

# National Transport Commission Bill: Policy, Law and Regulatory Review

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## Introduction

**A robust transportation system is one of the essential factors in the development of a country. Without a doubt, transportation is necessary for both national and international market competitions which have potentials of enormous economic value to every country.**

**Besides, efficient distribution and allocation of public and private resources cannot be a reality without a viable transportation system. This explains why governments all over the globe have made the development of their countries' transportation sector a priority.**

**Nigeria is also not left out of these developmental efforts. As a way of improving the transportation sector, the government has introduced and passed the National Transport Commission Bill. The Bill is currently awaiting executive assent to become fully operational.**

**This article examines the intent of the Bill, the foreseeable impact in the Nigerian transportation sector and the possible challenges to its implementation.**



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## Brief Outlook of Nigeria's Transport Sector

Like many other sectors of the economy, Nigeria has a transportation sector fraught with different irregularities.

Although it was once one of the best in Africa in the years that it boasted of well-designed road networks, waterways, viable ports and railway lines, it is now, however, a shadow of its past due majorly to a disheartening lack of maintenance culture of the few transportation infrastructures.

The transportation industry in Nigeria today is controlled by different private individuals who have less or no regard for standards or regulations. In most cases, touts and inexperienced individuals are deployed to ensure continuous operation in the industry. This, often, results in more chaos.

Save for the aviation industry whose operation and standard compliance is usually put in check by international regulations; all other sectors are mostly unregulated.

In cases where they are regulated, they don't end up operating up to expected standards. For instance, despite being the most used means of transportation in Nigeria, road transportation in Nigeria is still far from what can viably drive and sustain real development. The waterways and ports are still poorly maintained, and the railway lines are almost in their ruined state after years of neglect.

In a nutshell, the Nigerian transportation sector, though having great potentials for being a catalyst for economic development, requires urgent attention to regulate and revive it from its current non-viable state.

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## Overview of the National Transport Commission Bill

In a bid to bring Nigeria's transportation sector in line with modern realities and raise it to meet international standards, the Nigeria National Assembly passed the National Transport Commission Bill in 2018, after which it was forwarded to the executive arm for assent.

Though the assent was declined by the president sighting three issues that border on;

- The removal of safety issues because the Bill is primarily for economic regulations.
  - The reduction of the royalty to be paid to the Commission as a source of funds from 10% to 5%; and
  - The reduction of the freight stabilisation fee from 3% to 1%
- The Bill has however been taken back and reviewed by the legislative arm.

Its application is not extended to the aviation subsector but covers all other means of transportation in Nigeria. Hence, the Bill covers the use and operation of transport and related services in the marine/water, rail and road subsector in Nigeria.

It establishes the National Transport Commission as the chief regulator of the transportation industry. The functions of this Commission is well spelt out to include;



- Creating an economic regulatory framework for the provision of transport services and facilities;
- Facilitating significant competition and promoting a competitive market in the industry;
- Conducting and ensuring that the misuse of monopoly or non-transitory market power is prevented in the provision of transport services;
- Promoting private sector participation in the provision of transport services;
- Ensuring that operators and users have equitable access to the use of transport facilities, services, channels and routes while having recourse to the level of competition and efficiency of the regulated transport industry; etc.

The Bill itself contains direct provisions that border on the powers and funding of the National Transport Commission, dispute resolution and public's access of the Commission's register.

Including the interpretation clause, the Bill contains 102 clauses and 18 parts.

#### ***Objectives of the National Transport Commission Bill***

The National Transport Commission Bill is set to establish an economic regulator (National Transport Commission) which shall be in charge and undertake activities in the Nigeria transport industry, and operate as an independent regulator to promote multimodal transport and boost private sector participation in the provision of transport services in Nigeria.

Specifically, the Bill provides its objectives as

- Promoting the implementation of the national transport policy;
- Promoting an economic regulatory framework for the transport sector or regulated transport industry;
- Providing mechanism for monitoring compliance of government agencies and transport operators in the regulated transport industry with relevant legislation and advice Government on matters relating to the economic regulation of regulated transport industry;
- Providing for efficient economic regulation of the transport sector;

- Protecting the rights and interests of service operators and users within Nigeria;
- Creating an enabling environment for private sector participation in the provision of services in the transport sector.

Given the Nigerian state of things, the objectives of the Bill seem challenging, but not unachievable. It is expected that proper frameworks would be put in place to give room for the smooth operation of the Bill.

#### ***Foreseeable impacts of the National Transport Commission Bill***

The Bill is expected to have some fundamental impacts in the transport industry when it finally becomes an Act. Some of these foreseeable impacts are explained below;

- Since the Commission is coming in as an independent economic regulator and its actions and decisions shall be public-centred, there is likely going to be the eradication or reduction of private monopoly and non-transitory market powers in the transportation sector.
- There is going to be room for proper operations and regulation of the transport sector. The Bill has provided for specific regulatory frameworks, especially those that directly and indirectly touch on maintaining sanity in the transport industry. For instance, in Clause 31, the Bill provides that no person shall operate a transport facility or provide transport service in a regulated sector unless the person is a holder of a Registration Certificate granted by the Commission. The Commission may also authorise conduct, which may be construed to have the effect to substantially lessen competition if it is satisfied that it would be in the national interest to do so.

These provisions, and many more, are believed to have been put in place to check excesses of private individuals who might want to raise their interest above national good.





- The Bill will separate operators in the industry from the regulator of the sector. This has great potential for driving significant and improved development in the transportation industry. Since the Bill will set up a regulatory commission whose function will be to make laws, stick to them and ensure that the set standards are met by all other players and stakeholders in the industry, it would be a plus for the transportation industry.

More so, operators would have little or no power to influence the decisions of an independent regulator. A good example is what happened with the Nigeria Telecommunications Industry after the introduction of the Nigerian Communications Commission. Better regulations were enforced, and customers were served better.

- Lastly, the Bill will promote inclusive economic growth when successfully implemented. Without a doubt, the transport system drives a lot of economic recovery and growth forces. When it becomes viable, the development of the economy becomes rapid since it will primarily encourage progressive business climates and foreign investors.

### **Possible challenges to the successful implementation of the Bill**

The government has taken the first step, but the job of having an efficient transport system that supports economic growth is not done yet.

As it is with every government policy, there is bound to be some challenges with its implementation. The National Transport Commission Bill does not take exception to this rule. So, what are the possible challenges to its implementation when it becomes an Act?

### **Conclusion**

Transportation is a major catalyst for development anywhere in the world. Nigeria has recognised this and has taken a bold step towards regulating the sector. It is expected that the effort is continued with renewed political will in order to develop the transportation sector to compete with global standards..

- Political Will:** In Nigeria, there seems to be a culture that ensures that every government's policy suffers a set back in its implementation due to lagging political will. Stories abound for other policies, but even the National Transport Commission Bill has started with an unmerited lack of political will to pass and implement the Act despite the huge gain it would bring for the country.

The Bill has been introduced to the National Assembly since 2008. This is 2020, and it is still a Bill. To every independent person, it shows that the political will to drive the change in the transport sector is not present. One can only hope that the narrative changes when the Bill becomes an Act.


- Established Monopoly:** The transport system is currently being controlled by private individuals who have established themselves as strongholds in the industry. Eradicating the private monopoly would not come as easy as the Bill seems to project. This definitely will be a clog in the wheel of the successful implementation of the Act.

- Lastly, beyond having a regulatory body, there is a need to build and upgrade infrastructures in the industry. If the infrastructures are still left in their current state, there is little that the existence of the National Transport Commission can do.

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