

OneSteel Australian Tube Mills Pty Ltd
ABN 21 123 666 679

Level 40, 259 George St, Sydney NSW 2000
GPO Box 536, Sydney NSW 2000, Australia

P 02 9239 6666
F 02 9251 3042



19th April 2013

Ms Joanne Reid
Director Operations 2
International Trade Remedies Branch
Australian Customs and Border Protection Service
5 Constitution Avenue
CANBERRA ACT 2601

Received
19 April 2013

Public Version

Dear Joanne,

Alleged Dumping of Zinc Coated (Galvanised) Steel and Aluminium Zinc Coated Steel Exported from the People's Republic of China, the Republic of Korea and Taiwan

This submission is made in response to the applicants submission dated the 10th April 2013 that refers to TC1243148 and [commercially sensitive information] BlueScope and OneSteel ATM ("ATM"). ATM seeks to address a number of the applicant's claims.

Firstly it is important to clarify the following statement as the term commercial supply could be misinterpreted by Customs.

" You would also be aware that [customer] placed orders to supply on BlueScope Steel Limited ("BlueScope") certain goods the subject of TC 1243148 for commercial supply during May 2013"

It is standard practice for ATM when sourcing [commercially sensitive information] on the supplier so that the relevant technical and supply details are able to be tracked and monitored within ATM's production and [xxxx] systems. [commercially sensitive information] should not be misunderstood to be commercial orders which would be of a significantly higher volume [xxx]tonnes would not be labelled as [commercially sensitive information]

Secondly in relation to the [commercially sensitive information] between BlueScope and ATM, ATM has processed [commercially sensitive information] that was produced on BlueScope's Springhill cold rolling mill. [commercially sensitive information] to evaluate the suitability of the proposed Hot Rolled substitute material across a broader range of structural tubular sizes.

On the [date], ATM placed [commercially sensitive information] ¹ across a range of [xx] different product sizes as part of the [commercially sensitive information] with BlueScope to determine if the modified cold rolling process would be a suitable replacement for galvanised HRC feed material [commercially sensitive information] for the manufacture of galvanised Structural² Hollow sections.

On the [date], nearly two months prior to the [commercially sensitive information] ATM received a formal³ offer from BlueScope for Metallic Coated steel. ATM considers that BlueScope's amendments to the price schedule are administrative and not a demonstrated ability to supply the Australian structural pipe and tube market with substitutable product. BlueScope's claim that the galvanised HRC that is being produced for sale is the equivalent HRC product that OneSteel previously purchased, has not yet been validated. The HRC that OneSteel ATM previously purchased had not subsequently been processed through a cold rolling mill. That fact BlueScope [commercially sensitive information] in conjunction with ATM, is evidence that there is [commercially sensitive information].

It should be noted that ATM has not yet placed orders for commercial quantities of BlueScope's new modified process [commercially sensitive information]. A commercial order would only be placed once ATM was confident that [commercially sensitive information]

On the [date] BlueScope informed the ATM Supply Chain Manager for the first time that BlueScope are now proposing to [commercially sensitive information] process of modified cold rolling. BlueScope advised they now propose to produce hot rolled coil at Port Kembla in NSW and then freight the product down to Western Port Victoria for pickling, prior to galvanising it at either Western Port or back in Port Kembla. The pickled and galvanised product will then be freighted up to Queensland for [xxxx] at OneSteel ATM's Acacia Ridge tube mills. Given the substantial additional freight and other costs that this method of manufacture would incur, it is difficult to see how it would be commercially sustainable for BlueScope to supply galvanised coil manufactured in this way. OneSteel also questions if the reason that BlueScope are changing supply strategies at this stage [commercially sensitive information]

Thus, while BlueScope may now be seeking to demonstrate a last minute theoretical technical capability to produce a substitutable product it did not produce during the injury investigation period (galvanised hot rolled coil), the most probable outcome is that [commercially sensitive information] commercial quantities are not going to be available in the Australian market on an ongoing basis. For reasons detailed in a companion submission of today's date this situation does not provide any lawful basis for a finding of a threat of material injury.

¹ Confidential attachment 1

² AS/NZS 1163:2009 C450L0

³ Confidential Attachment 2

OneSteel Australian Tube Mills Pty Ltd
ABN 21 123 666 679

Level 40, 259 George St, Sydney NSW 2000
GPO Box 536, Sydney NSW 2000, Australia

P 02 9239 6666
F 02 9251 3042



We also wish to submit that even if, contrary to all the evidence, Customs does make a finding of material injury, at the very least there should be a separate assessment of variable factors for galvanised hot rolled and galvanised cold rolled products as they are not goods of the same kind. Most importantly Customs will be aware from the evidence that it has gathered in the course of the investigation that the two products exhibit very different price points and that any assessment of variable factors based on average prices applying across the two products would be clearly contrary to the 'fair comparison' provisions of the Anti-Dumping Agreement and the Customs Act. Accordingly we submit that the CEO must assess separate normal values, export prices and non-injurious prices for galvanised hot rolled and galvanised cold rolled products.

Yours sincerely

A handwritten signature in black ink, appearing to read "Matt Condon".

Matt Condon

Manager Trade Measures

OneSteel

P: +61 2 8424 9880

M: +61 409 861 583

E: condonm@onesteel.com

Confidential Attachments 1 & 2