**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:** | 22nd November 2020 |
|  |  |
| **Contact details:** | Anti-dumping: [TD0004@traderemedies.gov.uk](mailto:TD0004@traderemedies.gov.uk)  Countervailing duties: TS0005@traderemedies.gov.uk |
|  |  |
| **Completed on behalf of:** | Diamond Green Diesel LLC |

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

**X** 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](http://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](https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/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](mailto: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](http://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](http://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](http://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](http://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): | *[CONFIDENTIAL : personal identifying information] – Hogan Lovells International LLP* |
| Address: | *Pericles Building*  *Rue de la science 23*  *1040 Brussels*  *Belgium* |
| Telephone No: | *[CONFIDENTIAL : personal identifying information]* |
| Email: | *[CONFIDENTIAL : personal identifying information]* |
| Website: | *https://www.hoganlovells.com/* |

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

|  |  |
| --- | --- |
| Company registration number: | *FEIN: 80-0492539* |
| Place of registration: | *Delaware (incorporation)* |
| Legal name of organisation: | *Diamond Green Diesel LLC* |
| Legal structure (e.g. limited company, sole trader, partnership etc): | *Corporation* |
| Position in the organisation: | *50/50 Joint Venture between Valero Energy Corporation and Darling International subsidiaries* |
| Year of establishment: | *2009* |
| Other operating names: | *n/a* |

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

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| *Diamond Green Diesel LLC (“DGD”) is a global leader in the production of Hydrotreated Vegetable Oil (“HVO”), a biomass-based diesel product that, unlike methyl ester products, is a true hydrocarbon. DGD’s production facility, based outside New Orleans, Louisiana, USA, produces approximately 800,000 + MT per year of HVO, and is currently undergoing an expansion to increase the production capacity of the plant. The new production capacity is estimated to become operational at the end of 2021, and the new production capacity will be approximately 1,985,294 MT per year. DGD uses waste oils and animal fats as feedstocks, and pursuant to the BioGrace model, the greenhouse gas emissions savings for the HVO produced by DGD is over 80%.*  *DGD markets its products globally. Currently, DGD sells a significant portion of its production to non-EU markets in Europe, such as Norway and Switzerland. Unfortunately due to the anti-dumping and countervailing duties imposed by the EU, DGD has been unable to sell its product to clients in the UK, as the EU measures prohibit DGD’s product from successfully competing in the local market. We believe that if these trade hurdles were removed, DGD would receive significant buying interest from customers in the UK. This would also give the UK market more supply and optionality in reaching their climate change goals.* |

## 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.

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| *It is essential for the purpose of the assessment of whether the EU measures with regard to biodiesel from the US should be extended to the UK market to understand the difference between, on the one hand, renewable diesel (HVO) and, on the other hand, traditional biodiesel (FAME). [CONFIDENTIAL: This information relates to information that is being prepared and that will be submitted by DGD to the UK authorities in the context of this investigation and sharing this in advance of the submission may negatively affect DGD’s interests].*  *Renewable diesel is a vital transportation fuel in the effort to reduce greenhouse gas emissions. To DGD’s best knowledge, there is no renewable diesel production in the UK, and none planned for the near future. Thus, the UK market is dependent solely on imports, mainly from the EU. Demand for renewable diesel in the EU is expected to increase due to the recast of the Renewable Energy Directive (RED II). In accordance with RED II, the overall EU target for Renewable Energy Sources consumption by 2030 has been raised to 32%, the sub-target for transport being that a minimum of 14% of the energy consumed in road and rail transport must be renewable energy.* *Within the 14% transport sub-target, there is a dedicated target for advanced biofuels produced from feedstocks listed in Part A of Annex IX, which are waste-based biofuels such as renewable diesel produced from waste. The contribution of advanced biofuels and biogas produced from the feedstock listed in Part A of Annex IX as a share of final consumption of energy in the transport sector shall be at least 0.2 % in 2022, at least 1 % in 2025 and at least 3.5 % in 2030. RED II also limits the share of biofuels consumed in transport produced from food and feed crops to a share lower than 7 % in each Member State.* *In other words, considering the 7% cap for traditional biodiesel under the RED II renewable energy targets, future demand for traditional biodiesel is limited whereas waste-based biofuels, including renewable diesel or HVO, demand is expected to increase in the future.*  *A recent industry report on renewable diesel [CONFIDENTIAL]) predict annual demand for renewable diesel in the EU will increase by approximately [3-8] million MT ([1-2] billion gallons) over the next 5 years due to the RED II policy framework. The report forecast that by 2030 annual demand in the EU for renewable diesel would reach approximately [25-35] million MT ([5-10] billion gallons).*  *The UK has equally ambitious goals of becoming greenhouse gas (GHG) neutral by 2050. Following the end of the Brexit transition period, the UK will no longer be bound by the RED II renewable energy targets. However, in June 2019, the UK adopted an amendment to the Climate Change Act of 2008 to commit to bringing all GHG emissions to net zero by 2050 (* [*https://www.legislation.gov.uk/uksi/2019/1056/contents/made*](https://www.legislation.gov.uk/uksi/2019/1056/contents/made)*). The Climate Change Committee (*[*https://www.theccc.org.uk/uk-action-on-climate-change/reaching-net-zero-in-the-uk/*](https://www.theccc.org.uk/uk-action-on-climate-change/reaching-net-zero-in-the-uk/)*), the UK’s independent climate advisory body, indicated that, among others, a major expansion of renewable and other low-carbon power generation is needed, in particular for the transport and heating sectors. By consequence, demand of renewable diesel / HVO is expected to follow the an increasing trend in the UK.* |

1. 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.

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| *Considering there is no production of HVO in the UK, it cannot be in the UK’s interest to maintain measures on imports of HVO / renewable diesel.*  *With regard to HVO or renewable diesel, the value and prices are determined by global demand and market forces. On the UK market, there is currently a high demand and limited supply (due to the lack of any domestic production and the EU anti-dumping and countervailing measures imposed). Even if the measures with regard to the UK market would no longer apply, US exporting producers have no incentive to sell at dumped prices on the UK market: there are no UK producers to compete with and it is in the interest of US exporting producer to sell at the highest price possible, i.e. driven by market forces.*  *It is also worth noting that US demand for renewable diesel currently is significantly bigger than current demand and demand for renewable diesel is expected to increase. According to the a recent industry report referenced above, the US currently consumes around [0.8 – 1.3] billion gallon ([2-5] million MT) of renewable diesel and produces approximately [200-500] million gallons ([0.5 - 2.5] million MT) of renewable diesel. The remainder of the demand (40-50%) is currently met through imports, almost all coming from Singapore. As such, any immediate production capacity increases would be destined for the US market rather than export.* |

1. 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](https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/how-we-assess-injury) for a definition of injury.

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| --- |
| *As indicated above, HVO and traditional biodiesel cannot be considered like products for the purpose of this investigation. The assessment of possible injury to the UK industry must be made taking into account these differences.*  *With regard to HVO, as there is currently no UK production of this product, there would be no possible injury to the UK industry. To the best of our knowledge, there are also no HVO production capacities planned by UK producers. This further confirms our argument raised above that imports of HVO are necessary for the UK market and that maintaining the measures on imports of HVO would be against the interest of the UK.* |

1. 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.

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| --- |
| *With regard to both traditional biodiesel and renewable diesel / HVO, the UK relies on imports to satisfy demand on the UK market. For traditional biodiesel, the total estimated consumption in 2019 in the UK was around [1.5 – 2] billion litres. Even allowing for production capacity increases, according to DGD’s best knowledge, domestic production would most likely only be around half of the amount of total consumption. As for renewable diesel / HVO, to the best of the DGD’s knowledge there is no UK production and therefore the UK is completely dependent on imports.*  *If the existing anti-dumping/countervailing measures on renewable diesel / HVO were removed, more supply would enter the market, which would decrease prices for UK industry and consumers. In addition to reducing costs for consumers, renewable diesel could assist the UK with its significant greenhouse gas emissions reduction targets (i.e., the UK’s target is to become GHG net zero by 2050). Please refer to the reply to Question 1 concerning the expected increase in demand for renewable diesel / HVO in both the EU and the UK. As such, the removal of the EU measures on the UK market would generate positive economic effects.* |

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

|  |
| --- |
| *In summary and as stated elsewhere, it is important to remember that renewable diesel is a fundamentally different product than biodiesel. There are numerous biodiesel plants in the UK, but that is not the case for renewable diesel. Therefore, it is not justified to subject renewable diesel/HVO to anti-dumping/countervailing measures on biodiesel.* |

# 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](http://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](http://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:

Company registration number (if applicable):

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Date |  | Signature of authorised official |
|  |  |  |
| Name and title of authorised official |  |  |