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12 July 2011

Victorian Container Management Pty Ltd
Ms Cheryl Valneris
Director
Mailbox 7, 433 Somerville Road,
Tottenham VIC 3012

Dear Ms Valneris

**Empty Container Parks Exclusive Dealing Notifications N95450 - N95456
- Interested party consultation**

I refer to the above mentioned notifications lodged with the Australian Competition and Consumer Commission (the ACCC) on 24 June 2011.

As you are aware, on 29 June 2011, the ACCC wrote to interested parties seeking submissions in relation to the applications. The ACCC requested submissions be provided by 8 July 2011.

Prior to lodgement of these notifications (N95450 – N95456), the ACCC received a notification on 25 May 2011 (N95413) proposing a similar arrangement with Containerchain Pty Ltd (Containerchain).

The ACCC has received submissions from the following interested parties with respect to notifications N95413, and/or N95450 – N95456:

- Melbourne Reefer Services
- Chalmers Industries
- Victorian Container Management Pty Ltd
- Melbourne Container Park
- Transaction Produce Pty Ltd
- Containerchain Pty Ltd
- Port of Melbourne Corporation
- Dunns Transport

- KP Group
- Canny Carrying Co
- Secon Carriers Pty Ltd
- Victorian Transport Association
- Sunace
- Victoria Police
- IWD Pty Ltd
- Customs Brokers & Forwarders Council of Australia Inc.
- Toll Transport Pty Ltd
- Shipping Australia

A copy of these submissions are posted on the ACCC internet site at www.accc.gov.au/ExclusiveDealingRegister.

If you wish to comment on any of the submissions, please do so by **cob 22 July 2011**. Alternatively, if you would like to provide comments orally, please contact the ACCC to organise an appropriate time.

In particular the ACCC invites you to respond to the following issues raised through the consultation process:

1. What is the anticipated impact of the Containerchain system on ECPs' capacity?
 - a. Will there be any change in the number of container drop-offs/collections from the current system?
 - b. What impact is anticipated across the industry more broadly, including the number of trucks on the road, queues, congestion?
 - c. Is it likely that transport operators will be required to double handle containers and store containers at their own depots due to a loss of flexibility in their dealings with ECPs? If not, why not?
2. Several interested parties suggest that extending ECP operating hours would be a more cost effective solution for dealing with queues and congestion issues than the proposed implementation of the Containerchain system.
 - a. What is your view on this?
 - b. What other mechanisms or solutions (if any) have been considered/trialled? For example, web cams, email alerts etc.
 - c. If relevant, what has been your experience in trialling other mechanisms/solutions?
3. The Form G notification states that transport operators will be required to pre-book space via the Containerchain website while Attachment A to the notification/s refer to the implementation of a 'time slotting' service.
 - a. Have you considered introducing a simple notification system?

- b. What would be the differences in cost and effectiveness between a notification system and a time-slot system in addressing current issues experienced by ECPs at the Port of Melbourne?
4. A number of submissions have suggested that transport operators do not currently have a commercial relationship with ECPs and that it would be more appropriate for Containerchain fees to be negotiated between ECPs and shipping lines.
 - a. Would such a structure be feasible?
 - b. Why have the arrangements been set up for transport operators to pay the Containerchain fees when generally it is shipping lines that determine which ECP the transport operator will attend?
5. A number of submissions refer to a potential Memorandum of Understanding (MOU) between the Victorian Transport Association Inc., Victorian Container Park Association and Containerchain Pty Ltd. What is the status of any such MOU and does/will it have any impact on the conduct notified?
6. How much will the implementation of the Containerchain system cost for an ECP?
 - a. What additional obligations (if any) are placed on the ECP?
 - b. What effect will the Containerchain system have on an ECP's costs?
 - c. How much additional revenue will the ECP receive as a result of implementing the Containerchain system?

These notifications will be considered along with the broader conduct notified to the ACCC. For this reason, an assessment of all empty container park notifications is not expected to be completed until August 2011.

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 Anna Giannakos on (03) 9290 6920 or by email at anna.giannakos@accc.gov.au

Yours sincerely



David Hatfield
Acting General Manager
Adjudication Branch