



21 August 2008

Hon Dr Michael Cullen  
Minister of Finance  
Parliament Buildings  
Wellington

Dear Minister

I attach papers outlining the key issues facing the rail industry as requested in your letter of 3 July 2008 to the Boards of ONTRACK and KiwiRail Holdings Ltd.

Given the time available, we have not provided a comprehensive paper on pricing issues as we believe that further work is required before a credible strategy can be discussed with Shareholding Ministers.

Chris Mackenzie and Brian Roche have met with most of the major customers who use rail as well as with the Auckland and Wellington regional councils. We have incorporated suggestions from those stakeholders in these papers, and drafts of these papers have been discussed with representatives of the Boards of both organisations.

All members of the RDG, being Chris, Brian and myself, fully endorse the recommendations contained in the papers.

We would appreciate the opportunity to have a meeting with yourself and the Ministers of Transport and SOE's to discuss these papers.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jim Bolger". The signature is fluid and cursive, with a large initial "J" and "B".

Jim Bolger ONZ  
Chair  
KiwiRail Holdings Ltd