Application for a dumping duty notice in relation to certain railway wheels exported to Australia from the People’s Republic of China and France

and

Application for a countervailing duty notice in relation to certain railway wheels exported to Australia from the People’s Republic of China

Supplementary Submissions of Rio Tinto Limited

11 June 2018
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1. Background

On 5 June 2018, Rio Tinto lodged a submission with the ADC in relation to the Investigation (*Initial Submission*).

On 6 June 2018, the ADC requested that Rio Tinto provide further information and documentation in respect of Rio Tinto's 2017 tender process for the procurement of the Goods, seeking in particular any recommendation documentation.

Rio Tinto now makes the following brief further submissions (*Supplementary Submission*) which contextualise the Sourcing Strategy for Wagon Wheel Supply (*Sourcing Strategy*) for the tender process (which appears as *Confidential Annexure 'I'* to this Supplementary Submission) and the Recommendation to Award (*RTA*) (which appears as *Confidential Annexure 'J'* to this Supplementary Submission) (together, *Tender Documents*), provided in response to the ADC's request.

Unless otherwise stated, all capitalised terms used in this Supplementary Submission have the same meaning and definition given to those terms in the Initial Submission.
2. Executive Summary

By way of executive summary, Rio Tinto makes the following supplementary submissions in relation to the Tender Documents:

(a) The nature of the Tender Documents are such that they focus primarily on commercial and pricing considerations. [Describes context for preparation of confidential Tender Documents and Rio Tinto strategy]

(b) The Tender Documents provide evidence that the key objectives of the strategy to move to a second source of supply for the Goods include [Describes confidential Rio Tinto sourcing strategy objectives]

(c) The Tender Documents provide support for Rio Tinto’s submission in the Initial Submission that although Rio Tinto values its relationship with the Applicant, there have been instances where Rio Tinto has requested the Applicant to improve its efficiencies, but Rio Tinto does not consider its requirements to have been met.
3. Submissions

3.1 Nature of Tender Documents

Rio Tinto emphasises its earlier submissions set out in the Initial Submission that other, equally important, factors include:

(a) improved process efficiency due to investments by Masteel in robotics technology (see page 19 of Initial Submissions);

(b) the importance of forging strong and enduring business relationships with Chinese entities, through reciprocal commercial arrangements (see page 21 of Initial Submissions);

(c) Rio Tinto’s ‘Mine to Market to Mine’ strategy (see page 21 of Initial Submissions);

(d) wheel packaging safety concerns with the Applicant’s Goods (see page 26 of Initial Submissions);

(e) wheel lifespan and wear rates (see page 30 of Initial Submissions); and

(f) rim shattering events affects the Applicant’s Goods (see page 31 of Initial Submissions).

3.2 Recommendation to Award

[Identifies key features of confidential RTA]
3.3 Sourcing Strategy objectives
[Describes confidential Rio Tinto sourcing strategy objectives]

3.4 Relationship with the Applicant
[Describes confidential RTP views as to the nature of the relationship with the Applicant]

[Describes confidential changes to Rio Tinto strategy and changes to requirements from suppliers]

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2 RTA, p 1.
3 RTA, p 5.
[Describes confidential changes to Rio Tinto strategy and changes to requirements from suppliers]
4. Conclusion

Rio Tinto is keen to continue its positive engagement with the ADC, and values the opportunity to provide further submissions and documentation to the ADC. It submits that these Tender Documents provide additional support to Rio Tinto’s Initial Submissions, but that the ADC should consider the Tender Documents in the context in which they were prepared.