

भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड

(भारत सरकार का उपक्रम)

विमानन व्यवसाय इकाई



BHARAT PETROLEUM CORPORATION LTD.

(A GOVT. OF INDIA ENTERPRISE)

Aviation Business Unit

Date: 21st June 2021

The Chairman

Airports Economic Regulatory Authority (AERA)

AERA Building, Administrative Complex.

Safdarjung Airport, New Delhi-110003

Subject: Stakeholder Comments to CP 04 / 2021-22 dated 13th May 2021 in the matter of determination of aeronautical tariff for M/s Bharat Stars Services Pvt Ltd (BSSPL) for providing into plane services (ITP) at Kempegowda International Airport, Bangalore for the 3rd Control Period (FY 2021-22 to FY 2025-26).

Dear Sir,

With reference to the consultation paper 04/2021-22, we would like to submit our comments as stated below:

1. There are two ITP Service providers at Bangalore International Airport that is BSSPL (Bharat Star Services Pvt Ltd) & IOSPL (Indian Oil Skytanking Pvt Ltd.) and since there is already a competition for the share of various ATF Suppliers and the competition is likely to further intensify in ITP services in future as the Aviation industry is getting more competitive and mature, it is suggested that ITP services at the Airport should continue to be deemed as 'Competitive'

The ITP service providers had come thru competitive bidding process and it has rightly been considered as 'Competitive' in the previous control period. Considering the services as largely Non Competitive would also be contrary to the AERA guideline issued previously as there is a competition to acquire business from the OMCs (Oil Marketing Companies).

It is thus requested to continue considering the ITP services at Kempegowda International Airport, Bangalore as 'Competitive'

2. In view of Point 1 above, since the ITP services at Kempegowda International Airport, Bangalore are requested to be considered as 'Competitive' there should be no reason for change to 'Price Cap' mechanism in the 3rd Control Period from the existing 'Light Touch approach'.

This will also be in sync with AERA guideline and the mechanism adopted so far in 1st & 2nd control period i.e. 'Light Touch approach' should continue for the 3rd Control Period as well.

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3. As per Points 3.5.2 (Table 5) it is assumed that Reversal of Domestic Volumes of Pre Covid times will be 70% in 2021-22 and 100% in 2022-23, similarly it is assumed that Reversal of International Volumes of Pre Covid times will be 50% in 2021-22 and 75% in 2022-23 and these will further grow 2023-24 onwards. However as we have seen a ravaging 2nd wave of Covid19, it is not likely that Pre Covid volumes are likely to return in the 3rd Control Period and thus the volumes handled are likely to continue to be low and thus the projections for Air Traffic & ATF volume in the consultative period needs to be reviewed & moderated to ensure that ITP agencies have Fair Tariff and approved Rates for ensuring smooth & safe ITP operations at all times.
4. Provision of 'True Up' for this Control Period may not be applicable & logical in this case as business continuity of BBSPL at Bangalore Airport beyond the current contract period is not guaranteed as it will be based on outcome of fresh selection process. Thus it is requested that without any linkage to 'True Up' mechanism reasonable tariff & returns as per AERA guidelines are considered within the Control Period.
5. The two Consultation papers floated viz CP 03 / 2021-22 & CP 04 / 2021-22 dated 07th May 2021 and 13th May 2021 in the matter of determination of aeronautical tariff for M/s Indian Oil Sky Tanking Pvt Ltd (IOSPL) and M/s Bharat Stars services Pvt Ltd (BSSSPL) respectively for providing into plane services (ITP) at Kempegowda International Airport, Bangalore for the 3rd control period (FY 2021-22 to FY 2025-26) proposes huge difference in tariff for IOSPL & BSSPL in all the years. Since the level of service is same & they necessarily need to follow the same parameter of Safety and Quality at the time of execution of work and there are well defined service parameters for ITP services benchmarked to international standards & ITP agencies need to diligently follow strict guidelines for Safety and Quality the ITP charges should be at par for both the service providers at Kempegowda International Airport, Bangalore.

Best Regards,

(Pulkit Mathur)

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