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23rd April 2004.

The General Manager  
Adjudication Branch  
Australian Competition & Consumer Commission  
PO Box 1199  
Dickson ACT 2602

Ref: C2004/479 Exclusive dealing notification lodged by the Confederation of Australian Motor Sports Limited (N40702)

Please find below my views on the issues raised in your letter of 8th April 2004.

1) What are the benefits of competing in Australian Rally Championship events if a racing competitor can not accrue championship points?

This is entirely dependent on the circumstances of the individual competitor. One who is contesting the entire series with the resources and budget to win would find it essential to be able to score points; however many competitors only do their home state event with no aim to win the series and for them scoring points is irrelevant. Similarly there are many competitors who simply compete for personal enjoyment and rarely place in the top twenty or thirty.

2) CAMS claims that the cost of Elf WRF fuel is at the median price for fuel of this type.

This is correct. Our team was using fuel that was \$2.00 per litre more expensive than WRF and we have heard of some brands a little cheaper. However it is important to note the cheaper brands did not meet the requirements of our engines when tuned for maximum performance.

3) How do different motor fuels impact on a competitor's ability to compete? Serious teams contesting the Australian Rally Championship will exploit whatever performance advantage that can be gained and special fuel is one of those areas. That desire for performance does have to be balanced with reliability and a high quality, consistent grade performance fuel is difficult to find. Elf WRF is such a fuel. If it was not the agreed fuel for the series then competitors would be continually on a search for more performance and that experimentation would lead to a degree of engine failure. It seems fair to have a well-regarded, high performance fuel that everyone uses and not be blowing engines up.

4) Reduction of entry fees due to Elf meeting costs of medical support.

The Australian Rally Championship has provided world-class rescue and medical facilities at the series events but the cost has been borne by the event organisers and passed on to competitors via the entry fee. The event organisers will no longer need to charge competitors for this service and have agreed to maximise the savings in entry fee reductions.

5) Reduction in expense and testing time as a result of one fuel being used by all competitors.

Again, this depends on the individual. Top teams contesting the series already have restrictions on their general testing time by CAMS to save costs. Nonetheless, serious competitors will test as much as possible and the cost of fuel is not a significant factor in overall testing of all vehicle systems. However the specific expense and testing of different fuels and the mapping of engine management systems is very expensive and it is this area that a huge potential saving is possible by having one designated fuel. Furthermore fuel testing and experimentation usually results in some engine failure. For amateur competitors who do not comprehensively test their vehicles the circumstances are obviously quite different and because they don't test, they won't save!

6) Quality and safety of Elf WRF compared to other brands.

Elf WRF is 'world rally fuel (W-R-F) and was developed for the World Rally Championship as a single fuel for all competitors. It is of consistently high quality and delivered in sealed systems. It has been used for many years all over the world as a high performance fuel that offers outstanding engine protection. Other brands may be compliant but they do not have the proven performance nor have they offered to support the medical and rescue services. We can simply run our cars on Elf WRF as the serious teams have had to tune their cars for this fuel for international events. For any other brand we would have to embark on an expensive and intensive engine tuning program. One engine failure is more expensive than the entire season cost of Elf WRF.

Ed Ordynski.