



**El Zorro Transport Pty Ltd**  
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Thursday, 5 February 2009

Paul Hollitt  
Property and Access Manager  
Genesee Wyoming Australia

Paul,

**RE: Access to the Pinnaroo line.**

Thank-you for your letter dated 13 November 2008 regarding track access pricing for the Pinnaroo line.

We have considered the access rates on offer and would like to make the following comment:

1. The access rate is far in excess of rates levied on all other networks which El Zorro operates.

For example, the same train (3 locos & 40 wagons, tare weight 1,200 tonnes) moving the same net tonnes (2,200 tonnes) the same distance (145 km each way) would result in the following access charges:

- a. V/line \$ 6,224 (subject to a rebate payable direct to the customer)
  - b. ARTC \$ 2,482 (Melbourne Adelaide corridor)
  - c. NSW \$ 2,317 (based on most expensive Hunter Valley rates)
  - d. GWA..\$59,400
2. As a result of the difference in access charging per point 1, the rates I would have to charge to our customer for operating on the Pinnaroo line are not commercially viable and it would be far cheaper for them to use other transport modes.
  3. The rates are conditional in that they may vary depending on leakage to the Victorian broad gauge, road transport and any other variation to total tonnage transported on the corridor.
  4. There are operating conditions and uncertainty around access to the line which may add additional cost to our operation on this line.



5. There are potential additional costs with regard to access to Tailem Bend or Dry Creek yard.
6. There are additional costs for pilot/crew training and we do not have any certainty over availability of these services.

As a result of the rate structure offered by GWA, we have no choice, but to withdraw our application for access to the Pinnaroo line. Unless advised otherwise by GWA, we will consider your letter of offer on 13 November to be final.

Please contact me if you would like to discuss further.

Regards

Paul Ellul  
Commercial Manager  
El Zorro Transport Pty Ltd