

E 1 JUN 2010

DATE RECEIVED



Michael Carter
Executive General Manager

Mr John Hall
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Mr Hall

Extension of QR Network's 2008 Access Undertaking

QR Network's 2008 Access Undertaking (2008AU) is due to expire on 30 June 2010. QR Network proposes to extend the term of the 2008AU to 30 June 2011 in order to provide an effective transition to approval of QR Network's 2010 Draft Access Undertaking (2010DAU) which is currently subject to an investigation by the Queensland Competition Authority (QCA).

The QCA released its draft decision on pricing matters for the 2010DAU (including Reference Tariffs and Schedule F) on 2 June 2010.

The 2008AU is being extended to 30 June 2011 to:

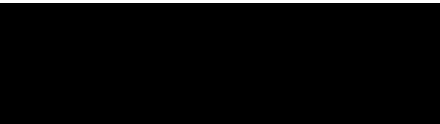
- Reflect the draft decision on pricing matters to enable the retrospective recovery of reference tariffs for the 2009-10 financial year and the inclusion of reference tariffs in access agreements for the 2010-11 year; and
- Provide regulatory coverage of train services in Queensland following the separation of the narrow gauge network between QR National and Queensland Rail. This separation is effective from 1 July 2010.

The Queensland Government will issue a Transfer Notice pursuant to the *Infrastructure Investment (Asset Restructuring and Disposal) Act 2009* making Queensland Rail a party to and specifying its obligations with respect to the 2008AU. Queensland Rail will be required to prepare and submit its specific Draft Access Undertaking prior to expiry of the 2008AU on 30 June 2011.

The 2008AU will terminate with respect to QR Network when the 2010DAU is finalised. We anticipate this to occur in August 2010.

Please find enclosed QR Network's proposed extension of the 2008AU (in clean and mark up versions) and the supporting financial model.

Yours sincerely,



Michael Carter
Executive General Manager
QR Network Pty Ltd

10 June 2010