**TRANSPARENCY**
**INTERNATIONAL-PAKISTAN**

4-C, Mezzanine Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority, Karachi.
Tel: (92-21) 35390408, 35311897-8,
Fax: (92-21) 35390410
E-mail: ti.pakistan@gmail.com
Website: www.transparency.org.pk

27th October , 2020 TL 2020/1027/1A

Chairman,
Port Qasim Authority,
Bin Qasim Karachi.

**Subject:** Complain on award of BOT Contracts for setting up of two new LNG Terminals by Port Qasim Authority in 2020, whereas only One new LNG Terminal was planned, Fishy' third LNG terminal deal

Dear Sir,

Transparency International Pakistan has received a complaint on award of BOT Contracts for setting up of two new LNG Terminals by Port Qasim Authority in 2020, whereas only One new LNG Terminal was planned, Fishy' third LNG terminal deal.

The complainant has made following allegations.

That,

1. In 2019, the federal government was facing stiff resistance from Ministries of Communications, Planning, Development and Reform and Public Procurement Regulatory Authority (PPRA) on a "fishy deal" for the establishment of the third LNG terminal, well informed sources told *Business Recorder*. This resistance was witnessed during the ECC meeting held on July 3, 2019 with Finance Advsier Dr Abdul Hafeez Sheikh in the chair.

2. On March 27, 2019, ECC gave the following directions: (i) Ministry of Maritime Affairs to broaden the scope of scientific study to be carried out for determination of suitable place for establishment of LNG terminal at PQA, and also at e Somiyani site in the study as well; and (ii). Ministry of Maritime Affairs to expedite process for establishment of **3rd LNG terminal** in view of imminent shortage of gas in the country and submit progress report to the ECC within 15 days.

3. Ministry of Maritime Affairs stated that in view of the urgency expressed by the ECC, to establish **additional LNG terminal**, PQA management assigned the task to review five QRA reports available in respect of five potential offshore LNG terminal sites to M/s HR Wallingford, and on May 15, 2019, M/s HR Wallingford submitted their site selection review report, confirming that all the five available QRAs are feasible from navigational standpoint, and quoted estimated capital dredging required for deepening,

widening and straightening of main channel at 48 million cubic meters and 10 million cubic meters for opening of alternate channel.

4. The PQA Board then discussed that as the ECC has placed expeditious establishment of 3rd LNG terminal at the highest priority i.e. prior to both completion of "feasibility study on deepening, widening & straightening of existing navigational channel and commissioning of alternate channel" and also prior to completion of LNG Zone Study an expeditious process for award thereof must be derived. The complete process is published in Business Recorder on 12 July 2019. With caption Fishy' third LNG terminal deal **Annex-A**.

5. However, against award of only One LNG Terminal, as planned and approved by PQ A Board, recommended by PQA Consultants M/s HR Wallingford , and also included in the LOI issued to 5 Bidders, Two LNG Terminals are awarded one to M/s Tabeer Energy and 2nd to M/s M/s Energas , which has rendered the whole process as non-transparent. .

6. The post tender changes by PQA for award on Two LNG Terminals, against One LNG Terminal in 2020, as advertised and included in the letter of Invitation LOI, issued to 5 JVs, , and in violation of Condition precedent that **' The LNG terminal developer will not be in any legal/quasi legal dispute with PQA",** has rendered the whole process as illegal**.** The second party awarded the contract is the Group of Lucky Commodities, which is in litigation with PQA in Sindh High Court Suit No 818 of 2019.

7. In similar case of award of Ist LNG Terminal in 2014 to ETPL (Elengy Terminal Pakistan Limited) of Engro Pakistan, post tender changes were made , mainly by PQA on the Site of LNG Terminal, not allowed at its sister company site. In News International , its was reported that NAB has made PQA as accused in NAB Case on award of First LNG Terminal due to post tender changes, mainly the fact that initially the Port Qasim Authority (PQA) also raised several observations on the proposed sites of ETPL and PGPL, but suddenly showed consent on the proposed sites of ETPL and allotted 13 acres of land **Annex-B. The letter of PQA in this regard is also enclosed. Annex-C.**

**8. IN Rental Power Plant Case** HRC No.7734-G of 2009, on 31.1.2015, **whiloe cancelling all Rental Power Project, the Supreme** held that all the Government functionaries, including the Ministers for Water and Power holding charge in 2006 and onward and from 2008 to onward, during whose tenure the RPPs were approved/set up and Minister as well as Secretary Finance holding the charge when the down payment was increased from 7% to 14%, prima facie, violated the principle of transparency under Articles 9 and 24 of the Constitution and Section 7 of the Act, 1997, therefore, their involvement in getting financial benefits out of the same by indulging in corruption and corrupt practices cannot be overruled in view of the discussion made hereinabove. Consequently, they are liable to be dealt with under the National Accountability Ordinance, 1999 by the NAB;

9. The Award of 2 LNG Terminal is therefore must be canceled .

**Transparency International Pakistan Comments and Recommendations.**

**Comments**

1. The post tender changes for award of Two Terminal LNG Terminals against One LNG Terminal as advertised, and also the awards of LNG Terminal to party M/s Energas, whose one Group is is in litigation with PQA, is violation of Rules, and as also ordered by the Supreme Court of Pakistan in HRC No.7734-G of 2009, on 31.1.2015 for such violations, prima facia are non transparent.
2. PQA is already facing a NAB Reference in its First LNG Terminal on similar post tender changes charges.

**Recommendations.**

If the allegations of Post Tender Changes are correct, PQA is recommended to address the violations, in order to avoid another NAB Reference on LNG Terminal Contract Award.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

Ghous 27/X/20

Dr Jus (Rtd) Ghous Muhammad,
Voice Chairman,
Transparency International Pakistan

Ecl: Annex A, B and C

Copies forwarded for the information with request to take action under their mandate to:

1. PSPM, PM House, Islamabad.
2. Secretary, MOMA, Islamabad,
3. Managing Director, PPRA, Islamabad
4. Director General, FIA, Islamabad,
5. Registrar, Supreme Court of Pakistan, Islamabad.

Annex-A

BUSINESS RECORDER
Founded by M.A. Zuberi

# 'Fishy' third LNG terminal deal: Ministries showing resistance

MUSHTAQ GHUMMAN

JUL 12TH, 2019

ISLAMABAD

The federal government is reportedly facing stiff resistance from Ministries of Communications, Planning, Development and Reform and Public Procurement Regulatory Authority (PPRA) on a "fishy deal" for the establishment of the **third LNG ter**minal, well informed sources told *Business Recorder*. This resistance was witnessed during the ECC meeting held on July 3, 2019 with Finance Advsier Dr Abdul Hafeez Sheikh in the chair.

On March 27, 2019, ECC gave the following directions: (i) Ministry of Maritime Affairs to broaden the scope of scientific study to be carried out for determination of suitable place for establishment of LNG terminal and include Somiyani site in the study as well; and (ii). Ministry of Maritime Affairs to expedite process for establishment of 3rd LNG terminal in view of imminent shortage of gas in the country and submit progress report to the ECC within 15 days.

Ministry of Maritime Affairs stated that in view of the urgency expressed by the ECC, to establish additional LNG terminal, PQA management assigned the task to review five QRA reports available in respect of five potential offshore LNG terminal sites to M/s HR Wallingford, who were already engaged with PQA in conducting detailed "feasibility study on deepening, widening & straightening of existing navigational channel and commissioning of alternate channel".

On May 15, 2019, M/s HR Wallingford submitted their site selection review report, quoted estimated capital dredging required for deepening, widening and straightening of main channel at 48 million cubic meters and 10 million cubic meters for opening of alternate channel. The total cost of capital dredging can be ascertained after completion of tendering process. Further, M/s HR Wallingford concluded that all the five available QRAs are feasible from navigational standpoint, subject to adjustment and other relevant studies.

The PQA Board discussed that as the ECC has placed expeditious establishment of 3rd LNG terminal at the highest priority i.e. prior to both completion of "feasibility study on deepening, widening & straightening of existing navigational channel and commissioning of alternate channel" and also prior to completion of LNG Zone Study an expeditious process for award thereof must be derived. Accordingly, PQA Board in its meeting held on June 26, 2019, unaninmously resolved: (i) in view of urgency not attributable to PQA, approval of the Federal Government be solicited under Rule 42(d)(iii) of the Public Procurement Rules, 2004, for PQA's decision to engage M/s HR Wallingford, for review of five QRA available at price of GBP f10,000/- and Rs 800,000/- only" (ii) in view of urgency not attributable to PQA, approval of the Federal Government be solicited to exempt PQA from public tendering; and to offer five LNG sites to the prospective LNG terminal developers through negotiated tendering under rule 42(d)(iii) of the PPR, 2004, for award of 3rd LNG terminal to one of the five proponents, whose QRAs have been reviewed and found feasible by M/s HR Wallingford on the following terms and conditions:

(a) Concession fee - successful prospective LNG terminal developer shall be required to submit a mandatory concession fee of $ 10 million to Port Qasim. (b) Performance bond - each prospective LNG terminal developer will submit a mandatory performance bond of at least $5 million; and which will be the criteria as against which the bids will be assessed. The proponent offering highest performance bond will be declared successful for award of 3rd LNG terminal, subject to fulfilment of all other stipulated conditions. The performance bond will be forfeited and encashed in case of failure to operationalize and commission terminal by November 1, 2020. The performance bond of each unsuccessful bidder will be returned within two weeks of the financial bid opening.

(c) Liquidated damages - the eligible LNG terminal developer will thereafter be required to operationalize and commission the LNG terminal by November 1, 2020. In case of failure to commission the terminal by November 1, 2020, liquidated damages in the shape of $ 200,000 per week or pro rata thereof will be imposed till commissioning of the terminal.

(d) Minimum Guaranteed Throughput (year-wise). Minimum royalty will be charged on the following basis if the throughput is lesser: 1st year - 250 mmcfd, 2nd year 350 mmcfds, 3rd year 450 mmcfd and 4th year 550 mmcfd.

(e) Royalty and payments to PQA: Minimum price for royalty is $ 1.9 per ton. The royalty will increase 25% every five years. The LNG terminal developer will guarantee to pay berthage, pilotage, wharfage and all other applicable charges to PQA @ prescribed gazetted notified rates, revised from time to time.

(f) Site to be allocated, LNG terminal developer will only be allotted its respective site, against which the proponent has already conducted and submitted its QRA; subject to site-specific QRA, FMBSS and relevant studies duly vetted by PQA appointed Consultant, and subject to adjustment and modification as required after the receipt of report from M/s HR Wallingford for deepening, widening and straightening of main navigational channel and commissioning of alternate/new inner channel and also subject to LNG zone study recommendations.

(g) The LNG terminal developer will clear all its outstanding dues against Port Qasim Authority.

(h) Dredging of the berthing basin in aiding the approach to the Jetty from navigational channel will be the responsibility of the developer.

(i) The LNG terminal developer will not be in any legal/quasi legal dispute with PQA.

(j) Prospective LNG Terminal Developer. To participate each present proponent offshore LNG terminal developer for the LNG site must first agree to forego, revoke, cancel any and all rights that they may have in respect of the QRA & or any respective site for which they possess any vested right from any government regulators including Port Qasim Authority from whom they have obtained any approvals for sites etc in respect of the development of the LNG terminal before they will be permitted to participate in the allocation process of their present prospective LNG site.

(k) Approvals required. It will be the sole responsibility of the successful terminal developer to carry out all the requisite/relevant studies with regard to the site and seek the necessary/requisite permissions as under applicable laws and policies, including Full Mission Bridge Simulation Study (FMBSS) in order to confirm the site teechnically and operationally being feasible and secure, and in consonance with the outcome and findings of 'channel deepenig and widening study' carried out by M/s HR Wallingford and any necessary adjustment needed to be made with respect to site location thereof. All studies will be witnessed & vetted by PQA approved Consultant at the cost of the successful LNG terminal developer.

The successful LNG terminal developer will sign the Implementation Agreement (IA) with PQA. The other terms & conditions of the prospective IA will remain the same as per the existing LNG terminals IAs already in place.

The Board further resolved that in view of urgency not attributable to PQA, approval of the Federal Government be solicited to exempt PQA from public tendering for appointment of LNG Consultant through negotiated tendering under rule 42(d)(iii) of the PPR, 2004, for review of reports including Qualitative/Quantitative Risk Assessments (QRAs) and prepare project guidelines for preparation and submission of technical and financial proposals by LNG terminal developers; evaluate technical and financial proposals and assist PQA in negotiation of IA and also to supervise and monitor the quality of work executed for implementation of LNG Terminal and issue successful commissioning certificates.

The Board resolved that in view of urgency not attributable to PQA, approval of the Federal Government be solicited to exempt PQA from public tendering for appointment of Legal Consultant through negotiated tendering under rule 42(d)(iii) of the PPRA 2004, for the purpose to represent, assist, coordinate, guide, draft, negotiate and/or any other act required in respect of issuance of LoI, negotiate and draft IA, performance bond/concession fee and/or any other legal document as required and/or deemed appropriate/necessary till finalization of award of **LNG terminal process. third**

The Board resolved that approval of the Federal Government be solicited to allow amendment in the PQA Master Plan to accommodate the prospective **third LNG offshore terminal**, as per Section 10 of PQA Act, 1973.

Ministry of Maritime Affairs further proposed that the government should not provide any financial and off take guarantees for the prospective 3rd LNG terminal operator and to all the future LNG terminal operators. Furthermore, since Somiyani site at Balochistan is beyond the jurisdiction of MoMA/port authorities, it may be excluded from the proposed study for establishment of LNG terminal/zone.

Ministry of Maritime Affairs also proposed that henceforth it should be made binding upon all new FSRU terminal operators to allow Pakistan National Shipping Corporation (PNSC) to buy at least 20 percent shares in FSRU vessels. Furthermore, except in case of international embargo, if the FSRU operator(s) intend to sail off the FSRU before the expiry of the contractual period, PNSC will have the first right to buy the vessel, ten percent less than the market price. The Secretary, Ministry of Maritime Affairs while elaborating the proposal apprised the forum that in case of excluding Pakistan National Shipping Corporation from buying 20% shares in FRSU vessels, the National Security may be at stake.

During the ensuing discussion, Secretary, Communication Division opined that ECC is not mandated as per its charter to deal with the cases regarding exemption from implementation of PPRA Rules, 2004. Cabinet Secretary apprised the meeting that under SRO bearing No.719(I)/2011 of July 18, 2011, the ECC considers a case for exemption under rule-5 of PPR, 2004 after undertaking due consultations with the stakeholders. The Additional Secretary, Planing, Development & Reform Division endorsed the views of Secretary, Communications Division and stated that it is the responsibility of the procuring agency to meet all codal formalities required under prescribed Rules for establishment of 3rd LNG Terminal.

PPRA while endorsing views of both the Ministries clarified that the resolutions moved by PQA do not qualify for the conditions and criteria as laid down in rule-42 (d) of PPRA, 2004. He stated that the Supreme Court in its decision in Human Rights case No. 7734-G/2009 and 1003-G/2010 has declared that "thus, in presence of PPRA/ Rules, it was incumbent upon the Minister and the Secretary, Water & Power as well as other functionaries not to have put up such a case before the ECC in violation of the PPRA Rules." He further stated that as per PPRA Regulatory Framework, ECC is empowered to proceed only in case of the Federal Government commitment with Sate or States, up to the extent of conflict with PPRA Rules. Moreover, existing energy crises is not such an unforeseeable event for which extreme urgency under Rule 42(d) (iii) could be invoked to award the contracts on negotiated tendering. Even in case of negotiated tendering, all the requirements to assess the technical capacity and working methodology of the prospective bidders are required to be considered in addition to technical and financial negotiations rather than awarding the contract on just the basis of the amount of performance bond. He concluded that only Federal Government can grant exemption from PPRA Rules & Regulations on the recommendation of PPRA as provided in Section 21 of PPRA Ordinance, 2002 (No. XXII of 2002).

Adviser to the Prime Minister on Institutional Reforms and Austerity stated that LNG requirement in the country will increase substantially in winter 2020 and due to limited capacity, existing LNG terminals would not cater additional imported LNG. Therefore, ECC in its earlier decision, directed for establishment of 3rd LNG terminal before November, 2020. He stated that the ECC may facilitate PQA to accomplish its assigned task well before winter, 2020. The ECC agreed, in principle, to the resolutions of PQA Board with the direction to Ministry of Maritime Affairs to seek recommendations of PPRA and legal advice of Law & Justice Division on the resolutions of PQA Board, before proceeding further.

After a detailed discussion, the ECC directed Ministry of Maritime Affairs to seek recommendations of PPRA and legal advice of Law & Justice Division on the resolutions of PQA Board, and resubmit the case to ECC for its consideration.

Annex - B

INTERNATIONAL
THE NEWS

# Rs200 bn loss in LNG deal, claims NAB inquiry

Khalid Mustafa
November 19, 2015

ISLAMABAD: 'The multi-billion dollars LNG terminal contract was awarded to ETPL (Elengy Terminal Pakistan Limited) of Engro Pakistan based on favours and no high measure of transparency, diligence and fair play has been ensured causing colossal loss of about $2 billion (over Rs200b) to national exchequer', reveals the interim inquiry report of National Accountability Bureau (NAB), a of which is exclusively available with The News.
The authorisation of the inquiry into the awarding of LNG terminal contract was extended to NAB, Karachi on July 29, 2015 that has now been completed by senior investigation officer Mr Abdul Fatah. The report has established that the mammoth loss has been inflicted on national exchequer by extending favour in tender of LNG terminal and payment against re-gasification.
In its recommendations, NAB Karachi sought the approval from NAB Chairman for formal inquiry into the LNG terminal contract as in the preliminary inquiry, Federal Minister for Petroleum and Natural Resources Shahid Khaqan Abbasi , ex-federal secretary Abid Saeed, Managing Director of Inter Sate Gas System (ISGS) Mobine Saulat, ex- CEO of M/s Engro (Pvt) Limited Emranul Haq Sheikh and ex-MDs of SSGC, Zuhair Siddiqui and Shoaib Ahmad Warsi have been actively involved in award of questionable contract and LSA (LNG services agreement).
The NAB Karachi on July 29, 2015 initiated investigation into the misuse of authority in awarding of LNG tender to ETPL by violating PPRA rules and relevant laws owing to which national exchequer will have to suffer huge loss of about $2 billion in fifteen years. Federal minister Shahid Khaqan Abbasi said that the ministry will respond whenever it will officially get the interim inquiry report. "We are, however, open to any kind of formal inquiry with regard to the awarding of LNG terminal contract as our hands are clear," the minister said.
However, as per conclusions of the NAB interim inquiry report, it is the fact that

earlier initiated steps for putting the matter into ECC held on July 17, 2013 shows mala fide regarding the award of tender to ETPL bypassing PPRA rules and prime facie no competitive measure in award of tender has been ensured. It is also correct that Inter-State Gas System is not procuring agency, and it has acted on behalf of Sui Southern Gas Company Limited (SSGL).

However, it is the fact that SSGL is also not a procuring agency but instead it is Sui Northern Gas Pipelines Limited (SNGPL). It is also fact that ISGS has acted on verbal directions instead of clear written authority. However, the report said that further facts need to be verified.

It has been mentioned in the interim report that ISGS (inter-state gas system) without consulting the SSGC or SNGPL converted integrated project into tolling project and also without involving both advertised and issued corrigendum. The report also found that on July 16, cost of the terminal stood at $30-40 million that was later on, in a financial bid quoted at Rs120-130 million and same was accepted by ISGS. It also highlights the fact that since advertisement on August 7, 2013, Pakistan Gas Port Limited (PGPL) being potential bidder raised various queries and observations about the adopted mechanism and the favour extended to ETPL.

The corrigendum made after August 7, 2013, is also mala fide in which capacity charges, tenure of the project and other necessary material additions were proposed. The PGPL, the report mentions, complaints that the said corrigendum was issued with the request and demand of ETPL. The NAB's interim inquiry also highlights the fact that initially the Port Qasim Authority (PQA) also raised several observations on the proposed sites of ETPL and PGPL, but suddenly showed consent on the proposed sites of ETPL and allotted 13 acres of land. Furthermore PQA hired 4 tugs for LNG purpose only at the rate of $8,895 per tug per day that means PQA will be paying $12,951,120 per day. The facts further needs to be inquired into, the report says. It is also fact that all three technical Evaluation Reports dated October 23, 29 October and November 5 2013 are undersigned. The SSGS and ISGS are not aware of the whereabouts of the original reports.

The evaluation further demanded verification of independent consultants. It is intriguing that QED awarded sufficient marks and declared PGPL technically qualifier in 2012, but suddenly disqualified it in the year 2013 based on its unsigned technical evaluation report. It is also fact that PGPL since August 2013 raised several observations before ISGS, PPRA and others. It also pinpointed that the signing of LSA (LNG services agreement) with ETPL is beyond understanding as the SSGC is not a procuring agency. The NAB also found that SSGC has paid unauthorisedly billions of rupees to ETPL as per the record, ETPL received 4 billion in approximately 130 days against the capital investment of Rs12 or 13 billion only. At this rate, the capital investment of ETPL shall be recovered in 14 months and in the remaining 13 years ETPL will continue to earn huge dividends. This aspect is further required to be investigated in detail.

There are also so many other aspects which also need to be completed and this also includes the examination of high profile personalities such as federal Minister for Petroleum and natural resources, ECC members, Federal secretaries, Chairman Engro, MG ISGS, MD PSO and others.

However, Chief Executive of EVTL (Engro Vopak Terminal) Syed Mohammad Ali when contacted said that the findings of interim inquiry report are baseless as the ETPL has won the LNG terminal contract through transparent bidding process in line with PPRA rules. Inter State Gas company has implemented the PPRA rules in every phase of the tender for the project and to this effect the PPRA rules are available on its website. Mr Ali argued that both parties ETPL and PGPL under single stage two envelope procedure as per PPRA rules submitted their bids simultaneously with Inter State Gas System. Both the parties submitted two envelopes (containing technical and commercial proposals) each. The QED consultant conducted the technical evaluation and cleared the technical bid of ETPL whereas it disqualified the PGPL after finding out that its technical proposal was not up to the mark. After that the commercial bid was opened of the party which qualified in the technical evaluation. So this is how the ETPL won the contract and there is no violation of rules and no favours have been extended to the ETPL.

When asked why QED did not open the commercial bid of PGPL, Mr Ali said that PGPL was already disqualified in technical evaluation which is why QED did not open the commercial bid of QED. He said both the parties had simultaneously submitted the technical and commercial bids in separate envelopes, so there is no question of any injustice done to any party in the bidding process. If PGPL had some objections over not entering its commercial bid, it should have gone to court at that particular time, but the said party did not move meaning thereby that it accepted that the process was flawless and transparent too.

When asked as to why the cost of LNG terminal that was at \$30-40 million on July 16 had increased to \$120-130 million in the bid which was accepted by ISGS, Mr Ali said: "Yes, the earlier cost of LNG terminal was at \$30-40 million, but that was the extension of the existing jetty of Engro Vopak. That particular proposed LNG terminal had the handling capacity of just 200 mmcfd and the flow of LNG was to be erratic as incase the ship containing chemical products gets anchored, then the LNG supply was not possible. So that kind of terminal was not approved by the authorities concerned. So the cost of the LNG terminal was increased to 120-130 million dollars as the new and separate jetty was constructed for LNG terminal having the maximum LNG handing capacity of 690 mmcfd. The LNG terminal of \$130 million ensures the smooth LNG handling. EPTL is bound to re-gasify 400 mmcfd LNG under contract with government.

When formal inquiry starts, we will present our case before the investigation officers and we will satisfy them as no favour has been extended to ETPL for LNG terminal contracts, Mr Ali stressed with confidence.

Annex-C

# PORT QASIM AUTHORITY

(PRIVATE SECTOR PROJECTS DEPARTMENT)

Gateway to National Prosperity

No. PQA/DGM(PSP)/253/2007
Dated 8th October 2013

**M/s Engro Vopak Terminal Limited**
Marine Drive HC-3 Clifton Block-IV
Karachi

Attn: **Sheikh Imran-ul Haque, CEO**

Subject: **EVTL PROPOSAL ON FAST TRACK LNG IMPORT TERMINALS, LNG SERVICES, STORAGE & RE-GASIFICATION.**

1. Please refer to the meeting held on 13th September 2013 and in the follow up EVTL letter dated 14th September 2013 on the subject matter. PQA standpoint on the issues at the outset is explained in the ensuing paragraphs.

2. It is point of serious concern that EVTL's QRA findings state that "the main drawback of the brown field is the close proximity of the LNG terminal to the main port terminal facilities, industrial facilities, working population and accommodation facilities. Any potential medium to large release of gas under the current prevailing wind conditions is likely to have a potential impact on the adjacent facilities". In the light of GoP LNG Policy 2011 and MoD instructions, every developer is required to ensure compliance of all national and international safety, hazards, exclusion zones and mitigate all consequential effects.

3. The coordinates of jetty proposed by EVTL in its said letter dated 14th September 2013 have been plotted on the Master Plan which comes out to be 300 to 400 meters approx. west of existing chemical jetty and as such it will not only obstruct the entrance to the future 05 x jetties but will also permanently block the planned basin area. Hence, besides other complications it will require amendment in PQA Master Plan.

4. Keeping in view GoP LNG policy and international safety /security guidelines, codes & standards promulgated time to time for safe passing distance and close proximity of industrial facilities, working population, main terminal facilities etc. EVTL/EPTL is advised to pursue the matter in accordance with PQA letter No.PQA/Dir(PSP)/331/2009 dated 24th August 2010 read with letter No. PQA/Dir(PSP)/253/2011 dated 19th September 2011.

(Muhammad Saqib)
Secretary

**Copy to:**

1. PS to the Minister for Ports & Shipping, Islamabad
2. The Secretary, Min of Ports & Shipping, Govt.of Pakistan, Islamabad.
3. The Secretary, Min of P&NR, Govt.of Pakistan, Islamabad.
4. The Managing Director, Inter State Gas Systems (Pvt)Limited, 517-Margalla Road, F-10/2, Islamabad.