

The General Manager,
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra, ACT 2601
Facsimile 02 6243 1211

6th August 2010

Dear Sir

ACCC Draft Determination on North West Shelf Partners application for Joint Marketing Authorisation

Thank you for the opportunity to provide comments on the Draft Determination for the North West Shelf Partners (NWSG) joint marketing submission.

In Rio Tinto Iron Ore's (RTIO) original submission, dated 3rd May 2010, RTIO made the following points:-

1. RTIO believes that the market regulatory structure for domestic gas supply in Western Australia should ensure the continued availability of secure supplies;
2. RTIO supports full competition and, in principle, is opposed to joint marketing of gas; and
3. RTIO would, however, be deeply concerned if the ACCC's decision making process caused a protracted delay or deferment of the marketing of gas by the North West Shelf Project Partners, given the lack of diversity and flexibility in the current market place.

With these key points in mind, and having now reviewed the Draft Determination, RTIO would welcome the inclusion of the following two items in the final review:-

1. the criteria that will be generally applied by the ACCC in considering applications for authorisation for joint marketing by WA domgas greenfield and existing projects such that customers are better able to judge whether joint marketing is likely to be approved or rejected; and
2. Provision of additional advance notice of the outcome from the next review thereby providing market participants with more certainty and allowing additional time to put alternative processes in place, assuming the NWSG joint marketing arrangements are to be unwound in the future.

RTIO also believes that the duration and timing restrictions imposed in this determination could have unexpected negative consequences on the market due to their coincidence with other major projects. Rio Tinto requests that the ACCC consider the revisions below to the current determination.

1. The Draft Determination proposes a five year cap on the length of new domgas contracts. It is RTIO's view that there should be no cap on the length of new domgas contracts. The seller and the buyer should have the full flexibility to negotiate the contract length, with the open knowledge that there will be new Greenfield projects commencing, as well as a ACCC review of the joint marketing arrangements, later in the decade; and
2. In regards to the Draft Determination's proposed length of the authorisation, RTIO is uncomfortable with the length of duration and would like to recommend that this timing is brought forward by two years, to 31 December 2013.

Thank you again for the opportunity to comment on the Draft Determination.

Yours sincerely



Andrew Drayton
General Manager – Operations Australia West