



Jesse Arreguín
Councilmember, District 4

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Councilmember, District 2

CONSENT CALENDAR
October 13, 2009

To: Honorable Mayor and Members of the City Council

From: Councilmembers Jesse Arreguín, Max Anderson and Darryl Moore

Subject: Call for U.S. Support for Third Party Diplomatic Negotiations in the Niger Delta and Support for the Energy Security Through Transparency Act

RECOMMENDATION:

Adopt a resolution calling for U.S. support for third party diplomatic negotiations in the Niger Delta and support of the Energy Security Through Transparency Act (ESTT) [S. 1700].

BACKGROUND:

In May 2009, the Nigerian government began a military offensive against armed militants in the Niger Delta that resulted in the death, injury and internal displacement of its own civilian population.

Residents of the Niger Delta have struggled for decades to demand their share of the oil wealth which makes up 80 percent of the Nigerian government's revenues, providing over \$700 billion in since the late 1950's. However, since oil was discovered, the Niger Delta has become poorer, with most villagers living on less than a \$1 a day despite the Nigerian government and the oil companies' claims of sending a percentage of their oil revenues to the communities where the oil is extracted.

In addition, the people have suffered mass human rights violations at the hand of the Nigerian military (sometimes at the behest of U.S. oil companies, including Chevron Corp.) when they have spoken up to demand clean water, electricity, and access to healthcare, education and jobs; and environmental destruction by the oil companies including oil spills, water contamination and gas flares that burn 24 hours a day, 7 days a week contributing to respiratory illnesses, cancer and significant Co2 emissions. Civil society groups and armed political militant groups alike have called

for diplomatic negotiations as the way toward peace. They seek a say in their own governance and a genuine investment in the development of the Niger Delta.

Nigeria is the one of the largest producers of oil in Africa, and is an important strategic partner for the U.S. – Nigeria is the fifth largest exporter of crude oil to the U.S., Africa's most populous country, and a key country in maintaining regional security in West Africa, making Nigeria one of the most important stops on Secretary Clinton's 7-country trip to Africa this past August.

In 2006 more than 40% of Nigeria's oil was exported to the U.S. and it represented 15% of the U.S. supply. However, a political militancy has reduced Nigerian output for the last few years. Output has been even more dramatically reduced since May of this year when militants began blowing up oil installations in reprisal for an ongoing series of attacks by the Nigerian military claiming to be rooting out militants, but destroyed local villages and displaced, killed and injured innocent civilians, many of which still cannot return home. The political militancy of the last five years arose after 45 years of peaceful protest by villagers yielded no major improvements for local communities whose quality of life was decimated.

Nigeria is confronting a moment of serious crisis, but which can be turned into a moment of opportunity. The U.S. can help foster positive change in alignment with its values as a country that promotes democracy, freedom of the press, and peace through a process of diplomacy and independently monitored negotiations; negotiations that could remap how oil revenues are used to benefit Delta communities and ensure that Delta residents have a genuine say in their own government, leading to a true comprehensive political framework for peace.

Additionally, there is a new bill recently introduced into the US Senate that could be a step in the direction of corporate accountability that would require corporations in the oil industry, both US corporations and any other corporation that files with the Security and Exchange Commission (SEC) to disclose payments made to foreign governments for the commercial development of oil, natural gas, and minerals. The Bill, called the Energy Security Through Transparency Act (ESTT) [S.1700] was introduced by Senator Richard Lugar (R-IN) and co-sponsored by Senators' Benjamin Cardin (D-MD), Charles Schumer (D-NY), Roger Wicker (R-MS, Russ Feingold (D-WI) and Sheldon Whitehouse (D-RI). This bill could require oil companies working in the Niger Delta to disclose their payments to the Nigerian government.

FINANCIAL IMPLICATIONS:

NONE.

CONTACT PERSON:

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Attachments:

1. Resolution

RESOLUTION NO.

A RESOLUTION CALLING FOR U.S. SUPPORT FOR THIRD PARTY DIPLOMATIC
NEGOTIATIONS IN THE NIGER DELTA AND SUPPORT FOR THE ENERGY
SECURITY THROUGH TRANSPARENCY ACT

WHEREAS, the Niger Delta has experienced 50 years of exploitation from the oil industry and the Nigerian government and is the fifth largest exporter of oil to the U.S.; and

WHEREAS, the Niger Delta has deteriorated into a major environmental disaster and the population suffers poverty and human rights abuses; and

WHEREAS, the Nigerian government began a military offensive in May 2009 in the Niger Delta that resulted in the death, injury and internal displacement of its own civilian population; and

WHEREAS, Secretary Hillary Clinton, during her mid-August 2009 visit to Nigeria stated support for the government's approach to security in the country, pledged to explore U.S. military support for Nigeria, and referred to the President Yar' Adua's offer of amnesty for militants in the Delta as a "comprehensive political framework;" and

WHEREAS, many Niger Delta civil society groups, armed militant groups and independent experts have either rejected the government's offer of amnesty or do not believe it will be an effective solution to bring peace to the Delta because it does not address the root causes of poverty and underdevelopment and resource control in the region; and

WHEREAS, Chevron Corporation is one the largest oil companies working in Nigeria, contributing to the 9 percent of oil consumed in the U.S., representing 44 percent of Nigeria's oil exports; and

WHEREAS, Berkeley is located close to Chevron Corporation's headquarters in San Ramon, California and to the Corporation's refinery in Richmond, giving Berkeley residents a direct stake in how our oil is extracted; and

WHEREAS, Alameda County is home to the 10th largest population of Nigerians living in the U.S.; and

WHEREAS, Bay Area consumers are renowned as strong advocates for Fair Trade and want to know that the products they use do not exploit people of the environment; and

WHEREAS, Nigeria is confronting a moment of serious crisis that can be turned into a moment of opportunity, and the U.S. can help provide the influence to ensure that a constructive solution to the root causes of the crisis in the Niger Delta is undertaken; and

WHEREAS, the U.S. can help foster positive change in alignment with its values as a country that promotes democracy, freedom of the press, and peace through a process of diplomacy and independently monitored negotiations; negotiations that could remap how oil revenues are used to benefit Delta communities and ensure that Delta residents have a genuine say in their own government, leading to a true comprehensive political framework for peace; and

WHEREAS, Senator Richard Lugar (R-IN) recently introduced the Energy Security Through Transparency (ESTT) Act [S. 1700] in the U.S. Senate that if passed would require transparency from the extractive industry in their payments to foreign governments.

THEREFORE BE IT RESOLVED that the Berkeley City Council does hereby request that the Obama administration and the California Congressional delegation support independently monitored third party diplomatic talks in the Niger delta with all stakeholders to bring about a peaceful solution; and

BE IT FURTHER RESOLVED that the Berkeley City Council encourages the Nigerian government to begin investing in a meaningful way in the development of the Niger Delta and rebuild the communities destroyed in the current crisis; and

BE IT FURTHER RESOLVED that the Berkeley City Council does hereby support the Energy Security Through Transparency (ESTT)[S.1700] Act introduced by Senator Lugar and supports the introduction of a similar bill in the House; and

BE IT FURTHER RESOLVED that the Berkeley City Council direct the City Clerk to send copies of this Resolution to the President of the United States, the Secretary of State, Senators Dianne Feinstein and Barbara Boxer and Congresswoman Barbara Lee.