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Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
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March 24, 2022

SUBMITTED BY TITANFILE

PUBLIC

SIMA Registry and Disclosure Unit
Anti-Dumping and Countervailing Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th Floor
Ottawa, ON K1A 0L8

March 23, 2022

Dear Sir/Madam:

**RE: Corrosion-Resistant Steel Sheet 1 and 2
Request for Re-investigation and/or Normal Value Reviews**

This letter is filed on behalf of ArcelorMittal Dofasco G.P. (“AMD”) and enclosed at Attachment 1 is a letter of support from Stelco Inc. (“Stelco”).¹ AMD and Stelco are the only domestic producers of corrosion-resistant steel sheet (“COR”) and were participants in the Canada Border Services Agency’s (the “CBSA”) two investigations into dumped COR from China, Chinese Taipei, India, South Korea, Turkey, and Vietnam and subsidized COR from Turkey (collectively, the “Subject Countries”).²

AMD (with the support of Stelco) hereby requests that the CBSA initiate a re-investigation to update the normal values, export prices and amounts of subsidy (the “Values”) for all Subject Countries in *Corrosion-Resistant Steel Sheet 1* against China, Chinese Taipei, India and South Korea (“COR1”) and in *Corrosion-Resistant Steel Sheet 2* against Turkey and Vietnam (“COR2”). Alternatively, AMD (with the support of Stelco) requests that the CBSA initiate 15 normal value reviews (“NVRs”) on the COR1 and COR2 exporters that currently have normal values.³

There are presently 15 exporters that have normal values that were last issued during the original investigations by CBSA several years ago and no longer reflect market pricing and costs. Indeed, the Values have not been updated since the original investigations that concluded in January 2019 for COR1 and October 2020 for COR2.⁴

¹ Public Attachment 1: Letter of support from Stelco Inc.

² *Certain corrosion-resistant steel sheet*, COR 2018 IN, Final determination (January 22, 2019) [“COR1 Final Determination”]; *Certain corrosion-resistant steel sheet*, COR2 2019 IN, Final determination (October 16, 2020) [“COR2 Final Determination”].

³ CBSA, “Measures in Force” for the COR1 and COR2 measures, available online at <https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/cor-eng.html> for COR1 and at <https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/cor2-eng.html> for COR2.

⁴ COR1 Final Determination, *supra*; COR2 Final Determination, *supra*.

The following Subject Countries have exporters with normal values:

Table 1:
Subject Exporters with Normal Values⁵

Subject Country	Number of exporters with normal values
China	6
Chinese Taipei	3
India	0
South Korea	1
Turkey ⁶	1
Vietnam	4
Total	15

There has been a fundamental change in circumstances in the prices and costs for COR producers since the exporters in the Subject Countries were last issued normal values, and more specifically, over the past few months. As a result, their normal values are stale, no longer reflect market prices and costs, and need to be updated.

1. Initiating supports the purpose of NVRs and SIMA

AMD seeks to have the Values for exporters in the Subject Countries updated to reflect prices and/or costs that have stabilized since the economic downturn. Current normal values are outdated and do not reflect current and forecasted prices and costs.

The purpose of re-investigations and NVRs is to keep normal values “up-to-date in order to ensure effective enforcement of the Canadian International Trade Tribunal's (CITT) orders and findings.”⁷ Ensuring that exporters from countries subject to SIMA findings must sell into Canada at fairly traded prices is consistent with this purpose.

Indeed, pursuant to the CBSA’s D-memoranda on re-investigations and NVRs, this is a “strong case” for conducting re-investigations and NVRs because over two years for COR1 exporters and 1.5 years for COR2 exporters have elapsed since the Values were last issued, costs and selling prices in the Subject Countries have risen significantly since then (COR prices have increased by []%)⁸, and the volume of subject imports increased significantly in 2021⁹:

⁵ CBSA, “Measures in Force” for the COR1 and COR2 measures, available online at <https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/cor-eng.html> for COR1 and at <https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/cor2-eng.html> for COR2.

⁶ One Turkish exporter is excluded from the finding (Borçelik Çelik Sanayi Ticaret A.Ş.).

⁷ CBSA, *Re-investigation and Normal Value Review Policy – Special Import Measures Act (SIMA)*, Memorandum D14-1-8 (July 19, 2019), at para 1 [“**Re-Investigation Policy**”].

⁸ See discussion below and Confidential Attachment 2: MEPS COR and HRS pricing for China, South Korea, and Chinese Taipei; Confidential Attachment 3: MetalBulletin COR and HRS pricing for India, Turkey and Vietnam.

⁹ See discussion and import charts below.

13. Depending on the results of the CBSA's analysis, a decision will be made as to whether normal values, export prices and/or amounts of subsidy for a certain measure in force need to be updated. For example, if several years have elapsed since the values were last issued, the costs and domestic selling prices of the goods have risen considerably over the past two-year period, and a significant number of new products are currently being imported into the Canadian market, the CBSA would consider this a strong case for conducting a re-investigation or normal value review.

The Re-investigation Policy notes that normal value reviews (exporter-specific proceedings) are “generally” done for three or less exporters.¹⁰ However, the CBSA has recently initiated NVRs for more than 3 exporters on the same day (in respect of the same anti-dumping measure).¹¹ Given that there are 15 exporters with normal values and significant COR imports from 5 of the 6 Subject Countries in 2021¹², the CBSA should initiate a re-investigation for COR1 and COR2 or, alternatively, 15 NVRs. Initiating NVRs (rather than re-investigations) may also address any CBSA resource constraints since NVRs are typically less resource-intensive than re-investigations.

Moreover, CBSA should also consider the substantive question of whether updated normal values are likely to be more or less representative of present and near-term market conditions. Conducting a re-investigation or NVRs at this time will decrease the gap between prospective normal values and prospective prices and costs in the Subject Countries. In other words, if CBSA were to initiate a re-investigation or NVRs, it would be addressing a distortion in the market by determining updated normal values based on current and forecasted prices and costs.

Lastly, updating the Values to capture a period of stabilized pricing is also consistent with the purpose of SIMA which is to protect the domestic industry. Indeed, the Tribunal and the Federal Court have consistently held that “the object and purpose of SIMA is to protect domestic industries from injury caused or threatened by the dumping or subsidizing of foreign goods”.¹³ The evidence described in this letter demonstrates that updating the Values at this time would result in the normal values reflecting prevailing market prices. This would protect the domestic industry from injury.

AMD requests that updated normal values be applied retroactively to any subject COR imports arriving after initiation of a re-investigation or NVRs but before the conclusion of the re-investigation or NVRs.

¹⁰ Re-Investigation Policy, *supra*, at para. 14.

¹¹ The measures were for Rebar 1 and Fasteners. For rebar see *Concrete reinforcing bar*, Notices of normal value review in RB1 2021 UP1, RB1 2021 UP2, RB1 2021 UP3 and RB1 2021 UP4, dated May 17, 2021. For fasteners see *Carbon steel fasteners*, Notices of normal value review in FAS 2021 UP1, FAS 2021 UP2, FAS 2021 UP3, FAS 2021 UP4, and FAS 2021 UP5, dated January 25, 2021.

¹² The Subject Countries with large volumes of COR imports into Canada are China, Chinese Taipei, South Korea (for COR1) and Turkey and Vietnam (for COR2). See discussion and import charts below.

¹³ See e.g., *Gypsum Board*, GC-2016-001, Statement of Reasons (January 19, 2017), at para 37; *Caps, Lids and Jars*, PB-95-001, Statement of Reasons (February 26, 1996); *Prairies Tubulars (2015) Inc. v. Canada (Border Services Agency)*, 2018 FC 991 (CanLII) at para 6; *Canadian Steel Producers Assn. v. Canada (Commissioner of Customs and Revenue)*, 2003 FC 1311 (CanLII) at para 40; *GRK Fasteners v. Canada (Attorney General)*, 2011 FC 198 (CanLII) at para. 5.

2. COR and input prices in the Subject Countries have increased significantly

The periods of investigation in the original COR1 and COR2 investigations ended on March 31, 2018, and June 30, 2019, respectively. The 60-day period on which normal values were calculated is likely February/March 2018 for COR1 exporters and May/June 2019 for COR2 exporters.

This letter compares domestic COR pricing in the Subject Countries from these 60-day periods with November/December 2021 prices (a 60-day period from the most recent quarter). This letter also compares the price of hot-rolled steel sheet (“HRS”) in the Subject Countries. HRS, which is then transformed into cold-rolled steel sheet, is the main raw material input in the production of COR.

Table 2:
COR Prices in the COR1 Subject Countries (C\$/MT)¹⁴

	China	South Korea	Chinese Taipei	India
Feb/March 2018	[
Nov/Dec 2021				
\$/MT increase				
% increase]
Source	MEPS	MEPS	MEPS	MetalBulletin

Table 3:
COR Prices in the COR2 Subject Countries (C\$/MT)¹⁵

	Vietnam	Turkey
May/June 2019	[
Nov/Dec 2021		
\$/MT increase		
% increase]
Source	n/a	MetalBulletin

Table 2 and Table 3 above demonstrate that COR pricing in the Subject Countries has increased by C\$[]/MT or []% since the periods in which domestic sales data for subject exporters’ normal values are based.

A similar trend occurs when looking at HRS prices in the Subject Countries. The following table compares HRS prices for each Subject Country to the respective 60-day periods:

¹⁴ Confidential Attachment 2: MEPS COR and HRS pricing for China, South Korea, and Chinese Taipei; Confidential Attachment 3: MetalBulletin COR and HRS pricing for India, Turkey and Vietnam.

¹⁵ *Ibid.*

**Table 4:
HRS Prices in the COR1 Subject Countries (C\$/MT)¹⁶**

	China	South Korea	Chinese Taipei	India
Feb/March 2018	[
Nov/Dec 2021				
\$/MT increase				
% increase]
Source	MEPS	MEPS	MEPS	MetalBulletin

**Table 5:
HRS Prices in the COR2 Subject Countries (C\$/MT)¹⁷**

CAD/MT	Vietnam	Turkey
May/June 2019	[
Nov/Dec 2021		
\$/MT increase		
% increase]
Source	MetalBulletin	MetalBulletin

Table 4 and Table 5 above demonstrate that HRS prices in the Subject Countries have increased by \$[]/MT or []% since normal values were last issued.

Most alarming is that the price of HRS in the Subject Countries is higher than the price of COR was when normal values were last calculated:

**Table 6:
HRS vs COR Prices in the Subject Countries (C\$/MT)¹⁸**

	China	South Korea	Chinese Taipei	India	Turkey
COR price during 60-day period	[
HRS price in Nov/Dec 2021					
HRS price higher than COR by:					
\$/MT					
%]

These are significant price and cost increases that warrant updating the Values of the COR1 and COR2 exporters.

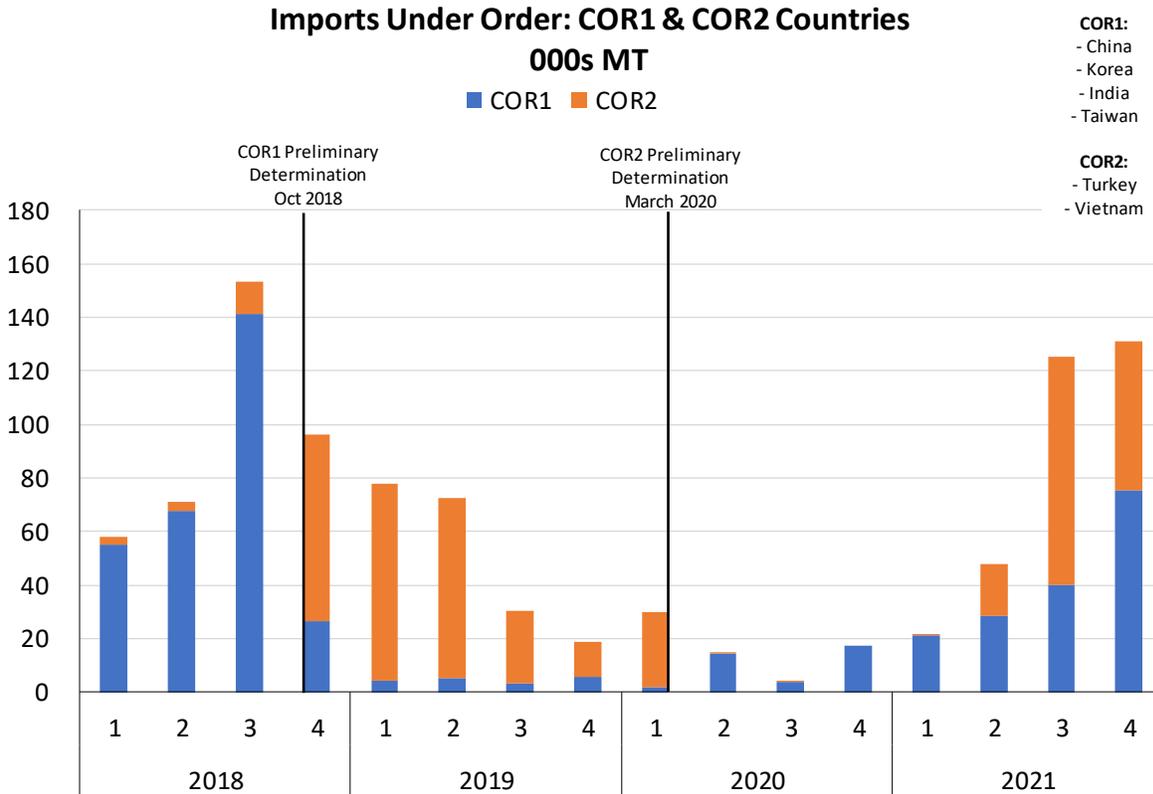
¹⁶ *Ibid.*

¹⁷ *Ibid.*

¹⁸ *Ibid.* Note that COR pricing for Vietnam is not available. The 60-day period for China, South Korea, Chinese Taipei and India is February/March 2018 and the 60-day period for Turkey is May/June 2019.

3. COR imports in Canada

There was a significant increase in COR imports from the Subject Countries during 2021, as shown in the graph below:



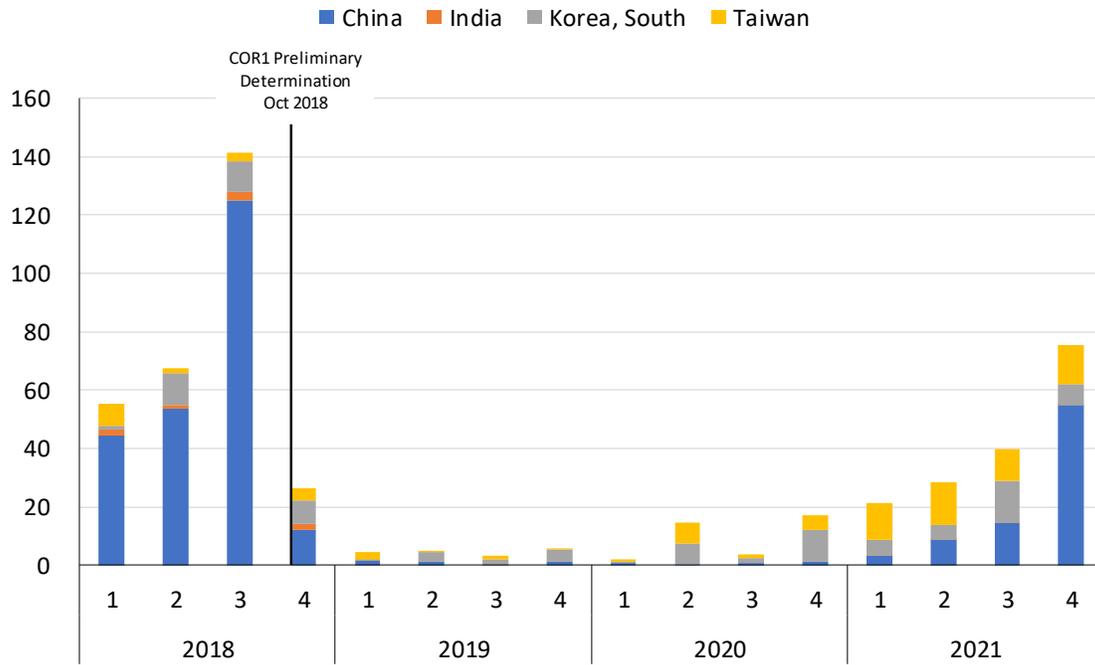
Import volume & pricing from Statistics Canada

COR imports from the COR1 countries essentially disappeared from the Canadian market after the preliminary determination in October 2018. However, there was a steady rise in imports starting in Q4 2020 that continued through Q4 2021. Subject imports in H2 2021 were over 250,000 MT.

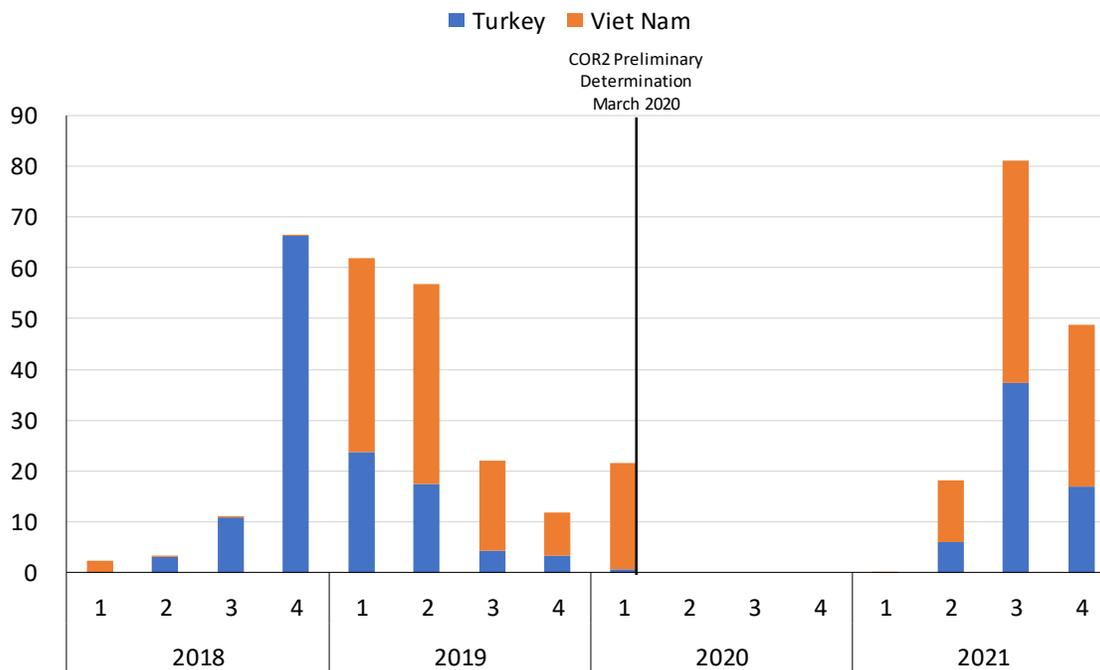
Similarly, COR imports from the COR2 countries were essentially absent after the preliminary determination in March 2020 and reappeared in large volumes in Q2 2021. This was following by a steep increase in imports in Q3 and Q4 2021.

Further, the graphs below demonstrate that China, South Korea and Chinese Taipei all contributed to the 2021 import surge from COR1 countries as did both Turkey and Vietnam for COR2:

COR1 Imports into Canada 000s MT



COR2 Imports into Canada 000s MT



Lastly, there are various low-priced offers for COR from the Subject Countries for arrival in Q2 2022. These are all offered at prices that significantly undercut AMD’s price. Offshore imports arrive by boat and each boat can contain up to approximately [] MT of COR.

**Table 7:
COR import offers for Q2 2022 arrival**

Date of offer	Date of Arrival	Broker	Country	Mill
[
]

With 5 of the 6 Subject Countries actively shipping COR to Canada at low prices the CBSA should initiate a re-investigation for COR1 and COR2 or, alternatively, 15 NVRs for the COR exporters with normal values.

4. Impact on the Domestic Industry

These stale normal values have resulted in a H2 2021 surge of over 250,000MT of COR imports from the Subject Countries, at import prices that are more than \$[]/MT below Canadian domestic prices, which has bloated service centre inventories. Confidential Attachment 4 compares AMD’s price to the unit price from each of the Subject Countries.¹⁹ It demonstrates that pricing from the Subject Countries is consistently lower than AMD’s price in 2021.

The impact to the domestic COR industry has been price depression, open mill time and loss of orders. For example, [

]. There are also offers from the Subject Countries for Q2 2022 delivery.

Without new representative normal values, exporters in the Subject Countries will continue shipping COR to Canada and negatively impact domestic COR markets, thereby rendering the SIMA findings ineffective.

5. Depreciation of the Turkish Lira

In the event that CBSA initiates a re-investigation or NVRs, AMD requests that any normal values for Turkish exporters should be calculated in U.S. dollars (rather than in Turkish Lira).

¹⁹ Confidential Attachment 4: Comparison of AMD’s COR price to subject import pricing.

The Turkish Lira depreciated rapidly and significantly in 2017 and 2018, as noted by the CITT in its Safeguard Inquiry.²⁰ Indeed, the CBSA issued normal values in U.S. dollars in four normal value reviews involving Turkish exporters of rebar that concluded in December 2018 and December 2021.²¹ In the most recent reviews, the CBSA explained: “The information on the record shows a volatile exchange rate for the Turkish Lira and high levels of inflation in Turkey. To address these factors the CBSA issued the normal values to {the Turkish exporters} in U.S. Dollars.”²²

The Turkish Lira continued to depreciate in 2019, 2020 and 2021.²³ The following table demonstrates the Lira’s depreciation:

Table 8:
Average Foreign Exchange Rates: Turkish Lira to CAD²⁴

Period	Exchange rate	y-o-y % change
2017	0.3561	
2018	0.2757	-23%
2019	0.2340	-15%
2020	0.1928	-18%
2021	0.1452	-25%
Jan. – Feb. 2022	0.0931	-36%

The value of the Turkish Lira has continued to fall over the last 4 years.²⁵ The Turkish exporters’ normal values are based on sales and cost data from May/June 2019. At that time, the value of the Turkish Lira was TRY 0.2259 to the Canadian dollar. In February 2022, the Turkish Lira was only 0.0932, a decrease of 59%.

For these reasons, any new normal values for Turkish COR exporters must be established in U.S. dollars (not Turkish Lira).

²⁰ *Certain Steel Goods*, Safeguard Inquiry No. GC-2018-001 (April 3, 2019) at p. 56, 57, 64. The Tribunal stated: “The information on the record indicates that the Turkish lira lost 7.2 percent of its value versus the Canadian dollar in 2016, followed by a further 23.3 percent decline in 2017 and finally another 32.3 percent decline in 2018.”

²¹ *Concrete Reinforcing Bar*, Notice of Conclusion of Normal Value Review, RB1 2018 UP COLAKOGLU (December 18, 2018); *Concrete Reinforcing Bar*, Notice of Conclusion of Normal Value Review, RB1 2018 UP ICDAS (December 18, 2018); *Concrete reinforcing bar*, RB1 2021 UP2, Conclusion of normal value review (December 9, 2021); *Concrete reinforcing bar*, RB1 2021 UP3, Conclusion of normal value review (December 1, 2021).

²² *Concrete reinforcing bar*, RB1 2021 UP2, Conclusion of normal value review (December 9, 2021); *Concrete reinforcing bar*, RB1 2021 UP3, Conclusion of normal value review (December 1, 2021).

²³ Public Attachment 5: Bank of Canada monthly average exchanges rates for Turkey for 2017-present.

²⁴ *Ibid.*

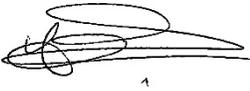
²⁵ *Ibid.*

6. Conclusion

From time-to-time it is necessary to update the Values. The Values of the COR1 exporters have not been updated in over two years and in 1.5 years for COR2 exporters and domestic prices and costs in the Subject Countries have increased substantially. Indeed, COR prices increased by []% and HRS prices (main input for COR) increased by []%. Further, COR imports from the Subject Countries surged during 2021.

AMD (with the support of Stelco) therefore requests that the CBSA initiate a re-investigation of the COR1 and COR2 findings or, alternatively, 15 NVRs for the COR1 and COR2 exporters with normal values.

Yours truly,



Henry Wegiel
Director of Government and Trade Relations
ArcelorMittal Dofasco G.P.

List of Attachments

Attachment #	Description
Public Attachment 1	Stelco Inc. letter of support
Confidential Attachment 2	MEPS COR and HRS pricing for China, South Korea, and Chinese Taipei
Confidential Attachment 3	MetalBulletin COR and HRS pricing for India, Turkey and Vietnam.
Confidential Attachment 4	Comparison of AMD's COR price to subject import pricing
Public Attachment 5	Bank of Canada monthly average exchanges rates for Turkey for 2017-present.



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PUBLIC

SIMA Registry and Disclosure Unit
Anti-Dumping and Countervailing Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th Floor
Ottawa, ON K1A 0L8

March 22, 2022

Dear Sir/Madam:

**RE: Corrosion-Resistant Steel Sheet 1 and 2
Request for Re-investigation and/or Normal Value Reviews**

Stelco Inc. (“**Stelco**”) is a domestic producer of corrosion-resistant steel sheet (“**COR**”). Stelco participated in the Canada Border Services Agency’s (the “**CBSA**”) two investigations into dumped COR from China, Chinese Taipei, India, South Korea, Turkey, and Vietnam and subsidized COR from Turkey.

Stelco supports the request of ArcelorMittal Dofasco G.P. (“**AMD**”) that the CBSA initiate a re-investigation to update the normal values, export prices and amounts of subsidy for all countries subject to *Corrosion-Resistant Steel Sheet 1* (i.e., China, Chinese Taipei, India and South Korea) (“**COR1**”) and *Corrosion-Resistant Steel Sheet 2* (i.e., Turkey and Vietnam) (“**COR2**”). In the alternative, Stelco also supports AMD’s request that the CBSA initiate 15 normal value reviews for the COR1 and COR2 exporters that currently have normal values.

These exporters have normal values that are based on sales and cost data that no longer reflect current market conditions. Indeed, COR prices and input costs have risen significantly since the exporters were last issued normal values. These subject countries are active in the Canadian COR market and are offering COR at prices that undercut Stelco. It is crucial that their normal values be updated as soon as possible.

Yours truly,

A handwritten signature in blue ink, appearing to read "T. Harris", is written over a blue circular scribble.

Trevor Harris
Vice President, Corporate Affairs
Stelco Inc.

NON-CONFIDENTIAL

Corrosion-Resistant Steel Sheet 1 and 2
Request for Re-Investigation / Normal
Value Reviews

**Public Summary of
Confidential Attachment 2
to the Request of ArcelorMittal Dofasco G.P.**

Confidential Attachment 2 contains MEPS monthly pricing for corrosion-resistant steel and hot-rolled steel for various countries from 2018 to February 2022. This information is a subscription-based publication that is subject to copyright restrictions, the disclosure of which would cause financial harm to ArcelorMittal Dofasco G.P.

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Corrosion-Resistant Steel Sheet 1 and 2
Request for Re-Investigation / Normal
Value Reviews

**Public Summary of
Confidential Attachment 3
to the Request of ArcelorMittal Dofasco G.P.**

Confidential Attachment 3
MetalBulletin monthly pricing for corrosion-resistant steel and hot-rolled steel for various countries from 2018 to February 2022. This information is a subscription-based publication that is subject to copyright restrictions, the disclosure of which would cause financial harm to ArcelorMittal Dofasco G.P.

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Corrosion-Resistant Steel Sheet 1 and 2
Request for Re-Investigation / Normal
Value Reviews

**Public Summary of
Confidential Attachment 4
to the Request of ArcelorMittal Dofasco G.P.**

Confidential Attachment 4 contains graphs comparing ArcelorMittal Dofasco G.P.'s apparent selling price for non-automotive corrosion-resistant steel sheet to the unit value of imports from the Subject Countries for 2018 to present. ArcelorMittal Dofasco G.P.'s selling prices are commercially and financially sensitive information, the disclosure of which would cause harm to ArcelorMittal Dofasco G.P.

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TERMS AND CONDITIONS

<https://www.bankofcanada.ca/terms/>

NAME

Monthly exchange rates

DESCRIPTION

Monthly average exchange rates - published by 16:30 ET on the last business day of each month.
All Bank of Canada exchange rates are indicative rates only.

SERIES

id	label	description
FXMTRYCAD	TRY/CAD	Turkish lira to Canadian dollar monthly exchange rate

OBSERVATIONS

date	FXMTRYCAD
2017-01-01	0.3512
2017-02-01	0.3577
2017-03-01	0.3646
2017-04-01	0.3681
2017-05-01	0.3816
2017-06-01	0.3778
2017-07-01	0.3563
2017-08-01	0.3596
2017-09-01	0.3534
2017-10-01	0.3427
2017-11-01	0.3280
2017-12-01	0.3325
2018-01-01	0.3296
2018-02-01	0.3324
2018-03-01	0.3326
2018-04-01	0.3133
2018-05-01	0.2917
2018-06-01	0.2836
2018-07-01	0.2750
2018-08-01	0.2203
2018-09-01	0.2070
2018-10-01	0.2244
2018-11-01	0.2466
2018-12-01	0.2524
2019-01-01	0.2479
2019-02-01	0.2503
2019-03-01	0.2442
2019-04-01	0.2323
2019-05-01	0.2228
2019-06-01	0.2289
2019-07-01	0.2313

2019-08-01	0.2349
2019-09-01	0.2322
2019-10-01	0.2280
2019-11-01	0.2306
2019-12-01	0.2251
2020-01-01	0.2208
2020-02-01	0.2189
2020-03-01	0.2199
2020-04-01	0.2048
2020-05-01	0.2016
2020-06-01	0.1987
2020-07-01	0.1962
2020-08-01	0.1813
2020-09-01	0.1750
2020-10-01	0.1661
2020-11-01	0.1641
2020-12-01	0.1661
2021-01-01	0.1720
2021-02-01	0.1789
2021-03-01	0.1640
2021-04-01	0.1529
2021-05-01	0.1446
2021-06-01	0.1417
2021-07-01	0.1458
2021-08-01	0.1486
2021-09-01	0.1481
2021-10-01	0.1350
2021-11-01	0.1174
2021-12-01	0.0939
2022-01-01	0.0930
2022-02-01	0.0932

Average FX	Rate	y-o-y % change
2017	0.3561	
2018	0.2757	-23%
2019	0.2340	-15%
2020	0.1928	-18%
2021	0.1452	-25%
Jan - Feb 2022	0.0931	-36%