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IndianOil Skytanking

ISO 9001:2008, ISO 14001:2004 Certified

Ref. IOSL-CO/DELITP-CP09/2018-19

Date 20th August 2018

To,
The Secretary
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex
Safdarjung Airport
New Delhi – 110 003
Email : puja.iindal@nic.in

Subject: **Stakeholder comments to CP No 10 / 2018-19**

Dear Sir,

With Reference to the Consultation Paper No. 10/2018-19 dated 01st August 2018 on the subject, we submit our comments as under:

1. IOSL and BSSPL were selected by DIAL through a global competitive bidding process wherein the L2 had to match rate quoted by L1 bidder as per the tender terms and conditions. The rationale for this is that the Suppliers will have a free choice to select the ITP Service provider and thereafter they shall compete only on service standards.
2. The targeted competitive environment in long term quality, efficiency and innovation in ITP Services is measurable only if the rates are identical and the service parameters stipulated in the tender shall remain unimpaired as per the spirit of the global tender.
3. Similar practice is adopted at Bangalore and Mumbai Airports.
4. The PSU oil suppliers have a comprehensive price discovery mechanism in place which in most circumstances does not allow them to procure similar services at different prices.
5. The possible outcomes of a differential prices approval by AERA are as under:
 - a. The basic spirit of the tender terms and conditions against which the ITP Service providers were appointed by the Airport Operators stands marginalised.
 - b. The Suppliers freedom in selecting the into-plane service provider is restricted, as the obvious choice would be to prefer the service provider with a lower fee.



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- c. This would necessarily compel the service provider with a higher fee to realise lesser volume or wind up the service attributed to unviability or offer discounts to remain in business. In any of the events it creates a monopolistic situation for one service provider or creates an entry barrier for new players intending to enter this segment. Also, the service provider will resort to cost cutting measures which could jeopardize the quality & safety
- d. As both the service providers offer identical services by drawing product from a common infrastructure, differential prices are illogical and would have detrimental effect on the overall services being provided by the ITP Operators.

In view of above, we would request the Authority to maintain identical tariff at Delhi for both IndianOil Sky taking as well as Bharat Star Services Private Limited, the service providers.

Thanking you.

For, IndianOil Skytanking Private Limited



Shantanu Saxena
Chief Financial Officer
SHANTANU SAXENA
Chief Financial Officer
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