



Dilip Chenoy
Secretary General

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30 May, 2018

Ms Vandana Sharma
Secretary
Petroleum and Natural Gas Regulatory Board (PNGRB)
New Delhi – 110 001

Dear Ms. Sharma,

Subject: Public Notice No. Infra/PPL /50/BPCL/MUMBAI-ATF/01/2018 dated 4th May 2018 and Public Notice No. Infra/PPL /50/HPCL/MUMBAI-ATF/01/2018 dated 4th May 2018

I write to draw your kind attention to two recent public notices mentioned in the subject line. With reference to these two public notices, we wish to submit the following:

1. Financial health of the airlines is one of the major contributors to the sustained growth of the aviation sector. For a typical commercial airline operation, Aviation Turbine Fuel (ATF) accounts for more than 40% of the operating cost. Hence, besides availability of infrastructure and aircrafts, among others, it is imperative to have ATF supplies at competitive terms.
2. At present, Mumbai airport accounts for over 20% of the country-wide ATF consumption. As there is no viable alternative available to the Bharat Petroleum Corporation (BPC) and Hindustan Petroleum Corporation (HPC) pipelines, the present restriction on access to these pipelines to all ATF-suppliers acts as an "entry barrier" to other ATF players at the Mumbai airport. This curtails the degree of competition among the ATF-suppliers. This issue becomes even more critical with the likelihood of crude prices going further up, thus impacting ATF prices.
3. By declaring these 2 pipelines as common carrier or contract carrier and bringing them under its regulation, Petroleum and Natural Gas Regulatory Board (PNGRB), has provided an opportunity to airlines to import ATF, if required and also to other ATF-suppliers to transport ATF to Mumbai airport for supplies to the airlines. Entry of more players will bring in a competitive spirit which will benefit not just the airlines but also the aviation sector as a whole.

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4. In view of the above, FICCI welcomes the initiative of PNGRB on declaring the ATF pipelines currently owned and controlled by BPC and HPC as "common carrier", and bringing them under the applicable regulations.

Warm regards

Yours Sincerely,



Dilip Chenoy

- Copy to:**
1. Shri Suresh Prabhakar Prabhu, Hon'ble Minister of Civil Aviation
Government of India, New Delhi
 2. Shri Rajiv Nayan Choubey, Secretary, Ministry of Civil Aviation, New Delhi
 3. Shri Ankur Garg, PS to the Hon'ble Minister of Civil Aviation, New Delhi