



Ottawa, Monday, January 14, 1991

Referral No.: RE-90-002

IN THE MATTER OF a referral, under section 34 of the *Special Import Measures Act*, made by Serge Baril & Ass. Inc., an importer, to the Canadian International Trade Tribunal;

AND IN THE MATTER OF an advice of the Canadian International Trade Tribunal, under section 37 of the *Special Import Measures Act*;

RESPECTING the dumping in Canada of certain aluminum wedge clamps with solid stainless steel bails for use on 100 percent smooth body ACSR type conductors, AWG sizes #6 to #2, originating in or exported from the United States of America and produced by or on behalf of Reliable Power Products, Franklin Park, Illinois, its successors and assigns.

ADVICE

The Tribunal hereby concludes that the evidence discloses a reasonable indication that the dumping of the subject goods has caused, is causing or is likely to cause material injury to the production in Canada of like goods.

Date of Advice: *January 14, 1991*

Tribunal Members: *Robert J. Bertrand, Q.C., Presiding Member*
Kathleen E. Macmillan, Member
Arthur B. Trudeau, Member

Director of Research: *Réal Roy*
Research Manager: *Douglas Cuffley*



Ottawa, Monday, January 14, 1991

Referral No.: RE-90-002

ADVICE under section 37 of the *Special Import Measures Act* respecting:

CERTAIN ALUMINUM WEDGE CLAMPS WITH SOLID STAINLESS STEEL BAILS
FOR USE ON 100 PERCENT SMOOTH BODY ACSR TYPE CONDUCTORS,
AWG SIZES #6 TO #2, ORIGINATING IN OR EXPORTED FROM THE
UNITED STATES OF AMERICA AND PRODUCED BY OR ON
BEHALF OF RELIABLE POWER PRODUCTS, FRANKLIN PARK,
ILLINOIS, ITS SUCCESSORS AND ASSIGNS

TRIBUNAL: ROBERT J. BERTRAND, Q.C., Presiding Member
KATHLEEN E. MACMILLAN, Member
ARTHUR B. TRUDEAU, Member

ADVICE

On November 14, 1990, the Deputy Minister of National Revenue, Customs and Excise (the Deputy Minister), initiated an anti-dumping investigation respecting certain aluminum wedge clamps with solid stainless steel bails for use on 100 percent smooth body ACSR type conductors, AWG sizes #6 to #2, originating in or exported from the United States of America and produced by or on behalf of Reliable Power Products, Franklin Park, Illinois, its successors and assigns.

On December 14, 1990, pursuant to section 34 of the *Special Import Measures Act* (the Act), an importer of the subject goods, Serge Baril & Ass. Inc., referred to the Canadian International Trade Tribunal (the Tribunal) the question of whether the evidence discloses a reasonable indication that the dumping of the above-mentioned goods has caused, is causing or is likely to cause material injury to the production in Canada of like goods.

The Tribunal, pursuant to section 37 of the Act, is required to render its advice on the question without holding any hearings, on the basis of the information that was before the Deputy Minister when she reached her decision and not later than 30 days after the referral was made.

The information provided to the Tribunal by the Deputy Minister, which is based primarily on the documented complaint filed by Entreprises Alliées Limitée (Entreprises Alliées), was closely examined by the Tribunal in order to render its advice under section 37 of the Act.

This information indicates that Entreprises Alliées is the only manufacturer of the subject aluminum wedge clamps in Canada and, therefore, it constitutes the domestic industry for purposes of the Act.

A wedge clamp or "service clamp" is a mechanical device used for strain relief at electrical service drops. It is designed to hook up a non-conducting support wire running from the aerial lines to residential houses. The supporting wire shoulders the additional weight and strain of snow and ice caused by bad weather conditions so that the electrical wires twisted around it are not damaged.

The complainant alleges that, as a result of the dumping, it has sustained material injury in the form of lost sales, lost market share, reduced profits and a reduction in employment. It further alleges that the continued dumping is likely to cause material injury to its production of like goods.

The complaint was lodged as a result of a large sale of subject clamps lost by the Canadian manufacturer to an importer of the product, Reliable Power Products (Reliable), for a contract with Hydro-Québec. This sale corresponded to 50 percent of Hydro-Québec's annual purchase of the subject wedge clamps for the period April 1990 to March 1991. As Hydro-Québec is, apparently, the largest user of the subject goods in Canada, this sale represented more than 15 percent of the overall Canadian market, as estimated by Revenue Canada. As a consequence, the complainant's share of the market, in terms of volume, declined substantially between 1989 and 1990. The complainant fears that it will lose the entirety of Hydro-Québec's next contract if dumping is permitted to continue and, if this occurs, it will have to cease production of aluminum wedge clamps.

Based on this information, the Tribunal is of the opinion that the test of a reasonable indication of material injury caused by the dumped imports has been met. The sale lost to the imported product was significant and it caused the complainant to experience a substantial reduction in sales, market share, gross margins and profits as well as a reduction in employment. It would appear, on the basis of the pricing information provided by the Deputy Minister, that the sale was lost because of a lower price offering for the imported product.

The Tribunal also notes that if Hydro-Québec had not agreed to increase its order of subject clamps to the complainant following the award of its current annual requirement, the reduction in market share and profits suffered by the complainant would have been greater. Furthermore, without Hydro-Québec's policy of not awarding 100 percent of its requirement to a new supplier in the first year, the injury suffered by the complainant would have been even worse. In 1991, however, Reliable will be in a position to bid and be awarded the total contract, and if the dumping is allowed to continue unfettered, the complainant's sales to Hydro-Québec could disappear entirely.

The Tribunal is also satisfied that the size of the margin of dumping, as estimated by the Deputy Minister, in relation to the price differential between the importer's and the Canadian manufacturer's price quotations to Hydro-Québec for the subject goods, provides a reasonable indication that the dumping is the cause of the injury.

On the basis of the information provided and its analysis, the Tribunal is of the opinion that the evidence discloses a reasonable indication that the dumping of certain aluminum wedge clamps with solid stainless steel bails for use on 100 percent smooth body ACSR type conductors, AWG sizes #6 to #2, originating in or exported from the United States of America and produced by or on behalf of Reliable Power Products, Franklin Park, Illinois, its successors and assigns, has caused, is causing or is likely to cause material injury to the production in Canada of like goods.

Robert J. Bertrand, Q.C.
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Presiding Member

Kathleen E. Macmillan
Kathleen E. Macmillan
Member

Arthur B. Trudeau
Arthur B. Trudeau
Member

Robert J. Martin
Robert J. Martin
Secretary