



23 June 2026

**Trade Remedies Authority
Premier House
60 Caversham Road
Reading
RG1 7EB**

RE: Government of Canada’s Reply to the Applicant’s Comments in ER0083 and ER0084

On 8 June 2026, the Renewable Transport Fuel Association (“Applicant”) responded to comments submitted by the Government of Canada (“Canada”),¹ in which the Applicant requests the Trade Remedies Authority (“TRA”) to disregard Canada’s comments and extend the application of anti-dumping (“AD”) and countervailing duty (“CVD”) measures on biodiesel imports consigned from Canada. In its response, the Applicant mischaracterizes Canada’s arguments and misrepresents the nature of the United Kingdom’s measures and facts on the record.

Before addressing three claims raised by the Applicant, Canada notes that its overarching concern in these investigations is ensuring that trade remedies are only imposed on goods consigned from Canada in accordance with the WTO Agreement on Subsidies and Countervailing Measures (“ASCM”) and the WTO Anti-Dumping Agreement (“ADA”). The expiring measures at issue were not imposed pursuant to the type of investigation contemplated by the ASCM and ADA. Instead, the measures were imposed following a transition review of European Union (“EU”) measures on U.S. biodiesel, which had been extended to biodiesel consigned from Canada after the EU found that dumped and subsidized U.S. biodiesel was being transhipped through Canada to the EU market. Neither the European Commission nor the TRA examined whether subject U.S. goods were being transhipped through Canada to the United Kingdom, in particular. Setting aside whether transitioning a trade remedy measure of another WTO Member is consistent with the United Kingdom’s WTO obligations, Canada remains concerned with the process used to transition the measures at issue, as they apply to Canada. The transition review should have substantiated that subject U.S. goods were being transhipped through Canada into the United Kingdom (not the EU) market. It failed to do so because there was no positive evidence on the TRA’s record substantiating these points. There is still no such evidence in the context of these expiry reviews. If there has never been any evidence, let alone positive evidence, that dumped and subsidized U.S. subject goods have been transhipped through Canada to the United Kingdom, then there cannot be any reasoned explanation for continuing to subject imports from Canada to a UK trade remedy measure.

¹ Government of Canada’s Comments on ER0083: Anti-subsidy expiry review: Biodiesel products from United States and Canada and ER0084: Anti-dumping expiry review: Biodiesel products from United States and Canada, 26 May 2026 (“Canada’s Comments”).



Turning to the first of the Applicant's responses to Canada, the Applicant argues that in an expiry review, the TRA must examine the likelihood of continuation or recurrence of injurious dumping or subsidization should the measures at issue be removed, but that Canada is asking the TRA to conduct an additional test – "namely to evidence transshipment of dumped and subsidised US biodiesel through Canada to the UK."² The applicant argues that the TRA has no obligation to apply the legal test for an initial circumvention investigation in an expiry review because "the evidentiary threshold is [...] distinct."³

Canada does not dispute the test applicable in an expiry review. However, evidence of transshipment is relevant in the circumstances of reviewing the measures at issue because they were imposed without evidence that dumped or subsidized U.S. biodiesel is being, or ever has been, transhipped through Canada to the United Kingdom. Thus, it is unclear how the TRA could determine that expiry of the measures, as they apply to Canada, would be likely to lead to the continuation or recurrence of injury to the UK industry unless evidence of transhipped U.S. biodiesel to the United Kingdom is placed on the record.⁴ Normally, to extend a measure to goods consigned from Canada, the TRA would have needed to find, *inter alia*, that the following factors existed: a change in the pattern of trade between Canada and the United Kingdom; that the change results from a practice, process, or work which has insufficient economic justification other than the avoidance of the AD/CVD; and injury to the UK industry or that the remedial effects of the AD/CVD are being undermined.⁵ While the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019* do not specifically require the TRA to assess those factors in an expiry review, they are relevant in the present case because they were not assessed when the United Kingdom transitioned the EU's measures and there is no other positive evidence of transhipped U.S. biodiesel to the United Kingdom on the record. The TRA must rely on reasoned explanation and positive evidence that removal of the measures, as they apply to Canada, would lead to injury to the UK industry. Absent evidence of recurrence of transshipment, the TRA cannot do so.

Second, the Applicant asserts that there is evidence of transshipment to the United Kingdom because it was part of the EU during the original investigation. Further, it claims that Canada's argument supports "circumvention practices from US exporters to the EU and the UK".⁶ Canada disagrees. While Canada supports the enforcement of legally valid trade remedy measures imposed by other WTO Members, it does not support the imposition and maintenance of trade remedies unless those measures are implemented following a WTO-consistent investigation, including a determination based on reasoned explanation and positive evidence. In this case, the evidence on circumvention before the original decision-maker pertained to a different WTO Member's

² Applicant's Comments to the submission filed by the Government of Canada, 8 June 2026 ("Applicant's Response"), paras. 23-24.

³ Applicant's Response, para. 26.

⁴ As explained in Canada's Comments, it cannot be presumed that circumvention of the United Kingdom's measure will occur based on the practices of exporters to another market over 10 years before the TRA conducted its transition review.

⁵ See, Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019, part 7 chapter 2 regulation 73(2). The TRA did not examine these factors in its transition review. Similarly, the European Commission did not examine these factors with regard to the UK market, in particular, in imposing its measures.

⁶ Applicant's Response, paras. 7, 10.



domestic industry (i.e., the EU industry) and a different market (i.e., the entire EU). The fact that the United Kingdom was previously part of the EU does not alleviate the United Kingdom of its obligation to base the imposition of its trade remedies on positive evidence pertaining to the UK domestic industry and the UK market.

Third, the Applicant asserts that “Canada fails to understand that the anti-dumping and countervailing measures imposed by the UK do not apply to imports of genuine Canadian biodiesel”.⁷ Even the Applicant appears to recognize the misleading nature of this statement as it immediately notes that Canadian biodiesel producers can request an exemption “to export their Canadian biodiesel to the UK, free of any trade remedy duty”.⁸ According to the Applicant, it is unclear why resorting to the exemption procedure could infringe the rights of Canadian biodiesel producers. Relatedly, the Applicant argues that discontinuing the measures on Canada, “would leave a circumvention door wide open”⁹ and that there is:

absolutely no justified reason to reopen this circumvention route, especially because anti-circumvention measures do not affect genuine Canadian imports to the UK. Specific proceedings foreseen in the UK Trade Remedy legislations are applicable to Canadian biodiesel producers for them to export their biodiesel to the UK. In this respect, the RTFA makes it clear, once [Sic] more time, that the anti-dumping and countervailing duties **do not apply to goods from Canada**.¹⁰

The Applicant repeatedly misconstrues the nature of the measures. By default, the United Kingdom’s measures apply to all like goods from Canada unless a Canadian exporter successfully engages in a relatively lengthy and expensive exemption review. That alone may be prohibitive of trade, especially for new exporters or those likely to export at lower volumes.

Canada’s concern is that there is no justification for requiring Canadian exporters to successfully complete an exemption review to avoid the application of duties absent evidence that U.S. subject goods are being transhipped through Canada to the UK market in the first place. As Canada demonstrated in its original comments – and as the Applicant fails to rebut – there is no such evidence on the record.¹¹

Further, removing the measures on Canada does not leave a door to circumvention open. Indeed, if the Applicant is concerned that transshipment may occur (which appears unlikely in light of the Applicant’s own evidence on declining U.S. exports to Canada),¹² the Applicant is entitled to seek

⁷ Applicant’s Response, para. 3.

⁸ Applicant’s Response, para. 6.

⁹ Applicant’s Response, para. 21 (emphasis removed).

¹⁰ Applicant’s Response, para. 21 (emphasis original).

¹¹ As noted in Canada’s Comments, the European Commission based its finding on circumvention with regard to the EU market as a whole and its public record contains no evidence of transshipment to the United Kingdom in particular.

¹² Applicant’s Response, paras. 33-34.



a circumvention review, in which it would bear the burden of establishing that circumvention exists with regard to the UK market. Only if the TRA were to make an affirmative determination in such a review should genuine producers of Canadian biodiesel be forced to undertake an exemption review. In effect, the Applicant seeks to reverse the appropriate procedural process to avoid discharging its legal burden.

In conclusion, Canada respectfully requests that the TRA base any decision to extend the application of the AD and CVD measures – as they apply to Canada – on reasoned explanation and positive evidence pertaining to the UK market and UK industry. If it cannot do so, it should recommend that the measures on Canada expire.

Respectfully submitted,

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