

Gilbert, Jewel

From: Michael Nicolai [m.nicolai@ausbulk.com.au]
Sent: Friday, 1 October 2004 11:41 AM
To: Adjudication
Cc: Ashley Roff
Subject: Request for Interim Authorisation - AWB / Graincorp Proposed Joint Venture

Dear Mr Grimwade,

As you are no doubt aware, ABB Grain Ltd and AusBulk Ltd have just this week merged their operations and corporate structures. Each of ABB and AusBulk have had concerns relating to the proposed joint venture between AWB Ltd and Graincorp Ltd in relation to supply chain services in QLD, NSW and Victoria. In the case of ABB a submission in relation to certain of those matters was lodged with the Commission on 8th July 2004.

It is the intention of the merged ABB Grain Ltd to make a further submission in relation to the formal authorisation process announced this week. In the meantime, however, we are extremely concerned at the prospect of an interim authorisation before parties have had the opportunity to respond, particularly in light of the publication of new documents such as the detailed submission by the proposed joint venturers to the Commission and the Joint venture Agreement between AWB and Graincorp.

In brief, the issues which are of major concern to ABB include:

- Fair, competitive access to port services in accordance with established industry and maritime experience and practice.
- Fair and reasonable access by ABB to scarce rail rolling stock resources in competition with the unprecedented power of the proposed joint venture.
- The perceived inability of Graincorp systems to "ring fence" information for confidentiality purposes.
- As a 50% owner of Australian Bulk Alliance, the involvement of ABA's major competitor in the coordination of supply chain services, grain allocation and optimization, cargo allocation etc for ABA's major customer, AWB.

While we understand the desire of the proposed joint venturers to expedite the joint venture, it is submitted that the above issues potentially have major ramifications for ABB's operations in the eastern states of Australia.

In our view, interim authorisation would provide de facto approval to proceed with the establishment of contractual and other arrangements which may well impinge on the level of effective competition within the eastern state markets for the provision of storage and handling, shipping and marketing services.

Yours sincerely,

1/10/2004

Michael Nicolai
Senior Advisor Integration

Regards,
Michael Nicolai
Senior Advisor Integration

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