

Date: 21<sup>st</sup> May 2021

The Chairman

Airports Economic Regulatory Authority (AERA)

AERA Building, Administrative Complex.

Safdarjung Airport, New Delhi-110003

Subject: Stakeholder Comments to CP 01 / 2021-22 dated 08<sup>th</sup> April 2021 in the matter of determination of aeronautical tariff for M/s Indian Oil Skytanking Pvt Ltd (IOSPL) for providing into plane services (ITP) at CSI Airport, Mumbai for the 3rd Control Period (FY 2021-22 to FY 2025-26).

Dear Sir,

With reference to the consultation paper 01/2021-22, we would like to submit our comments as stated below:

1. Since there are two ITP Service providers at Mumbai Airport that is BSSPL (Bharat Star Services Pvt Ltd) & IOSPL (Indian Oil Skytanking Pvt Ltd.), ITP services at Mumbai Airport should continue to be deemed as 'Competitive'.

It may be clarified that there is already a competition for the share of HPCL volumes and further IOSPL and BSSPL will be competing for other service providers in future as the new integrated Fuel farm with facility for other suppliers (other than PSUs) is likely to be commissioned by July 2021 and thus the competition will further intensify in ITP services.

It may kindly be informed that BPCL has taken service of IOSPL as ITP service provider at Mumbai Airport in the past and the same could also be a situation in future, that is to say that the assumption that BPCL will be taking services of only BSSPL as ITP service provider may not be correct specially as the Aviation industry is getting more competitive and mature.

This is also contrary to the AERA guideline issued previously as both the ITP service providers had come through competitive bidding process only and there is a competition to acquire business from the OMCs (Oil Marketing Companies).

It is thus requested to continue considering the ITP services at CSI Mumbai as 'Competitive'

2. In view of Point 1 above since the ITP services at CSI Mumbai are requested to be considered as 'Competitive' there should be no reason for change to 'Price Cap' mechanism in the 3<sup>rd</sup> Control Period from the existing 'Light Touch approach'.

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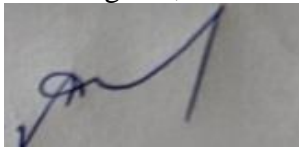
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CIN : L23220MH1952GOI008931 : [www.bharatpetroleum.in](http://www.bharatpetroleum.in)

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

3. As per Points 3.5 and 3.6 (Tables 7 & 8) it is assumed that Reversal of Volumes of Pre Covid times will be 62% in 2021-22 and 100% in 2022-23 and will further grow in 2023-24. However as we are seeing a ravaging 2<sup>nd</sup> wave of Covid19, it is not likely that Pre Covid volumes are likely to return in the 3<sup>rd</sup> 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 IOSPL at Mumbai 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 01 / 2021-22 & CP 02 / 2021-22 both dated 08<sup>th</sup> April 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 CSI Airport, Mumbai for the 3<sup>rd</sup> control period (FY 2021-22 to FY 2025-26) proposes different 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 CSI, Mumbai Airport.

Best Regards,



(Pulkit Mathur)

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