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Date 25/05/2021

To whom it may concern:

IATA RESPONSE TO AERA'S CONSULTATION PAPER NO. 03/2021-22 FOR THE DETERMINATION OF TARIFF FOR INTO PLANE SERVICES (ITP) BY INDIAN OIL SKYRTANKING (IOSPL) AT KEMPEGOWDA INTERNATIONAL AIRPORT (BLR) FOR THE THIRD CONTROL PERIOD

The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 290 airlines or 82% of total air traffic. We support many areas of aviation activity and help formulate industry policy on critical aviation issues. Many of our member airlines operate at BLR.

The aviation industry is facing a monumental challenge: restarting an industry that has essentially ceased to operate across borders while ensuring it does not act as a vector for the spread of COVID-19. At the same time, airlines are taking an unprecedented economic hit and facing considerable uncertainty about their future. The weaker start to the year for passenger business due to a surge in virus cases and travel restrictions together with vaccination delays, have impacted the industry's forecast. Although IATA expects airline losses to shrink in 2021 compared to 2020, their financial performance will be worse than what was expected in IATA's December 2020 forecast (i.e. we now forecast 2021 net post-tax losses forecast to be at \$47.7bn compared to \$38.7bn in the December forecast). The aviation industry is essentially in intensive care and any cost increases this year would not be helpful to our collective recovery efforts.

We appreciate what AERA has done to scrutinize the proposal by IOSPL and the decision to introduce price-cap approach for tariff determination in the 3rd control period. IATA supports AERA's thorough review which results in a 11.48% one-time reduction in tariffs over the 5-year control period compared to what was sought by IOSPL. This outcome is most welcomed and will help to support a successful recovery of the industry.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Tan', with a stylized flourish at the end.

Richard TAN
Regional Manager Airport, Passenger, Cargo and Security
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cc Amitabh Khosla, IATA Country Manager for India