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Canada Border
Services Agency

Agence des services
frontaliers du Canada



SIMA Registry and Disclosure Unit
Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th Floor
Ottawa, Ontario K1A 0L8
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documents de la LMSI**
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Submission received electronically

Soumission reçu électroniquement

Submission Date /
Date de soumission

May 27, 2022

PROTECTION • SERVICE • INTEGRITY

Canada



May 27, 2022
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SIMA Registry and Disclosure Unit
Anti-Dumping and Countervailing Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th Floor
Ottawa, ON K1A 0L8

Dear Sir/Madam:

RE: Corrosion-Resistant Steel Sheet 1

This letter is in response to Arcelor Mittal Dofasco's letter dated May 19, 2022.

1) Late Request

- We did not receive any notice of AMD's letter requesting a normal value review. A competitor just happened to mention that their supplier had received notice, so we then searched the site and found it. We responded promptly at that point.
- We also did not receive notice of AMD's recent letter dated May 19, 2022. We just happened to be on the site to see if our letter had been posted. This was on Friday May 20, 2022.
- Based on above we ask for consideration that our input is considered.

2) The **MEPS** article referenced is very relevant as it shows an increase in volume being exported to the USA at a time their market was paying much more for coil. Since Hot Rolled Coil is converted to Cold Rolled Coil and then to COR products the shifting of tonnage to the US market has a direct impact to tons available for conversion to COR products.

3) Short supply from AMD/Stelco continued throughout 2021. AMD absolutely did not meet Western Canadian customer requirements for COR in 2021 and into 2022. Our sales and our competitors' sales to desperate new customers and existing ones increased as a result. This is FACT not speculation. The price examples we shared were relayed to us by more than one customer and we have no reason to doubt this information. Perhaps AMD may not have been able to verify with their sales team but these prices were definitely received by our customers which caused some concerns due to the sudden and significant drop in prices.

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- 4) During 2021 we witnessed unprecedented and artificially high price levels which are just now starting to come down, however still remain higher than typical levels. Just yesterday I received a promo email from Steel Market Update. Please note the topics being addressed in their next community chat:
- Black Swan events and **increased volatility are now the normal**. What strategies can you use to reduce risks for your business?
 - Predictions vs. probabilities, and why you should care about the distinction between the two.
 - **The forces driving steel prices lower. And why they are still extremely high by historic standards.**
- 5) We are in no way attempting to take advantage of the existing Normal Values and continue to sell well above the normal values based on current input costs. The majority of our entries are audited by CBSA and will verify this statement. AMD are not being harmed nor likely to be should the review be delayed until the market conditions stabilize. The surge in import volumes were a result of increased demand and scarcity of domestic and other offshore supply. The Normal Values were somewhat irrelevant at this time as customers simply needed the steel and were willing to keep up with the rising prices on a weekly, sometimes daily basis. AMD and Stelco's sales would have been very profitable during 2021 due to the surge in price levels on all coil products.

Protecting the domestic industry includes protecting downstream manufacturers. Without them there would be no need for domestic steel producers. Several Western manufacturers were not able to secure enough material from AMD or Stelco during 2021 and had no alternative but to count on imported steel. Not to be repetitive but we should be grateful for the suppliers that came to the rescue. As prices adjust and domestic availability improves the import volume is also dropping. Hopefully a return to typical automotive production does not put our customers in the same position of not being able to secure enough steel from our domestic producers.

I respectfully request that what we have shared be considered and that time is taken to fully understand the market conditions from 2021 to now before initiating a review process.

Sincerely

Sylvia Mielke - President

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