



Anti-Dumping/Countervailing Duties Questionnaire for interested parties/contributors Case TD0004 and TS0005: Biodiesel originating in the United States of America and consigned from Canada

Period of Investigation (POI):	1 July 2019 to 30 June 2020
Injury period:	1 July 2016 to 30 June 2020
Deadline for response:	8 th November 2020
Contact details:	Anti-dumping: TD0004@traderemedies.gov.uk Countervailing duties: TS0005@traderemedies.gov.uk
Completed on behalf of:	<i>Renewable Transport Fuel Association</i>

When you have completed this form, indicate the **confidentiality** of this document by placing an X in the relevant box below:

- Confidential
 Non-confidential – will be made publicly available

Please note that you should provide **two copies of your response** – a **Confidential** and a **Non-confidential version**. Both copies should be returned to TRID using the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 8th November 2020.

Please remember to upload this dumping and countervailing duties questionnaire to **both cases** on the Trade Remedies Service (www.trade-remedies.service.gov.uk). The Trade Remedies Investigations Directorate is investigating each case separately and you will not be able to participate in both if only one is uploaded.



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The scope of this review

Goods subject to review

This review covers biodiesel originating in the United States of America and consigned from Canada, described as:

Fatty-acid mono-alkyl esters (FAME) and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, commonly known as biodiesel. In a pure form or in a blend containing by weight more than 20%, fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, originating in the United States of America and consigned from Canada.

These goods are currently classifiable within the following CN codes:

- 1516 20 98 (TARIC 1516 20 98 21, 1516 20 98 29, 1516 20 98 30)
- 1518 00 91 (TARIC 1518 00 91 21, 1518 00 91 29, 1518 00 91 30)
- 1518 00 99 (TARIC 1518 00 99 21, 1518 00 99 29, 1518 00 99 30)
- 2710 19 43 (TARIC 2710 19 43 21, 2710 19 43 29, 2710 19 43 30)
- 2710 19 46 (TARIC 2710 19 46 21, 2710 19 46 29, 2710 19 46 30)
- 2710 19 47 (TARIC 2710 19 47 21, 2710 19 47 29, 2710 19 47 30)
- 2710 20 11 (TARIC 2710 20 11 21, 2710 20 11 29, 2710 20 11 30)
- 2710 20 16 (TARIC 2710 20 16 21, 2710 20 16 29, 2710 20 16 30)
- 3824 99 92 (TARIC 3824 99 92 10, 3824 99 92 12, 3824 99 92 20)
- 3826 00 10 (TARIC 3826 00 10 20, 3826 00 10 29, 3826 00 10 50, 3826 00 10 59, 3826 00 10 89, 3826 00 10 99)
- 3826 00 90 (TARIC 3826 00 90 11, 3826 00 90 19, and 3826 00 90 30)

The CN codes are only given for information.



In this questionnaire, these goods will be referred to as the goods subject to review. Any reference to goods subject to review in this questionnaire refers to the goods description above, regardless of the CN code under which they are exported.

Instructions

Introduction

The Trade Remedies Investigations Directorate (TRID) of the UK's Department for International Trade will carry out a transition review of each trade remedy measure active under the EU system that the UK has decided to maintain after EU exit. Transition reviews TD004 and TS005 will consider whether the current anti-dumping and countervailing duties measures are necessary or sufficient to offset dumping/subsidisation of biodiesel originating in the United States of America and consigned from Canada and whether there would be injury to the UK industry if the measures were removed.

TRID is seeking your cooperation as a contributor to inform our investigation into whether the current anti-dumping/countervailing measures should be maintained, varied, or discontinued. The information you provide will help us to determine a fair and appropriate response.

For further information please refer to our guidance on [How we carry out transition reviews into EU measures](#).

Please refer to our online guidance on the differences between interested parties and contributors: <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#interested-parties-and-contributors>

Please provide all the information requested by 8th November 2020. We may send a notice asking for clarification or supplementary information where necessary. Make sure you provide the sources for any information or data you don't own and clearly state any restrictions on sharing it.

If you don't provide the confidential information and a non-confidential summary (or a statement of reasons why you cannot provide this), we may disregard the information you give us. See below for further information about how to provide confidential and non-confidential versions.

If you can't complete the questionnaire within the required time, contact the Case Team ahead of the deadline by email at TD0004@traderemedies.gov.uk and TS0005@traderemedies.gov.uk. Explain how long an extension you need and why. We will notify you of our decision. If we can give an extension, a note to explain this will be placed on the public file.



Contact the Case Team if you have any questions about your response or if you have any difficulties in completing the questionnaire. General information about UK trade remedies processes is available at: www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process

How to complete this questionnaire

All statements should be substantiated with relevant data, information, and the sources of these. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all your supporting documents, including any calculations made when developing your responses.

Please note the following points:

- If the answer to a question is 'zero', 'no', 'none' or 'not applicable', write this rather than leaving the answer blank.
- If there is not enough space in any part of the questionnaire to provide the details requested, please attach appendices. Make sure any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- For all numerical figures, where appropriate express every third digit with a comma (e.g. '1,300' for one-thousand three hundred, '1,300,000' for one million and three hundred thousand).
- Limit all sales/currency/income figures to two decimal places and use the appropriate currency symbol (e.g. £1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, indicate this in the relevant answer and explain the variance from actual costs, if any.
- All financial figures should be reported net of tax unless otherwise stated.

Preparing confidential and non-confidential copies of your information

You will need to submit one confidential version and one non-confidential version of your questionnaire by the deadline. **Please ensure that each page of information you provide is clearly marked either "Confidential" or "Non-Confidential" in the header.** It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Further information on what can be considered confidential and how to prepare a non-confidential version of this questionnaire is available at:

<https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information>



All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*) and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.

What happens next

Upload your completed questionnaire responses and non-confidential versions of documents to our Trade Remedies Service at www.trade-remedies.service.gov.uk. You will receive an email confirming the documents have been uploaded successfully. Non-confidential responses will be placed on the public file and the Case Team will contact you if further information is required. We may contact you to arrange a visit to verify the information contained in your responses.

Once we have assessed whether measures are needed, in some cases we will submit a provisional affirmative determination. This will contain our recommendation to the Secretary of State about whether to request a guarantee from importers to cover the duty amount they would incur if measures were finalised.

Before publishing a final determination, we will publish a Statement of Essential Facts setting out the detailed reasoning of how we came to our decision. Interested parties will have the opportunity to provide comments and submissions on this. After considering these we will publish a final determination that sets out our final recommendation of measures to the Secretary of State.

Further information on this process is available at:
www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#determinations-and-conclusion-of-investigations



SECTION A: About these cases

A1 General information

1. Please complete the table below. Make sure the point of contact you name has the authority to provide this information.

Name (point of contact):	Personal identifying information
Address:	Personal identifying information
Telephone No:	Personal identifying information
Email:	Personal identifying information
Website:	www.rtfa.org.uk

If you are representing a company, please also fill in the information below:

Company registration number:	13028135
Place of registration:	UK
Legal name of organisation:	Renewable Transport Fuel Association
Legal structure (e.g. limited company, sole trader, partnership etc):	The RTFA is a trade association Private Limited Company by guarantee without share capital (use of 'Limited' exemption)
Position in the organisation:	Chief Executive
Year of establishment:	2020
Other operating names:	N/A

2. Please explain your interest in transition reviews TD004 and TS005.

The RTFA represents the interests of UK renewable transport fuel manufacturers and gaseous fuel suppliers and includes all major biodiesel producers. The RTFA seeks to promote and protect the jobs of UK-based fuel producers and those within the supply chain, and supports a level playing field with respect to imports, through a trade remedy policy which is not protectionist but protects UK manufacturers against unfair trade practices.



A2 Information about these reviews

For each question, please give any information you feel is relevant to the reviews. If you have no information, please say so in your answer. These transition reviews will consider whether the current anti-dumping/countervailing measures are necessary or sufficient to offset dumping/subsidisation and whether there would be injury to the UK industry if the measures were removed.

1. Please provide any information about the goods subject to review that you consider relevant.

Some parties to the review have argued that as HVO is not manufactured in this country, the UK should choose to go counter to the EU approach of treating it as a like product, and therefore not apply a trade remedy to it. This would be wrong. HVO is inside the scope of the AS and AD measures and should remain so.

The EU Commission is clear that its expiry review will not consider any changes to the scopes of those measures, as HVO continues to benefit from the Biodiesel Mixture Credit (to take one example of a subsidy) alongside FAME. As the fuel is used in exactly the same vehicles and is promoted by the RTFO for transport use in exactly the same way, including double-counting for any which is certified as waste-derived, any subsidy for that fuel would impact the market in the same way and drive out UK production as a consequence.

2. Provide any information which you think could help us assess the likelihood of dumping occurring if the existing anti-dumping/countervailing measures for the goods subject to review no longer applied.

Before the countervailing duties were in place, biodiesel from the US and Canada was dumped into the EU. This was the basis for the initial inquiry, which resulted in the EU implementing the AD and AS measures in 2009. The dumping margin calculated by the European Commission at that time was between 10.1% and 88.4%. The Commission's 2015 expiry review concluded that should the anti dumping duty rates be removed, dumping would reoccur.

The submission by the European Biodiesel Board (EBB) to the current EU expiry review calculated that the dumping margin would be 108%, which is "a significant level of dumping regarding US biodiesel exports to the EU....confirming that very significant dumping practices would definitively resume should the anti-dumping measures be allowed to lapse."



The same principles apply to the UK as to the EU market, and if the trade remedy measures no longer applied, it can only be assumed that dumping would occur again, as the Biodiesel Mixture Credit (and presumably many of the other measures listed in the EBB document) is still in existence. The EBB document points out:

“The main subsidy scheme – the Biodiesel Mixture Credit – has been in place for more than 15 years now and will continue to be available to the US biodiesel industry during the next years and beyond. All other federal subsidy schemes which were found countervailable by the Commission in its 2015 expiry review investigation are still in force and have been extended after their initial expiry date. In addition, a significant number of state subsidy schemes are still available to the US biodiesel industry. If some US States subsidy schemes may have expired, other new state subsidies should have been put in place to replace the expired ones.”

Indeed if the measures are retained in the EU but lapse in the UK, the UK could expect to suffer even greater quantities of subsidised (and dumped) material, as all the potential biodiesel that will continue to be prevented from entering the EU will be focused on the UK market, instead.

The UK is a particularly attractive market for waste-based biodiesel, due to it double counting under the Renewable Transport Fuel Obligation (RTFO). This encourages parties that are subject to the Obligation (i.e. oil companies supplying more than 450,000 litres/year of road or non-road mobile machinery fuel) to import of biodiesel made from used cooking oil.

There is already considerable over-capacity in the US biodiesel industry. The EBB submission referred to above concluded it amounted to around 2.7 million tonnes in 2019, i.e. 32% of its total capacity. This is similar to the UK’s total demand for biodiesel. Furthermore, US biodiesel capacity is likely to grow ten-fold in the next 5 years.

3. Do you think there would be injury to the UK industry if the existing anti-dumping/countervailing measures for the goods subject to review no longer applied? Provide any information supporting your conclusions including what the cause of this injury would be. You can refer to our [guidance on how we assess injury](#) for a definition of injury.

Yes. This is because the cost advantage provided by the Biodiesel Mixture Credit (to take one example of the many subsidy schemes and grants available) more than outweighs the additional costs of transporting the biodiesel over the Atlantic (to the tune of around £175 per tonne). This is about 20 – 25% of the price paid for biodiesel in the UK.



The injury caused could result in the closure of the UK's biodiesel production facilities, which would result in the loss of jobs.

There hasn't been a comprehensive study of employment in the UK bio-diesel industry, but we estimate that the production facilities account for around 500 jobs, used cooking oil and food waste collection around 1000 jobs and biodiesel haulage around 175. There will be many more indirect jobs associated. The production facilities are all in economically disadvantaged areas; constituencies Cleethorpes, Middlesbrough, Uddingston and Bellshill, Ellesmere Port and Neston, Bootle. The job implications and other economic impacts of the UK ceasing domestic production of bio-diesel, are discussed further in response to question A2:4)

4. Please provide any information about the possible economic effects on the UK if the existing anti-dumping/countervailing measures on the goods subject to review were no longer applied.

Decarbonising transport is a particularly challenging task, as evidenced by the fact that of all sectors of the economy the emissions from transport have stubbornly refused to fall. The RTFO requires oil companies to source a certain volume of their supplies from renewable sources. It is a tradable mechanism, and oil companies are required to source sufficient certificates (RTFCs) to meet their obligation or to pay a buy out fee. The value of certificates fluctuates, which makes the task of raising funding for production facilities extremely challenging. There are also additional challenges, unique to fuel production projects and not faced by renewable electricity projects, these include; the fungibility of renewable transport fuels which requires UK producers to compete with other producers on a global basis; the fact that the obligation did not follow the anticipated trajectory and plateaued instead of increasing for several years (2013-18) which drastically undermined investor confidence.

Renewable transport fuels deliver around 1/3 of the Government's carbon emissions reductions targets for the transport sector and the DfT is seeking to encourage additional investment in the production of fuels from waste-based feedstocks, both for road and aviation. The challenge of repairing damaged investor confidence from the historical management of the RTFO, and encouraging existing and new entrants to invest in the new class of "development fuels" which benefit from higher (although still uncertain) financial incentives, should not be under-estimated.



It goes without saying that if the UK allowed its early investors to be exposed to unfair competition this would severely undermine both their confidence in further investments, along with that of other companies the DfT is seeking to encourage to build production plant here.

Some parties to the review have argued that the UK should drop the trade remedies, in order that customers can benefit from lower prices. The economic benefit of this would be short lived, however. The UK could lose its biodiesel manufacturing industry, leading to less competition in terms of supply which would feed into a subsequent increase in price. The UK could also fail to win investment in new renewable fuel production facilities for markets which will become increasingly important in the future, (e.g. sustainable aviation fuel). The Government is trying to encourage R,D&D in these fuels and has run several competitions for grant funding prospective advanced fuel producers.

As stated in the answer to question A2-3, the injury inflicted on the industry could lead to the closure of production facilities and the loss of those jobs. Having large industrial infrastructure such as biodiesel plants, not producing anything, is costly and wasteful of land and resources as well as devastating to the individuals who lose their employment.

The employment in collecting UCO from food service establishments in the UK would probably not be lost, even if domestic biodiesel production ceased. This is because the UCO would still have a value; the material collected would instead be exported for processing into biodiesel; its value would fall, and this would feed through into lower rebates paid to pubs and restaurants, which are suffering hugely as a consequence of the Coronavirus pandemic. If domestic production ceased the UK would, however, lose the value-added aspect; the UK's balance of trade would suffer and the hospitality industry would suffer. The UCO would be likely to be exported to the EU and USA, for processing into biodiesel, and subsidised USA material would continue to come into the UK.

The other materials that UK producers turn into biodiesel, such as food wastes, sewer greases and oils would be more problematic to export, given the additional costs and regulatory challenges. It also goes against the fundamental principle that where possible wastes should be catered for locally rather than being exported. (Category 1 tallow would have to be burned, in WID compliant facilities, of which the UK does not have sufficient capacity).

If these materials and the most difficult to handle wastes, such as fatberg matter, are not exported, they may not be put to productive use in biodiesel and may be landfilled. This would have an economic impact in terms of the requirement to pay gate fees. It may even be that more used cooking oil finds its way into sewers, if the used cooking oil collection infrastructure suffers disruption.



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International Trade

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5. If you have any other information which may help us with this review, please provide it below.



SECTION B: Next steps and declaration

Next steps

Once you have completed all parts of the questionnaire, the declaration below should be signed.

Please upload this questionnaire to both cases (TD004 and TS005) through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by **8th November 2020**.

A confidential and non-confidential version of the questionnaire must be submitted. You can find guidance on how to complete confidential and non-confidential versions at www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#handling-confidential-information.

Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and belief and that you understand that the information you submit may be subject to verification by TRID.

Company name: **Renewable Transport Fuel Association**
Company registration number (if applicable): **13028135**

20th November

Date

Signature of authorised official

Personal identifying information

Name and title of authorised official