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Mr Geoffrey Gleeson
Director, Operations 3
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Dear Mr Gleeson

Public File**ATM Correspondence 2012/20 - HSS exported from China, Korea, Malaysia, Taiwan and Thailand – Investigation No. 177 – Submissions from interested parties re SEF No.177**

OneSteel ATM has reviewed the following documents recently placed on the Public File:

- (i) Record of Meeting between Orrcon & C&BP of 2 May 2012;
- (ii) Orrcon Steel Submission in response to SEF No. 177 dated 14 May 2012;
- (iii) Record of Meeting between Steelforce Trading and C&BP of 14 May 2012;
- (iv) Dalian Steelforce briefing notes dated 14 May 2012;
- (v) ASA submission of 14 May 2012; and
- (vi) Steelforce Group submission of 15 May 2012.

The following comments are provided by OneSteel ATM in relation to the above-mentioned documents.

Orrcon & C&BP Meeting Notes

Orrcon's claim that currently there is no domestic HDG HSS manufacturing capacity is incorrect. Please refer to OneSteel ATM Correspondence 2011/02 of 5 December 2011.

OneSteel ATM has previously submitted that it has produced RHS up to 250x250x9mm during and post the investigation period (refer OneSteel ATM Correspondence 2012/14 of 14 May 2012).

Orrcon Submission

Orrcon has focused its comments on the impact of a market situation for HSS in China solely on HDG production. As C&BP has correctly identified the impact of government influence on raw material inputs impacts the whole of the Chinese steel sector, not just a single product such as HDG.

Orrcon has further indicated that there has been an impact of the Government of China's ("GOC") policies on "the larger raw material producers". It is therefore reasonable to conclude that the broader market for HRC and narrow strip in China would be impacted by GOC influence. Orrcon has suggested that the role of the provincial governments in China has been overlooked by C&BP.

OneSteel ATM agrees that the provincial governments in China may also have played a role in implementing the GOC's policies resulting in artificially low HRC and narrow strip prices in China.

In response to Orrcon's assertions about HDG straightness and coating thicknesses, please refer to OneSteel ATM Correspondence 2012/18 of 23 May 2012.

Orrcon has included comments in its submissions on Non-Injurious Price and Imposition of Securities. The relevant sections of the Orrcon submission have been deleted from the Public File version of the document. The non-confidential summary of the sections deleted are inadequate to enable interested parties what Orrcon has suggested or proposed. These matter must not be considered by C&BP as the applicant company has not been provided with an adequate non-confidential explanation as to the representations made, and could therefore be prejudiced by the comments/claims.

Steelforce & Customs Meeting Notes and Steelforce Submission

It is argued by Dalian Steelforce that its normal value determined by C&BP includes a double counting of VAT. C&BP has indicated in SEF No.177 that the constructed normal values were exclusive of VAT and that an 8 per cent uplift to account for the difference in the domestic 17 per cent VAT and the 9 per cent export VAT rebate is required.

OneSteel ATM does not consider that Dalian Steelforce's assertions are accurate and must therefore be rejected.

ASA Submission

- (i) Like goods – OneSteel ATM has previously commented on local production of HDG pipe and large diameter pipe (see above). In respect of red painted pipe, this product is available from local production.
- (ii) Normal values – it is insufficient to simply argue that profits applied to normal value are "inflated", without supporting evidence. This assertion is without supporting evidence.
- (iii) Material injury – ASA's colorfully-worded descriptions concerning normal value determination and C&BP's assessment of material injury are not supported by the verified evidence. The ASA's is aware that support for the imposition of measures is not based upon the number of industry participants but the percentages of Australian production over the investigation period. The suggestion that non-A1 grade HSS be excluded from the GUC is not sustainable as these goods are like goods to the goods under consideration.

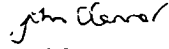
Non-injurious price – the ASA's suggestions re inclusions within the Australian industry's unsuppressed selling price are based upon misinformation and cannot be relied upon. The methodology proposed in SEF No.177 to arrive at workable NIPs for HSS exported to Australia from China, Korea, Malaysia and Taiwan is considered appropriate.

Steelforce Group Submission

This submission seeks to reject C&BP's assessment of a market situation in China. No new information has been submitted on behalf of the Steelforce Group to challenge C&BP's findings contained in SEF No.177 on a market situation for HSS in China.

If you have any questions concerning this submission please do not hesitate to contact me on (07) 3342 1921.

Yours sincerely



John O'Connor
Director

Cc **Stephen Porter, General Manager Sales – OneSteel Manufacturing**