



MINUTE: MEETING WITH LIBERTY ONESTEEL

Review 465

Review of anti-dumping measures applying to hot rolled structural steel sections exported to Australia from the Republic of Korea

17 May 2018

ATTENDEES:

Liberty OneSteel

Anti-Dumping Commission

Justin Wickes, Director, Investigations 2

Belinda Robilliard, Assistant Director,
Investigations 3

Jeremy Latcham, Investigator, Investigations 3

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1. The Anti-Dumping Commission (Commission) met with representatives of Liberty OneSteel (OneSteel) on 17 May 2018. OneSteel gave a presentation at the meeting.

Prior to the commencement of the presentation:

2. OneSteel agreed to provide a non-confidential version of the presentation shown to the Commission.
3. The Commission informed OneSteel that the non-confidential version of the presentation, and a file note, would be uploaded to the Commission's electronic public record (EPR).
4. OneSteel stated that there is too much redacted information in the response to the exporter questionnaire regarding Hyundai Steel Co. (Hyundai) and that the Commissioner should indicate, in accordance with s 269ZJ(5)(b) of the

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Act,¹ that he disagrees with the exporter's claims of confidentiality in order to procure a summary of the information, in accordance with the Standard required by s 269ZJ(2) in the Act.

During and following the presentation:

5. OneSteel noted that structural steel sections produced to the Australian Standard are designated according to their yield strength as this is the property on which the design codes are primarily based.
6. OneSteel noted that 300 MPa is the minimum (nominal depending on section thickness) yield strength for product meeting G300 grading under the Australian Standards. Chemical element requirements for weldability are a further important consideration in product selection or comparison of Standard grades.
7. OneSteel stated that, in terms of factors being considered for model matching, grade should be defined by the Standard to which product has been produced and certified (as indicated on the test certificate), rather than assessing test results on a test certificate to decide which Standard's specifications those specific results for an individual batch will meet.
8. Noting the difference between testing certificate results and Standard-defined product grades, OneSteel noted the practice of 'up-grading', whereby the test results for an individual product batch are used to indicate that the batch has certain characteristics (e.g., yield strength) surpassing the criteria necessary for its product grade (this is in essence what test results required to meet minimum Standard requirements are supposed to do). Up-grading leads to assertions that certain product, certified to have been produced to a given Standard grade, is suitable or equivalent to be used as higher-grade product in the marketplace.
9. OneSteel referred to a presentation by David Schonfield of UQ Materials Performance titled 'Structural Steel — Are You Getting What You Need?'. This presentation was held in October 2015 and describes disadvantages of grading by test certificate batch testing results and up-grading.
10. OneSteel indicated that the Commission dealt with product grading issues incorrectly in Investigation 223 (the original investigation relevant to Review 465). OneSteel indicated that Investigation 223's analysis incorrectly focused on comparing mill test certificate results where Standards would be a more appropriate source for price comparison between the goods under consideration and like goods. Tensile test results were selected by Hyundai Steel Co as the basis for model match comparison.
11. OneSteel noted specific examples of differences in criteria between an Australian Standard (AS/NZS 3679:2010 Grade 300) and a Korean Standard (KS D 3503, 3515, Grades SS400 and SM400A/B). OneSteel suggested that Grade SM490A would be a closer match to the G300 Australian Standard grade as grade SS400 and grades SM400A/B do not meet the minimum requirements for G300 in terms of Standard specifications for yield strength, chemistry or tensile strength.

¹ All references to the Act in this document are to the *Customs Act 1901*.

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12. OneSteel submitted that grading Standards be used for price comparability instead of test certificate results. OneSteel indicated that grade properties defined by Standards are the basis on which structural steel sections are purchased for specific construction purposes.
13. OneSteel noted that, assuming a transaction were at arm's length, a commercial invoice would correctly reflect the Standard issued to product.
14. OneSteel stated that it would like further disclosure about how the Commission performed model matching in its published reports. Specifically, OneSteel noted it had difficulty understanding why date of sale was made confidential in Investigation 223. OneSteel also queried Hyundai's methodology in allocating certain costs alluded to in its response to the exporter questionnaire, where these costs were described in more detail in confidential attachments.