



Mr Scott Gregson
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

21 December 2007

Dear Mr Gregson

Newcastle Port Corporation – applications for authorisation A91072-A91074 – interested party consultation

We refer to your letter of 4 December 2007, Anglo's letter of 11 December 2007 and the applications for authorisation A91072-A91074 received by the Australian Competition and Consumer Commission (ACCC) from Newcastle Port Corporation (NPC).

Interim authorisation

1. In our letter of 11 December 2007, Anglo supported NPC's applications for interim authorisation of the Proposed System.
2. In that respect, Anglo notes that the ACCC informed producers yesterday that it has granted interim authorisation to the applications from NPC and Donaldson Coal Pty Limited.
3. Anglo understands that the majority of producers support commencement of NPC's Proposed System at 1 January 2008. Given this majority consensus, together with the ACCC's grant of interim authorisation, Anglo considers it imperative that all producers and service providers work cooperatively to implement NPC's Proposed System at 1 January 2008 to avoid the reformation of a more lengthy queue at the Port of Newcastle.

Final authorisation

4. Anglo repeats and relies on its submission in respect of the applications for interim authorisation of 11 December 2007 in respect of the applications for final authorisation. In particular, Anglo supports authorisation of NPC's applications on the following grounds.

Key submissions in support of granting final authorisation

5. The Proposed System is consistent with the Capacity Balancing System (CBS) that is currently in place. Producers, have been operating mines, planning production

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and entering into coal supply contracts based on what they understood was their port capacity allocation and their ability to ship coal under the CBS.

6. The CBS has resulted in an improvement in vessel queues since its implementation.
7. The CBS should continue to be implemented to seek to achieve the improvement in vessel queues which, to some degree, has been achieved under the CBS in 2007.
8. It is imperative that there be a system to moderate the imbalance between the demand for coal loading services at the Port of Newcastle and the capacity of the Hunter Valley Coal Chain.
9. Anglo does not support what appears to be a very significant change from the current CBS system as proposed by Pacific National (NSW) Pty Ltd, Port Waratah Coal Services and QR Limited under the Vessel Queue Management System, for the reasons outlined in its submission dated 12 December 2007 in respect of those applications for authorisation.
10. In summary, Anglo supports the status quo on the basis that it, effectively, provides for continuation of the CBS beyond 31 December 2007 and provides the opportunity for the CBS to continue to seek to achieve the improvements in vessel queues which have occurred in 2007.

Yours faithfully



Angela Kennedy
Company Secretary/Corporate Counsel
Anglo Coal Australia Pty Ltd