



CC 2024 AC

OTTAWA, May 23, 2025

STATEMENT OF REASONS

**Concerning the conclusion of an investigation into the
alleged circumvention in respect of**

CONTAINER CHASSIS

ORIGINATING IN OR EXPORTED FROM VIETNAM

DECISION

Pursuant to subsection 75.1(1) of the *Special Import Measures Act*, on May 23, 2025, the Canada Border Services Agency has determined that imports of container chassis from Vietnam are not circumventing the Canadian International Trade Tribunal's finding respecting the dumping and subsidizing of container chassis from China.

Cette *Énoncé des motifs* est également disponible en français.
This *Statement of Reasons* is also available in French.

TABLE OF CONTENTS

BACKGROUND	1
PERIOD OF INVESTIGATION.....	1
PRODUCT INFORMATION	2
DESCRIPTION OF THE SUBJECT GOODS	2
ADDITIONAL PRODUCT INFORMATION.....	3
LIKE GOODS.....	4
MANUFACTURING PROCESS	4
INTERESTED PARTIES AND REQUESTS FOR INFORMATION	6
COMPLAINANT	6
OTHER PRODUCERS.....	6
ASSOCIATIONS.....	6
IMPORTERS.....	7
EXPORTERS AND/OR FOREIGN PRODUCERS	7
CBSA’S ASSESSMENT	7
CHANGE IN PATTERN OF TRADE	8
PRESCRIBED ACTIVITY	9
CAUSATION	12
CONCLUSION	14
FUTURE ACTION	14
INFORMATION.....	15
APPENDIX 1 – REPRESENTATIONS.....	16
APPENDIX 2 – PRESCRIBED FACTORS IN SIMR	19

BACKGROUND

[1] On January 19, 2022, the Canada Border Services Agency (CBSA) made final determinations of dumping and subsidizing respecting certain container chassis from the People's Republic of China (China).

[2] On February 18, 2022, the Canadian International Trade Tribunal (CITT) found that the dumping and subsidizing of container chassis from China had caused injury to the domestic industry in Canada.

[3] On October 11, 2024, the CBSA received a written complaint from Max-Atlas International Inc. (Max-Atlas) (hereinafter, the complainant), alleging that imports of certain container chassis originating in or exported from the Socialist Republic of Vietnam (Vietnam) are circumventing the CITT's finding.

[4] The complainant alleged that circumvention is occurring through assembly or completion of like goods in Vietnam, by means of insignificant processes, using parts or components – that represent a major portion of the total cost of producing the like goods – originating in or exported from China. The complainant provided evidence to support their allegation.

[5] On November 25, 2024, pursuant to subsection 72(1) of the *Special Import Measures Act* (SIMA), the CBSA initiated an anti-circumvention investigation respecting container chassis from Vietnam.

[6] The administrative record for this investigation closed on March 19, 2025.

[7] On April 9, 2025, the CBSA issued the *Statement of Essential Facts* (SEF), which contained the CBSA's preliminary assessment, and the facts relied upon to make the assessment.

[8] Following the publication of the SEF, various comments and responses to comments were received from interested parties. The CBSA considered the comments and responses in making its final decision. A summary of these comments and responses, as well as the CBSA's response, are included in Appendix 1.

[9] On the basis of the information on the record and the consideration of the relevant factors contained in subsections 57.11 to 57.16 of the *Special Import Measures Regulations* (SIMR), the CBSA has determined that the container chassis imported from Vietnam are not circumventing the CITT's finding in respect of container chassis, pursuant to section 71 of the SIMA.

PERIOD OF INVESTIGATION

[10] The period of investigation (POI) for this anti-circumvention investigation is October 1, 2020 to September 30, 2024.

PRODUCT INFORMATION

Description Of The Subject Goods

[11] The goods that are the subject to the CITT's finding (subject goods) are defined as:

Container chassis and container chassis frames, whether finished or unfinished, assembled or unassembled, regardless of the number of axles, for the carriage of containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off and/or rail transport, and certain subassemblies of container chassis originating in or exported from the People's Republic of China.

Excluding:

- i. dry van trailers, meaning trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself*
- ii. refrigerated van trailers, meaning trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal properties intended for use with self-contained refrigeration systems and*
- iii. flatbed or platform trailers, meaning trailers that consist of load-carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members*

For greater certainty, the subject goods include the following complete or substantially complete major subassemblies, when imported, purchased or supplied with, or for assembly with, subject container chassis frames:

- i. running gear assemblies for connection to the container chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may include suspension(s), wheel end components, slack adjusters, axles, brake chambers, locking pins, tires and wheels*
- ii. landing gear assemblies, for connection to the container chassis frame, capable of supporting the container chassis when it is not engaged to a tractor and*
- iii. connection assemblies that connect to the container chassis frame or a section of the container chassis frame, such as B-trains and A-trains, capable of connecting a container chassis to a converter dolly or another container chassis.*

Additional Product Information¹

[12] Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers to the chassis using twistlocks, slide pins or similar attachment devices to engage the corner fittings on the container or other payload.

[13] These chassis are typically used in the transportation of intermodal cargo containers and are skeletal rectangular framed trailers.² The rectangular frame comprises steel with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers attached to the chassis. Chassis are designed to carry containers of various sizes, usually ranging from 20' to 60' in Canada, including the typical container lengths of 20', 40', 45', 53' and 60'. Containers carried on chassis include marine containers which are sometimes referred to as "ISO containers", as they are manufactured to specifications set out by the International Organization for Standardization. Other containers carried by the subject goods include, but are not limited to, domestic containers designed to be carried exclusively over land and not via ocean transport, tank containers for the carriage of liquids or sand, flat racks which are containers without sides, generators for emergency systems and temporary power delivery and waste containers.

[14] Some chassis are built to a single container size and for holding a single container. Others are designed to be extendable chassis, meaning their sliding or adjustable suspension can be extended to allow for longer containers to be carried. Some longer chassis are designed to allow the operator to carry multiple smaller containers, allowing the operator the flexibility of carrying loads for multiple clients simultaneously.

[15] Chassis may be imported into Canada in a fully assembled form, or imported as an unassembled chassis, such as a chassis frame accompanied by the relevant subassemblies, with most or all of the integral items required to assemble a chassis into a finished form. For an unfinished or unassembled chassis to be considered subject goods, the parts for a single chassis do not have to enter Canada at the same time.

[16] The subject container chassis frames are steel skeletal frames forming the main frame of the trailer and typically include: coupler plate assemblies, bolsters consisting of transverse beams with locking or support mechanisms, gooseneck assemblies, drop assemblies, extension frame assemblies with locking mechanisms and/or rear impact guards. These container chassis frames are only used to manufacture a finished container chassis.

¹ *Container Chassis*, Statement of Reasons – Final Determinations (18 August 2021), paras. 28-35

² "Intermodal" means the utilization of more than one transportation mode (e.g. ship, rail, road) to transport cargo shipments from one location to another

[17] For greater certainty, the subject goods include unfinished or unassembled container chassis or container chassis frames, for painting, coating or further assembly with components such as, but not limited to hub and drum assemblies, brake assemblies (either drum or disc), axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.

[18] The subject goods do not include the individual components of the container chassis or subassemblies when imported as individual components, meaning not as part of an unassembled or unfinished container chassis or as part of a substantially complete subassembly. Such non-subject individual components may include hub and drum assemblies, brake assemblies (either drum or disc), axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems. Some of these components may also be used in the production of non-subject trailers such as flatbeds, tankers, dumpers, grain hoppers and others.

[19] The processing of the subject goods, such as trimming, cutting, grinding, notching, punching, drilling, painting, coating, staining, finishing, assembly, bolting, welding or any other processing in China or another country does not remove the product from the definition of subject goods. In addition, if unfinished chassis manufactured in China are merely assembled into a completed chassis in a third country, such as the United-States (U.S.) or Mexico, the chassis remains subject to the scope of these investigations. The inclusion of additional components not identified as comprising the finished or unfinished container chassis does not remove the chassis from the definition of subject goods.

Like Goods

[20] Like goods for purposes of this investigation meet the same product definition of the subject goods, except that they originate in or are exported from Vietnam.

[21] The complainant alleges that like goods are assembled or completed in Vietnam by means of insignificant processes, using parts or components – that represent a major portion of the total cost of producing the like goods – originating in or exported from China.

Manufacturing Process³

[22] The standard production process for chassis primarily involves the fabrication and assembly of welded steel parts.

[23] The chassis frame consists of welded steel parts in three basic subassemblies – the front, or forward beam and front cross-member, assembly, the middle assembly and the rear, or rear cross-member including the rear impact guard, assembly. The chassis frame subassemblies are composed of steel I-beams, fabricated beams from plates and flat bars, box beams, channels and angles that are cut and welded into the shape of the frame.

³ *Container Chassis*, Statement of Reasons – Final Determinations (18 August 2021), paras. 36-40

[24] The completed chassis also includes the running gear assembly, air brake system, and lighting and electrical systems.

[25] The running gear assembly comprises the tires, hub and drum assemblies, axles and suspensions, brake chambers and other components.

[26] Chassis producers use metal inert gas (MIG) welders to weld the various steel components together. The middle, or drop frame assembly, consists of the main longitudinal beams (cross-members) and may include diagonal bracing. Once the steel parts are assembled and coated, the air brake system and electrical components are added to the assembly. The final assembly of the product prior to delivery can be described as follows:

- i) The front/gooseneck assembly, in an orientation with the king pin facing upward, provides for access to attach the landing gear and cross-brace.
- ii) The mainframe with the operational top surface being inverted for access to the lower portion of the structure provides access to install the axle/wheel/tire portion of the suspension. In the case of a slider-type suspension, this can be done in the upright orientation. Additional wheel/tire combinations are also added to the axles at this stage, although typically a single wheel/tire is installed to each axle spindle with the pairing shipped free.
- iii) The front section and mainframes are then oriented upright and the connection just behind the landing gear is completed. This requires a support at the king pin area of the front section and a support near the forward location of the mainframe, in order to align for fastener placement.
- iv) The rear section, which can be comprised of the rear bolster and the rear impact guard, is secured to the rear portion of the main beam, behind the suspension.
- v) The axle alignment procedure is then performed.
- vi) Air and electrical system connections are completed from section to section.
- vii) A final inspection, including light check, air brake timing tests and roadworthiness inspection is performed.

INTERESTED PARTIES AND REQUESTS FOR INFORMATION

Complainant

[27] The contact information for the complainant is as follows:

Max-Atlas International Inc.
371 ch. du Grand Bernier N
Saint-Jean-sur-Richelieu (QC) J3B 4S2

[28] Max-Atlas is a manufacturer of container chassis and subassemblies used in a wide variety of industries including, but not limited to, the transportation, waste management and mobile energy (generators) industries, as well as the oil and gas industry for the transportation of frac sand in fracking operations.⁴

[29] A copy of the non-confidential version of the complaint filed by Max-Atlas is available on the CBSA's [Exhibit list: Container Chassis \(CC 2024 AC\)](#).

Other Producers

[30] The other known manufacturers of like goods in Canada are:⁵

Raja Trailer
9108 River Road
Delta, BC V4G 1B5

Innovative Trailer Design
161 The West Mall
Toronto, ON M9C 4V8

Di-Mond
195 Constellation Drive
Stoney Creek, ON L8E 0J5

[31] The producers were notified at the initiation of the investigation.

Associations

[32] The complainant identified the Canadian Transportation Equipment Association (CTEA) as an association of Canadian producers, which the complainant is a member of.⁶ The CTEA was notified at the initiation of the investigation.

⁴ Exhibit 2 (NC) – Container Chassis Anti-Circumvention Complaint

⁵ Exhibit 2 (NC) – Container Chassis Anti-Circumvention Complaint

⁶ Exhibit 2 (NC) – Container Chassis Anti-Circumvention Complaint

Importers

[33] At the initiation of the anti-circumvention investigation, the CBSA contacted all known importers of certain container chassis from Vietnam. The CBSA received a response to the Importer RFI from C. Keay Investment d.b.a Ocean Trailer (Ocean Trailer).⁷

Exporters and/or Foreign Producers

[34] At the initiation of the investigation, the CBSA contacted all known or potential exporters and/or producers of certain container chassis in Vietnam.

[35] The CBSA received a response from one exporter, THACO Special Vehicles Manufacturing Limited Company (THACO) and its related companies involved in the production of container chassis in Vietnam.⁸

[36] The CBSA conducted an on-site verification at THACO's premises in Vietnam in March, 2025.

CBSA'S ASSESSMENT

[37] Circumvention is defined in section 71 of SIMA as a situation in which all of the following elements exist:

- a) a **change in the pattern of trade** has occurred after an order of the Governor in Council imposing countervailing duties was made under section 7 of SIMA, or after a dumping or subsidy investigation was initiated under section 31 of SIMA;
- b) a **prescribed activity is occurring** and imports of the goods to which that prescribed activity applies are **undermining the remedial effects** of an order in council or an order or finding of the CITT; and
- c) the change in trade pattern is **caused** by the imposition of anti-dumping or countervailing duties

[38] After considering the comments and arguments raised by the interest parties following the publication of the CBSA's SEF, the CBSA maintains its preliminary assessment. The CBSA's final assessment with respect to each element of circumvention is found below.

⁷ Exhibit 17 (NC) – Response to request for information (RFI) from C. Keay Investment d.b.a Ocean Trailer

⁸ Exhibits 20, 22, 24, 26, 28, 30, 32 (PRO) and 21, 23, 25, 27, 29, 31, 33 (NC) – Response to request for information (RFI) from THACO Special Vehicles Manufacturing Ltd. Co. ("CTSV")

Change in Pattern of Trade

[39] In assessing whether a there has been a change in the pattern of trade referred to in paragraph 71(a) of SIMA, section 57.11 of the SIMR provides that the CBSA shall take into account specific factors, as well as any other factor that is considered relevant in the circumstances. A copy of the factors prescribed in section 57.11 of the SIMR is found in **Appendix 2**.

[40] Accordingly, the CBSA considered the following factors in making its final assessment:

- any change in the import volume of subject goods;
- any change in the import volume of goods that are allegedly circumventing the order or finding;
- any change in the import volumes of like goods, or the parts or components that can be assembled into like goods, from a country that is named in the applicable order or finding into a third country from which the goods that are allegedly circumventing the order or finding are exported; and
- any other factor that is relevant in the circumstances.

[41] The CBSA initiated its dumping and subsidizing investigation with respect to container chassis from China on June 10, 2021. Subject goods were subject to provisional anti-dumping and countervailing duties beginning October 21, 2021, following the CBSA's preliminary determinations. The CITT issued its injury finding on February 18, 2022. For the purposes of this final assessment, the CBSA is analyzing changes in the pattern of trade following the day on which the dumping and subsidy investigation was initiated under section 31 of SIMA, as per paragraph 71(a) of SIMA.

[42] The CBSA updated its estimates of the volume of container chassis imports from initiation using information gathered during the investigation, including data provided by the exporter and importer, as shown in the table below.

Table 1: Volume of Container Chassis Imports (% of quantity)

	October – December 2020	2021	2022	2023	January – September 2024
China	36%	49%	34%	3%	1%
Vietnam	0%	0%	0%	34%	4%
Other	64%	51%	66%	63%	95%
Total	100%	100%	100%	100%	100%

[43] The import data demonstrates a significant decrease in volumes of subject goods from China, representing 49% of imports of container chassis in 2021, prior to the finding, to only 3% in 2023, and 1% in the nine-month period of January to September, 2024. Additionally, imports of container chassis from Vietnam increased significantly, from no imports in 2021 and 2022 to imports representing 34% of total imports in 2023. This supports the complainant's allegation that imports of subject goods have decreased significantly while imports of the like goods have increased, effectively replacing subject goods. It should be noted that although the share of imports from other countries increased during the period of January to September 2024, the volumes remained consistent with previous years. The increased share is due to the decrease in volumes from both China and Vietnam.

[44] As a result, the CBSA is of the opinion that the import data above demonstrates a change in the pattern of trade occurred after the initiation of the CBSA's dumping and subsidizing investigation with respect to container chassis from China.

Prescribed Activity

[45] The complainant alleged that circumvention of the CITT's finding is occurring through the assembly or completion of container chassis in Vietnam, by means of insignificant processes, using parts or components – that represent a major portion of the total cost of producing the like goods – originating in or exported from China, as referred to in SIMR paragraph 57.12(b).

Major Proportion

[46] The complainant alleged that THACO produces container chassis in Vietnam using parts or components that are in "major portion" from China, including sub-assemblies and steel.

[47] The CBSA requested information from exporters in Vietnam concerning the sourcing of inputs. THACO and its related producers provided databases of purchases of inputs used in the production of container chassis, including the country of origin of the inputs.⁹ The CBSA verified this information during onsite verification, including reviewing invoices for inputs and mill certificates.

[48] The CBSA determined the percentage of parts or components sourced from China, used in the assembly or completion of container chassis, as a percentage of the total cost of production. For purposes of this investigation, the CBSA does not consider the percentage of parts or components sourced from China to be in "major portion."

[49] As a result, the CBSA is of the opinion that the assembly or completion of container chassis in Vietnam is not done using parts or components that are in "major portion" from China.

⁹ Exhibits 21, 23, 25, 27, 29, 31, 33 (NC) – Response to request for information (RFI) from THACO Special Vehicles Manufacturing Ltd. Co. ("CTSV")

Insignificant Process

[50] For the purpose of determining whether the assembly or completion processes are insignificant, as referred to under paragraph 57.12 (b) of SIMR, section 57.13 of SIMR provides that the CBSA shall take into account specific factors, as well as any other factor that is considered relevant in the circumstances. A copy of the factors prescribed in section 57.13 of SIMR is found in **Appendix 2**.

[51] Accordingly, the CBSA considered the following factors in making its final assessment:

- the nature of the processes;
- the nature of the facilities in which these processes are carried out;
- the level of investment related to the processes or facilities;
- the level of research and development related to the processes;
- the costs of the processes;
- the costs of the assembly and completion of the product in Canada and/or a third country as a proportion of the total cost of production of the assembled or completed product; and
- any other factor that is relevant in the circumstances.

(a) The nature of those processes

[52] The CBSA requested information concerning the nature of the processes completed in Vietnam. In their RFI response, THACO detailed the production process, which includes the following six main steps: fabrication of steel workpieces and main beams, welding, shot blasting, electrophoretic dipping, painting, and assembly. All six of these steps are performed by THACO and its related parties, all in Vietnam.¹⁰

[53] Additionally, THACO provided information concerning the processes completed in Vietnam, the large amount of time and employees required to complete the processes, and the level of skill and training required by workers. During on-site verification, the CBSA toured the production facilities, confirming the numerous employees and steps involved.

(b) The nature of the facilities used to carry out those processes; and

(c) The level of investment related to those processes and to those facilities

[54] The CBSA requested information concerning the nature of the facilities used to carry out the processes, as well as the level of investment related to those processes and facilities. THACO and its related companies provided information concerning the facilities used, and the investments made by the companies. The CBSA verified this information during on-site verification.

¹⁰ Exhibits 21, 23, 25, 27, 29, 31, 33 (NC) – Response to request for information (RFI) from THACO Special Vehicles Manufacturing Ltd. Co. (“CTSV”)

[55] THACO and its related parties provided a list of assets used in the processes completed in Vietnam, and their acquisition costs, which demonstrated their large investments into their facilities. Additionally, THACO provided information concerning the large investments made into the buildings and infrastructure, and size of the production lines involved.

[56] During onsite verification, the CBSA toured the facilities, confirming the presence and extent of machinery and equipment used in the processes completed in Vietnam.

(d) The level of research and development related to those processes

[57] The CBSA requested information concerning the research and development activities completed by exporters with respect to the processes. In their RFI response, THACO indicated that their research and development department is responsible for designing container chassis based on customers' requirements. During on-site verification, the CBSA discussed the research and development team's role, and THACO provided examples of the extensive work and drawings completed by the team. Additionally, THACO stated that the research and development department also conducts research into how to improve the quality of products, including container chassis, and provided information concerning their substantial expenditures related to research and development.¹¹

(e) The costs of those processes

[58] The CBSA requested information concerning the cost of the processes completed in Vietnam, including labour, overhead, and other material costs incurred by the producer. THACO provided information on the production process completed by THACO and its related producers for like goods sold to Canada, including full costing information. The CBSA verified this information during onsite verification.

(f) The proportion of those costs in relation to the cost of production of the like goods

[59] The CBSA compared the cost of the processes completed in Vietnam to the total cost of producing the goods. Based on the information provided by THACO and verified by the CBSA, for the purposes of this investigation, the cost of the processes represented a significant proportion of the total cost of production.

[60] The CBSA has reviewed the evidence on the record pertaining to the factors discussed above. The evidence available indicates that the nature of the processes and facilities are significant, with the processes requiring significant time, resources, and machinery to complete. Additionally, the facilities and machinery involved in the processes required significant investments. Further, THACO completes various research and development activities with respect to container chassis. Lastly, the costs of the processes completed in Vietnam are not insignificant, and represent a significant proportion of the total cost of production of the like goods.

¹¹ Exhibits 21, 23, 25, 27, 29, 31, 33 (NC) – Response to request for information (RFI) from THACO Special Vehicles Manufacturing Ltd. Co. (“CTSV”)

[61] As a result, based on the analysis of the factors above, the CBSA is of the opinion that the processes completed in Vietnam are not insignificant. As such, a prescribed activity is not occurring, per paragraph 57.12 of SIMR.

Undermining the Remedial Effects

[62] In assessing whether imports of goods to which a prescribed activity applies are undermining the remedial effects of duties as referred to in paragraph 71(b) of SIMA, section 57.15 of the SIMR identifies specific factors that the CBSA may take into account, as well as any other factor that is considered relevant in the circumstances. A copy of the factors prescribed in section 57.15 of the SIMR is found in **Appendix 2**.

[63] Based on the analysis above, the CBSA is of the opinion that a prescribed activity is not occurring. As such, it was not possible to assess whether the imports of goods to which the activity applies are undermining the remedial effects of the finding. Consequently, the conditions of paragraph 71(b) of SIMA are not met.

Causation

[64] In assessing whether the changes to the pattern of trade is caused by the imposition of SIMA duties referred to in paragraph 71(c) of SIMA, section 57.16 of SIMR provides certain factors that the CBSA may take into account, as well as any other factor that is considered relevant in the circumstances. A copy of the factors prescribed in section 57.16 of the SIMR is found in **Appendix 2**.

[65] Accordingly, the CBSA considered the following factors in making its final assessment:

- differences in costs between the goods that are subject to the applicable order or finding and the completed/assembled like goods or the slightly modified like goods;
- when the prescribed activity started, or substantially increased, in relation to the day on which an investigation was initiated;
- any sales, in a country other than Canada, of:
 - like goods that have been completed or assembled in the third country
 - the parts or components that are being sold to Canada or the third country for assembly/completion, or
 - the slightly modified goods
- changes in consumer preferences;
- changes in technology;
- economic or commercial factors unrelated to the imposition of anti-dumping or countervailing duties; and,
- any other factor that is relevant in the circumstances.

[66] With respect to the costs of subject goods and like goods, the complainant indicated that the difference is minor, and the majority of the cost to manufacture is material cost. The complainant further noted that although labour costs in Vietnam are approximately 70% lower than labour costs in China, as labour represents only a minor portion of the total cost, this has little overall impact.¹² Based on the costs provided by THACO and its related parties, material costs did represent a significant portion of the costs. Additionally, based on the pricing of subject goods as compared to like goods, purchasing like goods does not present significant cost savings to importers.

[67] As demonstrated by the import statistics in *Table 1* above, imports of container chassis from Vietnam started in 2023, following the imposition of duties in October, 2021 and the CITT's finding in February 2022. Although THACO previously produced container chassis, they only began selling to Canada in 2023, after the finding.

[68] The RFI response provided by the importer, Ocean Trailer, also indicated that there are no material differences between subject and like goods, and it was further noted that the subject and like goods can be used interchangeably, assuming they are produced to the same specifications.¹³ This suggests that there were no changes in consumer preferences that would have influenced the change in trade pattern.

[69] Additionally, in the complaint, the complainant indicated that no changes in consumer preferences or technology occurred to cause the change. The complainant further noted that like goods purchased from Vietnam were very similar to subject goods previously purchased from China. The complainant further identified specific THACO models offered by Ocean Trailer that were also previously sold by Dongguan CIMC Vehicle Co., Ltd. (CIMC), the only exporter/producer of subject goods identified during the original investigation.¹⁴ This further suggests that consumer preferences did not change.

[70] Ocean Trailer indicated that due to the fact that Vietnam is a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), goods that originate in Vietnam pursuant to the applicable rules of origin may enter Canada free of customs duties. Ocean Trailer further stated that container chassis are otherwise subject to relatively high rates of custom duties.¹⁵ This suggests that imports of like goods may be more favourable due to lower rates of customs duties. However, the CBSA notes that the CPTPP entered into force for Canada in December 2018, and for Vietnam in January 2019. As this agreement was in force prior to the CBSA's original dumping investigation, it does not provide sufficient cause for the change in trade pattern following the investigation.

[71] Based on the information summarized above, the CBSA is of the opinion that the evidence indicates that the change in trade pattern was caused by the imposition of anti-dumping and countervailing duties, mainly due to the timing of the change, the lack of changes in consumer preferences or technology, and the absence of any other due cause.

¹² Exhibit 2 (NC) – Container Chassis Anti-Circumvention Complaint

¹³ Exhibit 17 (NC) – Response to request for information (RFI) from C. Keay Investment d.b.a Ocean Trailer

¹⁴ Exhibit 2 (NC) – Container Chassis Anti-Circumvention Complaint

¹⁵ Exhibit 17 (NC) – Response to request for information (RFI) from C. Keay Investment d.b.a Ocean Trailer

CONCLUSION

[72] Based on the analysis above, the CBSA is of the opinion that although a change in the pattern of trade has occurred following the CITT's finding, a prescribed activity is not occurring, therefore the conditions of section 71 of SIMA are not met.

[73] As a result, on the basis of the information on the administrative record and the consideration of the relevant factors contained in sections 57.11 to 57.16 of the SIMR, the CBSA has determined, pursuant to subsection 75.1(1) of SIMA, that the container chassis imported from Vietnam are not circumventing the CITT's finding issued on February 18, 2022, in Inquiry No. NQ-2021-005, respecting the dumping and subsidizing of container chassis from China, pursuant to section 71 of the SIMA.

FUTURE ACTION

[74] Pursuant to section 96.1 of SIMA, any person directly affected by a decision made by the President of the CBSA pursuant to subsection 75.1(1) of SIMA may ask to have the decision reviewed by the Federal Court of Appeal.

INFORMATION

[75] This *Statement of Reasons* is available through the CBSA's website at the address below. For further information, please contact the SIMA Registry and Disclosure Unit as follows:

Mail: SIMA Registry and Disclosure Unit
Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th floor
Ottawa, Ontario K1A 0L8 Canada

E-mail: simaregistry@cbsa-asfc.gc.ca

Website: www.cbsa-asfc.gc.ca/sima-lmsi/



Sean Borg
A/ Executive Director
Anti-dumping and Countervailing Investigations
Trade and Anti-dumping Programs Directorate

APPENDIX 1 – REPRESENTATIONS

Following the publication of the Statement of Essential Facts (SEF) on April 9, 2025, comments on the SEF, and subsequently replies to comments, were received on behalf of the following parties:

- The complainant, Max-Atlas International Inc. (Max-Atlas)¹⁶
- C. Keay Investment d.b.a Ocean Trailer (Ocean Trailer)¹⁷
- THACO Special Vehicles Manufacturing Limited Company (THACO)¹⁸
- Otimo Customs¹⁹

Certain details provided in comments and responses were designated as confidential information by the submitting counsel. This has restricted the ability of the CBSA to discuss all issues raised in these submissions.

The comments and responses submitted by the parties are summarized as follows:

Comments on the SEF from Ocean Trailer

Counsel for Ocean Trailer stated that they agreed with the CBSA’s preliminary assessment that a prescribed activity is not occurring, and that container chassis imported from Vietnam are not circumventing the finding. Counsel mentioned the detailed information submitted by THACO and its related producers, and noted the on-site verification conducted by the CBSA, which confirmed the information provided. Additionally, counsel stated that the CBSA’s conclusion is supported by the facts on the record, and is consistent with the requirements of the *Special Import Measures Act* (SIMA) and the *Special Import Measures Regulations* (SIMR).

Comments on the SEF from THACO

Counsel for the exporter, THACO also indicated their support of the CBSA’s preliminary assessment. Counsel submitted that the information provided by THACO over the course of the investigation supports the conclusion that container chassis imported from Vietnam are not circumventing the finding, and that the complainant’s allegations are incorrect. Counsel further stated that THACO fully manufactures finished, road-worthy container chassis. Additionally, while counsel acknowledged that a pattern of trade did occur following the CITT’s finding, counsel argued it was not the result of a prescribed activity, and as such, the conditions of section 71 of SIMA are not met.

¹⁶ Exhibits 50 (PRO) and 51 (NC) – Comments on statement of essential facts from Max-Atlas International Inc.

¹⁷ Exhibits 53 (PRO) and 54 (NC) – Comments on statement of essential facts from C. Keay Investment d.b.a Ocean Trailer, Exhibits 55 (PRO) and 56 (NC) – Response to comments on statement of essential facts from C. Keay Investment d.b.a Ocean Trailer

¹⁸ Exhibits 52 (NC) – Comments on statement of essential facts from THACO Special Vehicles Manufacturing Ltd. Co. (“CTSV”), Exhibits 57 (PRO) and 58 (NC) – Response to comments on statement of essential facts from THACO Special Vehicles Manufacturing Ltd. Co. (“CTSV”)

¹⁹ Exhibit 60 (NC) – Response to comments on statement of essential facts from Otimo Customs

Comments on the SEF from Max-Atlas

Counsel for the complainant stated that they disagree with the CBSA's preliminary assessment and submitted comments regarding alleged deficiencies with respect to the submissions from THACO. Topics of concern included alleged costing issues, as well as errors and inconsistencies in appendices. Counsel requested the CBSA revisit its reliance on THACO's cost data. Counsel also alleged a lack of clarity and transparency, claiming that the CBSA failed to disclose critical calculation details, hindering their ability to evaluate and respond effectively to the findings.

Responses to Max-Atlas' Comments

Counsel for Ocean Trailer responded to the arguments presented by the complainant, submitting that the complainant has failed to identify a basis in SIMA or the SIMR to adjust the verified costs of the exporter, and further noted that to their knowledge there is no such basis. Counsel stated that the complainant has not shown why it would be appropriate to make adjustments to an exporter's verified costs. Counsel further alleged that the complainant failed to show that making adjustments would change the CBSA's conclusion, noting that a finding of circumvention would require the CBSA to find both that the assembly of container chassis is by "insignificant processes" and that parts or components from China represent a "major portion" of the total cost of producing those chassis. Counsel further stated that in the CBSA's preliminary assessment, the factors set out in section 57.13 of SIMR are considered collectively, and noted that the complainant does not contest the findings with respect to the non-cost factors considered by the CBSA, which indicate that the processes completed by THACO are significant.

Counsel for THACO also responded to the arguments presented by the complainant, stating that their allegations are nonspecific and unsubstantiated. Counsel submitted that THACO provided complex responses to both the CBSA's Request for Information (RFI) and Supplemental RFI, and the information was verified by the CBSA. Counsel further stated that neither SIMA or the SIMR allow any such adjustments suggested by the complainant. Counsel argued that based on the evidence on the record, the CBSA's calculations for the purpose of the preliminary assessment are sufficiently detailed and correct. In addition, counsel submitted that the CBSA's SEF and preliminary assessment report are complete, and fully satisfy the standard of reasonableness set out by the Supreme Court of Canada as being "justified, transparent and intelligible."

Counsel for Otimo Customs also responded to comments presented by the complainant, submitting that the complainant's claims were unsubstantiated, and the investigation has established that substantial transformation has taken place, and components in question were not of Chinese origin, as alleged. Counsel further stated that the CBSA is not obligated to disclose the detailed proprietary information submitted by THACO. In addition, counsel submitted that both THACO and Ocean Trailer have been fully transparent and cooperative during the investigation.

CBSA's Response

The CBSA took into consideration the comments and responses submitted by all parties. As a result of its analysis, the CBSA maintained its preliminary assessment that imports of container chassis from Vietnam are not circumventing the CITT's finding.

While conducting the analysis, the CBSA took into consideration the factors identified in subsection 57.11 to 57.16 of the SIMR. The CBSA relied upon the information available on the administrative record, including the information submitted by THACO, in order to conduct its analysis. The CBSA notes that information provided by THACO, including sales and costing information, was verified by the CBSA during on-site verification in March 2025.

A summary of the CBSA's analysis and the information relied upon is available in the *CBSA's Assessment* section above.

APPENDIX 2 – PRESCRIBED FACTORS IN SIMR

The SIMR section 57.11 provides the following:

57.11 For the purpose of paragraph 71(a) of the Act, the following factors may be considered in determining whether there has been a change in the pattern of trade:

- (a) any change in the volume of imports into Canada of goods subject to the applicable order of the Governor in Council or the applicable order or finding of the Tribunal;
- (b) any change in the volume of imports into Canada of goods in respect of which circumvention may be occurring;
- (c) any change in the volume of imports — from the country named in that applicable order or order or finding into the country from which goods referred to in paragraph (b) originate or are exported — of
 - (i) like goods in relation to goods referred to in paragraph (a), or
 - (ii) parts or components from which like goods referred to in subparagraph (i) are assembled or completed; and
- (d) any other relevant factor.

The SIMR section 57.13 provides the following:

57.13 The following factors may be considered in determining whether the processes of assembly or completion of the like goods referred to in paragraph 57.12(a) or (b) are insignificant:

- (a) the nature of those processes;
- (b) the nature of the facilities used to carry out those processes;
- (c) the level of investment related to those processes and to those facilities;
- (d) the level of research and development related to those processes;
- (e) the costs of those processes;
- (f) the proportion of those costs in relation to the cost of production of the like goods; and
- (g) any other relevant factor.

The SIMR section 57.15 provides the following:

57.15 For the purposes of paragraph 71(b) of the Act, the following factors may be considered in determining whether imports of goods to which an activity referred to in section 57.12 applies are undermining the remedial effects of the applicable order of the Governor in Council or the applicable order or finding of the Tribunal:

- (a) the price and volume of like goods referred to in paragraph 57.12(a) sold in Canada or the price and volume of imports of like goods referred to in paragraph 57.12(b) or of slightly modified goods referred to in paragraph 57.12(c);
- (b) whether the goods referred to in paragraph (a) are sold to consumers that otherwise may have bought goods that are subject to the applicable order of the Governor in Council or the applicable order or finding of the Tribunal;
- (c) whether the goods referred to in paragraph (a) have the same use as goods that are subject to the applicable order of the Governor in Council or the applicable order or finding of the Tribunal; and
- (d) any other relevant factor.

The SIMR section 57.16 provides the following:

57.16 For the purpose of paragraph 71(c) of the Act, the following factors may be considered in determining whether the change in trade pattern is caused by the imposition of anti-dumping or countervailing duties:

- (a) a difference in costs in respect of
 - (i) goods that are subject to the applicable order of the Governor in Council or the applicable order or finding of the Tribunal, and
 - (ii) the like goods referred to in paragraph 57.12(a) or (b) or the slightly modified goods referred to in paragraph 57.12(c);
- (b) the timing of when an activity referred to in section 57.12 began or substantially increased in relation to the day on which an order imposing a countervailing duty was made under section 7 of the Act or an investigation was initiated under section 31 of the Act, as the case may be;
- (c) the sale, in a country other than Canada, of like goods referred to in paragraph 57.12(b), of parts or components referred to in paragraph 57.12(a) or (b) or of slightly modified goods referred to in paragraph 57.12(c);
- (d) a change in consumer preferences in relation to goods referred to in subparagraph (a)(i) or (ii) or to parts or components referred to in paragraph 57.12(a);
- (e) a change in technology related to the production of goods referred to in subparagraph (a)(i) or (ii);

- (e.1)** any economic or commercial factors that are unrelated to the imposition of anti-dumping or countervailing duties; and
- (f)** any other relevant factor.