

NON-CONFIDENTIAL

SENT VIA E-MAIL

November 5, 2020

Mr. Rand McNally
Manager, Industrial Products Division,
Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
222 Queen Street, 9th Floor
Ottawa, Ontario K1A 0L8

Dear Mr. McNally:

RE: Certain Concrete Reinforcing Bar 1 / Rebar – RB1 / Reply of Gerdau Ameristeel Corporation to the Request for a Normal Value Review by ICDAS Celik Enerji Tersane ve Ulasim Sanayi A.S.

On behalf of Gerdau Ameristeel Corporation (“Gerdau”), a Canadian producer of rebar, we are replying to the request by ICDAS Celik Enerji Tersane ve Ulasim Sanayi A.S. (“Icdas”) that the CBSA initiate “a review of the normal values last issued to ICDAS on 18 December 2018.”¹ Gerdau submits that the CBSA should not conduct a re-investigation at this time for the reasons set out below.

First, Icdas’ use of raw material costs converted to U.S. dollars masks the fact that costs of rebar production in Turkey have actually increased substantially between May 2018 and the present. Icdas provides no justification as to why the CBSA should analyze Turkish market raw material costs in U.S. dollars as opposed to Turkish lira. For example, Icdas does not indicate whether it primarily sources scrap from domestic or import sources, which could serve as a possible explanation for expressing costs in a foreign currency. Given that the costs of production for Icdas in Turkey are likely to be incurred and expressed in Turkish lira, there is no basis to use U.S. dollar converted values to assess the changes in the costs of production in Turkey.

When the values are expressed in Turkish lira, the data show that costs of production have not “been declining steadily”² as claimed by Icdas but rather have increased significantly since May 2018 – the last month of the POI for the most recent normal value review covering subject goods

¹ Icdas Re-Investigation Request (9 October 2020).

² Icdas Re-Investigation Request (9 October 2020) at 1.

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exported by Icdas.³ As **Table 1** shows, the average price of scrap in Turkey in May 2018 was [] lira per tonne. Between May 2018 and October 2020, scrap increased [] percent to [] lira per tonne. Thus, contrary to Icdas’ claim, raw material costs have increased substantially since the last normal value review.

Table 1 Scrap Prices in Turkey (TRY/MT)⁴	
Date	Scrap Price
May 2018	[]
June 2018	[]
July 2018	[]
August 2018	[]
September 2018	[]
October 2018	[]
November 2018	[]
December 2018	[]
January 2019	[]
February 2019	[]
March 2019	[]
April 2019	[]
May 2019	[]
June 2019	[]
July 2019	[]
August 2019	[]
September 2019	[]
October 2019	[]
November 2019	[]
December 2019	[]
January 2020	[]
February 2020	[]
March 2020	[]
April 2020	[]
May 2020	[]
June 2020	[]
July 2020	[]

³ **Non-Confidential Attachment 1**, “Exporter Request for Information – Dumping (Excerpts)”, RB1 2018 UP ICDAS.

⁴ **Confidential Attachment 2**, “Turkish Scrap Prices”.

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Table 1 Scrap Prices in Turkey (TRY/MT)⁴	
Date	Scrap Price
August 2020	[]
September 2020	[]
October 2020	[]

Second, Gerdau submits that the CBSA resources are better spent conducting the new investigation on dumped rebar from seven subject countries – Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore, and Vietnam.⁵ That investigation is subject to tight statutory deadlines while normal value re-investigations such as the one requested by Icdas are discretionary. As noted in the Re-Investigation and Normal Value Review Policy, “resources available” is a consideration in deciding whether to grant a request to conduct a normal value review or re-investigation.⁶

Lastly, Icdas does have an alternative way to obtain normal values. To the extent that Icdas has an importer that is interested in purchasing product from Icdas, the importer can file a request for a re-determination in order to obtain normal values for the products.⁷

For the above reasons, therefore, Gerdau submits that the CBSA should reject Icdas’s request and should not initiate a re-investigation.

Should you have any further questions regarding any of the above information, please do not hesitate to contact us.

Sincerely yours,



Andrew Lanouette
Cassidy Levy Kent (Canada) LLP

⁵ *Certain Concrete Reinforcing Bar*, “Notice of initiation of investigation”, RB3 2020 IN (CBSA), online: <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/rb32020/rb32020-ni-eng.html>.

⁶ Memorandum D14-1-8, “Re-investigation and Normal Value Review Policy” at para 12.

⁷ Memorandum D14-1-3, “Re-determinations and Appeals Under the Special Import Measures Act” at paras 5-6.

ATTACHMENT 1

“Exporter Request for Information – Dumping (Excerpts)”, RB1 2018 UP ICDAS



EXPORTER REQUEST FOR INFORMATION - DUMPING

under the *Special Import Measures Act* concerning
Canada's dumping normal value review of

CERTAIN CONCRETE REINFORCING BAR ORIGINATING IN OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, THE REPUBLIC OF KOREA AND THE REPUBLIC OF TURKEY.

**RELEVANT
DATES**

The Canada Border Services Agency (CBSA) requires sales and costing information on all subject goods exported to Canada during the period of **October 1, 2017 to May 31, 2018**, inclusive (8 months). The CBSA refers to this as the **Period of Investigation (POI)**.

The CBSA also requires domestic sales and costing information for goods sold during the period **October 1, 2017 to May 31, 2018**, inclusive (6 months). The CBSA refers to this as the **Profitability Analysis Period (PAP)**.

**DUE DATE FOR
RESPONSE**

Your complete response to this Request for Information is due **July 23, 2018**.

RETURN YOUR

Canada Border Services Agency
Trade and Anti-dumping Programs Directorate
SIMA Registry and Disclosure Unit

RESPONSE TO

100 Metcalfe Street, 11th Floor
Ottawa, Ontario, Canada
K1A 0L8

**FOR FURTHER
INFORMATION**

Contact one of the following officers as follows:

Robert Wright 613-954-1643 Robert.Wright@cbsa-asfc.gc.ca
Valerie Ngai 613-954-7410 Valerie.Ngai@cbsa-asfc.gc.ca

IMPORTANT NOTE

Information provided is deemed to be public (non-confidential) unless clearly marked confidential. Refer to "*Confidential and Non-confidential Information*" in the Instructions section for further information.

ATTACHMENT 2

Turkish Scrap Prices

Information designated as confidential in this Attachment has been so designated to reflect the confidentiality of the source information. This Attachment is therefore not susceptible to public summary.