

26 May 26, 2011

Mr. Anthony Wing
General Manager
Transport and General Practices Oversight
ACCC
GPO Box 520
MELBOURNE VIC 3001

By email: transport@accc.gov.au

Dear Mr. Wing.

Louis Dreyfus Commodities Australia Pty Ltd submission on the proposed Co-Operative Bulk Handling Limited Port Terminal Services Undertaking.

Louis Dreyfus Commodities Australia Pty Ltd (**LDC**) appreciates the opportunity to provide a submission to the ACCC in respect of the proposed port terminal services undertaking.

Access Undertakings – Common Principles

Louis Dreyfus Commodities Australia Pty Ltd submits that the following principles should be common to all Access Undertakings for the provision of Port Terminal Services.

- 1) The standard Port Terminal Service offering(s) provided by the BHC should be made under the same terms and conditions for all Users.

BHC should not be able to specify eligibility criteria, particularly subjective criteria, by which they discriminate between Users in determining access to standard Port Terminal Service offerings or programs.

- 2) Where demand for Port Terminal Services exceeds supply in any given period, price should be the determinant of capacity allocation.

In this respect, LDC is supportive of Auctions to allocate capacity where demand exceeds the quantity of capacity available in any given period. Where demand is less than the supply of capacity in any given period a first come first served method of allocating spare capacity is appropriate. In order to determine whether the demand for capacity exceeds the supply, the auction should be held first.

- 3) Capacity for the Port Terminal Service should be expressed in metric tonnes of product to be shipped at the port per calendar month.

Where the BHC does not specify a capacity for the Port, capacity should be determined as not less than 80% of the highest quantity of grain loaded to vessels in any month during the past 3 years of operations.

- 4) Where the BHC offers a bundled service incorporating logistics for the delivery of grain to port and Port Terminal Services, the BHC should be required to offer as part of the bundled service a commercially acceptable vessel load rate and demurrage and despatch payments at rates relevant to the prevailing market rates for daily vessel hire.
- 5) Shipping slots should be transferrable as between
 - a) Users – so long as between users holding a current Port Terminal Services Agreement with the BHC.
 - b) Ports – so long as spare capacity is available.
 - c) Time periods – so long as spare capacity is available in the period to which the User requests that the slot be moved.
 - d) Grains

LDC has used the principles listed above to inform its position in relation to the submissions provided to the ACCC.

Please find attached our response to the ACCC Issues Paper, and our submission in respect of Base Load Capacity.

Should you require any clarification on the information we have provided please contact the undersigned.

Yours sincerely,



Alick Osborne
Managing Director