



19 December 2016

Dear ,

Request for Information – ATISN 10949

I wrote to you on 2 December regarding your request for information. You asked for:

1. The nature of the support being offered to Liberty Steel, the owners of the former Caparo Steel Products facility in Tredegar, namely the current status of State Aid rules and under what powers an offer of assistance was made, the structure and nature of the aid being offered and our reasons for believing it doesn't breach State Aid rules. Ultimately, you want to understand how aiding the reopening of a steel tube manufacturing business does not fall within the EU sectoral restriction rules.
2. The rules (laws, regulations, ECSC constitution, or EU publication) which define downstream activities.
3. How does a steelworks and rolling mill fall outside the steel industry make it not subject to EU Competition Commission sectoral restrictions.
4. An explanation of how State Aid is offered to Amazon, given it is a retail sector business.

I confirm we hold some information in relation to your request. Please note that the Freedom of Information Act 2000 only applies to a request that seeks access to what is held as recorded information. We are not required under the Act to create "new" information in order to respond to an FoI request. As such, a request asking for us to explain an action is not a valid FoI request.

For your first and second questions, the Steel sector is defined within State Aid rules as:

"all activities related to the production of one or more of the following products:

(a) pig iron and ferro-alloys:



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pig iron for steelmaking, foundry and other pig iron, spiegeleisen and high-carbon ferro-manganese, not including other ferro-alloys;

- (b) crude and semi-finished products of iron, ordinary steel or special steel:
liquid steel whether or not cast into ingots, including ingots for forging semi-finished products: blooms, billets and slabs; sheet bars and tinplate bars; hot-rolled wide coils, with the exception of production of liquid steel for castings from small and medium-sized foundries;
- (c) hot finished products of iron, ordinary steel or special steel:
rails, sleepers, fishplates, soleplates, joists, heavy sections of 80 mm and over, sheet piling, bars and sections of less than 80 mm and flats of less than 150 mm, wire rod, tube rounds and squares, hot-rolled hoop and strip (including tube strip), hot-rolled sheet (coated or uncoated), plates and sheets of 3 mm thickness and over, universal plates of 150 mm and over, with the exception of wire and wire products, bright bars and iron castings;
- (d) cold finished products:
tinplate, terneplate, blackplate, galvanised sheets, other coated sheets, cold-rolled sheets, electrical sheets and strip for tinplate, cold-rolled plate, in coil and in strip;

For your third question, because Liberty Steel Hollows Ltd. is producing some of the products above, then they are classed as part of the steel sector. The sector is restricted as it is unable to receive regional aid and rescue and restructuring aid. However, it can benefit from other types of aid such as support for training, environmental protection measures (including energy efficiency) and de minimis.

For your fourth question, the Welsh Government awarded funding to Amazon under Regional Selective Assistance.

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at: Information Rights Unit, Welsh Government, Cathays Park, Cardiff, CF10 3NQ, or FreedomOfInformationOfficer@wales.gsi.gov.uk. Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely