

**THE DUMPING OF SILICON METAL
ORIGINATING IN OR EXPORTED FROM THE FEDERATIVE
REPUBLIC OF BRAZIL, THE REPUBLIC OF KAZAKHSTAN,
LAO PEOPLE'S DEMOCRATIC REPUBLIC, MALAYSIA, THE
KINGDOM OF NORWAY, THE RUSSIAN FEDERATION AND
THE KINGDOM THAILAND AND SUBSIDIZATION OF
SILICON METAL ORIGINATING IN OR EXPORTED FROM
THE FEDERATIVE REPUBLIC OF BRAZIL,
THE REPUBLIC OF KAZAKHSTAN, MALAYSIA, THE
KINGDOM OF NORWAY, AND THE KINGDOM THAILAND**

**Public Statement of Evidence
of Marlin Perkins**

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**The Dumping of Silicon Metal Originating in or Exported from
the Federative Republic of Brazil, the Republic of Kazakhstan,
Lao People's Democratic Republic, Malaysia, the Kingdom of Norway,
the Russian Federation and the Kingdom of Thailand and the
Subsidization of Silicon Metal Originating in or Exported from the
Federative Republic of Brazil, the Republic of Kazakhstan, Malaysia, the
Kingdom of Norway, and the Kingdom of Thailand**

**Public Statement of Evidence
of
Marlin Perkins**

1. My name is Marlin Perkins. I am Vice President of Sales, of Globe Metallurgical Inc. ("GMI"), a wholly-owned subsidiary of Globe Specialty Metals, Inc.
2. I have worked with GMI since July 1989 and have been responsible for GMI's North American sales of silicon metal since that date.
3. During that time, [] have been important customers for GMI. However, our sales to the Canadian locations of [] and [] were limited for many years due to the fact that these companies had been purchasing large volumes of low-priced silicon metal from China. Sales turned around after the finding by the Canadian International Trade Tribunal in NQ-2013-003 ("**Silicon Metal I**").
4. Since the acquisition by Globe of the majority interest in the Bécancour facility, I and Jeff Watson were given primary responsibility for sales of silicon metal from the Bécancour facility.
 - A. **Bécancour's sales in the Canadian market**
 - (a) *Sales and Marketing Information*
5. Generally, Ryan's Notes can be useful in determining the current market price for silicon metal destined for the secondary aluminum industry in the United States. However, as of late, there

has been a disconnect between the indexes and the actual market pricing. Before this recent disconnect, the transaction price for silicon metal sold to primary aluminum producers was typically US\$[]/kg higher than the Ryan's Notes price, which normally reflects silicon metal for use by secondary aluminum producers.

6. I would also note that my understanding is that there is a 2-3month lag between the time an order is placed in Canada from an offshore supplier and the time the product arrives in Canada. I would also note that most suppliers seek to book their volumes in advance, often on a half-yearly basis. In other words, if product is arriving during second half 2015, the negotiations and orders for the product likely occurred in first half 2015.
7. One other point I would like to note: the Statistics Canada data shows that US imports into Canada were sold at an average declared value of C\$4,978 during the first 10 months of 2016. I believe this figure must be incorrect given that it is much higher than market pricing in 2016.
8. The Canadian market is competitive due to the multiple suppliers of domestic and imported product and the fact that the imported product can be used interchangeably in the same applications.
9. Alcoa and RTA are by far the largest customers in Canada. Although, the Complainant's sales to Alcoa and RTA improved significantly following the Tribunal's positive ruling in Silicon Metal I, Canadian customers began importing significant volumes from the Subject Countries in 2014 and the volumes have become much more significant in 2016.
10. In recent negotiations, in order to survive, we have been forced to counter offer with something much higher or walk away.
11. I have provided a summary of Globe's relationship with the main customers below.

(b) RTA

12. RTA is [] Canadian consumers of silicon metal. For years, it has been an important customer of the Bécancour facility. The Complainant estimates that RTA's Canadian facilities consume approximately [] to [] MT of silicon metal per year.

13. In 2010, RTA Canada moved its purchasing to Singapore. I understand that Rio Tinto Procurement (Singapore) Pte Ltd. (“RTA Singapore”) purchases silicon metal from various suppliers around the world, and RTA Singapore then re-sells silicon metal to various RTA facilities around the world.
14. After Silicon Metal I, the Complainant was final able to start selling meaningful values to RTA. In 2014, we sold [] MT] of silicon metal to RTA. This was []MT more than it sold in 2013.
15. In 2015, sales [] imports from Subject Countries began to affect the contracts
16. For first half 2016, QSIP sold [] to RTA this was significantly []].
17. In July 2016, QSIP was awarded [] from RTA. QSIP had offered to sell at US\$[]/lb i.e. C\$[]. RTA responded that they had offers in the low US\$[]s/lb, i.e. C\$[]. QSIP was forced to reduce its price to US\$ []/lb, or C\$[], to obtain this order. This agreement included an option for RTA to [] in September 2016.¹
18. In October 2016, QSIP was awarded [] from RTA as a bridge to the end of year negotiations. The price was US[\$] [\$]².
19. In November 2016, RTA asked QSIP to quote on [] MT for delivery in November-December 2016. QSIP’s []. However, RTA indicated that they could get imported material at US\$[]/lb or C\$[]. Ultimately, QSIP was forced to reduce its price to US\$[]/lb or C\$[]. More recently, in December 2016, the Complainant and RTA settled on an

¹ Confidential Attachment 1: RTA July 2016.

² Confidential Attachment 2: RTA October 2016.

order for RTA's first half 2017 business. The Complainant was awarded only [] MT, at a price of US\$[]/lb. We had originally quoted US\$[]/lb but were forced to reduce our price to compete with imports, which we believe were primarily from Norway, Brazil and Thailand.

(c) Alcoa

20. Alcoa is [] users of silicon metal in Canada. For many years, Bécancour was a large and important supplier to Alcoa. From 2004 through 2012, Alcoa sourced the bulk of its requirements from China. It was only with the Tribunal's finding in Silicon Metal I that purchases from Alcoa improved.
21. On May 6, 2016, Jeff Watson and I met with [], the metals purchasing contact at Alcoa. The reasons for the meeting were to follow up on the recent second half Request for Quote ("RFQ") that Alcoa had proffered and to negotiate in good faith our position for the time period in question.
22. In this meeting, Alcoa reported that through their RFQ, they received firm price offers for Canada as low as [] (i.e., US\$[]/lb or C\$[]) and continued to state that it was not just one company with this offer but several others were just a few cents behind. This quote is all-in, including duties paid, freight paid, 60-day consignment, and warehouse price paid.
23. A delivered plant price from the Montreal warehouse would be a few cents higher. With all of these adders, we were anticipating that Alcoa had a delivered, Quebec plant price of around US\$[] (C\$[]/MT). This was \$[]/MT, or nearly []%, below the Complainant's 2016 Q1 price, C\$[]. During the meeting, we informed Alcoa that we could not participate at a price in the US\$[] range.³
24. On May 26, 2016, after much negotiation, Alcoa offered a [] at US\$[]/lb or ([]) for Fe.35 product and US\$[]/lb for Fe.50 product. The vast majority of this order was for Fe.35 product ([] MT).

³ Confidential Attachment 3: Alcoa meeting 5-6 2016.

25. On November 14, 2017, Alcoa and the Complainant settled on an order for first half 2017. The Complainant had offered a price of US\$[]/lb or C\$[]/MT for first half 2017, for Alcoa's requirements of approximately []MT, or a price of US\$[]/lb or C\$[]/MT for Alcoa's full year 2017 requirements of [] MT. Alcoa indicated that they had offers of US\$[]/lb or C\$[]/MT.
26. Ultimately, Alcoa []. Further, Alcoa stated that, given the competitive offers, it would only agree to provide the Complainant with []% of its requirements, at a price of US\$[]/lb, or C\$[]/MT. As noted above, the Complainant's Q3/2016 all-in cost was C\$[]/MT. In other words, this sale, for the entire first half of 2017 will be []. At the same time, Alcoa has committed to purchasing [] MT in first half 2017 of dumped/subsidized imports. The Complainant's understanding is that most or all of these purchases will be coming from [].⁴

(d) Aleris/Real Alloy

27. Aleris purchased material from Bécancour between [] and []. However, Bécancour's understanding is that, Aleris began purchasing increased volumes of Chinese silicon metal at around the same time as RTA and Alcoa namely 2004-2005.
28. Aleris made no purchases from Bécancour after [] through [] when the Silicon Metal I case was underway.⁵
29. Even now after our improved market position following, Silicon Metal 1, we are now facing significant challenges due to low priced imports at this customer.
30. Aleris Specification became Real Alloy in February 2015. On February 26, 2016, Real Alloy requested quotes for delivery to its Mississauga plant for the period April through June 2016 for [] or [] of lump 533 grade silicon for delivery to its Mississauga plant. We quoted US\$[] or C\$[]/MT delivered to Mississauga. In response, Real Alloy

⁴ Confidential Attachment 4: ALCOA Negotiations 2017 (003).pdf.

⁵ Confidential Attachment 5: January 2013 Aleris Silicon RFQ.

informed us that it was able to book this material in the []
]⁶

31. In July 2016, Real Alloy again requested quotes for approximately [] for Q3 2016. QSIP offered US\$[]/lb or C\$[]/MT. Real alloys indicated that they accepted offers between US\$[]/lb or C\$[]/MT. Real Alloy indicated that they had six trading companies offering Brazilian product (none of which was from Dow Brazil). There was also a trading company offer Kazak material at around US\$[]/lb or C\$[]/MT.⁷
32. On November 16, 2016, Real Alloy requested quotes for []. Business was awarded to traders in the []. QSIP's offer price to Real Alloy had been []. It is QSIP's understanding that this material came from [].

(e) Other Customers

33. In November 2016, Rochester Aluminum requested quotes for []. QSIP offered US\$[] or C\$[]. The business was awarded elsewhere and Rochester stated that they were able to buy [].⁸

I, Marlin Perkins of Globe Metallurgical Inc., certify that the information in the Witness Statement is true, accurate and complete.

"Confidential version signed by Marlin Perkins"

Marlin Perkins

⁶ Confidential Attachment 6: May 2016 Real Alloy RFQ.

⁷ Confidential Attachment 7: Q3 2016 Real Alloy RFQ.

⁸ Confidential Attachment 8: Silicon Metal Supply – 2017.

LIST OF ATTACHMENTS

Tab	Description
Confidential Attachment 1	RTA July 2016
Confidential Attachment 2	RTA October 2016
Confidential Attachment 3	ALCOA meeting 5-6 2016
Confidential Attachment 4	ALCOA Negotiations 2017 (003)
Confidential Attachment 5	Jan 2013 Aleris Silicon RFQ
Confidential Attachment 6	May 2016 Real Alloy RFQ
Confidential Attachment 7	Q3 2016 Real Alloy RFQ
Confidential Attachment 8	Silicon Metal Supply - 2017

COMPLAINT

The Dumping of **Silicon Metal**
Originating in or Exported from the
Federative Republic of Brazil, the
Republic of Kazakhstan, Lao People's
Democratic Republic, Malaysia, the
Kingdom of Norway, the Russian
Federation and the Kingdom Thailand
and

Subsidization of **Silicon Metal**
Originating in or Exported from the
Federative Republic of Brazil,
The Republic of Kazakhstan, Malaysia,
the Kingdom of Norway, and the
Kingdom Thailand

**Public Summaries of
Confidential Attachments 1 to 8**
to the Statement of Evidence of Marlin Perkins

Confidential Attachments 1 through 8 to
the Statement of Evidence of Marlin
Perkins contains business confidential
information, the disclosure of which
could cause harm to the business and
commercial interests of the Complainant