



Our Ref:

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The Hon Warren Truss, MP Minister for Transport and Regional Services Parliament House CANBERRA ACT 2600

Dear Minister

I refer to my letter dated 28 October 2005 in which I informed you of the ACCC's decision to hold an investigation pursuant to Part X s 10.48(2) of the Trade Practices Act 1974 (the Act). Later, I forwarded to you, with my letter of 21 December 2005, a copy of the ACCC's draft report on the investigation. The ACCC subsequently released the draft report and invited submissions in response from interested parties.

The ACCC's investigation is into a complaint by the designated peak shipper body, the Australian Peak Shippers Association, that an association of international liner cargo shipping companies, the Australia to Europe Liner Association (AELA), had refused to provide certain information to APSA for the purposes of negotiation of outwards Origin Terminal Handling Charges (OTHCs), in contravention of s 10.41 of the Act.

After the release of the draft report, it was publicly reported that the AELA conference 'Agreement' would terminate with effect from 14 March 2006. The conference lines' secretariat, Shipping Australia Limited, has confirmed since then that the AELA Constitution would terminate with effect from that date.

To better inform you in making a decision as to whether or not to exercise your power to give a direction under s 10.44(1) of the Act in relation to the registration of the relevant conference agreement, the ACCC has decided to address in its final report the dissolution of the conference agreement and any implications that that may have for your decision.

The ACCC has also decided to broaden the scope of the investigation to address whether the members of the AELA had contravened ss 10.41(1)(b) and 10.41(2) of the Act. The draft report assessed whether the members of AELA had contravened only s 10.41(1)(b) of the Act. The decision to broaden the scope of the investigation was made after reviewing the information provided by APSA and



AELA dating from the initial complaint and subsequently, and after consultation with the AELA.

The ACCC is moving to complete its investigation and report expeditiously.

Should your officers have any queries in relation to the investigation, Ms Margaret Arblaster, General Manager of the Transport and Prices Oversight Branch, on (03) 9290 1862, would be pleased to assist.

Yours sincerely

Graeme Samuel Chairman