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By email

Dear Olivia

POSCO - aluminium zinc coated steel – goods description matter

We refer to a letter from BlueScope Steel Limited (“BlueScope”) to the Commission, dated 2 March 2021 and placed on the public record on 3 March 2021 (“the BlueScope contention”).¹

The BlueScope contention is in response to the Commission’s file note titled “*Goods under consideration*” of 1 February 2021 (“the file note”).²

The file note provided clarity on various matters. Relevantly, the Commission assessed the composition of coating elements used in the goods that are the subject of the investigation. The Commission concluded that:

PosMAC, as presently constituted, [...] is not the goods subject to the investigation. [original emphasis]

In the BlueScope contention, BlueScope:

submits that the Commission’s preliminary assessment that PosMAC does not fall within the goods description of the subject goods in Invest. 558 is incorrect. [original emphasis]

We remind BlueScope that there was nothing “preliminary” about that decision. Further, nothing that has been put forward by BlueScope that could disrupt that decision. The BlueScope contention asserts that PosMAC complies with EN 10346, being a standard which is included within the standards noted within the goods description. This assertion relates to PosMAC’s coating composition.

¹ BlueScope Steel Limited. Submission to investigation no. 558. *Response to ADC file note regarding PosMAC*. EPR document number 31.

² Anti-dumping Commission. File Note to investigation no. 558. *Goods under consideration*. EPR document number 28.

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The assertion is flawed.

The Commission adopted BlueScope's description of the goods (from its application for the investigation) in the initiating notice ADN No. 2020/067. The goods description includes the following text [our underlining]:

The imported goods the subject of this application covers aluminium zinc coated steel whether or not including any combination of surface treatment. For example, whether passivated (often referred to as chromated), resin coated or not resin coated (often referred to as Anti-Finger Print ("AFP") or not AFP), oiled or not oiled, skin-passed or not skin-passed.

Excluded from the goods description of this application is un-passivated (often referred to as unchromated) aluminium zinc coated steel.

The amount of aluminium zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²), with the prefix being AZ (Aluminium Zinc). Common coating masses used are: AZ200, AZ150, AZ100, and AZ70.

There are several relevant International Standards for aluminium zinc coated steel, covering the full range of products via specific grade designations, and including the recommended or guaranteed properties of each of those product grades.

These relevant standards are noted in the table below.

International Standards	Product Grades
<i>General and Commercial Grades</i>	
AS/NZS 1397	G1, G2
ASTM A792	CS, type A, B and C
EN 10346	DX51D, DX52D
JIS 3321	SGLCC
<i>Forming, Pressing & Drawing Grades</i>	
AS/NZS 1397	G3
ASTM A792	FS, DS
EN 10346	DX53D, DX53D
JIS 3321	SGLCD, SGLCDD
<i>Structural Grades</i>	
AS/NZS 1397	G250, G300, G350, G450, G550
ASTM A792	33 (230), 37(255), 40 (275), 50 (340), 55 (380), 80 (550)
EN 10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3321	SGLC400, SGLC440, SGLC490, SGLC570

EN 10346 is listed in the table above. EN 10346 is a specification for various types of coated steel – in fact, virtually all types of coated steel are referred to. The types are clearly categorised, and are clearly identified: zinc coated (Z), zinc-iron alloy coated (ZF), zinc-aluminium coated (ZA), zinc-magnesium coated (ZM), aluminium-zinc coated (AZ) and aluminium-silicon coated (AS).

The goods description states that the aluminium zinc coating on the steel is “*prefix being AZ (aluminium zinc)*”. This is a technical description, clearly stated in the Section 269TC9(4) notice, which has legal

force. It must be interpreted literally and in its context. The paragraphs that follow directly after the use of the acronym “AZ” refer to the International Standards. This can only be interpreted to mean that the goods description includes coated steel referred to in EN 10346 *as it relates to AZ coated steel*. In other words, “AZ” qualifies the relevancy of the international standards in the goods description. “AZ” is a technical description conferred by those international standards according to the coating composition.

As we discussed in our first letter to the Commission,³ the initiating notice has a functional role to play. The Section 269TC(4) notice particularises the goods that are subject to an investigation. The BlueScope contention seeks to create ambiguity in the wording of the notice when there is none.

PosMAC is prefix “ZM” goods. We made this point in our letter to the Commission dated 28 October 2020,⁴ as follows:

Particularisation	Interpretation
<p><i>The amount of aluminium zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²), with the prefix being AZ (Aluminium Zinc). Common coating masses used are: AZ200, AZ150, AZ100, and AZ70.</i></p>	<p>It is submitted that there could be no clearer particularisation of the goods, in the legal notice, that tells the reader that PosMAC is not included therein than this. Here we see a direct reference, again, to “aluminium zinc coating” and to “the prefix being AZ (Aluminium Zinc)”. As admitted in the BlueScope letter, the coating on PosMAC is a “ZM” coating, and not an “AZ” coating. The goods are here particularised, in the Section 269TC(4) notice, as having an “AZ” prefix.. PosMAC is a zinc-magnesium-aluminium alloy coated steel product. As such PosMAC does not have an “AZ” prefix and could never be given an “AZ” prefix.</p>

This is expressly acknowledged by BlueScope in the BlueScope contention when it says:

Specifically, EN 10346 includes coating Type ZM hot dip zinc-magnesium coating where the application of a zinc-magnesium coating is achieved by immersing the prepared (steel) strip in a molten bath of zinc-aluminium-magnesium. The composition of the molten bath is the sum of aluminium and magnesium from 1.5% to 8%, containing a minimum of 0.2% magnesium and the balance zinc.

As the PosMAC coating has a sum of 5.5% of aluminium and magnesium (i.e. 2.5% aluminium and 3% magnesium), PosMAC does comply with the Euronorm standard EN 10346 listed in the goods description.” [footnotes omitted] [our underlining]

EN 10346 is used as a relevant standard by BlueScope in the goods description *as it applies to AZ coated steel*. Again, PosMAC is not AZ coated steel. It is ZM. Thus, even if it does comply with one of the categories referred to in EN 10346, the category is not the specific category that the goods description very clearly stipulates. Thus, it is not within the description of the goods as put forward by BlueScope, and as described in the notice when the investigation was initiated. “Reconstruction” of its

³ POSCO. Submission to investigation no. 558. *Response to BlueScope letter*. EPR document number 24.

⁴ Ibid.

goods description to overcome this fact is not possible. For example, is BlueScope now contending that prefix “Zn” type coated steel – galvanised steel – is included in the goods description? This is a category of coated steel within EN 10346 as well.

EN 10346 is divided into sub-categories with a parenthesized chemical composition of coating elements. We reiterate here that EN 10346 covers a broad range of coated steel, including hot-dipped galvanized steel (prefix “Z” in the standard, often called “GI”). Other international standards (namely ASTM, JIS, KS, and BIS) publish completely different standards for each subcategory, as shown in Figure 1 below.

Category	Hot Dipped Galvanised (GI)	Galvalume (Al-Zn coated)	PosMAC (Zn-Mg coated)
ASTM	A653M	A792M	A1046M
EN	EN10346 (Z)	EN10346 (AZ)	EN10346 (ZM)
JIS	G3302	G3321	G3323
KS	D3506	D3770	D3030
BIS	IS 277	IS 15961	-

Figure 1 – Table of comparable international standards.

PosMAC complies with EN 10346 as a prefix ZM product. However, EN 10346 is a multi-part standard. Underlining the differentiation between types, other standard writing bodies specify coating type ZM, and indeed other coating types, under separate standards.

Compliance with EN 10346 (AZ) is the only relevant consideration. Whether or not PosMAC complies with EN 10346 (ZM) is irrelevant, because the goods description does not extend to EN 10346 in its application to PosMAC.

One month after the Commission published its file note, BlueScope again seeks to bring PosMAC into this investigation. However, PosMAC is not within the scope of the goods subject to investigation.

We ask the Commission to declare that its views in the file note in relation to PosMAC, and accordingly POSCO, are final, for the reasons we have expressed, and to do so as soon as possible.

Yours sincerely



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