

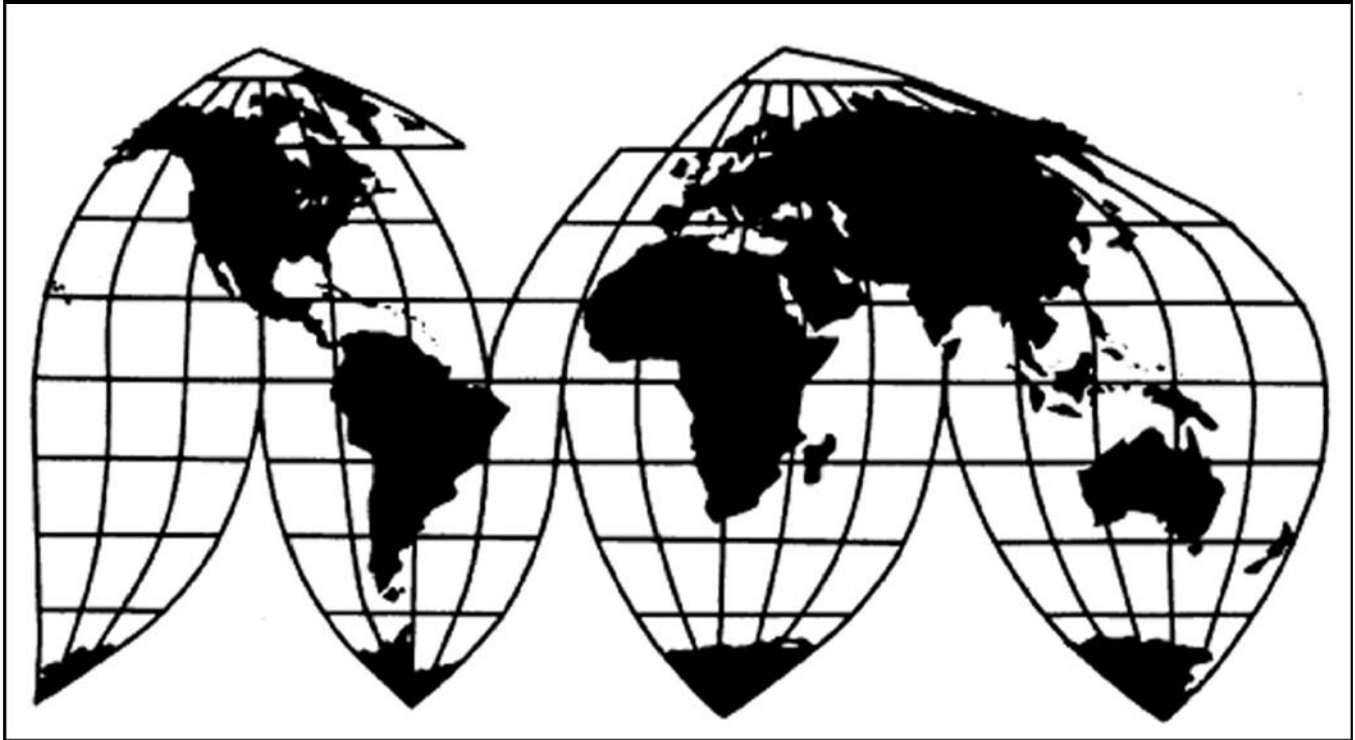
# **Circular Welded Carbon Quality Steel Line Pipe from China**

Investigation No. 731-TA-1149 (Final)

**Publication 4075**

**May 2009**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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**Charlotte R. Lane**  
**Irving A. Williamson**  
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*Director of Operations*

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Washington, DC 20436

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*www.usitc.gov*

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# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-1149 (Final)

## CIRCULAR WELDED CARBON QUALITY STEEL LINE PIPE FROM CHINA

### DETERMINATION

On the basis of the record<sup>1</sup> developed in the subject investigation, the United States International Trade Commission (Commission) determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured or threatened with material injury by reason of imports from China of circular welded carbon quality steel line pipe from China, provided for in subheadings 7306.19.10 and 7306.19.51 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (Commerce) to be sold in the United States at less than fair value (LTFV).<sup>2</sup>

### BACKGROUND

The Commission instituted this investigation effective April 3, 2008, following receipt of a petition filed with the Commission and Commerce by Maverick Tube Corp. (Houston, TX), Tex-Tube Co. (Houston, TX), U.S. Steel Corp. (Pittsburgh, PA), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (Pittsburgh, PA).<sup>3</sup> The final phase of the investigation was scheduled by the Commission following notification of a preliminary determination by Commerce that imports of circular welded carbon quality line pipe from China were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of September 22, 2008 (73 FR 54618) and December 12, 2008 (73 FR 75770). The hearing was held in Washington, DC, on November 24, 2008, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

<sup>2</sup> Commissioners Charlotte R. Lane, Irving A. Williamson, and Dean A. Pinkert based their affirmative determinations on findings of present material injury. Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun based their affirmative determinations on findings of threat of material injury, and further determined that they would not have found material injury but for the suspension of liquidation.

<sup>3</sup> On April 4, 2008, Wheatland Tube Co. (Sharon, PA) separately filed an entry of appearance in support of the petition. Counsel for petitioning firm Tex-Tube Co. amended its entry of appearance on October 31, 2008, to include domestic producers Northwest Pipe Co. (Vancouver, WA); Stupp Corp. (Baton Rouge, LA); and TMK IPSCO Tubulars (Lisle, IL); the same counsel amended its entry of appearance again on November 3, 2008, to add domestic producer American Steel Pipe Division of ACIPCO (Birmingham, AL).





## VIEWS OF THE COMMISSION

Based on the record in the final phase of this investigation,<sup>1</sup> we find that an industry in the United States is materially injured,<sup>2</sup> or threatened with material injury,<sup>3</sup> by reason of imports of certain circular welded carbon quality steel line pipe (“line pipe”) from China that have been found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value.

### ADOPTION OF VIEWS IN EARLIER COUNTERVAILING DUTY INVESTIGATION

This investigation arose out of a group of simultaneously filed petitions seeking the imposition of antidumping duties and countervailing duties on imports of line pipe from China, and antidumping duties on imports of line pipe from Korea.<sup>4</sup> The Commission was required to issue its determination in the countervailing duty investigation of line pipe from China in January 2009,<sup>5</sup> because Commerce issued its final determination in the countervailing duty investigation<sup>6</sup> earlier than in the antidumping investigation.<sup>7</sup>

Under section 771(7)(G)(iii) of the Tariff Act of 1930, as amended, we make our injury determination in this investigation on the same record as that of our determination in the earlier countervailing duty investigation, except that the record in this investigation also includes Commerce’s final determination in the antidumping investigation of subject imports from China and the parties’ final comments concerning the significance of that determination.<sup>8</sup> Therefore, in this investigation, we adopt the findings and analyses in our earlier countervailing duty investigation concerning line pipe from China

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<sup>1</sup> Effective November 6, 2008, the U.S. Department of Commerce extended the deadline for its final antidumping duty determination for Certain Circular Welded Carbon Quality Steel Line Pipe from China by 135 days, or to March 23, 2009. Certain Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination, 73 Fed. Reg. 66012 (Nov. 6, 2008). The Commission’s determination regarding the final phase of its antidumping investigation was due within 45 days thereafter.

<sup>2</sup> Commissioner Charlotte R. Lane, Commissioner Irving A. Williamson, and Commissioner Dean A. Pinkert determine that a domestic industry is materially injured by reason of subject imports of certain circular welded carbon quality steel line pipe from China.

<sup>3</sup> Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun determine that a domestic industry is threatened with material injury by reason of subject imports of certain circular welded carbon quality steel line pipe from China.

<sup>4</sup> On November 17, 2008, petitioners notified Commerce that they were withdrawing the petition with respect to less than fair value imports of line pipe from Korea. On November 25, 2008, Commerce notified the Commission that it had terminated the antidumping duty investigation with respect to line pipe from Korea. The Commission subsequently terminated its antidumping duty investigation with respect to Korea. 73 Fed. Reg. 75770 (Dec. 12, 2008).

<sup>5</sup> Certain Circular Welded Carbon Quality Steel Line Pipe From China, Inv. No. 701-TA-455 (Final), USITC Pub. 4055 (Jan. 2009) (“USITC Pub. 4055”).

<sup>6</sup> Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Final Affirmative Countervailing Duty Determination, 73 Fed. Reg. 70961 (Nov. 24, 2008).

<sup>7</sup> Certain Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 74 Fed. Reg. 14514 (Mar. 31, 2009).

<sup>8</sup> 19 U.S.C. § 1677(7)(G)(iii). Petitioners Maverick Tube Corporation, U.S. Steel Corporation, Tex-Tube Company, Northwest Pipe Company, Stupp Corporation, IPSCO Tubulars, and American Steel Pipe Division of ACIPCO filed comments on March 31, 2009.

with respect to the domestic like product, the domestic industry, material injury,<sup>9</sup> and threat of material injury.<sup>10 11</sup> For purposes of determining material injury and threat of material injury, we have cross-cumulated dumped and subsidized imports from China, but note that the volume of dumped and subsidized imports is the same.<sup>12 13</sup>

## CONCLUSION

For the foregoing reasons, we determine that the domestic industry producing line pipe is materially injured or threatened with material injury by reason of subject imports of line pipe from China that are sold in the United States at less than fair value.

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<sup>9</sup> Commissioner Charlotte R. Lane, Commissioner Irving A. Williamson, and Commissioner Dean A. Pinkert determine that a domestic industry is materially injured by reason of subject imports of line pipe from China. See USITC Pub. 4055. They again join all sections, except III.D, of the Commission's Views.

<sup>10</sup> Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun determine that a domestic industry is threatened with material injury by reason of subject imports of line pipe from China. See USITC Pub. 4055. Section III.D of the Commission Views contains their views concerning threat of material injury. They again join all sections of the Views of the Commission, except where noted.

<sup>11</sup> We note that Commerce found that all of the subject imports from China were sold at less than fair value in the United States. 74 Fed. Reg. 14514, 14517 (Mar. 31, 2009). For producers/exporters Huludao Steel Pipe Industrial Co., Ltd., Huludao City Steel Pipe Industrial Co., Ltd., Pangang Group Beihai Steel Pipe Corporation, Jiangsu Yulong Steel Pipe Co., Ltd., Tianjin Xingyuda Import and Export Co., Ltd., Tianjin Lifengyuanda Steel Pipe Group Co., Ltd., Commerce found a dumping margin of 73.87 percent. For all other producers and exporters of line pipe in China, Commerce calculated a dumping margin of 101.1 percent. 74 Fed. Reg. at 14517.

<sup>12</sup> Cross cumulation is the cumulation of subsidized imports with dumped imports and includes, as in this case, the situation in which the dumped and subsidized imports are one and the same. See Bingham & Taylor v. United States, 815 F. 2d 1482 (Fed. Cir. 1987). See also Softwood Lumber from Canada, Inv. Nos. 701-TA-414 (Final) and 731-TA-928 (Final), USITC Pub. 3509 (May 2002) at 29. We note that the cumulated imports found to be subsidized and sold at less than fair value were the subject of investigations that resulted from petitions filed the same day, none of the exceptions to cumulation noted at 19 U.S.C. § 1677(7)(g)(ii) apply, and there is no dispute that the dumped and subsidized imports compete with each other and the domestic like product, as they are, indeed, the same imports.

<sup>13</sup> Given that the subject imports found to be dumped and subsidized are the same, Chairman Shara L. Aranoff, Vice Chairman Daniel R. Pearson, and Commissioner Deanna Tanner Okun also exercise their discretion to cumulate subject imports for their analysis of threat of material injury.

## PART I: INTRODUCTION

### BACKGROUND

This investigation results from a petition filed on April 3, 2008, with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“Commission”) by Maverick Tube Corp. (Houston, TX), Tex-Tube Co. (Houston, TX), U.S. Steel Corp. (Pittsburgh, PA), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (Pittsburgh, PA)<sup>1</sup> alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of circular welded carbon quality steel line pipe (“line pipe”) from China.<sup>2</sup> The tabulation on the following page provides information relating to the background of the now-completed countervailing duty investigation,<sup>3</sup> as well as the antidumping duty investigation.<sup>4</sup>

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<sup>1</sup> On April 4, 2008, Wheatland Tube Co. (Sharon, PA) separately filed an entry of appearance in support of the petition. Counsel for petitioning firm Tex-Tube Co. amended its entry of appearance on October 31, 2008, to include domestic producers Northwest Pipe Co. (Vancouver, WA); Stupp Corp. (Baton Rouge, LA); and TMK IPSCO Tubulars (Lisle, IL); the same counsel once again amended its entry of appearance on November 3, 2008, to add domestic producer American Steel Pipe Division of ACIPCO (Birmingham, AL).

<sup>2</sup> The petition also alleged that an industry in the United States was materially injured and threatened with material injury by reason of LTFV imports of line pipe from Korea. However, the Commission terminated its antidumping duty investigation concerning line pipe from Korea subsequent to petitioners’ withdrawal of the petition (73 FR 75770, December 12, 2008).

<sup>3</sup> The Commission transmitted its affirmative determination and views with respect to the countervailing duty investigation concerning line pipe from China on January 7, 2009. *Circular Welded Carbon Quality Steel Line Pipe from China, Inv. No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, p. I-2. The Commission’s affirmative determination was published in the *Federal Register* on January 13, 2009 (74 FR 1706).

<sup>4</sup> Commerce’s *Federal Register* notice of its final determination of sales at LTFV (cited in the tabulation) is presented in app. A.

Effective date	Action
April 3, 2008	Petition filed with Commerce and the Commission; institution of Commission investigations
April 29, 2008	Commerce's notice of initiation
May 19, 2008	Commission's preliminary affirmative determinations
June 6, 2008	Commerce's postponement of preliminary countervailing duty determination
August 29, 2008	Commerce's postponement of preliminary antidumping duty determinations
September 9, 2008	Commerce's preliminary affirmative countervailing duty determination; scheduling of final phase of Commission's investigations
November 6, 2008	Commerce's preliminary antidumping duty determinations
November 24, 2008	Commerce's final countervailing duty determination
November 24, 2008	Commission's hearing
November 25, 2008	Commission's termination of antidumping duty investigation with respect to Korea
December 22, 2008	Commission's vote on countervailing duty investigation
January 7, 2009	Commission's countervailing duty determination transmitted to Commerce
March 31, 2009	Commerce's final antidumping duty determination (74 FR 14514)
April 23, 2009	Commission's vote on antidumping duty investigation
May 6, 2009	Commission's antidumping duty determination transmitted to Commerce

The information contained in this report is intended to be used in conjunction with data presented in the Commission's report entitled *Circular Welded Carbon Quality Steel Line Pipe from China, Inv. No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009 ("USITC Publication 4055") and its corresponding confidential version contained in memorandum No. INV-FF-151, *Circular Welded Carbon Quality Steel Line Pipe from China* ("INV-FF-151"). No new information except for Commerce's final affirmative determination of sales at LTFV of line pipe from China and party comments<sup>5</sup> thereon is included in the record for this proceeding.

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<sup>5</sup> The only party comments received were from counsel on behalf of domestic producers U.S. Steel Corp., Maverick Tube Corp., Tex-Tube Co., IPSCO Tubulars, Northwest Pipe Co., Stupp Corp., and American Steel Pipe Division of ACIPCO.

**NATURE AND EXTENT OF SALES AT LTFV**

On March 31, 2009, Commerce published a notice in the *Federal Register* of its final determination of sales at LTFV with respect to imports of line pipe from China. Table I-1 presents Commerce’s final dumping margins with respect to imports of line pipe from China.<sup>6</sup>

**Table I-1**  
**Line pipe: Commerce’s final weighted-average LTFV margins with respect to imports from China**

Exporter	Producer	Final weighted-average dumping margin (percent)
Huludao Steel Pipe Industrial Co., Ltd./Huludao City Steel Pipe Industrial Co., Ltd.	Huludao Steel Pipe Industrial Co., Ltd./Huludao City Steel Pipe Industrial Co., Ltd.	73.87
Pangang Group Beihai Steel Pipe Corp.	Pangang Group Beihai Steel Pipe Corp.	73.87
Jiangsu Yulong Steel Pipe Co., Ltd.	Jiangsu Yulong Steel Pipe Co., Ltd.	73.87
Tianjin Xingyuda Import and Export Co., Ltd.	Tianjin Lifengyuanda Steel Pipe Group Co., Ltd.	73.87
China-wide rate		101.10
Source: <i>Certain Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value</i> , 74 FR 14514, March 31, 2009.		

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<sup>6</sup> Table I-1 of this report corresponds to table I-4 of USITC Publication 4055 and INV-FF-151.



**APPENDIX A**

***FEDERAL REGISTER NOTICE***





these kinds of data on a continuing basis since 1983 permitting levels of economic well-being and changes in these levels to be measured over time.

The 2008 panel is currently scheduled for 4 years and will include 13 waves of interviewing beginning September 2008. Approximately 65,300 households were selected for the 2008 panel, of which 45,000 households are expected to be interviewed. We estimate that each household contains 2.1 people, yielding 94,500 person-level interviews in Wave 1 and subsequent waves. Interviews take 30 minutes on average. Three waves will occur in the 2008 SIPP Panel during FY 2009. The total annual burden for 2008 Panel SIPP interviews would be 141,750 hours in FY 2009.

The topical modules for the 2008 Panel Wave 4 collect information about:

- Assets, Liabilities, and Eligibility.
- Child Well-Being.
- Medical Expenses and Utilization of Health Care (Adults and Children).
- Work Related Expenses and Child Support Paid.

Wave 4 interviews will be conducted from September 1, 2009 through December 31, 2009.

A 10-minute reinterview of 3,100 people is conducted at each wave to ensure accuracy of responses. Reinterviews would require an additional 1,553 burden hours in FY 2009.

## II. Method of Collection

The SIPP is designed as a continuing series of national panels of interviewed households that are introduced every few years with each panel having durations of one to four years. All household members 15 years old or over are interviewed using regular proxy-respondent rules. During the 2008 panel, respondents are interviewed a total of 13 times (13 waves) at 4-month intervals making the SIPP a longitudinal survey. Sample people (all household members present at the time of the first interview) who move within the country and reasonably close to a SIPP primary sampling unit will be followed and interviewed at their new address. Individuals 15 years old or over who enter the household after Wave 1 will be interviewed; however, if these individuals move, they are not followed unless they happen to move along with a Wave 1 sample individual.

## III. Data

*OMB Control Number:* 0607-0944.  
*Form Number:* SIPP/CAPI Automated Instrument.

*Type of Review:* Regular submission.  
*Affected Public:* Individuals or households.

*Estimated Number of Respondents:* 94,500 people per wave.

*Estimated Time per Response:* 30 minutes per person.

*Estimated Total Annual Burden Hours:* 143,303.

*Estimated Total Annual Cost:* \$0.

*Respondent's Obligation:* Voluntary.

*Legal Authority:* Title 13, United States Code, Section 182.

## IV. Request for Comments

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: March 26, 2009.

### Gwellnar Banks,

*Management Analyst, Office of the Chief Information Officer.*

[FR Doc. E9-7117 Filed 3-30-09; 8:45 am]

**BILLING CODE 3510-07-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

**A-570-935**

#### **Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**EFFECTIVE DATE:** March 31, 2009.

**SUMMARY:** The Department of Commerce (Department) has determined that circular welded carbon quality steel line pipe (welded line pipe) from the People's Republic of China (PRC) is being, or is likely to be, sold in the United States at less than fair value (LTFV) as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final dumping margins for this

investigation are listed in the "Final Determination Margins" section below. The period covered by the investigation is October 1, 2007, through March 31, 2008.

**FOR FURTHER INFORMATION CONTACT:** Jeff Pedersen or Rebecca Pandolph, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-2769 and 482-3627, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

The Department published its preliminary determination of sales at LTFV on November 6, 2008. *See Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 73 FR 66012 (November 6, 2008) (*Preliminary Determination*). On November 5, 2008, Shanghai Metals & Minerals Import & Export Corp. d/b/a Shanghai Minmetals Materials & Products Corp. (Shanghai Metals) informed the Department that it would not participate in the verification of its information and withdrew from the investigation. *See* Letter to Secretary of Commerce, Shanghai Metals' Notice of Withdrawal from Investigation and Certification of APO Compliance and Destruction of APO Materials at 1 (November 5, 2008). On November 6, 2008, Benxi Northern Steel Pipes Co., Ltd. (Benxi) also informed the Department that it would not participate in the verification of its information and withdrew from the investigation. *See* Letter to Secretary of Commerce, Benxi's Notice of Withdrawal from Investigation (November 6, 2008). From November 13, 2008, through November 21, 2008, the Department conducted a verification of information submitted by Huludao Steel Pipe Industrial Co., Ltd. (Huludao Pipe). *See* the "Verification" section below for additional information. On December 16, 2008, Huludao Pipe and United States Steel Corporation (U.S. Steel), one of the petitioning companies, submitted comments on, and calculations of, various surrogate values. In response to the Department's invitation to comment on the *Preliminary Determination*, on January 5, 2009, U.S. Steel, Maverick Tube Corporation (Maverick), a petitioner, Huludao Pipe, and the Bureau of Fair Trade, Imports and Exports, Ministry of Commerce of the PRC filed case briefs.

Maverick, U.S. Steel and Huludao Pipe filed rebuttal briefs on January 12, 2009.

### Analysis of Comments Received

All of the issues that were raised in the case and rebuttal briefs that were submitted in this investigation, and to which we have responded, are addressed in the "Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China," dated March 23, 2009, which is hereby adopted by this notice (Issues and Decision Memorandum). Appendix I to this notice contains a list of the issues that are addressed in the Issues and Decision Memorandum. The Issues and Decision Memorandum, which is a public document, is on file in the Central Records Unit, at the main Commerce Building, Room 1117, and is accessible on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the memorandum are identical in content.

### Changes Since the Preliminary Determination

We have made the following changes to our calculations in the Preliminary Determination:

1. We based our determination with respect to Shanghai Metals and Benxi on total adverse facts available (AFA) because these companies refused to allow the Department to verify the information submitted in the investigation and failed to cooperate to the best of their abilities. As total AFA, we found Shanghai Metals and Benxi to be part of the PRC-wide entity.
2. We have reduced the grace period used in calculating warehouse expenses to seven days.
3. We have applied new surrogate values for ocean freight based on corrections to the departure and destination ports made at verification.
4. We have recalculated the reported per-unit volume of subject merchandise warehoused based on verification findings.
5. We have recalculated the cost of paint and thinner based on corrections to consumption reported by Huludao Pipe at verification.
6. We have recalculated labor costs based on corrections to consumption reported by Huludao Pipe at verification.

7. We have recalculated transportation costs for material inputs based on corrections to the distance from the supplier to the factory reported by Huludao Pipe at verification.

8. We have used new surrogate financial statements to calculate financial ratios.

### Scope of the Investigation

The merchandise covered by this investigation is circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (welded line pipe), not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.

The term "carbon quality steel" includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels imposed in the Harmonized Tariff Schedule of the United States (HTSUS). Specifically, the term "carbon quality" includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:

- (i) 2.00 percent of manganese,
- (ii) 2.25 percent of silicon,
- (iii) 1.00 percent of copper,
- (iv) 0.50 percent of aluminum,
- (v) 1.25 percent of chromium,
- (vi) 0.30 percent of cobalt,
- (vii) 0.40 percent of lead,
- (viii) 1.25 percent of nickel,
- (ix) 0.30 percent of tungsten,
- (x) 0.012 percent of boron,
- (xi) 0.50 percent of molybdenum,
- (xii) 0.15 percent of niobium,
- (xiii) 0.41 percent of titanium,
- (xiv) 0.15 percent of vanadium, or
- (xv) 0.15 percent of zirconium.

Welded line pipe is normally produced to specifications published by the American Petroleum Institute (API) (or comparable foreign specifications) including API A-25, 5LA, 5LB, and X grades from 42 and above, and/or any other proprietary grades or non-graded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil and gas pipelines, including all multiple-stenciled pipe with an API welded line pipe stencil is covered by the scope of this investigation.

Excluded from this scope are pipes of a kind used for oil and gas pipelines that are multiple-stenciled to a standard and/or structural specification and have one or more of the following characteristics: is 32 feet in length or

less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish. (The term "painted" does not include coatings to inhibit rust in transit, such as varnish, but includes coatings such as polyester.)

The welded line pipe products that are the subject of this investigation are currently classifiable in the HTSUS under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

### Scope Comments

Since the *Preliminary Determination* no one has submitted comments on the scope of this investigation.

### Adverse Facts Available

As noted in the "Background" section above, Shanghai Metals and Benxi withdrew from the investigation and refused to allow the Department to verify the information they had submitted in this proceeding.

Section 776(a)(2) of the Act provides that, if an interested party (C) significantly impedes a proceeding, or (D) provides information that cannot be verified, the Department shall use facts otherwise available in reaching the applicable determination.

Section 776(b) of the Act authorizes the Department to use an adverse inference with respect to an interested party if the Department finds that the party failed to cooperate by not acting to the best of its ability to comply with a request for information.

Therefore, pursuant to sections 776(a)(2)(C) and (D) and 776(b) of the Act, we have, decided to base Shanghai Metals and Benxi's dumping margins on AFA. As AFA, we have treated Shanghai Metals and Benxi as part of the PRC-wide entity and assigned Shanghai Metals and Benxi the PRC-wide rate of 101.10 percent. See Issues and Decision Memorandum at Comment 12.

### Verification

As provided in section 782(i) of the Act, we conducted verification in the PRC of the information submitted by Huludao Pipe for use in our final determination. See the Memorandum from Jeff Pedersen and Rebecca Pandolph, through Howard Smith, to the file regarding Verification of the Questionnaire Responses of Huludao Pipe Steel Pipe Industrial Co., Ltd. (December 11, 2008). In conducting the

verification, we used standard verification procedures, including examination of relevant accounting, sales, and production records, as well as original source documents provided by Huludao Pipe.

#### Surrogate Country

In the *Preliminary Determination*, we selected India as the appropriate surrogate country noting that India was on the Department's list of countries that are at a level of economic development comparable to the PRC and that: (1) India is a significant producer of merchandise comparable to the subject merchandise; and, (2) reliable Indian data for valuing factors of production are readily available. See *Preliminary Determination*, 73 FR at 66014. No party has commented on our selection of India as the appropriate surrogate country. For the final determination, we continue to find India to be the appropriate surrogate country in this investigation.

#### Separate Rates

In proceedings involving non-market-economy (NME) countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise subject to an investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. See *Final Determination of Sales at Less Than Fair Value: Sparklers From the People's Republic of China*, 56 FR 20588 (May 6, 1991), as amplified by *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People's Republic of China*, 59 FR 22585 (May 2, 1994); see also 19 CFR 351.107(d).

In the *Preliminary Determination*, the Department granted separate-rate status to Benxi; Huludao Pipe; Pangang Group Beihai Pipe Corporation (Pangang Beihai); Shanghai Metals; Tianjin Xingyuda Import and Export Company (Tianjin); and Jiangsu Yulong Steel Pipe Co., Ltd. (Jiangsu Yulong). As discussed above, the Department has decided, as AFA, to treat Shanghai Metals and Benxi as part of the PRC-wide entity. Moreover, we note that the information that Shanghai Metals and Benxi provided to the Department to demonstrate the absence of *de facto* and *de jure* control could not be verified due to their failure to cooperate. Consequently we have not granted

Shanghai Metals and Benxi separate rates.

While U.S. Steel argued in its case brief that Pangang Beihai should not be granted a separate rate, we continue to find that Pangang Beihai qualifies for a separate rate. See Issues and Decision Memorandum at Comment 11. No other parties commented on the separate-rate status granted to companies in the *Preliminary Determination*. For this final determination we have continued to grant the following companies separate-rate status: Huludao Pipe, Pangang Beihai, Tianjin, and Jiangsu Yulong. We have assigned the separate-rate companies the dumping margin that we calculated for Huludao Pipe.

#### The PRC-Wide Rate

In the *Preliminary Determination*, the Department found that certain companies did not respond to our requests for information. See *Preliminary Determination*, 73 FR at 66016. We treated these PRC producers/exporters as part of the PRC-wide entity because they did not demonstrate that they operate free of government control over their export activities. *Id.* No additional information was placed on the record with respect to any of these companies after the *Preliminary Determination*. Moreover, for the reasons noted above, we also consider Shanghai Metals and Benxi to be part of the PRC-wide entity.

As noted above, section 776(a)(2) of the Act provides that, if an interested party or any other person withholds information that has been requested by the administering authority, significantly impedes a proceeding under this title, or provides such information but the information cannot be verified as provided in section 782(i) of the Act, the administering authority shall, subject to section 782(d) of the Act, use facts otherwise available in reaching the applicable determination. Because the PRC-wide entity did not respond to our requests for information and because companies within the PRC-wide entity withheld information requested by the Department, and Shanghai Metals and Benxi, which are part of the PRC-wide entity, did not allow their information to be verified, pursuant to sections 776(a)(2)(A), (C), and (D) of the Act, we determine, as in the *Preliminary Determination*, that the use of facts otherwise available is appropriate to determine the PRC-wide rate.

As stated above, section 776(b) of the Act provides that, in selecting from among the facts otherwise available, the Department may employ an adverse inference if an interested party fails to

cooperate by not acting to the best of its ability to comply with requests for information. See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From the Russian Federation*, 65 FR 5510, 5518 (February 4, 2000). See also Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316, Vol. 1 (1994), at 870. We determine that, because the PRC-wide entity did not respond to our requests for information, and Shanghai Metals and Benxi prevented the Department from verifying its information, the PRC-wide entity has failed to cooperate to the best of its ability. Therefore, the Department finds that, in selecting a dumping margin from among the facts otherwise available, an adverse inference is appropriate for the PRC-wide entity.

In this final determination, we have assigned the PRC-wide entity the highest CONNUM-specific dumping margin, *i.e.*, 101.10 percent, calculated for Shanghai Metals. See Issues and Decision Memorandum at Comment 10. No corroboration of this rate is necessary because we are relying on information obtained in the course of this investigation, rather than secondary information.

Since we begin with the presumption that all companies within an NME country are subject to government control, and only the exporters listed under the "Final Determination Margins" section below have overcome that presumption, we are applying a single antidumping rate (*i.e.*, the PRC-wide rate) to all exporters of subject merchandise from the PRC, other than the exporters listed in the "Final Determination Margins" sections. See, *e.g.*, *Synthetic Indigo From the People's Republic of China; Notice of Final Determination of Sales at Less Than Fair Value*, 65 FR 25706 (May 3, 2000).

#### Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. See *Certain Circular Welded Carbon Quality Steel Line Pipe From the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations*, 73 FR 23188 (April 29, 2008) (*Initiation Notice*). This change in practice is described in *Policy Bulletin 05.1*:

While continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its

NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the

weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation."

See *Policy Bulletin 05.1*, "Separate Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries" available on the Import Administration's website at <http://ia.ita.doc.gov/policy/index.html>.

#### Final Determination Margins

We determine that the following weighted-average dumping margins exist for the period October 1, 2007, through March 31, 2008:

Exporter & Producer	Weighted-Average Margin
Huludao Steel Pipe Industrial Co., Ltd.	
Huludao City Steel Pipe Industrial Co., Ltd. .... Produced by: Huludao Steel Pipe Industrial Co., Ltd. Huludao City Steel Pipe Industrial Co., Ltd..	73.87%
Pangang Group Beihai Steel Pipe Corporation ..... Produced by: Pangang Group Beihai Steel Pipe Corporation.	73.87%
Jiangsu Yulong Steel Pipe Co., Ltd. .... Produced by: Jiangsu Yulong Steel Pipe Co., Ltd..	73.87%
Tianjin Xingyuda Import and Export Co., Ltd. .... Produced by: Tianjin Lifengyuanda Steel Pipe Group Co., Ltd..	73.87%
PRC-Wide Rate .....	101.10%

#### Disclosure

We will disclose to parties the calculations performed within five days of the date of public announcement of this determination in accordance with 19 CFR 351.224(b). The Department has determined in *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 74 FR 4136 (January 23, 2009) (*Line Pipe CVD Final*) that the product under investigation, exported and produced by Huludao Pipe, benefitted from export subsidies. Normally, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct U.S. Customs and Border Protection (CBP) to require an antidumping cash deposit or posting of a bond equal to the weighted-average amount by which the normal value (NV) exceeds the export price, as indicated above, minus the amount determined to constitute an export subsidy. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India*, 69 FR 67306, 67307 (November 17, 2004). Therefore, for merchandise under consideration, exported and produced by Huludao Pipe, and entered, or withdrawn from warehouse, for consumption on or after the publication date of this final determination, we will instruct CBP to require an antidumping cash deposit or the posting of a bond for

each entry equal to the weighted-average margin indicated above, reduced by the export subsidy rate determined in the *Line Pipe CVD Final* for Huludao Pipe. For merchandise under consideration from the other exporter producer combinations, listed in the table above, that have been granted separate rates, we have assigned the rate calculated for Huludao Pipe in this antidumping investigation. Additionally, this merchandise is subject to countervailing duties to offset export subsidies equal to or greater than the export subsidy rate determined for Huludao Pipe. Therefore, for merchandise under consideration from these exporter producer combinations, entered, or withdrawn from warehouse, for consumption on or after the publication date of this final determination, we will instruct CBP to require an antidumping cash deposit or the posting of a bond for each entry equal to the weighted-average margin indicated above, reduced by the export subsidy rate determined for Huludao Pipe in the *Line Pipe CVD Final*. The adjusted cash deposit rate for Huludao Pipe and the other exporter-producer combinations listed above is 73.44 percent.

#### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing CBP to continue to suspend liquidation of all imports of subject merchandise as

described in the "Scope of the Investigation" section, that are entered or withdrawn from warehouse, for consumption on or after November 6, 2008, which is the date of publication of the *Preliminary Determination* in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average dumping margin amount by which the NV exceeds U.S. price, as follows: (1) the rate for the exporter/producer combination listed in the chart above will be the rate we have determined in this final determination; (2) for all PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the PRC-wide entity rate; and (3) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension-of-liquidation instructions will remain in effect until further notice.

#### International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our final determination of sales at LTFV. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine whether the domestic industry in the United States is

materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise within 45 days of this final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess upon further instruction by the Department antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Notification Regarding APO

This notice also serves as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation. This determination and notice are issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: March 23, 2009.

**Ronald K. Lorentzen,**

*Acting Assistant Secretary for Import Administration.*

#### Appendix I

##### Parties' Comments

*Comment 1:* Whether Huludao Pipe Could Have Reported Steel Consumption on a More Product-Specific Basis

*Comment 2:* Whether Huludao Pipe Could Have Reported the Consumption of Paint, Thinner, and Packing Labor on a More Product-Specific Basis

*Comment 3:* The Department's Valuation of Huludao Pipe's Water Consumption

*Comment 4:* Huludao Pipe's Reported Steel By-Product Quantity

*Comment 5:* Whether Huludao Pipe's Reported Scrap Steel Offset Should be Reduced by Transportation Costs

*Comment 6:* Application of Warehousing Grace Period

*Comment 7:* Reported Days in Warehouse

*Comment 8:* Calculation of Warehousing Volume

*Comment 9:* Whether the Date of the Commercial Invoice Is the Proper Date of Sale

*Comment 10:* Scrap Surrogate Value

*Comment 11:* Eligibility of Pangang Group Beihai Steel Pipe Corporation for a Separate Rate

*Comment 12:* Applying Adverse Facts Available to Non-Responsive Companies

*Comment 13:* Selection of Surrogate Financial Statements

*Comment 14:* Whether the Imposition of Both Countervailing and Antidumping Duties Constitutes the Double Counting of Duties

[FR Doc. E9-7093 Filed 3-30-09; 8:45 am]

**BILLING CODE 3510-DS-S**

#### DEPARTMENT OF COMMERCE

##### International Trade Administration

#### Childrens Hospital, et al.; Notice of Consolidated Decision on Applications for Duty-Free Entry of Electron Microscopes

This is a decision consolidated pursuant to Section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89-651, as amended by Pub. L. 106-36; 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 a.m. and 5 p.m. in Room 3705, U.S. Department of Commerce, 14th and Constitution Avenue., NW., Washington, DC.

Docket Number: 09-001. Applicant: Childrens Hospital, Los Angeles, CA 90027. Instrument: Transmission Electron Microscope. Manufacturer: FEI Company, Czech Republic. Intended Use: See notice at 74 FR 8503, February 25, 2009.

Docket Number: 09-002. Applicant: U.S. Environmental Protection Agency, Denver, CO 80202. Instrument: Transmission Electron Microscope. Manufacturer: JEOL, Ltd., Japan. Intended Use: See notice at 74 FR 8503, February 25, 2009.

Docket Number: 09-003. Applicant: U.S. Food and Drug Administration, Laurel, MD 20708. Instrument: Transmission Electron Microscope. Manufacturer: JEOL Ltd., Japan. Intended Use: See notice at 74 FR 8503, February 25, 2009.

*Comments:* None received. *Decision:* Approved. No instrument of equivalent scientific value to the foreign instrument, for such purposes as these instruments are intended to be used, was being manufactured in the United States at the time the instruments were ordered. Reasons: Each foreign instrument is an electron microscope and is intended for research or scientific educational uses requiring an electron

microscope. We know of no electron microscope, or any other instrument suited to these purposes, which was being manufactured in the United States at the time of order of each instrument.

Dated: March 23, 2009.

**Christopher Cassel,**

*Acting Director, Subsidies Enforcement Office, Import Administration.*

[FR Doc. E9-7222 Filed 3-30-09; 8:45 am]

**BILLING CODE 3510-DS-P**

#### DEPARTMENT OF COMMERCE

##### International Trade Administration

[C-570-931]

#### Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Correction to Countervailing Duty Order

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**DATES:** *Effective Date:* March 31, 2009.

**FOR FURTHER INFORMATION CONTACT:** Robert Copyak, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Room 4014, Washington, DC 20230; telephone: (202) 482-2209.

#### SUPPLEMENTARY INFORMATION:

##### Correction

On March 19, 2009, the Department of Commerce ("the Department") published a notice of countervailing duty order on circular welded austenitic stainless pressure pipe from the People's Republic of China ("PRC"). See *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Countervailing Duty Order*, 74 FR 11712 (March 19, 2009) ("*CVD Order*"). Subsequent to the publication of the *CVD Order* in the **Federal Register**, we identified an inadvertent error.

The notice states that on March 11, 2009, the United States International Trade Commission (ITC) notified the Department of its final affirmative determination of material injury. This is a typographical error. The Department received the ITC's notification of its final affirmative determination of material injury on March 12, 2009.

This notice is published in accordance with sections 777(i) and 706(a) of the Tariff Act of 1930, as amended.