








1. Composition of the Committee:

1.	Senator Mushahid Ullah Khan*	Convener	
2.	Senator Ilyas Ahmad Bilour	Member	
3.	Senator Chaudhary Tanvir Khan	Member	
4.	Senator Gen. (R) Abdul Qayyum	Member	
5.	Senator Syed Muzaffar Hussain Shah	Member	
6.	Senator Dr. Jehanzeb Jamaldini	Member	
7.	Senator Muhammad Talha Mehmood	Member	
8.	Senator Muhammad Usman Khan Kakar	Member	
9.	Senator Dr. Ashok Kumar	Member	
10.	Senator Taj Muhammad Afridi	Member	
11.	Senator Saeed Ghani*	Member	
12.	Senator Farhatullah Babar	Member	
13.	Senator Sherry Rehman	Member	
14.	Senator Col. (R) Syed Tahir Hussain Mashhadi	Member	
15.	Senator Nauman Wazir Khattak	Member	
16.	Senator Sirajul Haq	Member	
17.	Senator Mir Israrullah Khan Zehri	Member	
18.	Senator Kamil Ali Agha	Member	
19.	Senator Barrister Murtaza Wahab	Member *	
20.	Mr. Hafeezullah Shaikh, J.S. Senate Secretariat	Secretary Committee	

*The position of the Convener of the Special Committee fallen vacant due to the appointment of

Senator Mushahid Ullah Khan as Federal Minister.

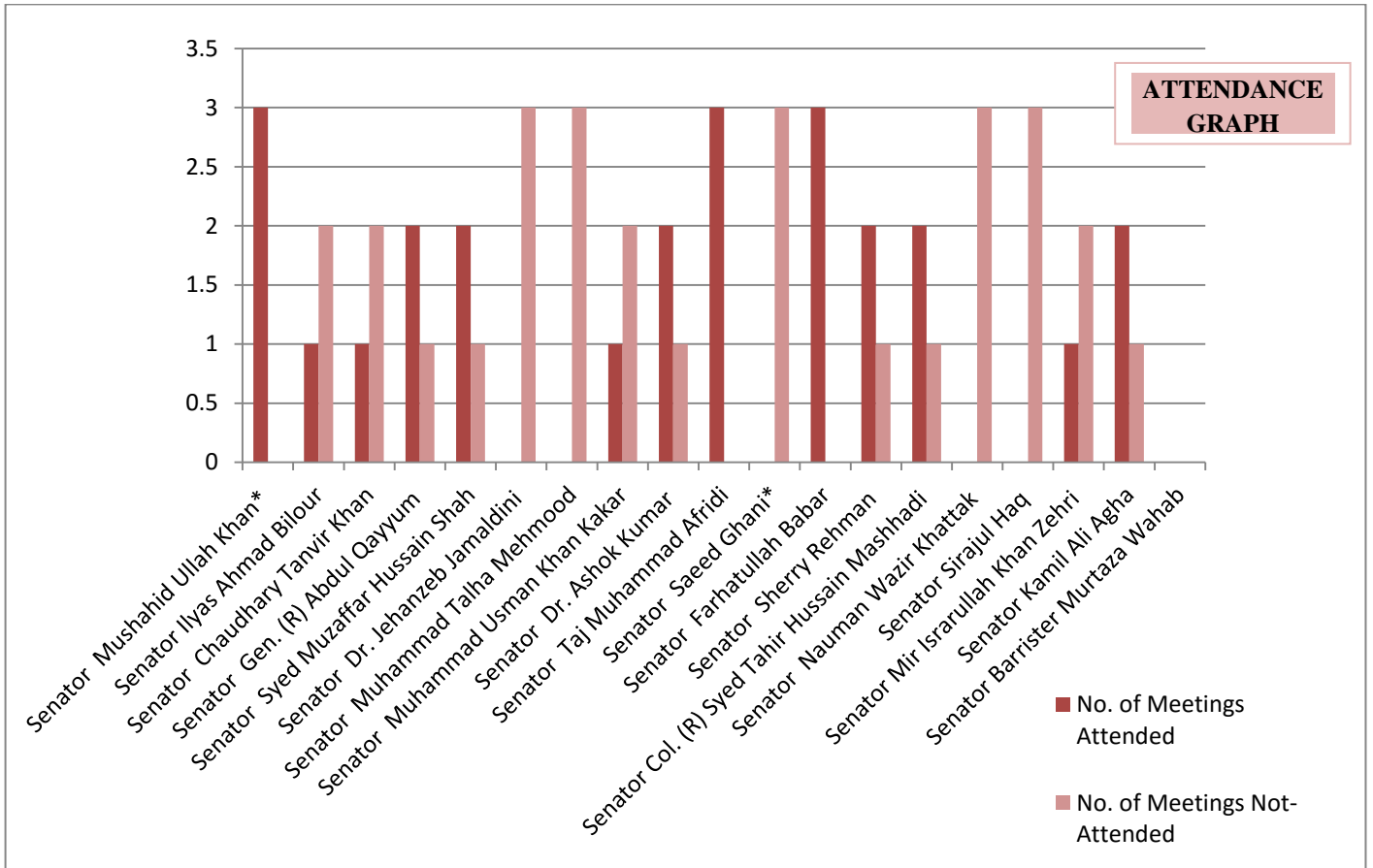
*Similarly, newly elected Senator Barrister Murtaza Wahab has been appointed as member Committee in place of former Senator Saeed Ghani.

2. Sittings of the Committee:

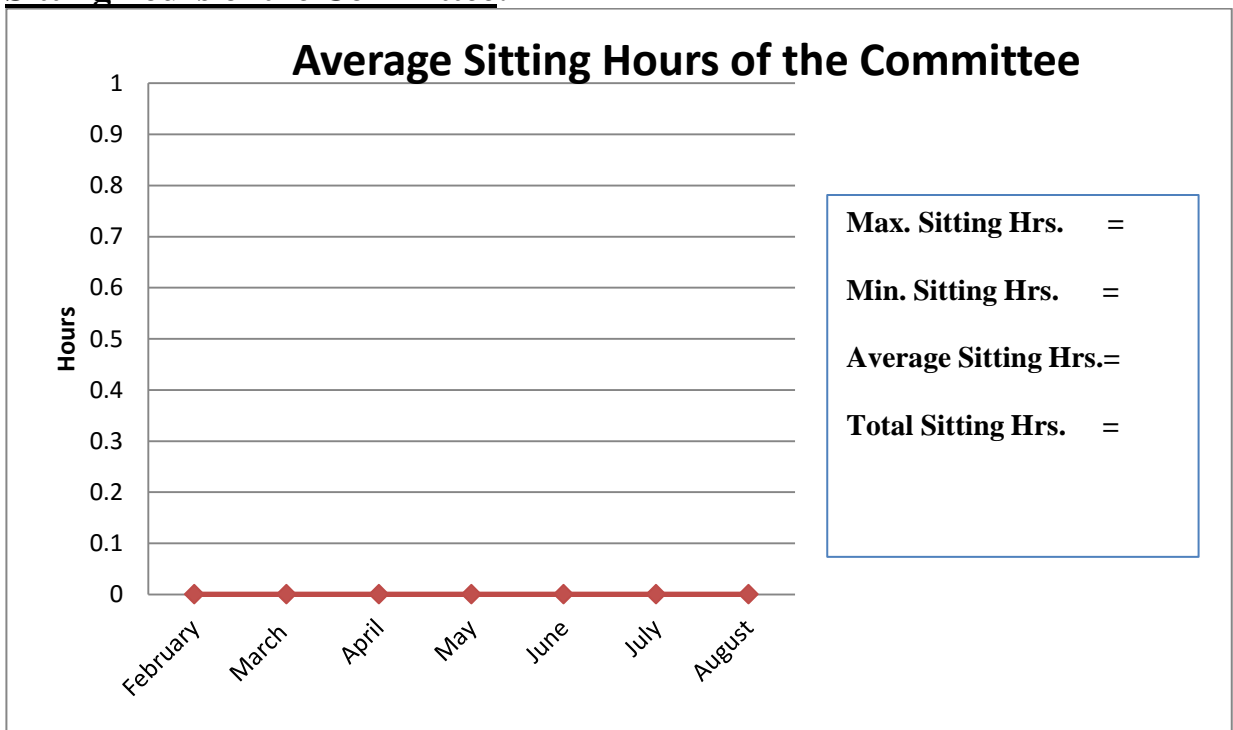
<u>February</u> <u>2017</u> <u>(No sitting)</u>	<u>March</u> <u>2017</u> <u>(01 Sitting)</u>	<u>April</u> <u>2017</u> <u>(No Sitting)</u>	<u>May</u> <u>2017</u> <u>(01 Sitting)</u>	<u>June</u> <u>2017</u> <u>(No Sitting)</u>	<u>July</u> <u>2017</u> <u>(01 Sitting)</u>	<u>August,</u> <u>2017</u> <u>(No Sitting)</u>
Nil	1) 01-03-2017	Nil	1) 18-05-2017	Nil	1)06-07-2017	Nil
Total number of meetings held during the period = 03						

3. Attendance of Chairman/ Members in (03) meetings held during the period:

Sl. No.	Name of the Member	Number of Meetings Attended	Number of Meetings Not-Attended	No. of Meetings in which leave was sought
1.	Senator Mushahid Ullah Khan*	03	00	-
2.	Senator Ilyas Ahmad Bilour	01	02	-
3.	Senator Chaudhary Tanvir Khan	01	02	-
4.	Senator Gen. (R) Abdul Qayyum	02	01	-
5.	Senator Syed Muzaffar Hussain Shah	02	01	01
6.	Senator Dr. Jehanzeb Jamalini	00	03	-
7.	Senator Muhammad Talha Mehmood	00	03	-
8.	Senator Muhammad Usman Khan Kakar	01	02	02
9.	Senator Dr. Ashok Kumar	02	01	-
10.	Senator Taj Muhammad Afridi	03	00	-
11.	Senator Saeed Ghani*	00	03	-
12.	Senator Farhatullah Babar	03	00	-
13.	Senator Sherry Rehman	02	01	-
14.	Senator Col. (R) Syed Tahir Hussain Mashhadi	02	01	-
15.	Senator Nauman Wazir Khattak	00	03	-
16.	Senator Sirajul Haq	00	03	-
17.	Senator Mir Israrullah Khan Zehri	01	02	01
18.	Senator Kamil Ali Agha	02	01	-
19.	Senator Barrister Murtaza Wahab	00	00	-



4. Sitting hours of the Committee:



5. Visits of the Committee during the Period:

Sl. No.	Place of Visit	Purpose of Visit [Public Hearing/ Study/ Progress]	Dates of Visit
	No visit was conducted by the Committee during the period.		

6. Matters referred by the House or the Chairman (including pending issues):

Sl. No.	Referred Matters	Referred Date
	No matter was referred by the House or the Chairman during the period.	

7. Public Petitions Referred and Disposed:

Sl. No.	Number/ Subject of Public Petition	Date of Referral	Status of Petition	
			Disposed	Pending/ under Consideration
	No Public Petition was referred to the Committee during the period.			

8. Agenda Items of the Meetings:

1) Meeting held on 01-03-2017:

1. Consideration and adoption of report of Sub-Committee of the Special Committee on the Performance of PIA.
2. Consideration of the matter referred by the Senate during the sitting dated 15.02.2017 moved by Senator Syed Muzafar Hussain regarding the aircrafts obtained by PIA on wet lease from Turkey.
3. Consideration of the Calling Attention Notice moved by Senator Saleem Mandviwala, Senator Shahi Syed, Senator Mir Muhammad Yousuf Badini and Senator Muhammad Yousaf regarding the sale of PIA Airbus A-310 to a German Firm in violation of PPRA rules and referred by Senate during the sitting dated 15.02.2017 to Sub-Committee of the Special Committee on the Performance of PIA with the directions to report back in the next session of the Senate.
4. Comprehensive briefing and detailed report alongwith the action taken on the serious breach of Air Safety Rules and Regulations by boarding passengers more than seating capacity in PIA flight PK-743 (Karachi-Madina) on 20th January, 2017, as also reported in the Print and Electronic Media.

2) Meeting held on 18-05-2017:

- i. Progress report and implementing status on the report of the Sub-Committee of the Special Committee on the Performance of PIA, adopted by the House on 16th March, 2017.
- ii. Further consideration on the Calling Attention Notice moved by Senator Saleem Mandviwala, Senator Shahi Syed, Senator Mir Muhammad Yousuf Badini and Senator Muhammad Yousaf regarding the sale of PIA Airbus A-310 to a German Firm in violation of PPRA rules and referred by the Senate during the sitting dated 15.02.2017 to the Special Committee on the Performance of PIA.
- iii. Briefing and action taken by the PIA on the two incidents reported in the print and electronic media regarding the “Sleeping Pilot” during the PIA flight PK-785 on 26th April, 2017 and “PIA Pilot invited a Chinese lady passenger in the cockpit” during the flight PK-853 on 6th May, 2017, compromising the safety of passengers.

3) Meeting held on 06-07-2017:

- i. Further consideration on the Calling Attention Notice moved by Senator Saleem Mandviwala, Senator Shahi Syed, Senator Mir Muhammad Yousuf Badini and Senator Muhammad Yousaf regarding the sale of PIA Airbus A-310 to a German Firm in violation of PPRA rules and referred by the Senate during the sitting dated 15.02.2017 to the Special Committee on the Performance of PIA.
- ii. Progress report on the following two issues taken up in the last meeting of the Special Committee held on 18.05.2017:
 - i. “A pilot invited a Chinese lady passenger in the cockpit during the flight PK-853 on 6th May, 2017 as well as “Sleeping Pilot” during the PIA flight PK-785”.
- iii. Huge quantity of heroin seized from PIA plane at Heathrow London on 15th May, 2017. Briefing by Anti Narcotics Force, Airport Security Force and Custom departments alongwith the actions taken thereon to avoid such incidents in future.
- iv. Visit of the various departments of PIA.

9. Important Recommendations of the Committee:

1) Meeting held on 01-03-2017:

- i. The aircrafts have been obtained on short term wet lease for five months period as stop-gape arrangement in order to bride the capacity requirements, as such the Committee strongly recommended not to extend the lease period for such type of planes/aircrafts and replace these with a wide body aircrafts preferably on dry lease, in future.
- ii. If easily possible a business class having at-least eight seats may be introduced for the comfort of passengers travelling in these planes.

2) Meeting held on 18-05-2017:

- i. After a marathon discussions and deliberations took place amongst the Advisor to the Prime Minister on Aviation and Committee members regarding the question whether the recommendations of the Committee are binding upon the PIA being a Corporation registered under the Companies Act, the Committee decided to refer the matter to the hon'able Chairman Senate for guidance and decision into the matter.
- ii. While showing displeasure on the two incidents took place in PIA planes in which two pilots were involved, the Committee after having briefing from the PIA, asked the Secretary Aviation to furnish an interim report within week time to the Secretary Committee and also share the final report alongwith the actions taken thereon as and when investigations are complete.
- iii. The Committee after briefing and question/answer session in relation to the increasing incidents of smuggling of heroin through PIA flights particularly the recently seizure of 27 Kg heroin from the PIA plane PK-785 at Heathrow airport London, asked the Secretary Aviation/Chairman PIA to get all the relevant information and upto-date position from Pakistan High Commission, UK and submit a report to the Committee before the next meeting. The Committee also decided to invite the CAA, ASF and ANF officials in the next meeting to brief the Committee and apprise about the measures taken to stop such incidents in the future.

3) Meeting held on 06-07-2017:

- i. As regard the matter referred by the House in its sitting dated 15.02.2017 moved by four hon'able Senators in relation to the Sale of PIA Airbus A-310 to a German Firm,

the Committee observed that since no mover is present in the meeting, as such the matter may be differed till next meeting.

- ii. The PIA management in their briefing, informed the Committee that on both the incidents took place during the flights i.e. “Sleeping Pilot” and “Pilot invited a Chinese lady in the cockpit” while taking action, show cause notice to both the pilots were served immediately and the reply of both the pilots were found “un-satisfactory” . Accordingly under the rules an inquiry committee has been constituted to carryout in depth enquiry into both the matters and submit its report to the management in the 2nd week of July, 2017. The Committee advised the Secretary Aviation/Chairman PIA to submit report to the Secretary Committee immediately after the submission of inquiry report alongwith the actions taken thereon.

10. Sub-Committee Meetings:

Sl. No.	Details of Sub-Committee / Meetings held during the period	
1.	Date of Formation of the Sub-Committee with Composition:	<u>16.12.2016</u> i. Senator Syed Muzafar Hussain Shah, Convener ii. Senator Farhatullah Babar, Member iii. Senator Gen. (R) Abdul Qayyum, Member
2.	TORs /Agenda of the Sub-Committee:	<u>Terms of reference</u> 1. To realistically evaluate the present state of PIA including its financial, operational and administrative issues. 2. To identify the underlying reasons for its present deterioration in terms of its performance. 3. To recommend guidelines covering National Aviation Policy, governance, operational efficiency, maintenance, structural flaws and issues of Human Resource including politicization of the airline.
3.	Dates of Meetings held:	4 & 5 January, 2017
4.	Attendance of the Members:	i. Senator Syed Muzafar Hussain Shah, Convener

		<ul style="list-style-type: none"> ii. Senator Farhatullah Babar, Member iii. Senator Gen. (R) Abdul Qayyum, Member
<p>5. Important Recommendations made by the Sub-Committee:</p>		<ul style="list-style-type: none"> a) Immediately dissolve present Board of Directors (BoDs) on account of in efficiency and appoint new BoDs which include Civil Aviation Experts, Legal Experts, Ex-Director Generals Civil Aviation, Financial /Revenue wizards, HR professionals, renowned experienced PIA Ex-Chief Operating Officer/ Director Marketing, relevant security director of Civil Aviation and sitting Vice Chief of Air Staff as Ex-Officio member as was practice in the past. The board should elect its own chairman. The government should immediately post a permanent CEO. b) The board should only deal with conceptual aspects and broad policy matters and devolve operational and management authority to a permanent Chief Executive Officer who should have free hand in picking up his team of experts. Salary structure and privileges should be rationalized and approved by the Board. c) Board and the Chief Executive Officer must never entertain any political meddling and the CEO should have full powers of hiring and firing of employees based on merit and efficiency. d) CBA should restrict its activities only to the welfare of grade 1 to 4 employees, and Associations which have illegally assumed the role of CBA should be kept in their shoes and not allowed to black mail the management. e) PIACL should only deal with core operational issues and privatize services departments. f) The Government must constitute a Board of Financial Experts under the chairmanship of Ex-President of State Bank Dr. Ishrat Hussain to propose financial restructuring of PIA as they did for Steel Mill in 2002-2003. g) New board of directors should also evolve and approve a plan for manpower restructuring ensuring that

		<p>experienced technocrats /skilled manpower are retained as an asset.</p> <p>h) For revenue enhancement, the management must plan fleet expansion, network integrity, route rationalization, net work expansion, system automation, cargo revenue and ancillary revenue earning.</p> <p>i) Cost reduction should be ensured by creating a lean organization through financial discipline, debt restructuring, off loading aging fleet, contract renegotiation and automated crew roster.</p> <p>j) PIA should carryout a value chain analysis to determine loss making sectors so that appropriate decisions are taken.</p> <p>k) For improvement in services, management should take innovative steps like cabin crew up-gradation.</p> <p>l) Need immediately to carve out non essential departments like Hotels, Real Estate and Precision Engineering Complex (PEC) as first step.</p> <p>m) Besides, Aviation, Engineering and Technical Ground Standard (TGS), all other services including landing and handling of Cargo and Passengers and flight kitchen can be off loaded/out sourced on contract.</p> <p>n) PIACL must have a state of the art IT Section headed by a professional who should work on website, self check-in, on time booking and auto scheduling, cancellation and anything related to passengers. Hiring of the professionals should strictly be made on merit.</p> <p>o) Marketing and Sales departments should be separated and headed by a professional having vast experience in the respective fields.</p> <p>p) Ticketing and cargo, both national and international, may be outsourced after conducting proper feasibility studies.</p> <p>q) Inventory management system needs to be computerized.</p> <p>r) Only Flight Operation and Safety Departments may be headed by the Pilots.</p>
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		<p>s) Absence of reciprocity in the Air Services Agreements, particularly the aggressive onslaught of Middle East3 against PIA, has impacted adversely on the airlines viability.</p> <p>t) Legislation is needed to prevent capacity dumping to stop price war.</p> <p>u) Need for drawing up of a structured training program for pilots and flight crews.</p> <p>v) Consider involvement of private sector in the Maintenance, Repair and Overhaul (MRO) functions.</p> <p>w) For increasing revenues the following measures need to be seriously considered:</p> <ul style="list-style-type: none"> ❖ Code sharing with other airlines. ❖ Allowing risk free chartered flights like Rayyan Airlines in the past operating between Islamabad-Kashghar-Islamabad and onwards to UAE. ❖ Revamping the existing reservation system. The existing system of reservation has been described as too costly, unsafe and a black hole in the profit/loss of PIA. ❖ Need for effective monitoring of spares inventory by introducing computerized inventory management system. ❖ The losses posted by Precision Engineering Complex (PEC) should not be reflected in the balance sheet of PIA. The rightful place for Precision Engineering Complex (PEC) is the Ministry of Defence Production. ❖ Revisit and streamline the procedure for emergency purchase of spares under the rubric of AoG (Aircraft on Ground).
6.	Date of completion of tenure of the Sub-Committee:	04-03-2017
7.	Date of Submission of report to the Special Committee:	01-03-2017
8.	Report of the Sub-Committee, if presented, in the House as Special Report of the main Committee (if so, the date of presentation.	09-03-2017

9.	Matters referred to the Sub-Committee	-
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11. Recommendations of the Committee requiring statement by the Minister in the House under rule 265(A) of the RPCBS, 2012:

Sl. No.	Name of the Report	Recommendations	Reported Date
		Nil	

12. Reports tabled in the House:

Sl. No.	Reported Matters	Reported Date
1.	Second Interim Report of the Special Committee was presented in the House.	09-03-2017
2.	On the matter pertaining to the aircrafts obtained by PIA on wet lease from Turkey as pointed out by Senator Syed Muzafar Hussain Shah and referred by House in its sitting dated 15.02.2017	09-03-2017

13. Reports adopted by the House:

Sl. No.	Adopted Matters	Adopted Date
1.	Second Interim Report of the Special Committee on the Performance of PIA was presented in the House on 09.03.2017 and the same was after discussion adopted by the House.	16-03-2017