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Mr Adam Yacono
Manager
Anti-Dumping Commission
Customs House Docklands
1010 La Trobe St
Melbourne
Victoria

By email

Dear Mr Yacono

Hyundai Steel Company – hot-rolled structural sections Response to applicant’s submission re comparative products

We refer to another submission from Onesteel that has been placed on the public record of this investigation relating to product comparisons, dated 14 April 2014.

Because of Onesteel’s continued agitation about “like goods” for comparison purposes in this investigation, we feel it is necessary to restate – in as simple terms as we can – what has already been put to the verification team and to the Anti-Dumping Commission (“the Commission”) in our submissions to date.

The simple position is that in the period of investigation Australian customers (only) purchased from Hyundai Steel goods that meet the minimum standards of Grade 300. The Commission’s task is to establish the like good on the domestic market that also meets the minimum standards of Grade 300 and can therefore be used for comparison purposes. The fact is that the yield and tensile strength of SS400 that Hyundai Steel sold domestically in the period of investigation, as shown on the mill certificates, met the yield and tensile strength standard of AS Grade 300, in all cases. This is a verified fact.

Hyundai Steel’s SS/SM490 far exceeds that standard. It would be more comparable with the higher standard of AS Grade 350.

Obviously, Hyundai Steel’s SS/SM 490 meets the minimum standards of Grade 300 too, but that is not the relevant question. “SS/SM580” - if there was such a higher grade (there isn’t) - would also meet the minimum standard of Grade 300. But it would actually meet much higher standards than that, so therefore it could not be comparable.

Furthermore, and importantly, Hyundai Steel’s Grade 300 did not always meet the minimum yield and grade strength of SS/SM490. We have already made this point as well.

NON - CONFIDENTIAL VERSION

At the verification, the verification team reviewed the product characteristics very carefully, and Hyundai Steel provided all required information concerning the merchandise difference in order to match the SS400 and the G300 products. We believe that the verification team fully satisfied themselves that the SS400 was clearly the appropriate like-with-like comparison on the facts presented. To the minor extent that there was a slight cost difference – and the slightness of that cost difference further reinforces the likeness point – our client provided full information for a marginal upwards specification adjustment to our client’s normal value.

Onesteel’s selective comparison of standards and of published information is not only misleading (as we will further explain below) but also unhelpful, because it does not assist in working out what are the like goods on the facts of this case. The facts of Hyundai Steel’s case establish that the most appropriate like-with-like comparison of the exported Grade 300 is with the domestic SS400, from a technical and a commercial perspective.

Turning now to the specific content of Onesteel’s latest missive, Hyundai Steel is disappointed to note the continued denials by Onesteel that the standard for plate steel as shown in the BlueScope material and the standard for structural sections have any relevance to the question of determining the most comparable goods for comparison purposes.

Hyundai Steel considers the information presented by Onesteel to be incomplete and unbalanced. Onesteel tries to reject the relevance of steel grade information from BlueScope which groups SS400 with Grade 300 and SS/SM490 with Grade 350. The common knowledge of all steel producers is that the mechanical properties of a grade of steel are not affected by the kind of steel product (whether plate or section) to which the standard applies. The grouping together of “AS/NZS3678-300” with what BlueScope considers to be the equivalent international standards clearly provides a relevant reference in working out the international grades which are considered to be comparable to the steel grade used for compliance with AS/NZS3679.1. The standards require the *same minimum yield strength*. The tensile strength is so close as to be almost indistinguishable. The plate steel standard has only a *2.27% tensile strength difference*.

As the below information about AS/NZS 3679.1 shows – as presented to the Commission in Onesteel’s own application - the mechanical properties of AS/NZS 3679.1 are almost identical to AS/NZS3678 as shown in BlueScope’s material (both are extracted below for your convenience).

- AS/NZS3679.1:2010 (Grades 300 and 350) from Onesteel’s application

Table 33 Tensile Properties - Flat Bars and Sections

Grade	Minimum yield stress, MPa			Minimum tensile strength, MPa	Minimum elongation on a gauge length of 5.65 $\sqrt{S_0}$ (see Note 2) %
	Thickness, mm (see Note 1)				
	< 11	≥ 11 to ≤ 17	> 17 to < 40		
300PLUS [®] , 300PLUSLO	320	300	280	440	22
300PLUS [®] SO	NA	300	280	440	25
350	360	340	340	480	20

- AS/NZS3678 (Grade 300) from BlueScope's product brochure

MECHANICAL PROPERTIES				
Tensile Properties (Transverse)		Thickness Range (mm)		
		8 < t ≤ 12	12 < t ≤ 20	20 < t ≤ 60
Guaranteed Min.	Yield Strength (MPa)	310	300	280
	Tensile Strength (MPa)	430	430	430
	Elong. on 5.65 √ So (%)	21	21	21
Typical	Yield Strength (MPa)	320 - 410	310 - 390	290 - 370
	Tensile Strength (MPa)	440 - 540	440 - 510	440 - 490
	Elong. on 5.65 √ So (%)	24 - 34	24 - 36	24 - 34

As shown in the tables above, both AS/NZS3679.1 and AS/NZS3678 require a mid-point minimum yield strength of 300 MPa. In relation to tensile strength, AS/NZS3679.1 has a slightly higher minimum tensile strength requirement of 440 MPa, as compared to 430 MPa under AS/NZS3678. This is the 2.27% difference we have already referred to.

It is also readily apparent from the information above that tensile strength is a key mechanical property criteria under the standard for both AS/NZS3679.1 and AS/NZS3678. Onesteel has consistently chosen to ignore this fact. This is so despite the facts that the table extracted from Onesteel's application (extracted above) and Onesteel's own "standard summary" (copy attached, downloaded from its own website) show that tensile strength is one of the key mechanical properties that its product needs to comply with in order to meet the AS/NZS3679.1:2010 standard (see the "tick box" information on the second page).

Onesteel has repeatedly omitted the tensile strength requirement in its numerous submissions concerning the comparison of goods in this investigation. For example, in its letter dated 28 March 2014, several tables were provided that purported to show the comparative mechanical properties of Grade 300 and SS400 according to standards. However, these referred only to yield strength, and ignored any comparison of tensile strength as well. The submission states:

The results indicate that the yield strengths for SS400 and SM400 were significantly lower (18% to 23% lower) than the Grade 300 material so no further comparisons were made due to this large disparity.

There are two points we wish to make about this. The first is that a comparison of products (in this case, standards for products) is not achieved by only considering one or other of the main characteristics and ignoring the others. Yet this is what Onesteel repeatedly does. Hyundai Steel has demonstrated that there is industry acceptance that SS400 and Grade 300 are broadly comparable products. And Hyundai Steel's submissions to the Commission have always accepted the importance of *both* tensile strength and of yield strength.

The second and more relevant point is that Onesteel compares *standards* (or, as we have seen, those parts of the standards that it prefers). Unlike the Commission, it does not have the technical information, in the form of Hyundai Steel's individual mill certificates for the products, which demonstrates the proposition that Hyundai Steel's SS400 as produced and sold on the domestic market met the minimum

requirements of the Grade 300 tensile and yield strength standard in all cases. This information takes the Commission from the broad comparison accepted by the industry to the direct and accurate comparison required for its calculation exercise.

In contrast, Hyundai Steel's SS/SM490 far exceeded those minimum requirements of the Grade 300 tensile and yield strength standard, and is therefore *not* the comparable product for margin calculation purposes.

No matter how many letters Onesteel writes on this subject, this proposition never changes. The facts have been verified by the Commission and we will happily restate that proposition for so long as Onesteel pretends not to understand it.

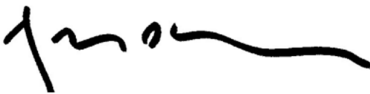
Hyundai Steel's intention is to assist the Commission to make the appropriate like-with-like comparison for *margin calculation* purposes. Onesteel's intention is to incorporate a much higher specification domestic product than the product exported by Hyundai Steel for *margin inflation* purposes.

With respect, we again submit that the facts support the comparison that Hyundai Steel has consistently advanced. Onesteel's contrary arguments can neither contradict those facts nor overturn the appropriateness of that comparison.

Lastly, may we point out to all concerned that contrary to Onesteel's accusation the Commission did not "require" an un-redacted version of Hyundai Steel's letter dated 19 February 2014 to be provided for the public record.

We have found the Commission to be very proper in its approach towards the protection of confidential information submitted to it in investigations such as this. In this case, the Commission drew to our attention that certain information that had been redacted from Hyundai Steel's letter was publicly available from other sources, and requested that that information *and other information* also be disclosed "*[i]n the interests of transparency, and to allow interested parties an opportunity to comment*". Hyundai Steel then unilaterally agreed to disclose all of the information in that letter in the interests of transparency, notwithstanding its confidentiality.

Yours sincerely



Daniel Moulis
Principal

Enc



The new Australian & New Zealand Standard: **AS/NZS 3679.1:2010**

Hot-rolled bars and sections

The scope of the Australian Standard:

The Australian Standard specifies the requirements for hot-rolled bars and sections including universal beams and columns, channels, tapered flange beams, angles and merchant bar sections.

What are the significant changes from the previous version?

The major changes to the Australia Standard include **mandatory** requirements for:

- A rolled-in mark on the product identifying the manufacturer and also that it is produced to this Australian Standard, indicated by "AS"
- Specific information on Test Certificates
- Testing to be performed by laboratories with third-party accreditation from a signatory to International Laboratories Accreditation Corporation (ILAC) such as NATA

These changes make it easy for you to check that the steel you specified or used was produced to AS/NZS 3679.1:2010. These requirements provide specifiers and end-users with a higher degree of confidence that they will get the product they need to comply with relevant design Standards.

What do I look for to ensure product meets AS/NZS 3679.1:2010?

- Look for the rolled-in mark on sections that are 150mm or greater to indicate the product is manufactured to meet the Australian Standard. OneSteel will be progressively rolling into its steel sections "ONE AS" to identify that it is produced by OneSteel to this Australian Standard.



An example of the marking "ONE AS" that will be progressively rolled-in to hot-rolled sections that are 150mm or greater to indicate the product is manufactured to meet AS/NZS 3679.1:2010.

- Demand to see the Test Certificate, which will allow you to confirm if the product complies with the Australian Standard. Look for the OneSteel logo and a reference to an ILAC (e.g. NATA) accredited laboratory on the Test Certificate. This will mean testing has been performed by a third party accredited laboratory.

What are the risks of non-conformance?

- Non-conformance to the Australian Standard leaves specifiers and steel-users at risk of receiving non-compliant product with potential for safety risks and reduced structural performance.
- Specifying and using products which do not meet Australian Standards may put the community at risk, it may also harm the reputation of the client, who is relying on specifiers and steel-users to do the right thing and ensure their project meets all design and safety requirements.
- Non-compliance could threaten specifiers and steel-users' personal and business reputations, ultimately putting all parties involved and the project at risk.

How can I get compliant product?

- OneSteel will be progressively rolling into its hot-rolled steel sections "ONE AS" to identify that it is produced by OneSteel to Australian Standard AS/NZS 3679.1:2010.
- The easiest way to ensure that your steel complies with AS/NZS 3679.1:2010 is to look for "ONE AS" on your hot-rolled section and look for the OneSteel logo and a reference to an ILAC (e.g. NATA) accredited laboratory on the Test Certificate. This will provide the confidence that the product you are specifying or using meets the compliance requirements of the Australian Standard.



The Test Certificate:

A Test Certificate that complies with AS/NZS 3679:1:2010 must contain all items on the following checklist, written in English and alpha numeric characters:

- Manufacturer's, supplier's and testing authority's name
- Test Certificate number and test number
- The date
- Product, testing specification and grade, e.g. AS/NZS 3679:1 350 Grade
- Product designation e.g. 530UB82
- Product steelmaking process, e.g. basic oxygen-slab cast
- Length, bundle, pack or unique identifier to which the Test Certificate applies
- Heat number
- Mechanical properties:

Tensile tests: yield stress MPa	Tensile strength in MPa	% elongation
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- Impact test results at the specified test temperature only for low temperature (LO) and seismic (SO) grades (not required for 300PLUS or 350 Grade)
- Chemical analysis type, e.g. cast analysis 'L' or product 'P'
- Chemical composition with ALL the following listed:

Carbon (C)	Phosphorus (P)	Manganese (Mn)
Silicon (Si)	Sulphur (S)	Chromium (Cr)
Molybdenum (Mo)	Vanadium (V)	Nickel (Ni)
Titanium (Ti)	Niobium (Nb)	Copper (Cu)
Aluminium (Al)	Carbon equivalence (CE)	Any element intentionally added

- Additional tests agreed between the purchaser and the manufacturer
- Statement acknowledging material being supplied in accordance with items above
- A third party accrediting body, recognised by ILAC (MRA) e.g. NATA accredited laboratory
- Signatory from manufacturer, supplier and testing authority attesting to items above

Test Certificate Example:

Please see the following example of a Test Certificate which contains all required information as indicated by the above checklist:

Page 1 of 1
Certificate No.: W755641
Transmission Date: 02/08/10

Customer:	Supplier: OneSteel Manufacturing Pty Limited Whyalla, SA - 5600, Australia A.B.N. 42 004 651 325
Ship To:	Sales Order No: P0112 03/08/2010

<p style="font-size: x-small;">This document is issued in accordance with NATA's accreditation requirements. Accredited for compliance with ISO/IEC 17025. This document shall not be reproduced except in full.</p>	<p style="font-size: x-small;">Sampling undertaken by OneSteel Whyalla 15352 Approved Signatory - M. Bubicich Chemical results as identified are from Amdel Ltd, Whyalla 0834 Approved Signatory - K. Barsley Mechanical results as identified are from Amdel Ltd, Whyalla 0794 Approved Signatory - L. Harrison</p>
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STEELMAKING: Basic Oxygen - Slab Cast INSPECTION: Supplier
SPECIFICATION: AS/NZS3679.1-300 CERTIFICATION: Supplier
PRODUCT: 389PFC

ITEMS COVERED BY THIS TEST CERTIFICATE

Item No	Heat No	Customer Order	Length
1268C	505909	FAX100545 3026	12.000
1269C	509919	FAX100545 3026	15.000
1269C	509920	FAX100545 3026	15.000
1270C	509900	FAX100545 3026	18.000

CHEMICAL ANALYSIS
Percentage of element by mass (L=Cast, P=Product, -S=Soluble, -T=Total, CF=Chemical Formula, n=Min, x=Max)

Item No	Heat / Unit No	NATA Lab	L/P	C	P	Mn	Si	S	Ni	Cr	Mo	Cu	Sn	Al
1268C	505909	0834	L	.180	.014	1.34	.180	.014	.004	.019	.001	.026	.005	.002
1269C	509919	0834	L	.158	.014	1.44	.200	.013	.006	.027	.002	.024	.005	.001
1269C	509920	0834	L	.168	.016	1.49	.180	.016	.006	.028	.002	.030	.005	.001
1270C	509900	0834	L	.171	.020	1.37	.190	.009	.008	.018	.001	.015	.001	.002

Item No	Heat / Unit No	NATA Lab	L/P	Nb	Ti	B	V	N	Ca	Zr	CF1
1268C	505909	0834	L	.001	.001	.0004	.001	.0058	.0001	.001	.41
1269C	509919	0834	L	.001	.001	.0003	.001	.0040	.0001	.001	.41
1269C	509920	0834	L	.001	.001	.0003	.001	.0037	.0001	.001	.42
1270C	509900	0834	L	.001	.001	.0003	.001	.0095	.0005	.002	.40

CF1=C+Mn/5 + (Cr+Mo+V)/5 + (Ni+Cu)/15

MECHANICAL TESTING
Tensile

Item No	Heat No	Tested Unit	NATA Lab	Test Report	ReH MPa	Rm MPa	ELONGN %
1268C	505909	0794	50454	50454	330	490	32
1268C	505909	0794	50454	50454	330	500	31
1269C	509919	0794	50737	50737	320	470	35
1269C	509919	0794	50737	50737	325	470	36
1269C	509920	0794	50737	50737	335	500	33
1269C	509920	0794	50738	50738	335	480	34
1270C	509900	0794	50737	50737	340	500	32
1270C	509900	0794	50737	50737	325	470	34

Yield Strength - determined in accordance with requirements of nominated product standard

COMMENTS
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"I certify the conformance of the material to the requirements and that the information on this certificate is in accordance with the records of the company."

How can I get more information?

- In-house presentations with further details can be requested from OneSteel Market Mills
- For further information please contact:
David Bell (NSW, QLD, ACT): belld@onesteel.com
Spiros Dallas (VIC, TAS, SA, NT, WA): dallass@onesteel.com

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