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MARS/PRISM:

Minister for Transport; Disability Services**Hon. Simon O'Brien MLC**

Our ref: 29-14460

URGENT**MINISTERIAL****15 JUL 2010**

Mr Graeme Samuel
Chairman
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Dear Mr Samuel

ACCC review into the Grain Express notification for exemption

Due to the Hon Simon O'Brien MLC, Minister for Transport's absence from office at this time, I have been asked to confirm on his behalf the Western Australian (WA) Government's support for the continuation of the Grain Express system as it currently operates. Since its commencement it has undoubtedly benefited the grain industry in WA through the provision of improved services and lower costs to growers. It is our view that Grain Express promotes the efficient and complimentary use of the land transport modes for the handling of the export grain task in WA.

This support is based on the continuation of the factors outlined below as originally established. However, please note in point three it was previously indicated that recourse would be made to an economic regulator we believe that this should be the ACCC as now indicated.

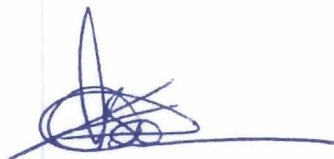
The original factors were:

- There will be no discrimination (in price or service) between customers of CBH with respect to grain handling and transport.
- The supply chain coordination function will be implemented within the Strategic Grain Network Committee (or other approved) process with the participation of the Government, grain marketers and grain growers.
- In the event of dissatisfaction expressed by a client and not satisfactorily accommodated by those involved in the supply chain coordination, recourse should be made to the ACCC.

- New entrants are to be free to avail themselves of CBH services or not, but will be required to contribute towards the fixed costs of the land transport, storage and handling network, that is, they should contribute to infrastructure provision.

If you have any further clarification, please contact my office.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Keetha Wilkinson', with a long horizontal line extending to the right.

**KEETHA WILKINSON
A/CHIEF OF STAFF**