



**DEFENSE LOGISTICS AGENCY**  
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J-7

DEC 07 2012

MEMORANDUM FOR COMMANDER, DEFENSE LOGISTICS AGENCY ENERGY

SUBJECT: Compelling Reasons Determination for Local Purchases of Fuel from Air BP at Commercial Airports

Air BP Ltd. (Air BP) is a wholly owned subsidiary of BP PLC. Air BP is an authorized AIR Card® merchant at 663 non-contract airport locations around the world. Pilots and aircrews have purchased aviation fuel from Air BP when contract fuel was not available. The Environmental Protection Agency Suspension and Debarment Official suspended BP PLC and its affiliates pursuant to 2 C.F.R. § 180.700 (a), (b) and (c) and 2 C.F.R. § 180.800(d) on November 28, 2012. The suspension was extended to Air BP as an affiliate of BP PLC (2 C.F.R. § 180.625(b)). Pursuant to FAR 9.405(a), DLA Energy requests authorization of AIR Card® local purchases of aviation fuel at commercial airports from Air BP.

For the reasons specified in the DLA Energy request for a Compelling Reasons Determination, I find compelling reasons for DLA Energy to authorize AIR Card® local purchases of aviation fuel at commercial airports from Air BP where Air BP is the sole provider for fuel or when no other refueling option will meet the mission requirements.

[REDACTED]  
MARK [REDACTED] RNICHEK  
Vice Admiral, USN  
Director

Request for Determination that Compelling Reasons Exist to  
Allow for Local Purchase Fuel at Commercial Airports from Air BP Ltd.

1. The Defense Logistics Agency (DLA), DLA Energy is the contracting activity. This request is made pursuant to FAR 9.405(a).
2. Air BP Ltd supports DLA Energy Into-plane contract requirements and local purchases using the DLA Energy AIR Card®, an aviation credit/charge card at commercial airport locations. BP PLC is a multinational energy corporation based in London, U.K. and is the parent company for the BP Group, which consists of 21 entities. Air BP Ltd. (Air BP), dba BPCNA and/or BPPNA, conducts business operations from Linden, NJ and/or Naperville, IL, and is a wholly owned subsidiary of BP PLC. Air BP is the current DLA contractor providing aviation fuel for military aircraft and other federal aviation customers at 41 overseas airport locations. The Environmental Protection Agency Suspension and Debarment Official suspended BP PLC and its affiliates pursuant to 2 C.F.R. § 180.700 (a), (b) and (c) and 2 C.F.R. § 180.800(d) on November 28, 2012. The suspension was extended to Air BP as an affiliate of BP PLC (2 C.F.R. § 180.625(b)).
3. Under the suspension, Air BP will continue to provide fuel under the 41 overseas airport locations worldwide. However, there are multiple commercial airport locations where there is no DLA contract in place and Air BP is a potential supplier of fuel. Air BP currently is an authorized AIR Card® merchant at 663 non-contract airport locations around the world. In FY 2012, there were 469 instances of local purchases of fuel from Air BP using the Air Card® at commercial airports totaling 1.2 million USG with a dollar value of \$6.2 million.
4. When mission planning, aircrews utilize military bases first and contract airports second; non-contract locations are the least preferred means of refueling aircraft. There are times that the mission dictates the use of a commercial airport without a DLA contract and aircrews are authorized to use the AIR Card® to make a local purchase of fuel. By prohibiting Air BP to refuel aircraft at airports without DLA contract coverage, there is the potential of limiting operational flexibility of aerial support in theater if airport locations are in effect put “off limits” due to the suspension constraints. The impact can be reduced with adequate advanced planning for known operations/missions, but may be detrimental to mission operability for short notice contingency/humanitarian operations; locations where BP is the sole provider; and for emergency/maintenance situations. Allowing customers to purchase from Air BP when no other refueling location or provider is available will facilitate warfighter support and ensure the mission is met as required. All AIR Card® customers will be advised that Air BP local purchase locations should only be utilized when no other refueling option will meet the mission requirements.

