



BHP Billiton Mitsubishi Alliance

7 July 2014

Dr Malcolm Roberts and Ms Tania Homan
Chairman and Director – Rail
Queensland Competition Authority
Level 27
145 Ann Street
BRISBANE QLD 4000

QCA SUFA Position Paper

Dear Dr Roberts and Ms Homan

We refer to the Standard User Funding Agreement (**SUFA**) Position Paper (**Position Paper**) published by the Queensland Competition Authority (**QCA**) in May 2014.

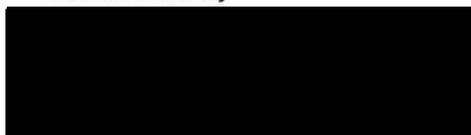
BMA has been an active participant in the Queensland Resources Council's (**QRC**) SUFA working group and has contributed to the QRC's submission on the SUFA Position Paper. BMA supports the QRC's submission on the SUFA Position Paper and believes that the changes to SUFA proposed in the QCA Position Paper improve the workability and bankability of SUFA.

BMA is, however, also of the view that a more critical issue facing coal producers in Queensland at this time is urgently improving the overall global competitive position of the Queensland coal sector. Accordingly BMA believes that the principal focus of all parties involved in the UT4 process should be on ensuring that the operating and maintenance costs of rail infrastructure are efficiently and transparently scoped, costed and delivered.

BMA confirms that this letter can be made public.

Should you require any further information or discussion on any aspect of this letter, please feel free to contact Alistair Baben der Erde at 07 3329 2507.

Yours sincerely



Geoff Streeton
Head of Business Development
BMA