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Our Ref:

C2005/546, C2005/597

Contact Officer: Cameron Martin

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Mr Eddie Scuderi Partner Corrs Chambers Westgarth Lawyers Waterfront Place 1 Eagle Street BRISBANE QLD 4000

Dear Mr Scuderi

CSR Building Products Ltd application for authorisations A90964 and A90965 - request for interim authorisation

I refer to the applications for authorisation A90964 and A90965 lodged with the Australian Competition and Consumer Commission (the ACCC) by CSR Building Products Ltd (CSR) on 29 March and 1 April 2005 respectively.

In broad terms, these arrangements seek to allow owner-drivers providing cartage services (in relation to quarry materials, bricks, pavers, blocks, pallets, and related products) to CSR to collectively negotiate the terms and conditions of their contracts with CSR.

You would recall that, as part of these applications, CSR requested that the ACCC grant interim authorisation to the negotiation aspects of the arrangements. If granted interim authorisation would allow CSR and its owner drivers to commence the collective negotiation of contracts while the ACCC considered the merits of the substantive application.

ACCC considerations

The ACCC has considered the request for interim authorisation and has decided to grant interim authorisation until it issues a determination in this matter (unless circumstances warrant revocation or amendment of the interim authorisation at an earlier stage).



Interim authorisation is granted for CSR to begin negotiations with the two groups of owner-drivers identified in the applications on condition that negotiations are not finalised.

In assessing the request for interim authorisation the ACCC considered that the potential for the market to be permanently altered by the proposed interim arrangements is likely to be mitigated by factors such as the relatively small number of participants, the fact that the arrangements apply to a single firm and that interim authorisation is sought only to begin the negotiation process and not to give effect to contracts.

Please be advised that the ACCC's decision in relation to interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted by the ACCC.

Next steps

For your information, the next step in the process is for the ACCC to release a draft determination which will take account of any submissions from CSR and interested parties and will indicate the ACCC's preliminary views on the merits of the application. The ACCC will provide both CSR and interested parties with the opportunity to provide a further submission on the draft determination before the ACCC issues its final decision.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Cameron Martin on 02 6243 1107.

Yours sincerely

Scott Gregson

A/g General Manager

Adjudication Branch