

Subject: **Public Notice No: Infra/PPL /50/HPCL/MUMBAI-ATF/01/2018**
To: "secretary@pngrb.gov.in" <secretary@pngrb.gov.in>
Cc: Soma Banerjee <soma.banerjee@cii.in>

Date: 31/05/18 04:15 PM
From: Ajay Singh <chairman.civilaviation@cii.in>

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Kind Attention: Ms Vandana Sharma

Secretary
Petroleum & Natural Gas Regulatory Board

Madam,

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This has reference to the Public Notice No: Infra/PPL /50/HPCL/MUMBAI-ATF/01/2018 dated 4th May 2018.

Aviation sector in India is poised to grow from 309 Million Passenger per Annum (2017-18) to become the third largest Aviation market in the world by 2020. One of the major contributors for such sustained growth is the financial health of the airlines. For a typical commercial airline operation, ATF accounts for more than 40 per cent of the operating cost of the airline. Hence, besides availability of infrastructure, aircrafts, etc. to the airlines, it is imperative to have ATF supplies at competitive terms. Open and transparent competition in the supply of ATF becomes even more critical with likelihood of crude prices going further up- thereby impacting ATF prices directly.

Mumbai Airport accounts for in excess of 20 per cent of ATF consumption countrywide. Presently, ATF demand at Mumbai airport is met from two refineries of BPCL and HPCL at Mumbai and is being sold by three public sector OMCs. Since Mumbai Airport is extremely congested, the two existing pipelines of HPCL and BPCL are the only feasible mode of ATF supplies to the airport. These ATF pipelines do not form a part of the New Integrated ATF Fuel Farm Storage and therefore continue to be owned/ operated by HPCL and BPCL exclusively. Denial of access to the twin pipeline systems implies denial of access to the Integrated ATF Fuel Farm storage at Mumbai airport and is causing significant entry barriers for other authorized ATF suppliers, which is preventing fair trade competition among entities.

I am writing to request you to kindly consider declaring the two ATF pipelines at Mumbai airport as common carriers and allow for other ATF suppliers including airlines to these pipelines. Such a decision by PNGRB will not only introduce real competition to ATF supplies but will also ensure security of supply to the airport to overcome any exigencies.

Look forward to your favourable consideration.

Kind regards,

Ajay Singh

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Ajay Singh
Chairman, CII National Committee on Civil Aviation
Confederation of Indian Industry (CII)
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