

CONFIDENTIAL
3

Canberra
GPO Box 1000
Parliamentary Precinct
Canberra ACT 2600 Australia
Phone: +61 2 6163 1000
Fax: +61 2 6163 1000
Email: info@molislega.com

5 April 2012

Mr G Gleeson
Director Operations 3
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
Canberra
Australian Capital Territory 2601



commercial-international

By email

Dear Geoff

Hollow structural sections from China and other countries Status of information submitted by the GOC

We refer to the letter from Andrea Stone dated 15 March 2012 ("Customs' letter"), regarding the Government of China's ("GOC's") responses to the Government Questionnaire ("GQ") and Supplementary Government Questionnaire ("SGQ") in the anti-dumping and countervailing investigation concerning the abovementioned products ("HSS").

The GOC notes that since that correspondence it has also responded to the Second Supplementary Government Questionnaire ("SSGQ") issued by Australian Customs.

The GOC has reviewed Customs' letter and notes its contents. The GOC understands that Australian Customs will not be verifying the information provided by the GOC at this stage. The GOC wishes to clarify the nature of this decision in order to ensure that it has a clear understanding of the status of the information that it has submitted. In particular it wishes to inform Australian Customs of the circumstances relating to the collection and submission of the information submitted in response to Question D1.6.

1 Acceptance of the GOC's information

The GOC notes that the information provided in response to Question D1.6 is considered by Australian Customs to be *"the primary information requested that would lend to verification"*. Australian Customs' opinion that the GOC *"has not provided a complete response to Question D1.6 of the GQ"* will be discussed further in 2 below.

Initially, the GOC would like to clarify the basis on which Australian Customs has decided not to request to verify the GOC's responses, and what that means for those responses generally.

Customs' letter characterises the information provided by the GOC as *"consist[ing] of written responses and documentation that does not lend itself to verification"*. As a result, Australian Customs explains that *"no such verification [of that information] is necessary or warranted at this*

NON-CONFIDENTIAL

stage”.

The GOC is uncertain what the inclusion of the term “warranted” is intended to convey. A pejorative meaning could be implied to this term, such as one which is meant to indicate that the GOC has not provided sufficient information to *warrant* the carrying out of a government verification.

The GOC does not think this meaning is intended by Customs’ letter. Australian Customs’ identification of the information requested in Question D1.6 as being the information that would primarily be the focus of verification, along with the explanation *“that in the absence of verifiable information [being primarily the information requested in Question D1.6], it has been Customs...experience that previous verification visits with the GOC have taken the form of broad question and answer sessions surrounding, GOC policies, regulations, law and market activity”* seem to point to a different interpretation.

The GOC considers that the Customs letter used the term, “warranted” in a non-pejorative sense, and that Australian Customs has accepted the GOC’s information and explanations in relation to government policies, regulations, laws and market activity. The GOC notes that many of these matters have previously been the subject of verification by Australian Customs, and can understand that Australian Customs may not feel the need to revisit them. The information provided was assembled and provided to the best of the GOC’s ability, and the GOC will continue to offer its cooperation in the same fashion.

The GOC notes the reference in the Customs’ letter to *“broad question and answer sessions surrounding GOC policies, regulations law and market activity”*, but does take a different view of the relevance and usefulness of such processes. China’s legal, political and regulatory systems may well need to be explained to Customs in any given case, even if only to update the existing understanding of Australian Customs. In this context the GOC hopes that Australian Customs officials will not hesitate to seek advice from their counterparts at MOFCOM should there be a need to clarify any matters in future.

2 Information provided in response to Question D1.6

[CONFIDENTIAL TEXT DELETED]

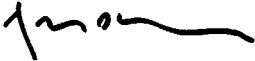
What follows is a non-confidential summary of the confidential information contained in this section of the letter, as required by Subsection 269ZJ(2) of the *Customs Act 1901*.

- Question D1.6 of the GQ requested information about the benefit (if any) received by all companies listed in the GOC’s response to Question B3 under each of the alleged subsidies identified by Australian Customs.
- The information provided by the GOC in answer to Question D1.6 was consistent with its practice in previous countervailing subsidy investigations carried out by Australian Customs and investigating authorities from other jurisdictions.
- The GOC has previously explained to Australian Customs why this is the most reasonable and efficient practice it can adopt for such investigations.
- The GOC’s primary concern is to ensure that the interests of the co-operative exporters will not be harmed by Australian Customs’ decision not to conduct a verification of the

information provided by the GOC.

- The information the GOC has provided in D1 6 is accurate and is certainly capable of verification if Australian Customs should decide that is necessary.

Yours sincerely



Daniel Moulis
Principal