



Australian Government

Australian Customs and  
Border Protection Service

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**INVESTIGATION INTO HOLLOW STRUCTURAL SECTIONS  
(HSS)****RECORD OF MEETING*****CUSTOMS AND BORDER PROTECTION AND ONESTEEL ATM*****Date:** Monday, 21 May 2012**Attendees:**OneSteel ATMStephen Porter  
*General Manager Sales – Rod & Bar*Nick Fithall  
*General Manager Sales – Distribution  
Segment*ConsultantJohn O'Connor  
*Director, John O'Connor & Associates*Customs and Border ProtectionGeoff Gleeson  
*Director, Operations 3*Andrea Stone  
*Manager, Operations 3*Michelle Gibson  
*Manager, Operations 3*Rebecca Higgins  
*Supervisor, Operations 3***Discussed:**Like goods

- ATM refuted claims that using a batch galvanising facility to post galvanise HSS results in an inferior hot dipped galvanised (HDG) HSS. In particular ATM asserted that it produces HSS to meet straightness tolerances, if pipe (although ATM claims this is rare) is bent during the galvanising process it has the facility to straighten the pipe. ATM further asserted bending of the pipe can equally occur using an in-line-galvanising process.
- When queried about how batch galvanising effects the end appearance of the HDG pipe, ATM stated that appearance of the pipe is not a primary concern for HDG HSS, particularly for rural applications. ATM stated that a primary concern for HSS is the level of zinc coating.

- ATM asserted that it has available to it a number of options for galvanising HSS including *[production process]* and indicated *[comment on impact of measures]*.

#### Non-injurious price (NIP)

- Discussed basis for the calculation of the NIP. ATM asserted that the NIP should be based on its cost to make and sell data over the investigation period plus its profit from 2008.

#### Market situation assessment - Thailand

- ATM does not agree with the response of the Government of Thailand to comments of SSI President (a large Thai HRC producer) regarding Government capping of HRC prices leading to losses for its business. ATM continues to consider this to be solid evidence of the impact of Government of Thailand price measures on domestic HRC producers.
- ATM explained that it believed that the Government of Thailand's monitoring of HRC prices was for the purpose of intervening to cap prices as the Government required and that this monitoring itself had the effect of manipulating prices to a level that they would not otherwise be.

#### Specification and standards

- ATM highlighted its understanding that the exporter visit reports have concluded that differences in product standards (e.g. AS1163 vs ASTM A-500) and grades (e.g. C350, C250, C350L0) affect price. ATM considers that there is a cost differential in producing HSS to different standards and grades, and that this should be taken to account in dumping calculations.

#### Two-tier pricing (Thailand)

- ATM asserted that Thailand has anti-dumping duties on HRC from a number of countries including China, however these duties are rebated where the HRC is imported, valued added and then exported (e.g. when made into HSS).
- ATM claimed that this creates two different costs to make and sell for exported and domestically sold HSS in Thailand, that has not be appropriately accounted for in the Thai normal value and dumping margins.

Others matters discussed during the meeting include, VAT uplift claims of exporters in relation to the HRC benchmark uplift, price undertakings (which ATM does not generally support) and the form final measures (if any) may take.

ATM indicated that it intends to put to Customs and Border Protection a formal submission on a number of matters discussed.