of this Act shall be transferred to the Host Communities Sustainable Development Trust Fund for the purpose of environmental remediation and relief of the Host Communities of the settlor on which the penalties are levied.
8. That Section 52 (7d) be amended to read "money received from gas flaring penalties by the Commission under section 104 of this Act shall be transferred to the Host Communities Sustainable Development Trust Fund for the purpose of environmental remediation and relief of the Host Communities of the settlor on which the penalties are levied.
9. That Section 52 subsection 8 be amended to read, "The Authority shall ensure the prompt payment of all such sums directly into the Host Communities Sustainable Development Trust Fund's account.

10. That Section 59 Subsection 2, The Board of NNPC Limited shall be appointed by the President and composed of a non-executive chairman, the chief Executive of NNPC Limited, the Chief Financial Officer of NNPC Limited, a representative of the Ministry of Petroleum not below the rank of a director.
11. That a representative of the Ministry of Finance, not below the rank of a director; and six non-executive members with at least 15 years post qualification cognate experience in petroleum or any other relevant industry with at least 15 years post-qualification experience.
12. That section 103 subsection (1) be amended to read as follows: "Financial contribution for remediation to environmental damage must be in compliance with the clean development mechanism (CDM) project development cycle criteria which shall be clearly stated out in the Project development methodology and demonstrated in the Project Design Document PDD.
13. That section 104 subsection (2) be amended to read "money received under this section shall be paid to the Host Communities Sustainable Development Trust Fund" since section 104 subsection (4) has clearly stated that "money received from gas flare penalties by the Commission under this section, shall be for the purpose of environmental remediation and relief of the Host Communities of the settlor on which the penalties are levied.
14. That Section 115, Compensation for acquisition of land be amended to read: "A Permit shall be issued subject to compliance by the applicant with the provisions of the Land Use Act Cap L5 Laws of the Federation of Nigeria 2004 in respect of compensation for acquisition of land for midstream and downstream petroleum operations.

"The Governor of a State of which land is required for carrying out operations or activities shall issue a permit subject to a licence or permit from the regulatory Commission or Authority as the case may be pursuant to the Land Use Act in respect of the land and in accordance with existing state law.

"Or section 115 subsection 1 and 2 completely expunged".
15. That Section 216 subsection 2 be amended to read "the stakeholders to be consulted for any particular regulation shall be lessees, licensees, permit holders and the Host Communities that may be impacted by the regulations and such other persons that may be interested in the subject matter of the proposed regulation".
16. That Section 216 subsection 5 be amended to read "Notwithstanding the provisions of subsection (1), the Commission or Authority may, in national interest and exigency of the situation, issue a regulation after conducting stakeholders consultation in accordance with subsection (3), or be expunged".