

PUBLIC

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

Dear Sir or Madam

RE: Carbon Steel Welded Pipe 2 (CSWP2)
Response to Nova's Objection to TPP's Request for NVR

This letter is submitted on behalf of our client, Thai Premium Pipe Co., Ltd. ("TPP"), regarding the letter filed by Nova Steel Inc. and Nova Tube Inc. (collectively "Nova") on June 27, 2024, objecting to TPP's request to initiate a normal value review.

TPP submits that Nova's objections are without merit. In its letter dated June 27, 2024, it was stated,

"Nova submits that "One of the factors the CBSA takes into account when determining whether to initiate a NVR is "the elapsed time since values were last issued". 1 The CBSA concluded a re-investigation to update the normal values for CSWP2 Subject Country exporters in October 2023.2 All exporters –including TPP – were able to participate in this re-investigation; TPP did not. Initiating a NVR for an exporter that could have participated in the CSWP2 re-investigation only eight months later is not an appropriate use of CBSA's resources."

Nova refers to para 12(b) and 12(n) of Memorandum D14-1-8, in support of its arguments which states,

b) the elapsed time since values were last issued, the nature of the subject goods;

n) the timing of the next expiry review;

First, in response, TPP submits that these provisions are factors to consider when deciding whether **to initiate a reinvestigation NOT whether to initiate a normal value review.**

The lead into paragraph 12 states

“12. In consideration of any representations received and other information available to and deemed relevant by the CBSA, the following factors are taken into account when determining whether to initiate a re-investigation or normal value review, as appropriate” [Emphasis Added].

It is obvious that paras 12(b) and 12(n) of Memorandum D14-1-8 are **only appropriate criteria to consider when initiating a re-investigation** but **ARE NOT APPROPRIATE CRITERIA IN CONSIDERING WHETHER TO INITIATE A NORMAL VALUES REVIEW.**

As stated in the first three paragraphs of Memorandum D14-1-8 under the **Guidelines and General Information,**

1. The CBSA recognizes the importance of keeping prospective normal values, export prices and amounts of subsidy (also collectively referred to as “values”) up-to-date in order to ensure effective enforcement of the Canadian International Trade Tribunal's (CITT) orders and findings.

2. Re-investigations and normal value reviews are administrative proceedings conducted to update values; establish values for new products or models subject to the measures in force; and establish values for exporters that do not currently have values.

3. Re-investigations are conducted in respect of all exporters of goods originating in or exported from a country or countries covered by the CITT's order or finding, whereas normal value reviews are conducted in respect of a single exporter subject to the CITT's order or finding. Other than through investigations and expedited reviews, normal values will only be issued through re-investigations and normal value reviews.

In the circumstances, TPP submits that Nova's objections based on the criteria in paragraphs 12 b) and 12 n) of Memorandum D14-1-8, refer to initiating a re-investigation and are **NOT appropriate as factors in triggering an exporter-specific normal value review** for TPP, and should be discarded because their objections are without merit.

Secondly, TPP was unaware of the re-investigation that concluded on October 6, 2023, and, therefore, did not have the opportunity to participate.

Additionally, Nova notes *“that the volatility of steel prices, which continue to decline, is not conducive to a stabilized market. The tables below depict the declining trend in hot-rolled coil (“HRC”) prices. There is no publication that tracks CSWP pricing, but HRC is the primary input in the production of CSWP and is a reasonable proxy for CSWP price trends.”*

TPP submits that the *Special Import Measures Act* (SIMA) was implemented to protect Canadian Industry from unfair trade practices of foreign exporters and Governments.

It is submitted that SIMA's objective is to level the playing field and protect Canadian Industry from unfairly traded imports.

SIMA was never meant to protect incompetent Canadian Industries that cannot compete with fairly traded imports of CSWP, nor was it meant to shield Canadian Industry from its perceived fear of what would happen if the rebar market declined.

Regardless of the state of the Canadian Market for CSWP, TPP submits that if it is issued normal values for its CSWP, its exports to Canada would be at fairly traded prices based on current economic conditions. Therefore, Nova’s objection to issuing normal values to TPP when prices are declining makes no sense.

In a declining market, CSWP prices would naturally follow the decline of the major input material prices. In such circumstances, TPP’s normal values, established based on current market conditions resulting from a normal value review, would be higher than the prevailing CSWP prices.

If exported at prices lower than issued normal values, then SIMA duties would be assessed to ensure that the landed costs are at a level that reflects fairly traded prices for CSWP.

In summary, TPP submits that its request to initiate a normal value review meets the program's objective. TPP is an exporter of CWSP to Canada but does not have normal values.

During 2023, TPP exported CSWP to Canada, and because it did not have normal values, its exports of CSWP were subject to the “all others” rate of 54.2% under a Ministerial specification.

TPP, as an exporter, wishes to continue trading with Canada at fairly-traded prices. It is, therefore, now seeking to continue exporting CWSP to Canada at normal value levels based on current economic conditions.

Given Nova's groundless objections to TPP's request for a normal value review, TPP requests that the CBSA immediately initiate a normal value review as requested in its June 5, 2024, submission.

Yours truly

A handwritten signature in black ink, appearing to read 'Richard Chung', with a stylized flourish at the end.

Richard Chung, CPA
RC International Trade Consultants