

AD0068
AS0067
United States Government
Submission of Additional Comments
NON-CONFIDENTIAL
July 29, 2025

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Lead Investigator
Trade Remedy Authority
60 Caversham Road, Reading RG1 7EB

Re: U.S. Comments on Revised Application in Anti-Dumping and Anti-Subsidy
Investigations into Hydrotreated Vegetable Oil Diesel (“HVO”) from the United States

Dear ██████████,

The United States is in receipt of the June 24, 2025, Revised Application in the anti-dumping and anti-subsidy investigations (“Investigations”) into HVO from the United States. The United States submits the following additional comments on the Revised Application.

General and Procedural Comments

1. The United States submitted its initial comments on injury on June 6, 2025, before the filing of the Revised Application. The Applicant’s stated reason for the Revised Application is to provide non-confidential summaries of confidential information. However, in addition to summarizing or disclosing previously redacted information, some of the underlying information in the Revised Application appears to have changed from the initial Application. The TRA’s acceptance of the Revised Application raises procedural questions as to why these summaries were not required in the initial Application.
2. In addition to these procedural concerns, the Revised Application fails to demonstrate that exports of HVO from the United States to the United Kingdom cause injury to the industry of the United Kingdom producing a like product. As the United States made clear in its June 6, 2025, submission, there are no producers of HVO in the United Kingdom, nor do the Applicants have standing to file an application as producers of a like good subject to these Investigations, that is, HVO. In its June 6, 2025, submission, the United States submitted information and identified several areas of the Application that supported the U.S. position.¹ The information now disclosed in the Revised Application regarding price, market perceptions, and channels of distribution provides further support for the U.S. position that the Applicants lack the requisite standing. This previously redacted information also demonstrates that so-called Fatty Acid Methyl Ester (“FAME”) biodiesel and HVO biofuels operate under distinct conditions of competition in the UK fuel market, contradicting Applicants’ contention that they are “directly

¹ See Comments by the United States (June 6, 2025), paras. 7, 13, 17, 21, 27.

substitutable and interchangeable.”² Furthermore, several data points unredacted by the Applicants in the Revised Application suggest that any injury allegedly suffered by the UK’s FAME industry is not attributable to imports of HVO from the United States, but rather the result of higher costs faced by FAME producers in the UK.

Non-Substitutability

3. First, in its analysis on substitutability, the Application relies on a study conducted by Zemo Partnership (“Zemo”), a non-profit organization whose members include two of the Applicants, the Renewable Transport Fuel Association and Greenergy Fuels Limited.³ As the United States explained in its June 6, 2025, submission, FAME and HVO are not substitutable because, among other reasons, FAME requires blending, while HVO does not.⁴ In the Revised Application, the Applicants, citing the Zemo study, state that “HVO has traditionally commanded a premium price, although the price differential between higher blends of FAME and HVO has reduced with increasing volumes of US HVO coming into the market.”⁵ The premium price of HVO acknowledged by Zemo reflects that HVO is not substitutable with lower-priced FAME. In fact, HVO commands such a premium price due to its superior performance, as argued by the Applicants themselves, citing the TRA transition review: “the products also have differences in their quality. HVO has a higher cetane number, better energy density and lack of oxygen content (meaning it is less likely to oxidise).”⁶ The Applicants themselves thus concede that FAME, even when blended, has cold-weather flow problems that HVO does not.⁷ The ability of FAME to compete with HVO based on quality and price is therefore limited, and the TRA should thus correctly conclude that the two products are not substitutable.

3. As another example of how the revised Application in fact supports the lack of substitutability between FAME and HVO, the revised Application cites Zemo’s analysis to argue that “the price of biodiesel and HVO varies across fuel traders who supply these biofuels to

² Revised Application, p. 19, para. 2 (response to Question A.2.).

³ See Revised Application, p. 30, para. 39. Zemo Partnership describes itself as an independent, non-profit organization. We note that its members include two of the Applicants, the Renewable Transport Fuel Association and Greenergy Fuels Limited. See Welcome to Zemo Partnership, available at <https://www.zemo.org.uk/about-us.htm> (last accessed on July 22, 2025), and Members Search, available at <https://www.zemo.org.uk/members-search.htm?all=1> last accessed on July 22, 2025).

While the United States does not question TRA’s reliance on this information for initiating the investigation, the extensive evidence placed on the record by the United States government and U.S. industry outweighs this purported evidence of substitutability placed on the record by Applicants and the Zemo Partnership.

⁴ See Comments by the United States (June 6, 2025), paras. 13-15.

⁵ Revised Application, p. 139.

⁶ Revised Application, p. 24

⁷ See Revised Application, para. 19.

HDV fleet operators. The price of HVO is more variable than high blend biodiesel due to the fact there are significantly more distributors of HVO in the downstream supply chain.”⁸ This categorical statement shows that the HVO and FAME are treated as distinct products and distributed differently in the downstream supply chain.

4. Because the revised Application further shows the lack of substitutability between FAME and HVO, the United States reiterates its request for the TRA to re-evaluate the analysis of like product and terminate the Investigations.

Non-Injury and Impact of Higher FAME Costs

5. Second, several previously redacted data points disclosed by the Applicants in the Revised Application provide insight into whether any injury allegedly suffered by the UK’s FAME industry can be attributed to imports of HVO from the United States. The production, capacity, and capacity utilization ranges and indexes cited by Applicants⁹ indicate that the UK FAME producing industry’s output remained high throughout the injury period, with production capacity increasing throughout the injury period and capacity utilization declining only slightly (by less than 10 percent). Further, this slight decline appears to have occurred between Q4 2023 and Q2 2024, which does not demonstrate any trend that would support a meaningful conclusion of injury. These data instead support a conclusion that there was no demonstrable impact on production, capacity, or capacity utilization, and that any alleged impact was due to the operations of a UK producer and not imports from the United States.

6. The Applicants have also provided extensive unredacted data that shows that the challenge for the UK industry may actually be attributed to rising costs, rather than to competition for imports.¹⁰ For instance, the Revised Application shows that raw material costs increased between 0 to 25 percent and energy costs increased by 50 to 75 percent for the injury period and the POI, and clarifies that feedstock accounts for 75 to 100 percent of FAME raw material costs.¹¹ This, when combined with the prior acknowledgement by the Applicants that “{b}iodiesel prices are heavily dependent on feedstock prices but also on diesel prices, as it is a competing product,” shows the impact of costs, rather than imports.¹² While Applicants suggest otherwise in their Application by attributing any alleged injury to imports, the rising costs of raw materials is a relevant other known factor that the TRA must consider, consistent with section

⁸ Revised Application, p. 139.

⁹ See Revised Application, pp. 98-100.

¹⁰ See Revised Application, p. 124, paras. 2-3.

¹¹ See Revised Application, p. 124, paras. 2-3.

¹² Revised Application, p. 100, para. 15 (discussing that the value of production increased “due to the fact that there has been a significant increase in the costs of production (including because of the rising feedstock prices)” and p. 124, paras. 2-3.

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35(2) of the Trade Remedies (Dumping and Subsidization) (EU Exit) Regulations 2019 (the “UK Trade Regulations”), which states that, “{i}njury caused by other known factors must not be attributed to the dumped goods or subsidised imports.”

7. The unredacted information provided in the revised Application continues to support that the UK industry producing FAME has not suffered material injury as a result of U.S. imports of HVO. Additionally, because the evidence in the revised Application continues to demonstrate that FAME and HVO are not like goods, nor are there any producers of HVO in the United Kingdom, the United States reiterates its request for the TRA to terminate the Investigations, consistent with section 64 of the UK Trade Regulations.

The United States appreciates the TRA’s consideration of these comments.

Sincerely,

Amanda Lee
Senior Associate General Counsel
Office of the United States Trade Representative