

**FROM THE PERMANENT SECRETARY**  
Andrew McCormick



Netherleigh  
Massey Avenue  
Belfast BT4 2JP  
Tel: 028 90529441

email: [andrew.mccormick@economy-ni.gov.uk](mailto:andrew.mccormick@economy-ni.gov.uk)

Dr Andrew Murrison MP  
Chairman  
Northern Ireland Affairs Select Committee  
House of Commons  
London  
SW1A 0AA

18 December 2017

Dear Chairman

## **BOMBARDIER INQUIRY**

I am writing to follow up on a commitment made by officials during the Oral Evidence Session at Parliament Buildings in Belfast on 30 November, to provide some additional information to the Committee.

During the session, the Committee requested further details on the United States Department of Commerce's attribution of subsidy rates across the programmes under investigation for Countervailing and Anti-Dumping Duties on 100 to 150-seat large civil aircraft (C Series) imported from Canada into the United States. The Department of Commerce published a Preliminary Determination Calculation Memorandum on 26 September 2017 and a copy of the full memorandum is attached. I would draw the Committee's attention to Attachment Number 1 to the Department's Memorandum, which contains a summary of net ad valorem subsidy rates and which I also attach separately for convenience. The total rate of duty calculated was 219.63%. Of this total, 21.85% related to UK (including Northern Ireland) programmes, with the balance attributed to programmes administered by Canadian Federal, Provincial and Regional authorities.

On 6 October 2017, the United States Department of Commerce announced its preliminary determination in the Antidumping Duty investigation of 100 to 150-seat large civil aircraft (C Series) from Canada. The Department of Commerce applied the sole dumping margin calculated in the petition from Boeing, which is 79.82%. Taken together, the Countervailing and Anti-Dumping Duties applied to C Series imports from Canada to the United States add up to 299.45%.

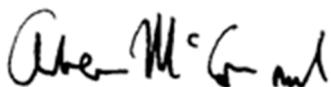
The US Department of Commerce is expected to make its final ruling in the case on 18 December 2017. The US International Trade Commission is expected to decide on the position towards the end of January 2018 and publish the details of its decision in early February 2018.

The Committee also asked for confirmation of the European Commission's role in approving the UK Government's financial investment that supported the placement of C Series work packages into Northern Ireland. The then UK Department for Business, Enterprise and Regulatory Reform had the lead role in securing the Commission's approval to provide Launch Investment of £113.7 million. Approval was given on 18 June 2009. Although Invest NI's Selective Financial Assistance Grant of £21 million did not require individual approval as it was provided within the parameters of an approved scheme, the UK's application to Brussels gave full visibility of the total value and forms of financial assistance proposed under both financing mechanisms. Invest NI worked very closely with the former Department for Business, Enterprise and Regulatory Reform throughout the process.

In regard to the involvement of local politicians in supporting Bombardier, I attach a copy of the joint letter sent by the two main party leaders on 12 September 2017 to Vice-President Pence. I also enclose Bombardier's pictorial depiction of how the two Bombardier C Series variants, the CS100 and CS300, fit within the world single aisle commercial aircraft market. As can be seen, they sit within the small single aisle segment of the market, which is not currently served by Boeing.

I trust this letter and attachments address the Committee's questions from the session on 30 November.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew McCormick', written in a cursive style.

**ANDREW McCORMICK**  
Permanent Secretary