



**Idemitsu Australia Resources Pty Ltd**  
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5 December, 2008

Dr Richard Chadwick  
General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
23 Marcus Clarke Street  
CANBERRA ACT 2601

Attention Mr David Hatfield and Ms Jaime Martin

Dear Dr Chadwick

Port Waratah Coal Services Limited (PWCS) and Newcastle Coal Infrastructure Group Pty Limited (NCIG) – Application for authorisation under sections 88 (1) and 88 (7) for the provision of coal loading services at the Port of Newcastle

Idemitsu Australia Resources Pty Limited (Idemitsu) owns and manages coal mines in the Hunter Valley at Muswellbrook and Boggabri. Idemitsu is not a shareholder in NCIG, has no entitlement to the coal handling services to be provided by the NCIG terminal and has virtually no influence in PWCS.

Idemitsu supports interim authorisation of the PWCS Tonnage Allocation Stage 1, as described in the supporting Submission to the Application for authorisation. These arrangements will have the benefit of preventing or minimising an excessive vessel queue and the associated demurrage costs which would otherwise be likely to occur once the current Capacity Balancing System is no longer authorised.

Idemitsu also supports the development of a long term solution to manage access and capacity expansion for coal terminals at the Port of Newcastle. A lot of work has been done on the long term solution and this work should be allowed to be completed in a stable shipping environment that the interim authorisation would allow.

Idemitsu is concerned, however, to have the opportunity to make submissions to the ACCC concerning the Long Term Access Protocols, once they are developed. Until the Protocols are in final form a proper assessment of their benefits and detriments can not be made. Idemitsu is, for example, currently concerned that the Protocols must contain effective incentives for the terminal operators to expand capacity and effective penalties to deter them from failing to do so.



Please confirm that we will be given the opportunity to make submissions concerning the Long Term Access Protocols.

Please do not hesitate to contact me if you require further information in relation to any of these issues.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Masayoshi Iio', written over a horizontal line.

Masayoshi Iio

Managing Director

Idemitsu Australia Resources Pty Ltd