

DOC Inv. Nos. A-122-869, A-570-150,
A-428-851, A-421-816, A-580-915,
A-583-870, A-489-848, A-412-827,
and C-570-151

USITC Inv. Nos. 731-TA-_____
Total Pages: 1,119

PUBLIC VERSION
Business Proprietary Information
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**BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION
UNITED STATES DEPARTMENT OF COMMERCE
AND THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

In the Matter of:)
)
CERTAIN TIN MILL PRODUCTS)
FROM CANADA, CHINA, GERMANY,)
NETHERLANDS, SOUTH KOREA,)
TAIWAN, TURKEY, AND THE)
UNITED KINGDOM)
_____)

**PETITIONS FOR THE IMPOSITION
OF ANTIDUMPING AND
COUNTERVAILING DUTIES**

**VOLUME V: NETHERLANDS
ANTIDUMPING**

Petitioners:

**Cleveland-Cliffs Inc. and the United Steel, Paper and Forestry, Rubber, Manufacturing,
Energy, Allied Industrial and Service Workers International Union**

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January 18, 2023

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I. ALLEGATION OF SALES AT LESS THAN FAIR VALUE

This petition seeks the imposition of antidumping duties on imports of certain tin mill products (“TMP”) from the Netherlands. As discussed below, Dutch producers and exporters have sold, or offered for sale, TMP in the United States for less than fair value. Accordingly, Petitioners request that the Department initiate an investigation into whether sales are made in the United States at less than fair value. The general information required by Section 351.202 of the Department’s regulations is provided in Volume I of this petition.

II. DUTCH PRODUCERS AND EXPORTERS OF TMP

A. Description Of The Dutch Industry

TMP is manufactured in the Netherlands by Tata Steel IJmuiden, B.V. (“TSIJ”). *See Exhibit V-1* (website) and *Exhibit V-2*, page A-8 (Hot-Rolled Steel Section A Response). The ultimate parent company of TSIJ (through various intermediary holding companies) is Tata Steel Ltd., headquartered in India. *See Exhibit V-2*, page A-7 (Hot-Rolled Steel Section A Response). Relevant contact information is provided in Volume I: General Issues And Injury at **Exhibit I-21**. TSIJ is the only producer of TMP in the Netherlands, and thus the company (or an affiliate within the Tata corporate group) accounted for all shipments of TMP from the Netherlands to the United States during the presumptive period of investigation (“POI”) of January 1, 2022, through December 31, 2022. *See Exhibit V-3*.

B. Production Processes Of TSIJ

TSIJ is a fully integrated steel producer. The company has a blast furnace (to convert iron ore into liquid iron), a basic oxygen furnace (to convert liquid iron into steel), as well as facilities for hot-rolling, cold-rolling, pickling, and coating (tin plating). *See Exhibit V-1* (website). *See also Exhibit V-3*.

C. Known Importers Of Dutch TMP

A complete list of known U.S. importers of TMP, including Dutch-manufactured TMP, is contained in Volume I: General Issues And Injury at **Exhibit I-22**.

III. DUMPING MARGIN METHODOLOGY

A. Export Price

1. Average POI Customs Value

Although the scope of these investigations encompasses TMP with a variety of coatings (*i.e.*, tin, chromium, chromium oxides), substrates (*i.e.*, carbon steel, alloy steel), and dimensions falling within nine different harmonized tariff subheadings, the import data show that the vast majority of TMP from the Netherlands enters under a single HTS code, *i.e.*, 7210.12.00.00, which reflects tin-plated nonalloy steel with a width of 600 mm or greater and with a thickness of less than 0.5 mm. *See Exhibit V-4*. Because this product is representative of the TMP entering the United States from the Netherlands, it is an appropriate basis for the calculation of export price. In particular, Petitioners calculated the weighted-average POI customs value (*i.e.*, FOB foreign port value) for TMP products from the Netherlands under HTS subheading 7210.12.00.00. *See Exhibit V-4*. From the average unit customs value, Petitioners deducted foreign brokerage and handling to arrive at an average ex-factory price in the Netherlands. *See Exhibit V-5*. Petitioners did not make a deduction for inland freight charges from the plant to the port of lading because TSIJ is located at a port. The calculation of export price appears at **Exhibit V-6**.

In the only previous case involving TMP, *i.e.*, *Certain Tin Mill Products From Japan* (A-588-854), Commerce accepted the use of average unit customs value as the basis for export price. *Initiation of Antidumping Duty Investigation: Certain Tin Mill Products From Japan*, 64 Fed. Reg. 66892 (Nov. 30, 1999). The use of average unit import values for TMP, therefore, is consistent with Commerce's practice.

2. Prices for Specific Shipments

The publicly available Automated Manifest System (“AMS”) data from U.S. Customs and Border Protection (“CBP”) contains detailed information regarding goods that arrive at U.S. ports. These data can, in many instances, be aligned with the official U.S. Census import data by matching quantities by month and port of entry. Using this method, Petitioners were able to link certain shipments by specific Dutch producers to their declared import values.

Exhibit V-7 contains official CBP import data (obtained through Datamyne) for the POI based on customs value (*i.e.*, FOB foreign port value) disaggregated by month of entry and district of unloading for U.S. imports of TMP from the Netherlands. **Exhibit V-8** contains manifest data (bills of lading) from the AMS database (obtained through Datamyne) for certain specific shipments from the Netherlands to the United States, sorted by month of entry and port of entry. Petitioners were able to match the bills of lading at **Exhibit VII-8** to the official Census import data at **Exhibit VII-7** based on quantity, port, and month. By doing so, Petitioners were able to determine the prices paid by the consignees for specific entries of Dutch TMP produced and exported by TSIJ. The instances where the bills of lading from **Exhibit VII-8** match the official import data are highlighted in **Exhibit VII-7**.

Petitioners determined the prices paid for specific sales of Dutch TMP to U.S. customers based on matching AMS and official import Data. The details of these transactions are summarized in the calculations at **Exhibit V-9**. Petitioners then adjusted the customs values for foreign market brokerage and handling to derive ex-factory prices in the Netherlands to use as export prices for the margin calculations. *See* **Exhibit V-9**.

B. Normal Value

Petitioners retained the services of a market researcher who sought to obtain pricing information for TMP in the Netherlands but was unable to do so. **Exhibit V-10** contains a declaration discussing the efforts to acquire such information. Because Petitioners were unable

to obtain home market prices, Petitioners instructed the market researcher to obtain third-country pricing information. The Netherlands' largest export market for TMP (other than the United States) is Germany. See **Exhibit V-11**. Again, however, the market researcher was unable to obtain such third-country pricing data, as documented at **Exhibit V-10**.

1. Normal value based on average unit third country prices

Because Petitioners based export price on the average unit POI customs value for Dutch imports into the United States within HTS 7210.12.00.00, Petitioners calculate normal value based on third-country prices from the Netherlands to Germany under that same HTS code. The calculation of third-country price appears at **Exhibit V-12**. The third-country price thus calculated, however, is significantly below the cost of production ("COP") detailed in the section below. A worksheet demonstrating that third-country price is below cost appears at **Exhibit V-13**. Accordingly, Petitioners base normal value on constructed value ("CV").

2. Normal value based on constructed value

Normal value is based upon an estimate of the COP and profit in the home market for TMP corresponding to the specifications used as the basis for export price described above, *i.e.*, tin-plated nonalloy steel with a width of 600 mm or greater and with a thickness of less than 0.5 mm. Petitioners do not have access to TSIJ's factors of production ("FOPs") and consumption rates for those FOPs. Accordingly, as an estimate of the TSIJ's FOPs, Petitioners relied on Cleveland-Cliffs' actual consumption of raw materials, labor, and energy to make all TMP with the above-mentioned relevant physical characteristics. Cleveland-Cliffs is an appropriate producer to use for such estimates because it has a similar production process to TSIJ. Both companies are integrated producers that use blast furnaces (for ironmaking) and basic oxygen furnaces (for steelmaking). In addition, both companies have similar hot-rolling, cold-rolling, and coating facilities to make tinplate. Petitioners provide a cost model at **Exhibit V-14**. A

declaration from the individual at Cleveland-Cliffs responsible for providing the usage rate information is also included in this exhibit.

Petitioners valued materials, labor, and energy inputs using value information from the Netherlands. Factory overhead; selling, general, and administrative (“SG&A”) expenses; and profit are based on the financial results of TSIJ. Additional details are provided below.

a) Direct materials and scrap

Petitioners calculated TSIJ’s cost of direct materials and scrap by using the average CIF import value of these materials at the Dutch port, imported into the Netherlands for the period November 2021 through October 2022, the most recent twelve-month period for which data are available. **Exhibit V-15** contains Netherlands import data obtained from Global Trade Atlas (“GTA”) and used to value materials. Consistent with Commerce’s practice, Petitioners excluded imports from non-market economies, countries with generally-available export subsidies, and unspecified countries. *See Exhibit V-15*. Because the import data overlap the POI, Petitioners did not inflate the data to the full POI per the Department’s normal practice. Values were converted to U.S. dollars using the Department’s Investigations Exchange Rates for the presumptive POI. **Exhibit V-15** contains Petitioners’ calculations as well as the actual Dutch import data, a pivot table used to populate the summary page, and a list of countries excluded from the data. **Exhibit V-16** contains the Department’s POI exchange rates to convert the foreign currency to U.S. Dollars.

b) Labor

Petitioners valued labor using information published by the International Labor Organization (“ILO”) and made adjustments, as necessary, for inflation. *See Exhibit V-17*.

c) Energy and utilities

Petitioners relied upon the following publicly available information to value electricity, natural gas, oxygen, hydrogen, coke oven gas, nitrogen, and steam in the Netherlands:

- The value for electricity is based upon the Q1 through Q3 2022 “Electricity For Extra Large Firms” rates reported by GlobalPetroPrices, available at <https://www.globalpetrolprices.com>. See **Exhibit V-18**.
- Natural gas, oxygen, and nitrogen are valued using GTA import data using the same methodologies described above with respect to material inputs.
- Steam is valued as a function of the value of natural gas per the Department’s normal practice. Similarly, coke oven gas and hydrogen are valued based on their energy densities relative to natural gas. See **Exhibit V-19**.

d) Factory overhead, SG&A, and profit

To calculate overhead, SG&A, and profit, Petitioners used TSIJ’s financial statements for the fiscal year ending December 31, 2021, which is the most recent period for which financial statements are available. See **Exhibit V-20** for the financial ratio calculation worksheet and copies of TSIJ Steel audited financial statements. To calculate financial expense, Petitioners used the information provided in the consolidated financial statements of the ultimate parent company, Tata Steel Ltd., for the fiscal year ending March 31, 2022. See **Exhibit V-21**.

e) Packing inputs

The packing costs reflected in the cost model are conservative in that they relate to domestic shipments which contain few packaging materials. Indeed, Petitioners only included costs for labor and packing skids consumed in the packing operations. Packaging for ocean-going shipments is usually more advanced in order to protect the steel from the elements. Petitioners valued the labor associated with packing using the surrogate labor rate, as described in the direct materials section, above. To the extent that TSIJ’s packaging is more elaborate than Cleveland-Cliffs’, CV is understated.

CV is the sum of COP, profit, and packing costs.

C. Dumping Margin

The dumping margin calculated by comparing export price based on the weighted-average customs value to CV is provided at **Exhibit V-22**. The dumping margins calculated by comparing export prices for specific entries to CV are provided at **Exhibit V-23**. As shown in those exhibits, the dumping margins range from 124.17 percent to 294.27 percent.

IV. MATERIAL INJURY AND THREAT OF MATERIAL INJURY TO THE DOMESTIC INDUSTRY

Petitioners allege that imports of TMP from the Netherlands sold at less than fair value are a cause of material injury and threaten to cause material injury to the domestic industry. The factual information in support of this allegation is provided to the Department and the Commission in Volume I of this petition.

V. CONCLUSION AND REQUEST FOR INVESTIGATION

As demonstrated above, Dutch producers and exporters are selling TMP for less than fair value in the United States. Accordingly, Petitioners request that the Department initiate an antidumping duty investigation on TMP from the Netherlands.

Respectfully submitted,

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