

**CANADA BORDER SERVICES AGENCY**

**The Dumping of Rebar Originating in or Exported From  
The Republic of Belarus, Chinese Taipei, the Hong Kong Special  
Administrative Region of the People's Republic of China, Japan, the  
Portuguese Republic and the Kingdom of Spain**

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**DECLARATION OF ROGER PAIVA**

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I, the undersigned ROGER PAIVA, of the Town of Whitby, in the Province of Ontario, do solemnly declare as follows:

**I. INTRODUCTION**

1. I am Vice President and General Manager of Merchant Operations at Gerdau Ameristeel Corporation (doing business as "Gerdau Long Steel North America," hereinafter "Gerdau") and, in that capacity, I am responsible for Gerdau's operations in Canada.
2. I have a degree in mechanical engineering. I began my career with Gerdau in Brazil in 1982, and transferred to Gerdau's Canadian operations in 1994. I am currently based in Whitby, Ontario, where I have lived since 2003. From Whitby, I oversee our Whitby operations as well as our operations in Cambridge, Ontario, and Selkirk, Manitoba. All three Gerdau locations in Canada are capable of producing concrete reinforcing bar ("rebar"). I also serve on the Board of

Directors of the Canadian Steel Producers Association and currently hold the position of Vice-Chair. For these reasons, I have personal knowledge of the matters that I declare herein.

3. I make this solemn declaration as part of the Complaint filed by the domestic rebar industry, comprising Gerdau, ArcelorMittal Long Products Canada, g.p., AltaSteel Inc.

## **II. REPATRIATION OF U.S. IMPORTS**

4. As Vice President and General Manager based in Whitby, Ontario, I directly manage our company's Canadian operations. In that capacity, I was directly involved in our company's undertaking to the Tribunal in the Public Interest Inquiry No. PB-2015-001, *Concrete Reinforcing Bar Originating in or Exported from the People's Republic of China, the Republic of Korea, and the Republic of Turkey*, to increase our production in Canada by adding a third crew at the Whitby bar mill and to thereby repatriate Gerdau imports of rebar produced at our sister mill in the United States.

5. Specifically, on July 29, 2015, I testified before the Tribunal that our Whitby, Ontario mill would be operating with three crews starting in September 2015, which would represent 100,000 tonnes of additional production and significantly better costs of production. In addition, I testified that our company's plan was to supply the Canadian rebar market out of the Whitby operation, including into the BC market.

6. Our company has been true to its word: a third crew for rebar production in Whitby was hired in July 2015 and trained to be active as soon as possible. By September 2015, our Whitby bar mill was running at full staff capacity and produced [ ] tonnes of rebar that month alone, followed by [ ] tonnes in October, [ ] tonnes in November, and [ ] tonnes in December of that same year as the fall construction season ended. As a consequence, and in accordance with our company's plan, our imports of rebar from [

] dropped from a January 2015 high of [ ] tonnes in that month to a low of [ ] tonnes in December 2015. In the first quarter of 2016, our imports [ ] for January, February, and March were [ ] tonnes, [ ] tonnes, and [ ] tonnes, respectively. In addition, our domestic sales of rebar from domestic production at the Whitby mill grew significantly from September onward. The chart below shows our company's plan to repatriate our imports from the United States in action over the course of 2015 and into the Q1 2016:



7. Overall, imports from our US facilities into Canada declined from [ ] tonnes in 2014 to [ ] tonnes in 2015, a decline of no less than [ ] tonnes. In 2016 to date, the imports from our US facilities have been [ ].

8. Indeed, this deliberate move by our company to repatriate imports from our US mills, which was put into effect on the strength of the CBSA preliminary duties imposed in September 2014, is what [ ] notwithstanding the injurious volume and price effects caused by the new dumped imports from the Republic of Belarus (“Belarus”), Chinese Taipei (“Taiwan”), the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), Japan, the Portuguese Republic (“Portugal”), and the Kingdom of Spain (“Spain”) (hereinafter referred to collectively as the “subject countries”) entering Canada during that time to replace dumped and subsidized imports from China, South Korea, and Turkey. But for our significantly increased [

], the impact of the dumped subject country imports in 2015 on our company’s Canadian operations would have been disastrous.

9. However, as a result of the circumstances described in more detail by my colleague Mr. Marcelo Canosa, our company’s increased domestic production and addition of a third crew

at the Whitby mill is now in jeopardy as a result of the undeterred and growing inflow of new dumped imports arriving from the subject countries. We have lost sales in Canada to imports from these countries in 2015 and now increasingly in 2016, and we have lost revenue and continue to lose revenue increasingly due to the lower pricing we are forced to offer in order to secure the sales made in competition with the dumped imports from those countries.

### **III. ADDITION OF STAFF CAPACITY AT RISK**

10. With the addition of a third crew at Gerdau's Whitby, Ontario mill, our plan is to produce a minimum of [ ] tonnes per month, which is something that dumped rebar imports from the subject countries make difficult to achieve at fair prices. As my colleague Mr. Canosa will describe in more detail, our crewing levels are based on [ ]  
[ ]. In the event that we could [ ]

Conversely, [ ]

[ ], we would need to revisit our crewing level and lose the investments we made in the training to add that crew in terms of safety, equipment operation, and manufacturing costs (dilution of fixed costs) and other efficiencies.

11. This is a serious matter for our company's Canadian operations and the negative impact that dumped rebar imports from the subject countries have had on our ability to sell our product in fair competition at undumped price levels is in turn negatively impacting our results and

putting at risk the very undertaking we made to the Tribunal and faithfully implemented in July 2015.

**DECLARED BEFORE ME** at the Town )  
Whitby, in the Province of Ontario, )  
this 17<sup>th</sup> day of June, 2016 )  
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A Commissioner for Taking Oaths, etc.

**[Confidential Version of Statement has been signed]**

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**Roger Paiva**