Certain Welded Stainless Steel Pipe From Korea and Taiwan

Investigations Nos. 731-TA-540 and 541 (Review)

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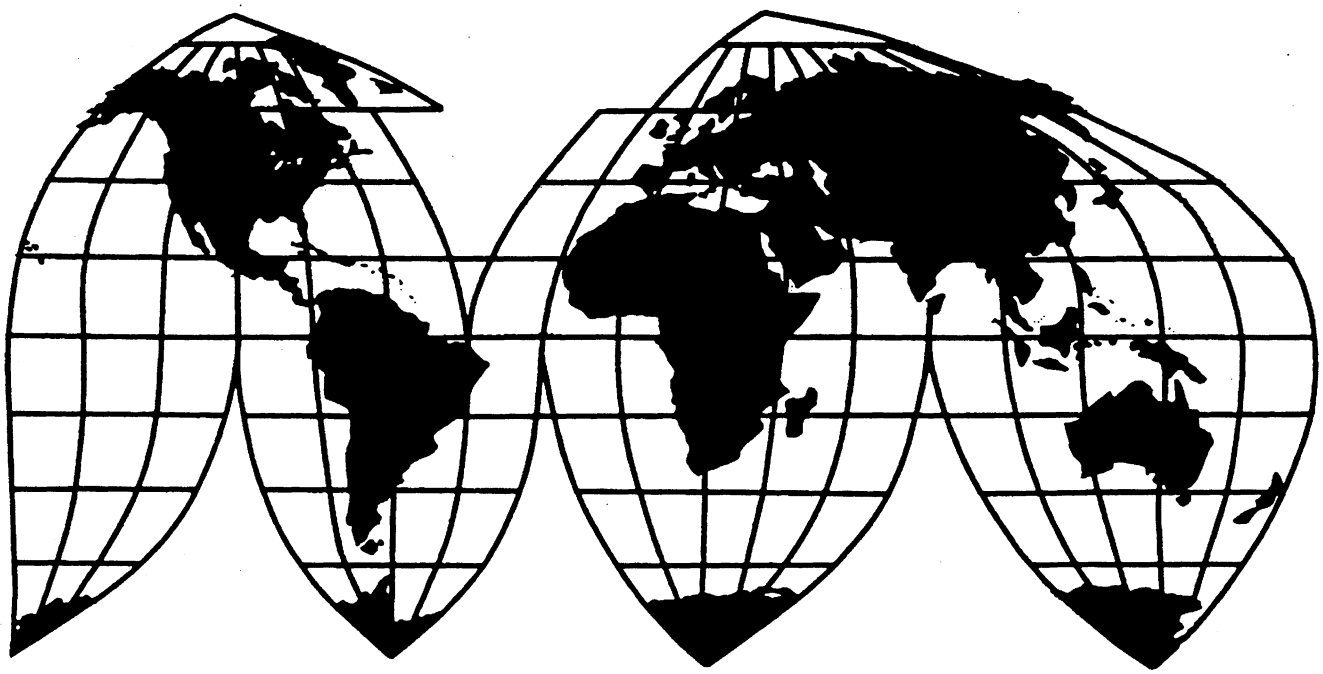

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Investigations Nos. 731-TA-540 and 541 (Review)

CERTAIN WELDED STAINLESS STEEL PIPES FROM KOREA AND TAIWAN

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty orders on certain welded stainless steel pipes from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

BACKGROUND

The Commission instituted these reviews on July 1, 1999 (64 F.R. 35694) and determined on October 1, 1999, that it would conduct full reviews (64 F.R. 55961, October 15, 1999). Notice of the scheduling of the Commission's reviews 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* on March 31, 2000 (64 F.R. 17308). The hearing was held in Washington, DC, on August 1, 2000, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Commissioner Thelma J. Askey dissenting with respect to Korea.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended ("the Act"), that revocation of the antidumping duty orders covering certain welded stainless steel ("WSS") pipes from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

I. BACKGROUND

In December 1992, the Commission determined that an industry in the United States was materially injured by reason of imports of certain WSS pipes from Korea and Taiwan found by the Department of Commerce ("Commerce") to be sold in the United States at less than fair value.[2] Subsequently, effective December 30, 1992, Commerce imposed antidumping duty orders on imports of the subject merchandise from Korea and Taiwan.[3]

On July 1, 1999, the Commission instituted reviews pursuant to section 751(c) of the Act to determine whether revocation of the antidumping duty orders on certain WSS pipes from Korea and Taiwan likely would lead to the continuation or recurrence of material injury.[4]

In five-year reviews, the Commission initially determines whether to conduct a full review (which would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review, as follows. First, the Commission determines whether individual responses of interested parties to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties -- domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (importers, exporters, foreign producers, trade associations, or subject country governments) -- demonstrate a sufficient willingness among each group to participate and provide information requested in a full review.[5] If the Commission finds the responses from both groups of interested parties to be adequate, or if other circumstances warrant, it will determine to conduct a full review.

The Commission received adequate responses to the notice of institution from four domestic producers and from five producers of the subject merchandise in Korea. The Commission found the domestic interested party group response and the Korean respondent interested party group response to be adequate. As the Commission received no responses to the notice of institution from producers or importers of the subject merchandise from Taiwan,[6] it found the respondent interested party group

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[1] Commissioner Thelma J. Askey dissenting with respect to Korea. See Concurring and Dissenting Views of Commissioner Thelma J. Askey. She joins sections I, II, III.A, IV.A, and IV.B of these Views.

[2] Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-540-541 (Final), USITC Pub. 2585 (Dec. 1992) ("Original Determinations").

[3] 57 Fed. Reg. 62300-01 (Dec. 30, 1992). Manufacturer Chang Tieh (now Chang Mien) was excluded from the order on WSS pipes from Taiwan.

[4] 64 Fed. Reg. 35694 (July 1, 1999).

[5] See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

[6] Subsequently, one manufacturer of welded stainless steel pipe in Taiwan, Jaung Yaunn, responded to the Commission's questionnaire, and the American Institute in Taiwan, at the Commission's request, supplied additional information on the industry in Taiwan. Confidential Report (Aug. 23, 2000), as revised by confidential memorandum INV-X-197 (Aug. 29, 2000) ("CR") at IV-5 and 7; Public Report ("PR") at IV-4 and 6.

response to be inadequate with respect to that order. The Commission nevertheless determined to conduct full reviews of both orders to promote administrative efficiency.[7]

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making determinations under section 751(c), the Commission defines "the domestic like product" and the "industry."[8] The Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[9]

In its final five-year review determinations for certain WSS pipes from Korea and Taiwan, Commerce defined the subject merchandise as:

> certain welded austenitic stainless steel pipe that meets the standards and specifications set forth by the American Society for Testing and Materials ("ASTM") for the welded form of chromium-nickel pipe designated ASTM A-312. The merchandise covered by the scope of these orders also includes austenitic welded stainless steel pipes made according to the standards of other nations which are comparable to ASTM A-312.[10]

WSS pipes and pressure tubes are welded hollow products used to transport liquids and gases. The subject merchandise consists only of pipes produced according to ASTM A-312 or other comparable

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[7] 64 Fed. Reg. 55961 (Oct. 15, 1999) (Commissioner Crawford voted to expedite both reviews).

[8] 19 U.S.C. § 1677(4)(A).

[9] 19 U.S.C. § 1677(10). See NEC Corp. v. Department of Commerce, 36 F. Supp.2d 380, 383 (CIT 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (CIT 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[10] 65 Fed. Reg. 5607, 5608 (Feb. 4, 2000). Commerce provided this additional description of the subject merchandise:

> Pipes are produced by forming stainless steel flat-rolled products into a tubular configuration and welding along the seam. Pipes are a commodity product generally used as a conduit to transmit liquids or gases. Major applications for pipes include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper process machines. Imports of pipes are currently classifiable under the following Harmonized Tariff Schedule of the United States ("HTSUS") subheadings: 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5065, and 7306.40.5085. Although these subheadings include both pipes and tubes, the scope of this order is limited to welded austenitic stainless steel pipes. Although the HTSUS subheadings are provided for convenience and United States Customs purposes, our written description of the scope of these orders are [sic] dispositive.

Id.

standards. These pipes are designed for use at elevated temperatures or with corrosive liquids or gases.[11] Major uses for A-312 pipes include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and other processing lines.[12]

The starting point of the Commission's like product analysis in a five-year review is the like product determination in the Commission's original investigations.[13] In its original determinations, the Commission found that the like product corresponding to the subject merchandise (A-312 pipes) was all WSS pipes and pressure tubes.[14] The Commission found no clear dividing line among the different types of WSS pipes and pressure tubes and concluded that similarities in physical characteristics, end uses, channels of distribution, manufacturing processes, and production employees warranted including all WSS pipes and pressure tubes within the definition of the like product.[15]

Initially, the Domestic Parties[16] and Korean Respondents[17] commented upon the limited substitutability between ASTM A-312 pipe and certain other forms of welded stainless steel pipes and tubes.[18] At the Commission's hearing, the Domestic Parties raised the argument that only A-778 pipes and A-312 pipes should be included within the definition of the domestic like product and that all other pressure tubing and pipes should be excluded.[19] The Korean Respondents urged the Commission not to depart from the domestic like product definition in the original investigation.[20]

The record in these reviews does not indicate any significant changes in the products at issue or in the factors we consider in our determinations, nor any other appropriate circumstance warranting revisiting the Commission's original like product determination.[21] Therefore, we define the domestic like product as all WSS pipes and pressure tubes.

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[11] CR at I-14; PR at I-12.

[12] CR at I-14; PR at I-12.

[13] In its like product determination, the Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes and production employees; (5) customer or producer perceptions; and, where appropriate, (6) price. See The Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996). No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation. The Commission looks for clear dividing lines among possible like products, and disregards minor variations. See, e.g., S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979); Torrington, 747 F. Supp. at 748-49.

[14] Original Determinations at 7-8. For purposes of these reviews, "pressure tubes" consist largely of boiler, condenser, and heat exchanger tubing products.

[15] Original Determinations at 10-13. However, the Commission did not include certain other welded stainless steel tubular products, namely A-409 tubing and mechanical tubing. Id. at 13-17.

[16] The Domestic Parties are Avesta Sheffield Pipe Company; Bristol Metals, LP; Davis Pipe, Inc.; Felker Bros. Corporation; Marcegaglia USA; and Swepco Tube Corporation.

[17] The Korean Respondents are SeAH Steel Corp., Ltd. and Hyundai Pipe Co. Ltd.

[18] Domestic Parties' Prehearing Brief at 3 n.11, Korean Respondents' Prehearing Brief at 17.

[19] See Transcript of Hearing of Aug. 1, 2000 ("Tr.") at 12, 51-54, and 91. Because the Domestic Parties raised their like product argument at such a late stage in these reviews, there is limited information on the record of these proceedings as to differences between the products.

[20] Korean Respondents' Posthearing Brief at Tab 4 (answers to Commissioners' questions).

[21] See Notice of Final Rulemaking, 63 Fed. Reg. 30599, 30602 (June 5, 1998).

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the domestic "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[22] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States.[23] Consistent with our definition of the like product, we find the domestic industry to be all domestic producers of WSS pipes and pressure tubes.[24]

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[22] 19 U.S.C. § 1677(4)(A).

[23] See, e.g., Uranium from Kazakhstan, Inv. No. 731-TA-539-A (Final), USITC Pub. 3213 at 8-9 (July 1999); Manganese Sulfate from the People's Republic of China, Inv. No. 731-TA-725 (Final), USITC Pub. 2932, at 5 & n.19 (Nov. 1995) ("the Commission has generally included toll producers that engage in sufficient production-related activity to be part of the domestic industry"). See, e.g., United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (CIT 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

[24] No party has argued for exclusion from the domestic industry of any domestic producers as related parties pursuant to 19 U.S.C. § 1677(4)(B). A domestic party may be deemed a related party, independent of ownership, if its purchases of imports are significant enough to constitute "control" of an importer. The Commission has found such control to exist where the domestic producer purchased a predominant portion of an importer's imported subject merchandise and the importer's subject imports were substantial. Although *** purchased quantities of A-312 pipe from Taiwan during the period reviewed, the majority of its purchases occurred in only one year and were not substantial compared to its domestic production. CR at III-6 to III-7; PR at III-4.

III. CUMULATION[25]

A. Framework

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[26]

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[27] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[28] With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely

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[25] Commissioner Bragg does not join this section. While she concurs with the majority's findings of a reasonable overlap of competition and likely discernible adverse impact in the event the orders are revoked, her cumulation determinations are based upon a different analytical framework than that of her colleagues. See Separate Views of Commissioner Lynn M. Bragg Regarding Cumulation in Sunset Reviews, found in Potassium Permanganate From China and Spain, Inv. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 (Oct. 1999); see also, Separate Views of Chairman Lynn M. Bragg Regarding Cumulation, found in Brass Sheet and Strip From Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Inv. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 and 379-380 (Review), USITC Pub. 3290 (Apr. 2000). In particular, Commissioner Bragg notes that she examines the likelihood of no discernible adverse impact only after first determining there is likely to be a reasonable overlap of competition in the event of revocation. Having found a reasonable overlap of competition in these reviews for the same reasons as those set forth by the Commission majority, Commissioner Bragg turns to the issue of no discernible adverse impact. Based upon the significant excess capacity in each of the subject countries and strong incentive for subject producers in both countries to increase the volume of subject imports into the United States in the event the orders are revoked, Commissioner Bragg finds that revocation of each of the orders at issue will lead to a likely discernible adverse impact. Accordingly, Commissioner Bragg cumulates all subject imports.

[26] 19 U.S.C. § 1675a(a)(7).

[27] 19 U.S.C. § 1675a(a)(7).

[28] SAA, H.R. Rep. No. 103-316, vol. I (1994).

impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.[29] [30]

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[31] Only a "reasonable overlap" of competition is required.[32] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the orders under review are revoked. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[33]

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[29] For a discussion of the analytical framework of Chairman Koplan and Commissioners Miller and Hillman regarding the application of the "no discernible adverse impact" provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review) USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan's analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review) USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

[30] Commissioner Askey notes that the Act clearly states that the Commission is precluded from exercising its discretion to cumulate if the imports from a country subject to review are likely to have "no discernible adverse impact on the domestic industry" upon revocation of the order. 19 U.S.C. § 1675a(a)(7). Thus, the Commission must focus on whether the imports will impact the condition of the industry discernibly as a result of revocation, and not solely on whether there will be a small volume of imports after revocation, i.e., by assessing their negligibility after revocation of the order. For a full discussion of her views on this issue, see Additional Views of Commissioner Thelma J. Askey in Potassium Permanganate from China and Spain, Inv. Nos. 731-TA-125-126 (Review), USITC Pub. 3245 (Oct. 1999).

[31] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (CIT 1989).

[32] See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff'd sub nom, Ranchers-Cattleman Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[33] See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied. The Commission instituted both reviews on July 1, 1999.

For the reasons discussed below regarding the likely volume, price effects, and impact of subject imports if the orders are revoked, we do not find that subject imports from Korea or Taiwan are likely to have no discernible adverse impact on the domestic industry if either order were revoked.[34] [35]

B. Reasonable Overlap of Competition and Other Considerations

In the original determinations, the Commission found that A-312 pipe products produced in Korea, Taiwan, and the United States were fungible as they must all meet the same ASTM specifications and are all generally sold as commodity products.[36] The current record indicates that subject imports and the domestic like product are relatively fungible if they are made to the same specifications.[37] There is a high degree of substitution among A-312 pipes from Korea, Taiwan, and the United States, and A-312 pipes produced in the United States, Korea, or Taiwan are used interchangeably.[38] While the like product consists of all WSS pipes and pressure tubes and not just A-312 pipes, about three-quarters of U.S. pipe and pressure tube production consists of A-312 pipes.[39]

All U.S. producers, and a majority of importers of the subject merchandise from Taiwan and Korea, reported sales of A-312 pipes throughout the continental United States in the original investigations.[40] In the current reviews, virtually all producers and importers reported that the United States was the geographic market area in which they competed.[41]

In the original investigations, almost all A-312 pipes were sold through distributors,[42] and the current record continues to indicate that almost all of the subject imports and 93 percent of domestic producers' WSS pipe and pressure tubes are sold to distributors.[43] The Commission further found that the subject imports from Korea and Taiwan and the domestic like product were simultaneously present in the market in the original investigations.[44] The record in the present reviews indicates that the domestic like product and imports of the subject merchandise continue to be simultaneously present in the market.

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[34] The Korean Respondents argue that the low margins on subject imports from Korea, reduction in capacity in Korea since the time of the original investigations, and growth in demand in Korea suggest that subject imports from Korea will have no discernible adverse impact after revocation. Respondents' Prehearing Brief at 21. We note here that Korean producers still have substantial underutilized capacity and are export-oriented. CR & PR at Table I-2 & Table IV-2 (in 1999, capacity utilization was 58.8 percent and exports were 79.4 percent of total shipments). Further, subject imports from Korea have maintained a significant presence in the U.S. market before and after the imposition of the antidumping duty order. CR & PR at Table I-2.

[35] Commissioner Askey does not join this paragraph. She finds that the imports from Korea would not have a discernible adverse impact on the domestic industry. See her concurring and dissenting views for her analysis.

[36] Original Determinations at 22.

[37] CR at II-9; PR at II-6.

[38] CR at I-17, II-9, II-10; PR at I-13, II-6, II-7.

[39] CR & PR at Fig. III-1.

[40] Original Determinations at 22.

[41] CR at V-2; PR at V-1.

[42] Original Determinations at 22.

[43] CR & PR at II-1.

[44] Original Determinations at 22.

Therefore, we conclude that there likely would be a reasonable overlap of competition in the absence of the orders and that the subject imports and the domestic like product likely would compete with each other in the U.S. market.

In determining whether to exercise our discretion to cumulate subject imports, we examine whether, upon revocation of the orders, subject imports from Korea and Taiwan likely would compete in the U.S. market under similar conditions of competition relative to each other and to the domestic like product. Subject imports from Korea and Taiwan have maintained their presence in the market; indeed, imports of the subject merchandise increased from both sources over the period examined in these reviews, particularly between 1997 and 1998.[45] Moreover, imports of the subject merchandise from Korea and Taiwan are used interchangeably with each other and the domestic like product.[46] Finally, there is substantial capacity to produce subject merchandise in both countries.[47] Based on the record in these reviews, we find that the likely similarities in conditions of competition outweigh any differences asserted by the Korean Respondents. Accordingly, we exercise our discretion to cumulate the subject imports from Korea and Taiwan in these reviews.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ORDERS ON KOREA AND TAIWAN ARE REVOKED[48] [49]

A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[50] The SAA states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[51] Thus, the likelihood standard is prospective in nature.[52] The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period

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[45] CR & PR at Table I-2.

[46] CR at I-17, II-9, II-10; PR at I-13, II-6, II-7.

[47] CR at IV-4 to IV-8; Jaung Yaunn's follow-up to its Questionnaire Response, July 31, 2000, at 2.

[48] Commissioner Bragg joins the remainder of this opinion.

[49] Commissioner Askey joins subsections IV.A and IV.B of this section.

[50] 19 U.S.C. § 1675a(a).

[51] SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." SAA at 883.

[52] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

of time."[53] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' time frame applicable in a threat of injury analysis [in antidumping and countervailing duty investigations]."[54] [55]

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated."[56] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, and whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated.[57] [58]

We note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination.[59] We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept participating parties' suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. "In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most

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[53] 19 U.S.C. § 1675a(a)(5).

[54] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." Id.

[55] In analyzing what constitutes a reasonably foreseeable time, Chairman Koplan examines all the current and likely conditions of competition in the relevant industry. He defines "reasonably foreseeable time" as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define "reasonably foreseeable time" by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

[56] 19 U.S.C. § 1675a(a)(1).

[57] 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[58] Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings "the findings of the administrative authority regarding duty absorption." 19 U.S.C. § 1675a(a)(1)(D). Commerce has not issued any duty absorption findings with respect to these reviews. CR at I-11; PR at I-9.

[59] 19 U.S.C. § 1675(e).

persuasive."[60] In these reviews, not all respondent interested parties provided questionnaire responses. Accordingly, we have relied on the facts available in these reviews, which consist primarily of the information collected by the Commission since the institution of these reviews, information submitted by the cooperating domestic producers, respondent parties, and other parties in these reviews, and information from the original investigations.

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked, the Commission is directed to consider whether the likely volume of subject imports would be significant either in absolute terms or relative to the production or consumption in the United States.[61] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[62]

In evaluating the likely price effects of subject imports if the orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with the domestic like product and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the price of domestic like products.[63]

In evaluating the likely impact of imports of subject merchandise if the orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[64] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[65] As instructed by the statute, we have considered the

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[60] SAA at 869.

[61] 19 U.S.C. § 1675a(a)(2).

[62] 19 U.S.C. § 1675(a)(2)(A)-(D).

[63] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[64] 19 U.S.C. § 1675a(a)(4).

[65] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In its expedited review of the antidumping duty order regarding subject imports from Korea, Commerce found the likely margin of dumping to be 2.67 percent for SeAH Steel Corp and 7.00 percent for all other manufacturers/exporters. 65 Fed. Reg. 5607, 5611 (Feb. 4, 2000). For producers in Taiwan, Commerce found the likely margins of dumping to be 31.90 percent for Jaung Yuann Enterprise Co. Ltd.,

(continued...)

extent to which any improvement in the state of the domestic industry is related to the antidumping duty orders at issue and whether the industry is vulnerable to material injury if the orders are revoked.[66]

For the reasons stated below, we determine that revocation of the antidumping duty orders on certain WSS pipes from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.[67]

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[68] The following conditions of competition in the WSS pipe and pressure tube industry are relevant to our determinations.

Apparent U.S. consumption has grown *** since the period examined in the original investigations, despite an increase between 1998 and 1999.[69] According to the majority of responding firms, demand is expected to grow at a 3 to 4 percent annual rate.[70] Given the nature of demand for WSS pipes and pressure tubes in petrochemical, pharmaceutical, and food processing industries, market demand is derived from demand for new plants and equipment in these and other industries, as well as new construction projects.[71] Thus, demand for WSS pipes and pressure tubes is subject to the business cycles for other products.

Reported U.S. WSS pipe and pressure tube production capacity is *** to that reported in the early 1990s.[72] The industry has not, however, operated at full capacity; capacity utilization decreased from 75 percent in 1997 to approximately 65 percent for the remainder of the period examined in these reviews.[73] The record also indicates that non-subject imports rose steadily during the period reviewed, with non-subject merchandise from Taiwan comprising a significant portion of those increased imports.[74]

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[65] (...continued)
31.90 percent for Yeun Chyang Industrial Co. Ltd., and 19.84 percent for all other manufacturers/exporters. Id.; CR at I-10; PR at I-9 (indicating typographical error in Commerce's Notice). While Commerce also found a likely margin for Ta Chen of 3.27 percent, we note, as discussed below, that Commerce subsequently revoked the order with respect to Ta Chen. 65 Fed. Reg. 39367, 39368 (June 26, 2000).

[66] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[67] Commissioner Askey dissenting with respect to Korea.

[68] 19 U.S.C. § 1675a(a)(4).

[69] See CR & PR at Table I-2; CR at II-8; PR at II-5.

[70] CR at II-8; PR at II-5.

[71] CR at II-2, II-6; PR at II-2, II-4.

[72] See CR & PR at Table I-2. Current capacity and production data include ***, a producer which did not provide data in the original investigations.

[73] CR & PR at Table C-3.

[74] Non-subject imports represented approximately *** percent of domestic apparent consumption during each year of the original investigation period. By contrast, they represented 14.6 percent of apparent consumption in 1997, 16.9 percent in 1998, and 22.4 percent in 1999. Non-subject imports from Taiwan were 3.8 percent of
(continued...)

Increased imports (subject and non-subject) have supplied virtually all of the growth in apparent U.S. consumption of WSS pipes and pressure tubes during the period examined in these reviews.[75]

All A-312 pipes meet the same specifications, and subject merchandise and domestic A-312 pipes are highly substitutable.[76] Moreover, price is a very important consideration in purchasing decisions.[77]

We find that the foregoing conditions of competition provide an adequate basis upon which to assess the likely effects of revocation within a reasonably foreseeable time.

C. Likely Volume of Cumulated Subject Imports[78]

In the original investigations, the Commission found that cumulated subject imports increased 303.4 percent (by quantity) from 1989 to 1991 and the U.S. producers' share of consumption decreased by 10.0 percentage points (by quantity).[79] In 1989, subject imports were *** percent of apparent U.S. consumption, but by 1991, subject imports accounted for *** percent of the market.[80] Accordingly, the Commission found the volume of imports and the increase in volume of imports to be significant.[81]

Capacity in Korea has decreased since the early 1990s,[82] but remains at significant levels, equivalent to approximately 12.0 percent of U.S. apparent consumption and 15.7 percent of U.S. production in 1999.[83] In addition, current capacity utilization in Korea is *** lower than during the period examined in the original investigations.[84] Since the time of the original investigations, the Korean industry has increased its dependence on exports; home market shipments are now significantly lower both in absolute terms and as a proportion of total shipments than they were during the original investigations.[85] While just two of the nine producers of A-312 pipe in Korea reported exports of A-312

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[74] (...continued)
apparent consumption in 1997, 5.4 percent in 1998, and 9.4 percent in 1999. See CR & PR at Table I-2. As discussed below, we treat imports from Ta Chen as non-subject.

[75] See CR & PR at Table I-2.

[76] CR at II-9, II-10; PR at II-6, II-7.

[77] CR at II-9; PR at II-6, II-7. While quality was cited most frequently as purchasers' primary factor in purchasing decisions, price was cited most frequently as their secondary factor. Id. We note that all A-312 pipes must meet the requirements of the ASTM standard.

[78] Commissioner Askey does not join the remainder of these views. See her concurring and dissenting views for her analysis.

[79] Original Determinations at 24.

[80] CR & PR at Table I-2.

[81] Original Determinations at 24.

[82] Compare CR & PR at Table IV-2 (current capacity of 13,167 short tons) with INV-P-182 (Dec. 3, 1992) at Table 15 (capacity in Korea grew rapidly from *** short tons in 1989 to *** short tons in 1991).

[83] See CR & PR at Tables I-2 & IV-2.

[84] Capacity utilization was *** percent in 1989, *** percent in 1990, and *** percent in 1991. INV-P-182 (Dec. 3, 1992) at Table 15. In 1997, capacity utilization was 68.3 percent; it was 82.5 percent in 1998, and 58.8 percent in 1999. CR & PR at Table IV-2.

[85] Compare CR & PR at Table IV-2 with INV-P-182 (Dec. 3, 1992) at Table 15. Exports were 79.4 percent of total shipments in 1999, 91.6 percent in 1998, and 70.7 percent in 1997. CR & PR at Table IV-2. Although exports of subject merchandise from Korea declined in 1999, exports to the United States were *** percent of total Korean (continued...)

pipes to the United States during the period examined in these reviews, these were *** Korean producers.[86] Moreover, *** other Korean producers reported exporting all or a portion of their production.[87] [88]

There is limited information in the record concerning the industry in Taiwan, since only one manufacturer in Taiwan responded to the Commission's questionnaires (and most of the information the responding manufacturer provided was not specific to A-312 pipe).[89] Nonetheless, available information indicates that the capacity of subject manufacturers in Taiwan remains significant. Just two such manufacturers, Jaung Yaunn Enterprise Co. and Yeun Chyang, had combined capacity of *** short tons in 1991.[90] There is no indication that this capacity, equivalent to more than *** percent of U.S. consumption and to *** percent of U.S. production in 1999, has decreased.[91] In addition, there are at least two other subject producers in Taiwan, *** and ***. The sole responding manufacturer in Taiwan, Jaung Yaunn, estimated production of A-312 pipes by other Taiwan subject producers to be *** metric tons.[92] Jaung Yaunn reported its own production of all WSS pipes and tubes as *** metric tons in 1999,[93] but could not provide detailed information regarding its product mix. The record also indicates that the United States remains an important market for manufacturers in Taiwan, as evidenced by the recent increase in their subject A-312 pipe exports to the United States despite the order.[94]

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[85] (...continued)
shipments in 1998. Id.

[86] CR at IV-4 to IV-5; PR at IV-4. The record indicates that these two producers ***. See Questionnaire Responses of SeAh Steel and Hyundai Pipe. See also Korean Respondents' Public Response to the Commission's Notice of Institution, (Aug. 20, 1999) at 9.

[87] CR at IV-4 to IV-5; PR at IV-4.

[88] While there is a potential for product shifting given the large volume of non-subject pipe produced in Korea, the record does not indicate that substantial product shifting is likely to occur upon revocation. Importers reported no inventories of subject merchandise. CR at IV-4; PR at IV-1. Korean producers' inventories of subject merchandise were relatively small and generally stable. See CR & PR at Table IV-2.

[89] CR at IV-7; PR at IV-6. Chang Tieh (now Chang Mien) was excluded from the original order. 65 Fed Reg. 5607, 5611 (Feb. 4, 2000). In February 2000, Commerce published the final results of its expedited five-year review in which it determined that the likely margin of dumping for Ta Chen was 3.27 percent. However, in June 2000, Commerce revoked the antidumping duty order with respect to Ta Chen, effective December 1, 1998, because Ta Chen met the requirement of three consecutive years of de minimis or zero margins. 65 Fed. Reg. 39367, 39368 (June 26, 2000). In conducting its analysis, the Commission must consider the effects of revocation of the order. Because Ta Chen is not now subject to the order, revocation likely would have no effect on its exports to the United States in the reasonably foreseeable future. Therefore, we consider future imports from Ta Chen to be non-subject imports.

[90] INV-P-182 (Dec. 3, 1992) at Table 16. Jaung Yaunn and Yeun Chyang accounted for *** percent of 1991 production in Taiwan of A-312 pipes. Id.

[91] See CR & PR at Table I-2.

[92] Jaung Yaunn's follow-up to its Questionnaire Response, July 31, 2000, at 2. Jaung Yaunn's estimates were *** short tons for ***, *** short tons for ***, and *** short tons for ***. Id.

[93] CR at IV-8; PR at IV-6.

[94] Subject imports from Taiwan were 990 short tons in 1997, 1,819 short tons in 1998, and 2,610 short tons in 1999. CR & PR at Table I-2.

While the orders have resulted in a decrease from the level of subject imports attained prior to the orders,[95] subject imports from both Korea and Taiwan have retained a significant presence in the U.S. market.[96] Consequently, subject merchandise from Korea and Taiwan is known and accepted in the United States market with an established customer base and distribution network. Finally, subject imports are highly interchangeable with both domestic and non-subject A-312 pipe.[97]

We therefore find it likely that, in the absence of the orders, the cumulated subject imports likely would increase significantly, both in absolute terms and as a share of the U.S. market, as occurred in the original investigations. We therefore conclude, based on the record in these reviews, that the volume of subject A-312 imports from Korea and Taiwan likely would be significant within a reasonably foreseeable time if the orders were revoked.[98]

D. Likely Price Effects

U.S. producers' selling prices to distributors and prices reported by purchasers declined over the period examined in the original investigations.[99] At the same time, U.S. importers' prices also declined continuously.[100] The Commission found that A-312 pipes from Korea undersold the domestic like product in 34 of 36 price comparisons and that A-312 pipes from Taiwan undersold the domestic like product in 34 of 40 price comparisons.[101] The Commission concluded that the low import prices were depressing and suppressing domestic prices for WSS pipes and pressure tubes.[102]

The record in these reviews indicates that the subject imports are highly substitutable for domestic WSS pipes and pressure tubes.[103] The record also indicates that price is a very important factor in purchasing decisions.[104] Thus, increases in sales volume likely would be achieved through lower prices.

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[95] The cumulated volume of subject imports in 1999 (excluding Ta Chen) was 5,321 short tons, as compared to 14,271 short tons in 1991 (including Ta Chen). CR & PR at Table I-2.

[96] Cumulated subject imports were 3,455 short tons in 1997, 6,559 short tons in 1998, and 5,321 short tons in 1999. In the first quarter of 2000, subject imports were 1,453 short tons while in the first quarter of 1999 they were 1,727 short tons. CR & PR at Table I-2. These imports were 3.4 percent, 6.6 percent, and 4.8 percent of U.S. apparent consumption in 1997, 1998, and 1999 respectively. CR & PR at Table I-2.

[97] CR at II-10, II-12; PR at II-7, II-8.

[98] Commissioner Bragg infers that, upon revocation, subject producers would revert to their historical emphasis on exporting to the United States, as evidenced in the Commission's original determinations. Based upon the record in these grouped reviews, Commissioner Bragg finds that the historical emphasis will likely result in significant volumes of subject imports into the United States if the orders are revoked.

[99] Original Determinations at 24-25.

[100] Original Determinations at 25.

[101] Original Determinations at 25.

[102] Original Determinations at 24.

[103] CR at II-9, II-10; PR at II-6, II-7. We note that about three-quarters of U.S. pipe and pressure tube production consists of A-312 pipes, making the subject imports highly substitutable with the domestic like product. CR & PR at Fig. III-1.

[104] CR at II-9; PR at II-6, II-7. While quality was cited most frequently as purchasers' primary factor in purchasing decisions, price was cited most frequently as their secondary factor. Id. We note that all A-312 pipes must meet the requirements of the ASTM standard.

U.S. producers' and importers' prices generally declined over the period with some recovery in recent quarters.[105] Price comparisons in these reviews indicate underselling by subject imports, but the domestic parties and respondents believe that the degree of underselling is overstated because prices were reported at different levels of trade.[106] However, even pricing data at comparable levels of trade (with the master distributors' data removed) indicate that in 19 of the 20 instances when pricing comparisons were available, the subject merchandise undersold the domestic product by up to *** percent.[107]

Given the likely significant volume of subject imports, the high level of substitutability between the subject imports and domestic like product, the importance of price in purchasing decisions, slow growth in U.S. demand, and the underselling by the subject imports in the original investigations and during the current review period, we find that in the absence of the orders, A-312 pipes from Korea and Taiwan likely would be priced aggressively in order to gain additional market share.[108] We find that this likely would have significant depressing or suppressing effects on the prices of the domestic like product.[109]

E. Likely Impact

In the original investigations, the domestic industry's performance was mixed.[110] Production, capacity, and productivity increased modestly between 1989 and 1991.[111] However, the industry's shipments and market share declined from 1990 to 1991.[112] While the industry remained profitable during the original period of investigation, the Commission determined that the *** percent decline in operating income between 1989 and 1991 demonstrated material injury by reason of the subject imports.[113]

Currently, the condition of the domestic industry is weak. Production and shipments declined during the period reviewed.[114] The industry increased its production capacity, but since production fell,

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[105] See CR & PR at Figs. V-3, V-4, V-5 & V-6.

[106] CR at V-5; PR at V-4. The parties claim that subject imports are generally sold to master distributors, which then resell to traditional distributors, whereas U.S. product is generally sold directly to traditional distributors. CR at V-5, V-6; PR at V-4.

[107] See CR & PR at Appendix F, Tables F-1, F-2, F-3 & F-4.

[108] Commissioner Bragg infers that, in the event of revocation, subject producers will revert to aggressive pricing practices in connection with exports of subject merchandise to the United States, as evidenced in the Commission's original determinations.

[109] As noted previously, we recognize that non-subject imports are an increasing presence in the domestic market. However, the record indicates that in the absence of the orders, subject imports themselves likely would undersell the domestic like product and have significant adverse effects on domestic prices for the domestic like product.

[110] Original Determinations at 18.

[111] Original Determinations at 18.

[112] Original Determinations at 18.

[113] Original Determinations at 19, 25, and 26.

[114] Production was 91,195 short tons in 1997, 81,311 short tons in 1998, and 83,924 short tons in 1999. CR & PR at Table III-1. Production was higher in the first quarter of 2000 at 22,779 short tons in comparison to the first quarter of 1999 when it was 20,197 short tons. Id. U.S. shipments were 82,384 short tons in 1997, 75,729 short tons in 1998, and 79,862 short tons in 1999. CR & PR at Table III-2. U.S. shipments were higher in the first

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the industry's capacity utilization rate declined.[115] The domestic industry's share of the domestic WSS pipe and tube market fell throughout the period.[116] The number of production and related workers declined slightly from 1997 to 1999 while worker productivity was relatively flat.[117] Lower average unit sales contributed to weak financial performance[118] as the industry's operating income declined to low levels.[119] While the interim period data indicate some improvement in the industry's condition, because of the generally poor performance of the domestic industry as reflected in most indicators over the period reviewed, we conclude that the domestic industry is vulnerable.[120] [121]

As discussed above, revocation of the orders likely would lead to a significant increase in the volume of subject imports which likely would undersell the domestic like product and significantly depress or suppress the domestic industry's prices. With U.S. demand for WSS pipes and pressure tubes experiencing slow growth in a market in which price is an important consideration in purchasing decisions, the significant increase in subject imports is likely to cause declines in both the price and volume of the domestic producers' shipments. We find that these developments likely would have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry, particularly given its vulnerable condition. This reduction in the industry's production, shipments, sales, market share, and revenues would result in erosion of the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the orders will result in commensurate employment declines for the industry.

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[114] (...continued)
quarter of 2000 at 21,513 short tons in comparison to the first quarter of 1999 when they were 20,082 short tons. Id.

[115] Capacity was 121,010 short tons in 1997, 122,950 short tons in 1998, and 129,800 short tons in 1999. CR & PR at Table III-1. Capacity utilization was 75.2 percent in 1997, 65.9 percent in 1998, and 64.4 percent in 1999. Id. Production capacity was higher in the first quarter of 2000 at 34,345 short tons in comparison to 31,770 short tons in the first quarter of 2000. Capacity utilization also was higher, at 65.5 percent in the first quarter of 2000 as opposed to 62.9 percent in the first quarter of 1999. Id.

[116] The industry's share was 82.0 percent in 1997, 76.4 percent in 1998, and 72.7 percent in 1999. In the first quarter of 2000, it was 68.1 percent, compared to 73.6 percent in the first quarter of 1999. CR & PR at Table I-2.

[117] The number of production and related workers was 1,128 in 1997, 1,116 in 1998, and 1,089 in 1999. CR & PR at Table III-4. Productivity was 36.4 short tons per 1,000 hours in 1997, 34.2 short tons per 1,000 hours in 1998, and 36.7 short tons per 1,000 hours in 1999. Id. Unit labor costs per short ton increased from $349.32 in 1997 to $385.43 in 1999.

[118] The average unit value of U.S. producers' net sales was $3,511 in 1997, $3,193 in 1998, and $2,986 in 1999. CR & PR at Table III-8. In the first quarter of 2000, it was $3,248, compared to $2,738 in the first quarter of 1999. Id.

[119] The ratio was 6.5 percent in 1997, negative 2.0 percent in 1998, and 1.7 percent in 1999. The ratio was improved in the first quarter of 2000, at 7.6 percent, compared to the first quarter of 1999, when it was negative 4.4 percent. CR & PR at Table III-6.

[120] 19 U.S.C. § 1675a(a)(1)(C). See SAA at 885 ("The term 'vulnerable' relates to susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury and threat of material injury . . . . If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order.").

[121] We do not have financial performance data for the years immediately following the imposition of the orders at issue in these reviews. Therefore, we cannot conclude whether the orders had a beneficial effect on the condition of the industry after they were imposed.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty orders on certain WSS pipes from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to the U.S. industry within a reasonably foreseeable time.[122]

[122] Commissioner Askey dissenting with respect to Korea.

CONCURRING AND DISSENTING VIEWS OF COMMISSIONER THELMA J. ASKEY

Section 751(d) of the Tariff Act of 1930, as amended, requires the Department of Commerce to revoke an antidumping duty or countervailing duty order in a five-year ("sunset") review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the Commission determines that material injury would be likely to continue or recur within a reasonably foreseeable time.[1] Based on the record in these five-year reviews, I determine that revocation of the antidumping duty order on certain welded stainless steel pipe ("WSS pipe") from Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time and that revocation of the antidumping duty order on WSS pipe from Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I write separately to explain my determinations with respect to these orders. I concur with my colleagues with respect to their findings concerning the domestic like product, the domestic industry and related parties, and the legal standards governing the Commission's cumulation and causation analysis in sunset reviews. Accordingly, I join the Commission's joint views discussing these issues.

As a preliminary matter, I note that the Commission received questionnaire responses from the large majority of domestic producers, that more than *** of the domestic industry responded to the notice of initiation, that the *** Korean producer that exports to the United States participated in this review and that, while no Taiwanese producer responded to the notice of initiation, the Commission received a questionnaire response from one Taiwanese subject producer.[2] The Commission, therefore, has a somewhat limited record to review in determining whether revocation of the order will likely lead to continuation or recurrence of material injury in the reasonably foreseeable future.[3] In a case such as this with respect to Taiwan, where only domestic interested parties participate in an investigation or review, those parties have an advantage in terms of being able to present information to the Commission without rebuttal from the other side. However, irrespective of the source of information on the record, the statute obligates the Commission both to investigate the matters at issue and to evaluate the data before it in terms of the statutory criteria.[4] The Commission cannot properly accept participating parties' information and characterizations thereof without question and without evaluating other available information.[5]

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[1] 19 U.S.C. §§ 1675(d)(2), 1675a(a)(1).

[2] Office of Investigations Memorandum INV-W-212, Sept. 22, 1999; CR at IV-7; PR at IV-6.

[3] Congress and the administration anticipated that the record in expedited sunset reviews would likely be more limited than that in full reviews and accordingly provided that the Commission's determination would be upheld unless it was "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." 19 U.S.C. § 1516a(b)(1)(b)(ii). Nevertheless, even under a more relaxed standard of review, the Commission must ensure that its decision is based on some evidence in the record. See Genentech Inc. v. United States Int'l Trade Comm'n, 122 F.3d 1409, 1415 (Fed. Cir. 1997) (discussing the Commission's decision on sanctions).

[4] 19 U.S.C. § 1675a(a).

[5] See, e.g., Alberta Pork Producers' Mktg. Bd. v. United States, 669 F. Supp. 445, 459 (Ct. Int'l Trade 1987) ("Commission properly exercised its discretion in electing not to draw an adverse inference from the low response rate to questionnaires by the domestic swine growers since the fundamental purpose of the rule to ensure production of relevant information is satisfied by the existence of the reliable secondary data.").

A. CUMULATION

1. General

In sunset reviews, the Commission has the discretion to cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews were initiated on the same day if those imports would be likely to compete with each other and with the domestic like product within a reasonably foreseeable time if the orders are revoked.[6] Thus, in five-year reviews, the relevant inquiry is whether there would likely be competition among the domestic and subject merchandise within the reasonably foreseeable future, even if none currently exists. Because of the prospective nature of five-year reviews and the discretionary nature of the cumulation decision, the Commission has also examined other conditions of competition that are likely to prevail upon revocation when deciding whether to cumulate in sunset reviews.

Although cumulation is discretionary in sunset reviews, the statute unambiguously states that the Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise if those imports are "likely to have no discernible adverse impact on the domestic industry" upon revocation of the order covering those imports.[7] As can be seen, the statute does not direct the Commission to focus its discernability analysis solely on the likely volume levels of the imports; instead, the statute expressly directs the Commission to assess whether the subject imports will have a discernible adverse "impact" on the industry upon revocation. Accordingly, when I assess whether I am permitted to cumulate the subject imports in sunset reviews, I first focus on whether the imports will impact the condition of the industry in a discernible way as a result of revocation, and not simply on whether there will be a small -- i.e., negligible -- volume of imports after revocation.[8]

In this case, the reviews of the orders covering WSS pipe from Korea and Taiwan were initiated on the same day. Accordingly, I have considered first whether the subject imports from the subject countries are likely to have a "discernible adverse impact" on the domestic industry upon revocation of the orders. If I find that imports from any one of these countries are not likely to have a discernible adverse impact on the domestic industry upon revocation of the order, then I am precluded from cumulating the imports from that country with those of any other subject country. If I find that they are likely to have a discernible adverse impact on the industry upon revocation of the order, I must then consider whether it is appropriate to exercise my discretion to cumulate the subject countries.

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[6] 19 U.S.C § 1675a(a)(7).

[7] Section 752(a)(7) of the Act, 19 U.S.C. § 1675a(a)(7).

[8] I discussed the rationale for my approach in more detail in my Additional Views in Potassium Permanganate from China and Spain, Inv. Nos. 731-TA-125-126 (Review), USITC Pub. 3245, at 31 (Oct. 1999). I also further explained my views in Brass Sheet and Strip from Brazil, Canada, France, Germany, Italy, Japan, Korea, the Netherlands, and Sweden, Invs. Nos. 701-TA-269 & 270 (Review) and 731-TA-311-317 & 379-380 (Review), USITC Pub. 3290, at 36-37 (Apr. 2000).

2. *Discernible Adverse Impact*

a. **The Subject Imports from Korea Are Likely to Have No Discernible Adverse Impact on the Domestic Industry Within The Reasonably Foreseeable Future If the Korean Order is Revoked**

I find that the subject imports from Korea are not likely to have a discernible adverse impact on the domestic industry if the order on imports from Korea is revoked.

During the original investigation, Korean import volume was 444 short tons in 1989, 3,328 short tons in 1990 and 5,074 short tons in 1991; these volumes represented shares of apparent domestic consumption of *** percent, *** percent and *** percent in 1989-91, respectively.[9] During the review period, import volume was 2,465 short tons, 4,740 short tons and 2,711 short tons in 1997-1999, respectively, corresponding to shares of domestic apparent consumption of 2.5 percent, 4.8 percent and 2.5 percent, respectively.[10] Accordingly, the Korean import volume and market share were not large during either period and stayed within similar ranges during both periods. In particular, I note that in 1998, even with the order in place, Korean import volume roughly doubled from its 1997 level, to which it returned in 1999, although it still remained below the highest level present during the original investigation period.[11] This import volume fluctuation is not surprising given that the AD margin in place for *** Korean producer,[12] SeAH Steel, is only one percent, with an all others rate of seven percent,[13] making it unlikely that the order has much, if any, effect upon current Korean import volumes. While the presence of an antidumping duty order, even at a low rate of duty, may have a restraining effect on imports, the record in this review indicates that the order has had little effect in recent years on Korean import levels.[14] The projected rate for SeAH is 2.67 percent, with an all others rate of 7.0 percent. [15]

The decline in Korean capacity since the original investigation period further reinforces the likelihood that import volumes would not change discernibly in the event of revocation. During the original investigation period, Korean producers' capacity peaked at *** short tons in 1991.[16] Capacity subsequently declined by *** percent, to 13,167 short tons during the review period.[17] Capacity utilization during the review period ranged from 55.7 to 82.5 percent, with the highest utilization rate coming in 1998, when imports to the United States peaked at 4,740 short tons.[18] However, even assuming that 100 percent capacity utilization is feasible for the Korean industry, available unused

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[9] CR and PR at Table I-2.

[10] Id.

[11] See id.

[12] *** Compare Foreign Producer Questionnaire Response of Hyundai with Foreign Producer Questionnaire Response of SeAH.

[13] CR at I-2 n.5 and I-9; PR at I-1 n.5 and I-8.

[14] While import volumes declined initially, they increased again in recent years to their current levels, which, as discussed above, are roughly comparable to the volumes present during the original investigation period. See CR and PR at Table I-2; Korean Respondent's Response to the Commission's Notice of Institution (Aug. 20, 1999) at exh. 2.

[15] CR at I-10; PR at I-9.

[16] Confidential Memorandum INV-P-182 (Dec. 3, 1992); Original Determinations at Table 15.

[17] CR and PR at Table IV-2.

[18] Compare CR and PR at Table IV-2 with CR and PR at Table I-2.

capacity for all Korean producers, beyond the actual production peak of 10,650 short tons in 1998, would be 2,517 short tons, at most.[19] Further, available unused capacity for the two firms that actually have exported to the United States in recent years, SeAH Steel and Hyundai Pipe, was only *** short tons.[20] Accordingly, even in the unlikely event that all of this excess capacity were directed at the United States, it would represent only slightly more than *** percent of current domestic apparent consumption.[21] In other words, whether or not the order is revoked, the maximum potential volume increase from Korea would be very small.

I also find that the record indicates that the subject imports from Korea will not have a discernible adverse impact on domestic prices upon revocation of the order. Available pricing data show that Korean imports have been underselling domestic producers during the review period.[22] However, the parties agree that the underselling is most likely overstated, in part because imported welded A-312 pipes from Korea generally go through an additional level of trade since they are generally sold to master distributors, which then resell the products to traditional distributors, while U.S. produced welded A-312 pipes are generally sold directly to traditional distributors.[23] Moreover, the limited volumes of Korean imports that would be present in the market upon revocation of the order is unlikely to have a discernible effect on domestic prices within the reasonably foreseeable future.

For the foregoing reasons, I find it unlikely that revocation of the order will have discernible volume and price effects and, therefore, have a discernible adverse impact on the domestic industry. Therefore, I have not cumulated the subject imports from Korea with imports from Taiwan for purposes of my analysis in these reviews.

B. REVOCATION OF THE ANTIDUMPING DUTY ORDER COVERING IMPORTS OF WSS PIPE FROM TAIWAN IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

1. Likely Volume of the Imports from Taiwan

In evaluating the likely volume of imports of subject merchandise if an antidumping duty order is revoked, the statute directs the Commission to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[24] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country,

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[19] CR and PR at Table IV-2.

[20] See Korean Foreign Producers' questionnaire responses. Only two of the seven reporting producers report subject exports to the United States. CR at IV-5; PR at IV-4; Korean Respondent's Public Response to Commission's Notice of Institution (Aug. 20, 1999) at 9.

[21] See CR and PR at Table C-3.

[22] See CR and PR at Tables V-1-8.

[23] CR at V-5-6; PR at V-4.

[24] 19 U.S.C. § 1675a(a)(2).

which can be used to produce the subject merchandise, are currently being used to produce other products.[25]

In the original investigations, the Commission found that the volume of cumulated subject imports more than tripled, increasing from 3,538 short tons in 1989 to 14,271 short tons in 1991, and that this increase was significant, both absolutely and relatively.[26] Cumulated subject import market share increased from *** percent in 1989 to *** percent in 1991.[27] The volume of subject imports from Taiwan was 3,095 short tons in 1989, 7,979 short tons in 1990 and 9,197 short tons in 1991, which represented market shares of *** percent, *** percent and *** percent, in those years, respectively.[28]

During the review period, subject import volume from Taiwan was 990 short tons, 1,819 short tons and 2,610 short tons in 1997-99, respectively, which represented 1.0, 1.8 and 2.4 percent of domestic apparent consumption in those years.[29] However, nonsubject imports from Taiwan increased more substantially during the review period, increasing their share of domestic apparent consumption from 3.8 percent in 1997 to 9.4 percent in 1999.[30]

There is limited information in the record concerning the industry in Taiwan as only one manufacturer in Taiwan responded to the Commission's questionnaires and most of the information it provided was not specific to A-312 pipe.[31] One major exporter of A-312 pipe (Chang Mien) was never subject to the antidumping duty order[32] and Commerce recently revoked the order as to another producer, Ta Chen.[33]

Nonetheless, available information indicates that the capacity of subject manufacturers in Taiwan has remained relatively large. Two subject producers, Jaung Yaunn Enterprise Co. and Yeun Chyang, accounted for *** short tons of capacity in 1991.[34] In contrast to the record information that Korean producer capacity has decreased *** since the time of the original investigation, there is no indication that these companies' capacity, equivalent to more than *** percent of U.S. consumption and to *** percent of U.S. production in 1999, has decreased.[35] It appears that there may be at least two other subject producers in Taiwan, *** and ***.[36] Jaung Yaunn estimated production of A-312 pipes by other subject producers to be *** metric tons.[37] It reported its own production of all WSS pipes and tubes as

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[25] 19 U.S.C. § 1675a(a)(2)(A)-(D).

[26] Original Determination at 24.

[27] CR and PR at Table I-2.

[28] CR and PR at Table I-2.

[29] CR and PR at Table I-2.

[30] CR and PR at Table I-2.

[31] CR at IV-7; PR at IV-6.

[32] Chang Mien was excluded from the original order. 65 Fed Reg. 5607, 5611 (Feb. 4, 2000).

[33] In June 2000 Commerce revoked the antidumping duty order with respect to Ta Chen, effective December 1, 1998, because Ta Chen met the requirement of three consecutive years of de minimis or zero margins. 65 Fed. Reg. 39367, 39368 (June 26, 2000). In conducting its analysis, the Commission must consider the effects of revocation of the order. Because Ta Chen is not now subject to the order, revocation would likely have no effect on its exports to the United States in the reasonably foreseeable future since it is nonsubject producer.

[34] INV-P-182 (Dec. 3, 1992) and Original Determinations at Table 16.

[35] See CR and PR at Table I-2.

[36] Jaung Yaunn's follow-up to its Questionnaire Response, July 31, 2000, at 2.

[37] Id. Jaung Yaunn's estimates were *** metric tons for ***, *** metric tons for *** and *** metric tons for ***. Id.

*** metric tons in 1999,[38] but could not provide a product specific breakdown. Because the record contains little data concerning current Taiwan producer capacity and production it is difficult to determine how much, if any, excess subject capacity is available that could be directed to the United States. However, the fact that the volume of nonsubject imports from Taiwan has been increasing relatively rapidly during the review period suggests that subject producers could similarly increase exports to the United States should the order be revoked.

In addition, the record indicates that while the volume of subject imports from Taiwan decreased after the order was put in place, Taiwan producers have retained a presence in the U.S. market.[39] Consequently, subject merchandise from Taiwan is known and accepted in the United States market with an established customer base and distribution network. Subject imports from Taiwan are fully interchangeable with both domestic and non-subject WSS pipe.[40] Accordingly, this suggests that subject producers from Taiwan would be able to expand their presence in the domestic market readily if the order were revoked.

In sum, I find it likely that, in the absence of the order the subject imports from Taiwan would likely increase significantly, both in absolute terms and as a share of the U.S. market. Accordingly, based on the record in these reviews, I conclude that the volume of subject WSS pipe imports from Taiwan likely would be significant in the reasonably foreseeable future if the order was revoked.

2. Likely Price Effects of the Imports from Taiwan

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared with the domestic like product, and whether the subject imports are likely to enter the United States at prices that would have a significant depressing or suppressing effect on the prices of the domestic like product.[41]

In the original investigation, U.S. producers' selling prices to distributors and prices reported by purchasers declined as did U.S. imports' prices.[42] The Commission found underselling in 34 of 40 price

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[38] CR at IV-8; PR at IV-6.

[39] I note also that current and projected margins for subject producers from Taiwan are larger than those for Korean producers, which are relatively insignificant. Projected margins for Jaung Yuann and Yeun Chyang are 31.90, with an all others rate of 19.84 for other Taiwan producers. By contrast, the projected rate for SeAH is 2.67 percent and the Korean all others rate is 7.0 percent. CR at I-10; PR at I-9. Combined with the fact that subject import levels from Taiwan declined sharply after the order went into place and have remained low, in contrast to Korean levels, whose levels during the review period were similar to those during the original investigation period, this suggests that the order on imports from Taiwan has had a more substantial effect on Taiwan import volumes than has that on Korean imports.

[40] CR at II-10 & II-12; PR at II-7 and II-8.

[41] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[42] Original Determinations at 24-25.

comparisons in the original investigation concerning Taiwan[43] and concluded that the import prices were depressing and suppressing domestic prices.[44]

The record indicates that the subject imports are highly substitutable for domestic WSS pipes and pressure tubes.[45] The record also indicated that price is a very important factor in purchasing decisions.[46] Moreover, the record indicates that the subject producers in Taiwan have continued to undersell domestic products even with the orders in place. Both the domestic parties and respondents believe that such underselling is overstated because the U.S. producer and importer sales are measured at different levels of trade.[47] Therefore, the underselling data is of limited probative value. Nevertheless, adjusting the available pricing data to account for the difference in levels of trade continues to indicate underselling on the part of the Taiwan imports.[48] This has affected the domestic industry in that U.S. producers' and importers' prices declined over the period examined although there was some recovery in prices in the first quarter of 2000.[49]

In sum, given the likely increased volume of imports, the high level of substitutability between the subject imports and domestic product, the importance of price in purchasing decisions, and the apparent continued underselling by subject imports, I find that in the absence of the order, WSS pipes from Taiwan likely would have significant depressing or suppressing effects on the prices of the domestic like product

3. Likely Impact of the Imports from Taiwan

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[50] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[51]

In the original investigations, the industry's performance indicators were mixed.[52] Production, capacity and productivity increased modestly between 1989 to 1991.[53] However, shipments declined

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[43] Original Determinations at 25.

[44] Original Determinations at 24-25.

[45] CR at II-9, II-10; PR at II-6-7.

[46] CR at II-9; PR at II-6. Price and quality were purchasers' most frequently cited factors that affected purchasing decisions. Id. Most responding purchasers indicated that U.S. products and products from Taiwan are of comparable quality. CR at II-10, n.18; PR at II-7 n.18.

[47] CR at V-5; PR at V-4.

[48] See CR and PR at Appendix F, Tables F-1, F-2, F-3 & F-4.

[49] See CR and PR at Figs.V-3, V-4, V-5, & V-6.

[50] 19 U.S.C. § 1675a(a)(4).

[51] 19 U.S.C. § 1675a(a)(4).

[52] Original Determinations at 18.

[53] Original Determinations at 18.

from 1990 to 1991 and the U.S. producers' market share declined as well.[54] While the industry remained profitable during that period, the Commission considered the *** percent decline in the industry's operating income as evidence of poor financial health.[55]

The financial condition of the domestic industry during the review period has been weak but is improving. The domestic industry struggled in 1998 in particular, when it experienced a negative operating margin, but began to recover in 1999 and the first quarter of 2000.[56] Most industry indicators declined during the review period, at least until 1999.[57] The number of production and related workers declined slightly from 1997 to 1999 while worker productivity was relatively flat.[58] Lower average unit sales contributed to weak financial performance[59] as the industry's operating income as a percentage of net sales trended downward. The domestic industry's market share declined from 82.0 percent in 1997 to 72.7 percent in 1999, but this was largely a result of a substantial increase in nonsubject imports' market share. Nonsubject imports, including nonsubject imports from Taiwan, increased their market share from 14.6 percent in 1997 to 22.4 percent in 1999, while subject imports from Taiwan's market share increased only slightly, from 1.0 percent in 1997 to 2.4 percent in 1999.[60] However, the positive indicators in 1999 and 2000, such as the increases in operating margins, gross profits, shipment quantity and value, and other financial indicators comparing interim 1999 with interim 2000, suggest that any lingering vulnerability in the industry is being overtaken by more robust performance.

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[54] Original Determinations at 18.

[55] Original Determinations at 19.

[56] See CR and PR at Table C-3. The operating ratio was 6.5 percent in 1997, negative 2.0 percent in 1998, and 1.7 percent in 1999. The ratio in first quarter of 2000 was 7.6 percent in comparison to negative 4.4 percent in the first quarter of 1999. CR and PR at Table III-6. Gross profits were $41.5 million in 1997, $18.2 million in 1998 and $26.1 million in 1999. They were $11.4 million in first quarter of 2000, compared with only $3.0 million in first quarter 1999. CR and PR at Table C-3.

[57] Production was 91,195 short tons in 1997, 81,311 short tons in 1998, and 83,924 short tons in 1999. CR and PR at Table III-1. Production was higher in the first quarter of 2000 at 22,779 short tons in comparison to the first quarter of 1999 when it was 20,197 short tons. Id. U.S. shipments were 82,384 short tons in 1997, 75,729 short tons in 1998, and 79,862 short tons in 1999. CR and PR at Table III-2. U.S. shipments were higher in the first quarter of 2000 at 21,513 short tons in comparison to the first quarter of 1999 when they were 20,082 short tons. Id.

However, production capacity and capital expenditures both increased throughout the period reviewed. Capacity was 121,010 short tons in 1997, 122,950 short tons in 1998, and 129,800 short tons in 1999. CR and PR at Table III-1. Capacity utilization was 75.2 percent in 1997, 65.9 percent in 1998, and 64.4 percent in 1999. Id. Production capacity was higher in the first quarter of 2000 at 34,345 short tons in comparison to 31,770 short tons in the first quarter of 2000. Capacity utilization also was higher, at 65.5 percent in the first quarter of 2000 as compared to only 62.9 percent in the first quarter of 1999. Id. Capital expenditures increased from $5.1 million in 1997 to $26.4 million in 1998 before declining to $19.8 million in 1999, which represents an almost four-fold increase between 1997 and 1999. CR and PR at Table C-3.

[58] The number of production and related workers was 1,128 in 1997, 1,116 in 1998, and 1,089 in 1999. CR and PR at Table III-4. Productivity was 36.4 short tons per 1,000 hours in 1997, 34.2 short tons per 1,000 hours in 1998, and 36.7 short tons per 1,000 hours in 1999. Id. Unit labor costs per short ton increased from $349.32 in 1997 to $385.43 in 1999. Id.

[59] The average unit value of U.S. producers' net sales was $3,511 in 1997, $3,193 in 1998 and $2,986 in 1999. CR and PR at Table III-8. In the first quarter of 2000, it was $3,248, compared with $2,738 in the first quarter of 1999. Id.

[60] See CR and PR at Table I-2.

As discussed above, revocation of the orders would likely lead to a significant increase in the volume of subject imports which would likely undersell the domestic product and significantly depress or suppress the domestic industry's prices. Given that price is an important consideration in purchasing decisions, the likely increase in subject imports from Taiwan is likely to cause declines in both the prices and volumes of the domestic producer's shipments. These developments would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. This reduction in the industry's production, shipments, sales, market share, and revenues would result in further erosion of the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments.[61]

In sum, I conclude that revocation of the order on the subject imports from Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

C. REVOCATION OF THE ANTIDUMPING DUTY ORDER COVERING WSS PIPE FROM KOREA IS NOT LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME

As discussed above, I determined that the subject imports from Korea would not be likely to have a discernible adverse impact on the domestic industry if the Korean antidumping duty order were revoked. Accordingly, I have not cumulated the subject imports from Korea with the other subject imports for purposes of my sunset analysis. In addition, for the reasons outlined previously, I find that the subject imports from Korea are not likely to have significant adverse volume or price effects on the domestic industry upon revocation of the order. Accordingly, I find that revocation of the order on the subject imports from Korea would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[62]

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[61] I note that the record contains no data regarding whether subject WSS producers in Taiwan would be able to engage in some product shifting in their facilities. I further note that the record indicates that there are no orders in place against subject WSS pipes from Taiwan in any other country.

[62] As discussed above, I find that any lingering vulnerability of the domestic industry is being overtaken by improved market performance in late 1999 and early 2000. I have further taken into account the Commission's findings in its original determination in my analysis. I note that the record indicates that there is only a limited possibility that the Korean subject WSS producers would be able to engage in some product shifting in their facilities. I further note that the record indicates that there are no orders in place against subject Korean WSS pipes in any other country, with the possible exception of South Africa. CR at IV-8; PR at IV-6.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On July 1, 1999, the Commission gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted review investigations to determine whether revocation of the antidumping duty (AD) orders on certain welded stainless steel (WSS) pipes (welded A-312 pipes) from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury to a domestic industry.[1] Effective October 1, 1999, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.[2] Information relating to the background and schedule of the reviews is provided in table I-1.

THE ORIGINAL INVESTIGATIONS

On November 18, 1991, an AD petition[3] was filed with Commerce and the Commission alleging that less-than-fair-value (LTFV) imports of welded A-312 pipes from Korea and Taiwan were being sold in the United States. On November 12, 1992, Commerce published in the *Federal Register* its final determinations that welded A-312 pipes from Korea and Taiwan were being sold in the United States at LTFV. Company-specific dumping margins for Korea were determined to be 7.75 percent for Sammi Metal Products Co., Ltd. and 2.55 percent for Pusan Steel Pipe Co., Ltd.[4] For all other Korean manufacturers/exporters the margin was determined to be 6.83 percent.[5] Company-specific dumping margins for manufacturers/exporters in Taiwan were determined to be 0.00 percent for Chang Tieh Industry Co., Ltd., 31.90 percent for Jaung Yuann Enterprise Co., Ltd. and Yeun Chyang Industrial Co., Ltd., and 3.51 percent for Ta Chen Stainless Pipe Co., Ltd.; the "all others" margin was determined to be

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[1] *Federal Register* notice 64 FR 35694, July 1, 1999. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. In addition to the instant reviews, the Commission instituted a review investigation on welded stainless steel hollow products from Sweden (inv. No. 731-TA-354 (Review)). However, following notification from Commerce that it would be revoking the order on Swedish pipes because of lack of domestic interest, the Commission terminated its review effective September 1, 1999 (64 FR 49025, September 9, 1999).

[2] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct expedited or full reviews may also be found at the web site.

[3] The petition was filed on behalf of Avesta Sandvik Tube, Inc., Schaumberg, IL; Bristol Metals, Bristol, TN; Damascus Tubular Products, Greenville, PA; Trent Tube Division, Crucible Materials Corp., East Troy, WI; and the United Steelworkers of America. In the instant review investigations, entries of appearances were filed on behalf of the following domestic interested parties: Avesta Sheffield Pipe Co., Bristol Metals, Damascus Division of Marcegaglia, S.p.A., Davis Pipe, Inc., Felker Brothers Corp., and Swepco Tube Corp.

[4] On January 3, 1995, Pusan acquired the productive assets of Sammi and subsequently changed its name to SeAH Steel Corp.

[5] These margins were subsequently changed to 2.67 percent for Pusan Steel Pipe, 7.92 percent for Sammi Metal Products, and 7.00 percent for all others. See Notice of Amended Final Determination and AD order: Certain Welded Stainless Steel Pipe from the Republic of Korea, 60 FR 10064, February 23, 1995.

Table I-1
Certain WSS pipes from Korea and Taiwan: Background and schedule of reviews

Effective date	Action
December 30, 1992	Commerce issues AD orders on imports from Korea (57 FR 62301) and Taiwan (57 FR 62300)
July 1, 1999	Commission's notice of institution of the subject reviews (64 FR 35694)[1]
October 1, 1999	Commission's decision to conduct full reviews (64 FR 55961, October 15, 1999)[1]
March 24, 2000	Commission's scheduling of full five-year reviews (65 FR 17308, March 31, 2000)[1]
February 4, 2000	Commerce's final results of expedited reviews on Korea and Taiwan (65 FR 5607)[1]
August 1, 2000	Commission's hearing[2]
September 11, 2000	Commission's votes
September 22, 2000	Commission's determinations sent to Commerce

[1] Cited *Federal Register* notices appear in app. A.
[2] A list of witnesses who appeared at the hearing is presented in app. B.

19.94 percent.[6] On December 18, 1992, the Commission notified Commerce of its final affirmative determinations of injury[7] and, on December 30, 1992, in accordance with section 736 of the Act, Commerce issued AD orders on imports of welded A-312 pipes from Korea and Taiwan.[8]

A summary of data from the original investigations and from these reviews is presented in table I-2.

[6] The margin for Ta Chen was subsequently amended to 3.27 percent and the "all others" margin was amended to 19.84 percent (57 FR 62300, December 30, 1992).

[7] For purposes of making its determinations, the Commission found the domestic like product to be composed of all welded stainless steel (WSS) pipes and pressure tubes and the domestic industry to be producers of these products.

[8] Despite its 0.00 percent margin, Chang Tieh was not excluded from the application of the AD order because petitioners submitted evidence indicating that Chang Tieh's sales were contrived for purposes of Commerce's investigation. However, after reviewing certification of certain assurances by Chang Tieh, Commerce conditionally excluded Chang Tieh from the application of the AD order (57 FR 62300, December 30, 1992). Subsequently, upon instruction from the Court of International Trade, Commerce unconditionally excluded Chang Tieh from the AD order (59 FR 6619, February 11, 1994).

Table I-2
WSS pipes and pressure tubes: Comparative data from the original investigations and the current reviews, 1989-91, 1997-99, January-March-1999, and January-March 2000

(Quantity in *short tons,* value in *1,000 dollars*, unit values are *per ton*)								
							January-March--	
Item	1989	1990	1991	1997	1998	1999	1999	2000
U.S. consumption quantity:								
Amount	***	***	***	100,508	99,080	109,806	27,287	31,604
Producer's share (*percent*)	***	***	***	82.0	76.4	72.7	73.6	68.1
Importers' share (*percent*):								
Korea	***	***	***	2.5	4.8	2.5	4.6	2.3
Taiwan (subject)	***	***	(1)***	1.0	1.8	2.4	1.7	2.3
Subtotal	***	***	***	3.4	6.6	4.8	6.3	4.6
Taiwan (Ta Chen)	(2)	(2)	(2)	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Taiwan (Chang Mien)	0	0	(3)	***	***	***	***	***
All other	***	***	***	10.8	11.5	13.0	14.9	15.3
Total	***	***	***	18.0	23.6	27.3	26.4	31.9
U.S. imports from--								
Korea:								
Quantity	444	3,328	5,074	2,465	4,740	2,711	1,251	734
Value	1,422	9,906	15,172	5,195	8,368	4,520	1,965	1,432
Unit value	$3,206	$2,977	$2,990	$2,107	$1,765	$1,667	$1,571	$1,952
Taiwan (subject):								
Quantity	3,095	7,979	(1)9,197	990	1,819	2,610	476	719
Value	13,271	26,531	(1)29,305	2,300	3,507	4,277	802	1,377
Unit value	$4,288	$3,325	(1)$3,186	$2,323	$1,928	$1,639	$1,685	$1,915
Subject sources:								
Quantity	3,538	11,307	14,271	3,455	6,559	5,321	1,727	1,453
Value	14,693	36,437	44,477	7,495	11,875	8,797	2,767	2,809
Unit value	$4,152	$3,223	$3,117	$2,169	$1,811	$1,653	$1,602	$1,934

See footnotes at end of table.

Table I-2--*Continued*
WSS pipes and pressure tubes: Comparative data from the original investigations and the current reviews, 1989-91, 1997-99, January-March-1999, and January-March 2000

(Quantity in *short tons,* value in *1,000 dollars,* unit values are *per ton*)								
							January-March--	
Item	1989	1990	1991	1997	1998	1999	1999	2000
U.S. imports from--(*Continued*)								
Taiwan (Ta Chen):[4]								
Quantity	[2]	[2]	[2]	***	***	***	***	***
Value	[2]	[2]	[2]	***	***	***	***	***
Unit value	[5]	[5]	[5]	$***	$***	$***	$***	$***
Subject, including Ta Chen:								
Quantity	3,538	11,307	14,271	***	***	***	***	***
Value	13,271	26,531	29,305	***	***	***	***	***
Unit value	$4,152	$3,223	$3,117	$***	$***	$***	$***	$***
Taiwan (Chang Mien):[4]								
Quantity	0	0	[3]	***	***	***	***	***
Value	0	0	[3]	***	***	***	***	***
Unit value	[5]	[5]	[5]	$***	$***	$***	$***	$***
Other sources:								
Quantity	9,819	10,738	10,260	10,867	11,406	14,326	4,075	4,820
Value	41,377	40,271	33,472	34,525	37,250	46,386	13,137	15,436
Unit value	$4,214	$3,750	$3,262	$3,177	$3,266	$3,238	$3,224	$3,202
All sources:								
Quantity	13,357	22,045	24,531	18,124	23,351	29,944	7,205	10,091
Value	56,070	76,708	77,949	51,552	59,326	74,590	18,520	27,395
Unit value	4,198	3,480	3,178	$2,844	$2,541	$2,491	$2,571	$2,715
U.S. producers':								
Capacity (*quantity*)	***	***	***	121,010	122,950	129,800	31,770	34,345
Production (*quantity*)	***	***	***	91,195	81,311	83,924	20,197	22,779
U.S. shipments (*quantity*)	***	***	***	82,384	75,729	79,862	20,082	21,513
Export shipments (*quantity*)	***	***	***	6,041	4,627	4,335	1,052	952

See footnotes at end of table.

Table I-2--*Continued*
WSS pipes and pressure tubes: Comparative data from the original investigations and the current reviews, 1989-91, 1997-99, January-March-1999, and January-March 2000

(Quantity in *short tons*, value in *1,000 dollars*, unit values are *per ton*)								
							January-March--	
Item	1989	1990	1991	1997	1998	1999	1999	2000
U.S. producers'--(*Continued*)								
Production-and-related workers:								
Number employed	***	***	***	1,128	1,116	1,089	1,074	1,158
Hours worked (*1,000s*)	***	***	***	2,524	2,393	2,311	572	624
Net sales (*value*)	***	***	***	309,544	250,426	245,439	56,627	71,457
Operating income/ (loss)	***	***	***	20,159	(4,930)	4,076	(2,482)	5,456
Operating income/sales (*percent*)	***	***	***	6.5	(2.0)	1.7	(4.4)	7.6

[1] Includes imports from Chang Tieh (now Chang Mien), which were found by Commerce to be fairly traded. Chang Tieh's exports accounted for an estimated ***.
percent of 1991 imports from Taiwan and an estimated *** percent of 1991 consumption.
[2] Any Ta Chen product is included in "Taiwan (subject)" during 1989-91.
[3] Imports of Chang Tieh (now Chang Mien) product are believed to account for *** percent of the figures shown for "Taiwan (subject)."
[4] The data presented for 1997 and afterwards are based on data obtained from the Customs' net import file. Chang Tieh was excluded by Commerce during the original investigations, and the order for Ta Chen was revoked effective June 26, 2000, on merchandise entered after December 1, 1998.
[5] Not applicable.

Source: Data for 1989-91 are from the confidential report to the Commission in the original investigations, December 3, 1992 (INV-P-182); data for 1997-2000 are compiled from data submitted in response to Commission questionnaires and from official statistics of the U.S. Department of Commerce.

STATUTORY CRITERIA

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an AD or countervailing duty (CVD) order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."[9]

[9] Certain transition rules apply to the scheduling of reviews (such as these) involving AD and CVD duty orders and suspensions of investigations that were in effect prior to January 1, 1995 (the date the WTO Agreement entered into force with respect to the United States). Reviews of these transition orders will be conducted over a three-year transition period running from July 1, 1998, through June 30, 2001. Transition reviews must be completed not later than 18 months after institution.

Section 752(a)(1) of the Act states that the Commission "shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

> (A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,
> (B) whether any improvement in the state of the industry is related to the order or the suspension agreement,
> (C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and
> (D) in an antidumping proceeding, Commerce's findings regarding duty absorption."

Section 752(a)(2) of the Act states that "in evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including–

> (A) any likely increase in production capacity or existing unused production capacity in the exporting country,
> (B) existing inventories of the subject merchandise, or likely increases in inventories,
> (C) the existence of barriers to the importation of such merchandise into countries other than the United States, and
> (D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products."

Section 752(a)(3) of the Act states that "in evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

> (A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and
> (B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products."

Section 752(a)(4) of the Act states that "in evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to–

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,
(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and
(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors within the context of the business cycle and the conditions of competition that are distinctive to the affected industry."

Section 752(a)(6) of the Act states that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement."

SUMMARY DATA

Information obtained during the course of the reviews that relates to the above factors is presented throughout this report. A summary of data collected in the reviews is presented in appendix C.[10] U.S. producers' data are based on the questionnaire responses of 11 firms, which are believed to account for almost all U.S. production of WSS pipes and pressure tubes. Data on U.S. imports are based on official statistics of the U.S. Department of Commerce as reported for Harmonized Tariff Schedule of the United States (HTS) subheading 7306.40.50.[11] In the Commission questionnaires, U.S. producers, U.S. importers, and U.S. purchasers of WSS pipes and pressure tubes were asked to respond to a series of questions concerning the significance of the existing AD orders applying to subject imports from Korea and Taiwan and the likely effects of revocation of such orders. Their responses and comments are presented in appendix D.

COMMERCE'S ADMINISTRATIVE REVIEWS

Korea

Since its notice of amended final determination and AD order on welded A-312 pipes from Korea (60 FR 10064, February 23, 1995), Commerce has initiated four administrative reviews of its order with respect to Korea. However, only one of the four reviews was completed. The three terminated requests covered the periods December 1, 1995, through November 30, 1996 (requested by petitioners), December 1, 1996, through November 30, 1997 (requested by SeAH Steel Corp.), and December 1, 1998, through November 30, 1999 (requested by SeAH Steel Corp.), and each was

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[10] Table C-1 is for welded A-312 pipes (the subject imports), table C-2 is for all other WSS pipes and pressure tubes, table C-3 is for all WSS pipes and pressure tubes (the domestic like product found by the Commission in the original investigations and the one that Korean respondents agree with), table C-4 is for welded A-778 pipes, and table C-5 is for welded A-312 and A-778 pipes combined (the domestic like product that the domestic industry is asking the Commission to find in these reviews).

[11] Data on imports of Taiwanese product produced by Chang Mien (the successor company to Chang Tieh) and Ta Chen were compiled from questionnaire responses and the Customs net import files. Data on imports of non-A-312 WSS pipes and pressure tubes were compiled from questionnaire responses.

terminated, effective September 9, 1997, April 22, 1998, and August 10, 2000, respectively, following timely withdrawal of the request for review by the requesting party.

As a result of a changed circumstances review, Commerce determined that, via a name change, SeAH Steel Corp. is the successor to Pusan Steel Pipe (which in turn had acquired the production assets of Sammi Metals Products Co.) and assigned the 2.67 percent antidumping deposit rate applicable to Pusan Steel Pipe to SeAH Steel Corp. (63 FR 16979, April 7, 1998). This rate, however, was lowered to 1.02 percent following Commerce's notification in the *Federal Register* on May 10, 2000, of its final results for the only administrative review of the order (for the period December 1, 1997, through November 30, 1998) that it has completed thus far (65 FR 30071).

Taiwan

As shown in the tabulation that follows, there have been five administrative reviews of the AD order on welded A-312 pipes from Taiwan conducted by Commerce; the first and second were jointly published.

Federal Register notice	Period(s) covered by review	LTFV margin (*percent*)
July 14, 1997 (62 FR 37543)	December 1, 1994, through November 30, 1995	Ta Chen, 6.06[1]
July 16, 1998 (63 FR 38382)	December 1, 1995, through November 30, 1996	Ta Chen, 0.10[1 2]
June 22, 1999 (64 FR 33243)	June 22, 1992, through November 30, 1993, and December 1, 1993, through November 30, 1994	Ta Chen, 31.90[1 3]
June 26, 2000 (65 FR 39367)	December 1, 1997, through November 30, 1998	Ta Chen, 0.47[1 2 4]

[1] For previously reviewed or investigated companies other than Ta Chen, the cash deposit rate will continue to be the company-specific rate published for the most recent period; if the exporter is not a firm covered by the review, a prior review, or the LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and if neither the exporter nor the manufacturer is a firm covered in this or any previous administrative review conducted by Commerce, the cash deposit rate will be 19.84 percent.

[2] Because of its de minimis margin, the cash deposit rate was zero.

[3] The cash deposit rate established for the review period ended November 30, 1996, remains in effect.

[4] For all merchandise produced by Ta Chen and also exported by Ta Chen, cash deposits will no longer be required and the suspension of liquidation will cease for entries made on or after December 1, 1998.

As a result of a changed circumstances review, Commerce determined that Chang Mein (which was related to Chang Tieh at the time of the original investigation and subsequently absorbed Chang Tieh) is the successor firm to Chang Tieh and accordingly is excluded from the AD order (63 FR 34147, June 23, 1998).

ANTIDUMPING DUTIES COLLECTED

Actual customs duties collected under the AD orders on U.S. imports of welded A-312 pipes from Korea and Taiwan for fiscal years 1993 to 1999 are presented in table I-3.

Table I-3
Welded A-312 pipes: Actual duties collected on U.S. imports from Korea and Taiwan, fiscal years 1993-99[1]

Item	1993	1994	1995	1996	1997	1998	1999
Duties collected on product from:							
Korea (*$1,000*)	132	(2)	(2)	161	174	(2)	(2)
Taiwan (*$1,000*)	384	309	(2)	397	211	234	409
Value of imports from:							
Korea (*$1,000*)	2,321	(2)	(2)	12,940	4,211	(2)	(2)
Taiwan (*$1,000*)	9,277	9,262	(2)	11,721	5,568	4,744	7,661

[1] The federal fiscal year is October 1-September 30.
[2] Not available - the data are business proprietary.

Source: U.S. Customs Service Annual Report, Part A.

COMMERCE'S FINAL RESULTS OF EXPEDITED REVIEWS

On February 4, 2000, Commerce published the final results of its expedited sunset reviews, finding that revocation of the orders would likely lead to a continuation or recurrence of dumping at the margins that follow:

Manufacturer/exporter	Margin (*percent*)
Korea:	
Pusan Steel Pipe Co., Ltd. (now SeAH)	2.67
All others	7.00
Taiwan:	
Chang Tieh Industry Co., Ltd. (now Chang Mien)	Excluded
Jaung Yuann Enterprise Co., Ltd.	(1)31.90
Ta Chen Stainless Pipe Co., Ltd.	(2)3.27
Yeun Chyang Industrial Co., Ltd.	31.90
All others	19.84

[1] According to *** at Commerce, the margin was published in the Federal Register incorrectly as 31.91 percent.
[2] As previously explained, subsequent to the publication of Commerce's final results, the antidumping duty order was revoked with respect to Ta Chen.

Commerce stated that the margins calculated in the original investigations are probative of the behavior of Korean and Taiwanese manufacturers/exporters if the orders are revoked as they are the only margins which reflect their actions absent the discipline of the orders. Commerce has not issued any duty-absorption finding in these cases.

THE PRODUCT

The Subject Product

The imported products from Korea and Taiwan that are subject to the AD orders under review have been defined by Commerce as:

> Certain welded austenitic stainless steel pipe that meets the standards and specifications set forth by the American Society for Testing and Materials ("ASTM") for the welded form of chromium-nickel pipe designated ASTM A-312.[12] The merchandise covered by the scope of these orders also includes austenitic welded stainless steel pipes made according to the standards of other nations which are comparable to ASTM A-312. Pipes are produced by forming stainless steel flat-rolled products into a tubular configuration and welding along the seam. Pipes are a commodity product generally used as a conduit to transmit liquids or gases. Major applications for pipes include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper processing machines.[13]

Domestic Like Product Issues[14]

In its original determinations, the Commission found that the domestic like product consisted of all WSS pipes and WSS pressure tubes.[15] This category included not only welded A-312 pipes but also

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[12] This designation covers both seamless and welded austenitic (chromium-nickel) pipes; however, as stated above, only the welded product is subject to the original investigations and to these reviews.

[13] 65 FR 5607 (February 4, 2000). Commerce stated that imports of subject pipes are currently covered by several statistical reporting numbers of the HTS subheading 7306.40.50. Commerce further stated that although the HTS statistical reporting numbers are provided for convenience and U.S. Customs purposes, the written description of the scope of the orders remains dispositive. The general rate of duty for subheading 7306.40.50 is 2 percent ad valorem in 2000. The subheading covers welded circular stainless steel pipes and tubes having a wall thickness of 1.65 mm or more. Virtually all welded A-312 pipes are made to specifications requiring a wall thickness of 1.65 mm or more.

[14] The Commission considers a number of factors in deciding the appropriate domestic products that are "like" the subject imported products including (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and, where appropriate, (6) price.

[15] Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan, Investigations Nos. 731-TA-540-541 (*Final*), USITC Pub. 2585, December 1992, pp. 7-8. The Commission also examined whether to include mechanical tubes (also called ornamental tubes) and grade 409 tubes in the domestic like product and determined that because mechanical tubes and grade 409 tubes differ significantly from welded A-312 pipes in several aspects (e.g., mechanical tubes are thinner, may be rectangular or square shaped instead of circular, are used for structural or ornamental purposes instead of to transmit fluids or gases in processing facilities, have significantly different manufacturing processes, and are priced lower than welded A-312 pipes; and grade 409 tubes have significant physical differences, are used to convey automotive exhaust instead of being used to transmit fluids or gases in processing facilities, are sold in different channels of distribution, and have some differences in production processes compared with welded A-312 pipes), they should not be included in the domestic like product. Ibid., pp.

(continued...)

all welded non-A-312 stainless steel pipes[16] and WSS pressure tubes, based on the similarities in physical characteristics, general end use purposes, channels of distribution, manufacturing processes, and production employees.[17]

All WSS pipes and WSS pressure tubes encompass a wide variety of microscopic structures of stainless steels including ferritic, martensitic, and austenitic[18] steels. Each of these structures implies a different set of characteristics, and therefore different applications, of steel pipes/tubes.

At the public hearing on August 1, 2000, petitioners for the first time proposed a change in the Commission's like product definition.[19] Petitioners proposed that the domestic like product be limited to welded A-312 and A-778 pipes.[20] Petitioners argued that other WSS pipes and especially boiler, condenser, and heat exchanger tubing products (e.g., A-249, A-269, and A-688) should not be included in the definition of the domestic like product.[21]

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[15] (...continued)
13-17.

[16] Non-A-312 stainless steel pipes include ASTM A-358, A-409, and A-778. Production volumes are relatively small for these non-A-312 pipes compared with the production of A-312 pipes. Ibid., pp. 8-10 and footnote 16.

[17] Ibid., pp. 9-13.

[18] Even within the austenitic stainless steel group that A-312 belongs to, the Commission's original decision implies the inclusion of other ASTM-specified stainless steel pipes and tubes of widely different sizes and end uses. For example, the outside diameter (O.D.) of ASTM A-409 can reach 30 inches while the O.D. of ASTM A-908 lies within the range of 0.008 to 0.203 inch with nominal wall thickness in the range of 0.002 to 0.015 inch. Obviously, these two types of austenitic steels have very different applications.

[19] All parties to the reviews, including the individual domestic parties (which were at that time without counsel), were sent copies of the draft Commission questionnaires for comment; upon request, Mr. Roger Schagrin, current counsel for petitioners, was also provided a copy of the draft questionnaires. In the draft questionnaires, separate data were requested for (1) A-312 pipes, (2) all stainless steel pipes other than A-312 pipes, and (3) stainless steel pressure tubes. The only comments received were from Mr. Schagrin, who stated that he believed he would be representing the petitioners and suggested, among other things, that in order to reduce responding burden, the "other (non-A-312) stainless steel pipes" and the "stainless steel pressure tubes" be combined into one category. Staff concurred with all of Mr. Schagrin's recommendations and, after consultation with counsel for Korean respondents, incorporated the appropriate changes into the Commission questionnaires (see action jacket OINV-00-093).

[20] Hearing transcript, pp. 51-54 and 91, Roger Schagrin, counsel for petitioners.

[21] Petitioners state that A-312 pipes are normally manufactured from hot-rolled stainless steel sheet while boiler pressure-tube products are almost always produced from cold-rolled sheet. (Petitioners' posthearing brief, p. A-1.) Petitioners say that among the greatest differences between the A-312 and A-249 or A-269 pipes is the fact that the boiler tubing products are bright annealed (a process that requires an additional acid cleansing and smoothing process and is done in a controlled atmosphere in order to avoid scale formation) while the A-312 products are simply annealed. However, ASTM specifications do not require a bright annealing process in the production of pressure tubing products and, in addition, pickling, blasting, or surface finishing is not mandatory following a bright annealing process, although pickling is normally required following an annealing process. (1995 Annual Book of ASTM Standards, Vol. 1-1: Steel-Piping, Tubing and Fittings, pp. 130, 158, and 168 for A-249, A-269, and A-312, respectively). Petitioners also maintain that welded A-312 pipes and WSS pressure tubes are typically not manufactured in the same production facility or using the same workers. Of the *** firms providing information on different products produced in the same facilities as welded A-312 pipes, *** reported that they manufacture both A-312 and WSS pressure tubes in the same facility and using the same workers.

Physical Characteristics and Uses

In common usage, and generally in the HTS, the terms "pipes," "tubes," and "tubular products" may be used interchangeably. In industry language, however, pipes and tubes imply different products. Pipes are circular tubular products and are produced in standard sizes that are defined by a nominal diameter and wall thickness[22] and designed to be used with standard pipe fittings. Pipes are normally used as conduits for liquids or gases. Tubes, on the other hand, may be of any shape, including circular, square, rectangular, and other shapes. Tube sizes are defined by the O.D. (which may be the same as that of a standard size pipe) and wall thickness.

WSS pipes, both domestic and imported, are generally used as conduits to transport liquids and gases in process industry facilities. Welded A-312 pipes are designed for high temperature and general corrosive service. Major uses for welded A-312 pipes include digester lines, pharmaceutical production lines, petrochemical stock lines, automotive paint lines, and various processing lines such as those in breweries, paper mills, and general food facilities. Other types of austenitic pipes appear to be less broadly used: for example, A-358 pipes, a specialized heavier walled product category, are used primarily in highly critical applications such as nuclear power plants and liquified natural gas facilities. A-778 pipes are used in less demanding pressure applications and are generally categorized as paper mill pipes.

WSS pressure tubes, on the other hand, have a wider range of applications than pipes, ranging from less demanding structural uses to more critical applications. They are often used to transform products from one product form to another as in chemical processing. A-249, A-269, and A-688 tubes are used primarily in heating and cooling apparatus such as heat exchangers, condensers, boilers, and feed water heaters. A-270 pressure tubes have a special finish and are intended for use in the dairy and food industries.

Manufacturing Processes and Production Employees

There are two stages in the production of welded A-312 pipes: forming the tubular shape and welding the product. Two methods are used to form the tubular shape, namely, the continuous-mill process and the press-brake process.

The continuous-mill process, which is the principal method of producing WSS pipes and pressure tubes, begins with coils of sheet, strip, or plate which may have been annealed and pickled, if required. The coil is guided through a series of paired forming rolls. As it progresses through these rolls, its cross-sectional profile is changed into a tubular shape with the butted edges ready for welding as described below.

The second method of manufacturing WSS pipes and pressure tubes is the press-brake process, in which a hammer press gradually bends cut-to-length sheet into a cylindrical shape with the butted edges ready for welding as described below. The press-brake process is labor-intensive, but conforms more easily to the production of a broader range of sizes and smaller volume orders than the continuous-mill method.[23]

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[22] The size of a pipe is defined by the nominal pipe size (NPS), which is a dimensionless designator that has been substituted for such traditional terms as "nominal diameter." Pipes in nominal sizes of 1/8 to 12 are based on a standardized O.D. that was originally selected so that pipe having a wall thickness that was typical of the period would have an inside diameter in inches approximately equal to the nominal size. For pipe in nominal sizes of 14 and larger, the O.D. is equal in inches to the nominal size.

[23] An additional method of WSS pipe and pressure tube manufacture is the infrequently used spiral-weld process

(continued...)

In the welding stage, the butt edges are welded together either by the tungsten inert gas (TIG) welding process[24] or by the continuous laser welding process. Both methods allow welding without filler material,[25] complete fusion of butted edges, and shielding of the weld area. In the TIG welding process, the welding heat is provided by the electric arc between the tungsten electrode and the pipe edges. In the laser welding process, a laser beam is directed to the weld butt joint, forming a deep-penetration fusion weld. The laser process is capable of a higher speed of operation than is the TIG process

Following the welding process, the pipe is annealed, then cut to length, pickled, hydrostatically tested, and stenciled. For some pipe products, the removal or smoothing of the interior weld bead is required prior to annealing.

ASTM specifications for welded A-312 and A-778 pipes are similar except that whereas an A-312 pipe must be wholly annealed, pickled (cleaned), and hydrostatically tested, a filler material can be used in the welding process for A-778, which is sold "as welded" without further processing or hydrostatic testing.

ASTM A-249 and A-269 specifications for pressure tubes are similar to that for A-312 pipes although A-249 and A-269 are made to stricter tolerance. Tubular products produced to A-249 specification must be cold drawn or cold worked, heat-treated, pickled, and hydrostatically tested. The A-269 specification is similar to A-249 in that it requires heat-treatment and hydrostatic testing but A-269 products may or may not be cold worked, depending upon the diameter, wall thickness, and manufacturer's capabilities.

Firms producing both welded A-312 and A-778 pipes use the same facilities and workers to produce both products (except that A-778 pipes do not require annealing and hydrostatic testing). In addition, other (non-A-778) WSS pipes and pressure tubes have been reported to be produced at the same facilities as welded A-312 pipes.[26]

Interchangeability and Customer and User Perceptions

Distributors consider imported welded A-312 stainless steel pipes from Korea and Taiwan to be interchangeable with each other and with domestic product for most applications. As stated previously, the A-312 specification determines requirements with respect to the materials, method of manufacture, finishing operations, and testing to which welded pipe must conform to meet certain standards of production and performance.

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[23] (...continued)
in which a steel strip is spiraled and welded along the spiral. This process can be used to produce pipes of any size diameter, but the looped weld running throughout the product, rather than along a single straight weld, is reportedly a disadvantage in terms of weld refinement and potential end use. The spiral-weld process cannot be used for welded A-312 pipes, as that ASTM specification requires straight-seam welding.

[24] Also known as the gas tungsten-arc welding (GTAW) process.

[25] Although the TIG process can use filler, the laser process does not allow for the use of filler material. As required by ASTM specification, welded A-312 pipes cannot be made with filler material.

[26] For example, Marcegaglia uses the same facilities and workers to make both welded A-312 and A-778 pipes and welded A-249 and A-269 pressure tubes at each of its two facilities using basically the same equipment and workers; however, because it requires more equipment modifications (roll changes) to switch between the A-312/778 and A-249/269 products, the firm is reportedly moving toward dedicating the facilities to produce either the A-312/778 pipes or the A-249/269 pressure tubes. (Hearing transcript, pp. 22-24, Mr. David Fox, Vice President-Commercial, Damascus Marcegaglia.) ***.

Virtually all distributors who responded to the Commission's questionnaire require suppliers to become certified or prequalified with respect to the quality, strength, and other performance characteristics of virtually all of the WSS pipes and pressure tubes that they supply. Distributors regard the quality of the merchandise as the second most important criterion, following pricing, in the qualification process of a supplier.

According to testimony at the Commission's hearing, welded A-312 pipes and A-778 pipes can be used for some of the same applications, but A-778 is used were the specifications are less stringent.[27] Therefore, welded A-312 pipes can substitute for welded A-778 pipes, but typically not vice-versa, and as a result, distributors normally stockpile more welded A-312 pipes than A-778 pipes.[28] Although most producers and importers reported that there was little interchangeability between A-312 pipes and other (non-A-778) WSS pipes and pressure tubes, some purchasers cited welded A-358 and A-790 as competing products.[29] Part II of this report contains additional information with regard to interchangeability.

Channels of Distribution

Based on responses to the Commission's questionnaire, U.S. producers typically sell the bulk of their production of WSS pipes and pressure tubes to distributors versus end users. As shown in the tabulation that follows, distributors accounted for 96.0 percent and 84.9 percent of U.S. producers' reported sales of A-312 pipes and sales of other WSS pipes and pressure tubes, respectively, in 1999.[30] In contrast, end users accounted for only 4.0 percent of such sales of A-312 pipe in the same period. Welded A-312 pipes from Korea and Taiwan are primarily sold to master distributors who, in turn, sell to other distributors or end users.

Item	Sales to distributors (short tons)	Sales to end users (short tons)	Sales to distributors as a share (percent) of total sales	Sales to end users as a share (percent) of total sales
A-312 pipes	51,205	2,133	96.0	4.0
Other WSS pipes and pressure tubes	14,711	2,609	84.9	15.1
All WSS pipe and pressure tubes	65,916	4,742	93.3	6.7

[27] Hearing transcript p. 51, Mr. Roger Schagrin, counsel for petitioners.

[28] Staff conversation with ***.

[29] Questionnaire responses of ***.

[30] Not all producers provided information on their sales by customer type.

Prices

Prices for welded A-312 pipes vary according to a number of factors including the length of the pipe, pipe diameter, and stainless steel grade. Prices between the various grades can vary as much as 25 percent.[31] The higher the grade, the costlier the product. Welded A-312 pipes are typically more expensive than A-778 pipes but may be more expensive or less expensive with respect to other WSS pipes and pressure tubes, depending on the specifications of the "other" products. For example, welded A-249, A-269, and A-358 pipes/tubes are reportedly more expensive than welded A-312 pipes but welded A-554 tubes are less expensive.[32]

U.S. MARKET PARTICIPANTS

U.S. Producers

In these reviews, the Commission sent questionnaires to 39 firms believed to produce WSS pipes and/or pressure tubes in the United States. A total of 25 firms responded to the questionnaire. Of these, 12 certified that they had not produced any WSS pipes or pressure tubes since December 30, 1992, and one supplied very limited information on its WSS pipe operations. The remaining 12 firms were able to supply the Commission with usable information on their U.S. WSS pipe and pressure tube operations. These 12 firms are identified in table I-4. The types of WSS pipe and pressure tube products produced by these firms, along with the location of their U.S. manufacturing operations and the share of total U.S. production of WSS pipes and pressure tubes represented by each are also presented in the table.

U.S. Importers

The Commission sent importer questionnaires to 27 firms believed to import WSS pipes or pressure tubes from Korea and Taiwan. Importer questionnaires were also included with the producer questionnaires that were sent to the 39 firms believed to produce WSS pipes or pressure tubes. One U.S. producer, ***, and nine other firms supplied the Commission with usable information concerning their U.S. imports. A total of 22 firms, including 14 that were sent both a producer and an importer questionnaire, certified that they had not imported any WSS pipes or pressure tubes since December 30, 1992. Of the 10 firms that supplied usable information on their U.S. imports of WSS pipes or pressure tubes during the period for which information was requested, January 1, 1997, through March 31, 2000, seven reported that they imported only A-312 WSS pipe, two reported imports of A-312 WSS pipe as well as other types of WSS pipes and pressure tubes, and one firm reported imports of WSS pipes and pressure tubes other then A-312 pipe. Of those firms that imported A-312 WSS pipe, two imported product from Korea only, one reported imports of product from Taiwan only, three reported imports only from sources other than Korea and Taiwan, and three reported imports of product from Taiwan and sources other than Taiwan and Korea.

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[31] July 12, 2000, telephone conversation between staff and ***.

[32] Staff conversation with *** on August 23, 2000.

Table I-4
WSS pipes and pressure tubes: U.S. producers, types of products produced, manufacturing locations, and shares of U.S. production in 1999 based on questionnaire data

Firm	Types of products produced	Manufacturing location	Share (percent) of U.S. production in 1999	Position with respect to the revocation of the AD duty orders
Alaskan Copper Companies, Inc.	ASTM A-240, A-359, A-409	Seattle, WA	***	***
Avesta Sheffield Pipe Co.	ASTM A-312	Wildwood, FL	***	Oppose
Bristol Metals, L.P. [1]	ASTM A-312 and A-778	Bristol, TN	***	Oppose
Davis Pipe, Inc.	ASTM A-312 and A-778	Terre Haute, IN	***	Oppose
Felker Brothers Corp.	ASTM A-312, A-269, A-778, and pipe fittings	Marshfield, WI,[2] Glasgow, KY[3]	***	Oppose
International Tubular Products, Inc.	ASTM A-249, A-269, and A-688	Claremore, OK	***	***
LTV Copperweld	ASTM A-249 and A-269 tubes	Elizabethtown, KY[5]	***	***
Marcegaglia USA, Inc.	ASTM A-312, A-554, and A-778 pipes	Greenville, PA, Munhall, PA	***	Oppose
Robert Mitchell Co., Inc.[6]	ASTM A-312 and A-778	Portland, ME	***	***
Swepco Tube Corp.	ASTM A-312, A-358, A-249, A-267, and A-778	Clifton, NJ	***	Oppose
Trent Tube Division Crucible Materials Corp.	ASTM A-312	East Troy, WI	***	***
Valtimet, Inc.	A-249 condenser tubing	Morristown, TN	***	***

[1] ***.
[2] Facility produces 14-inch and larger diameter A-778 pipe as well as 3-inch and larger diameter A-774 and A-403 pipe and tubing. All custom pipe and tubing fabrication is also done at this facility.
[3] Facility manufactures both A-312 and A-778 pipe.
[5] Facility opened in March 1999. Products produced include A-249 and A-269 stainless steel pressure tubes. Previously, LTV had produced welded A-312 pipes at its Cleveland, OH, facility; such production ceased in December 1997.
[6] *** U.S. subsidiary of the Canadian firm Robert Mitchell, Inc.
[7] ***.

Source: Compiled from data submitted in response to Commission questionnaires and public briefs submitted by domestic parties.

At least one U.S. importer, ***, consumes a portion of its imports of WSS pipes and pressure tubes internally for the manufacture of pipe nipples. All other importers indicated in their questionnaire responses that they import such merchandise for the purpose of reselling to unrelated buyers.

U.S. Purchasers

The Commission sent questionnaires to 49 firms that were believed to have purchased welded A-312 pipes during the period January 1997 through March 2000. Responses were received from 22 firms, of which 8 responses were negative and 14 were affirmative. All affirmative responses were from distributors, and all provided usable data, although generally not for all questions and/or sections of the purchaser questionnaire. Available information indicates that responding firms purchased approximately $24.2 million of U.S.-produced welded A-312 pipes, $1.8 million of subject imports from Korea, $4.7 million of subject imports from Taiwan (excluding Ta Chen), $0.1 million of nonsubject imports from Taiwan, and $3.0 million of other nonsubject imports of welded A-312 pipes during 1999. Responding purchasers are located throughout the continental United States – 3 in California, 1 in Florida, 1 in Georgia, 2 in Illinois, 1 in Massachusetts, 1 in Michigan, 2 in New Jersey, 1 in New York, 1 in North Carolina, 1 in Oklahoma, 1 in Oregon, 1 in Pennsylvania, 4 in Texas, 1 in Virginia, and 1 in Washington.[33]

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of WSS pipes and pressure tubes are shown in table I-5. Between 1997 and 1999, apparent consumption rose by 9.3 percent on the basis of quantity and decreased by 10.5 percent on the basis of value. Both the quantity and the value of apparent consumption increased between January-March 1999 (interim 1999) and January-March 2000 (interim 2000), increasing by 15.8 percent on the basis of quantity and by 30.7 percent on the basis of value.

U.S. MARKET SHARES

U.S. market share data for WSS pipes and pressure tubes are presented in table I-6. Such data show that, on the basis of apparent consumption quantity, domestic producers experienced a steady erosion of market share over the period for which data are presented. Such market share fell by 5.5 percentage points from 1997 to 1998, by 3.7 percentage points from 1998 to 1999, and by 5.5 percentage points between the interim periods. Subject U.S. imports from Taiwan (both excluding and including Ta Chen) increased in market share uninterruptedly over the same period; likewise imports of Chang Mien product from Taiwan increased in market share throughout the period examined. With respect to U.S. imports from Korea, Korea's market share increased by 2.3 percentage points between 1997 and 1998 but then decreased by 2.3 percentage points between 1998 and 1999 and fell again by an equal amount between the interim periods.

[33] Additional information on U.S. purchasers is presented in Part V: Pricing and Related Information.

Table I-5
WSS pipes and pressure tubes: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
	Quantity (*short tons*)				
U.S. producers' shipments	82,384	75,729	79,862	20,082	21,513
U.S. imports from[1]--					
Korea	2,465	4,740	2,711	1,251	734
Taiwan (subject)	990	1,819	2,610	476	719
Subtotal	3,455	6,559	5,321	1,727	1,453
Taiwan (Ta Chen)[2]	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (Chang Mien)[3]	***	***	***	***	***
All other sources	10,867	11,406	14,326	4,075	4,820
Total	18,124	23,351	29,944	7,205	10,091
Apparent consumption	100,508	99,080	109,806	27,287	31,604
	Value (*$1,000*)				
U.S. producers' shipments	287,067	237,070	228,404	53,811	67,133
U.S. imports from[1] --					
Korea	5,195	8,368	4,520	1,965	1,432
Taiwan (subject)	2,300	3,507	4,277	802	1,377
Subtotal	7,495	11,875	8,797	2,767	2,809
Taiwan (Ta Chen)[2]	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (Chang Mien)[3]	***	***	***	***	***
All other sources	34,525	37,250	46,386	13,137	15,436
Total	51,552	59,326	74,590	18,520	27,395
Apparent consumption	338,619	296,396	302,994	72,331	94,528

[1] Includes merchandise imported into the United States under HTS classification number 7306.4050. Because merchandise other than subject WSS pipes and pressure tubes are also entered the United States under this tariff classification, U.S. import data may be overstated.

[2] The order with respect to Ta Chen was revoked effective June 26, 2000, on merchandise produced by Ta Chen and also exported by Ta Chen that entered or was withdrawn from warehouse on or after December 1, 1998.

[3] Chang Tieh (now Chang Mien) was found to have not dumped during the original investigations and has been excluded from the scope of the order throughout the review period examined.

Note.--Because of rounding, figures may not add to totals shown.

Source: Compiled from Commission questionnaires and from official statistics of the U.S. Department of Commerce.

Table I-6
WSS pipes and pressure tubes: Apparent U.S. consumption and market shares, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
	Quantity (*short tons*)				
Apparent consumption	100,508	99,080	109,806	27,287	31,604
	Value (*$1,000*)				
Apparent consumption	338,619	296,396	302,994	72,331	94,528
	Share of apparent consumption quantity (*percent*)				
U.S. producers' shipments	82.0	76.4	72.7	73.6	68.1
U.S. imports from--					
Korea	2.5	4.8	2.5	4.6	2.3
Taiwan (subject)	1.0	1.8	2.4	1.7	2.3
Subtotal	3.4	6.6	4.8	6.3	4.6
Taiwan (Ta Chen)[1]	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (Chang Mien)[2]	***	***	***	***	***
Other sources	10.8	11.5	13.0	14.9	15.3
Total imports	18.0	23.6	27.3	26.4	31.9
	Share of apparent consumption value (*percent*)				
U.S. producers' shipments	84.8	80.0	75.4	74.4	71.0
U.S. imports from--					
Korea	1.5	2.8	1.5	2.7	1.5
Taiwan (subject)	0.7	1.2	1.4	1.1	1.5
Subtotal	2.2	4.0	2.9	3.8	3.0
Taiwan (Ta Chen)[1]	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (Chang Mien)[2]	***	***	***	***	***
Other sources	10.2	12.6	15.3	18.2	16.3
Total imports	15.2	20.0	24.6	25.6	29.0

[1] The order with respect to Ta Chen was revoked effective June 26, 2000, on merchandise produced by Ta Chen and also exported by Ta Chen that entered or was withdrawn from warehouse on or after December 1, 1998.

[2] Chang Tieh (now Chang Mien) was found to have not dumped during the original investigations and has been excluded from the scope of the order throughout the review period examined.

Note.--Because of rounding, figures may not add to the totals shown.

Source: Compiled from Commission questionnaires and official statistics of the U.S. Department of Commerce.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

CHANNELS OF DISTRIBUTION

In the U.S. market, both domestic WSS pipes and pressure tubes and subject imports are generally sold to distributors.[1] Available data for 1999 indicate that about 93 percent of U.S. producers' shipments of WSS pipes and pressure tubes and virtually all shipments of subject imports were sold directly to unrelated distributors. While suppliers sometimes sell directly to end users which make large individual purchases (i.e., by the truckload), distributors perform a vital role for suppliers by reaching thousands of customers who buy on a much smaller scale. Distributors in the U.S. WSS pipe and pressure tube market can be broadly categorized as either traditional distributors or master distributors. Traditional distributors buy directly from suppliers, generally U.S. producers, and sell to end users. Master distributors, which are a relatively newer concept in this industry, sell only to other traditional distributors. Typically, such purchases occur when a traditional distributor is out of stock for a particular product and needs the additional product to fill a customer's order. Master distributors tend to buy and sell more imported pipe products, as compared with traditional distributors, and are in some cases the importer of record.[2]

U.S. MARKET STRUCTURE

Currently, there are 12 known firms in the United States that produce WSS pipes and/or pressure tubes, of which eight are known to produce welded A-312 pipes. Of these eight producers, *** accounted for the largest percentage of domestic welded A-312 pipe production in 1999. There are also six known firms that sell imported welded A-312 pipes from Korea and/or Taiwan in the United States.[3]

While the WSS pipe and pressure tube market appears to generally function in a competitive manner, some firms believe that other firms have had the ability to affect market prices at different periods of time since 1992. Producers, importers, and purchasers were asked whether any individual firm(s) influenced the U.S. wholesale market prices of WSS pipes and pressure tubes since 1992. A majority of all responding firms reported that they believed that a firm (or firms) influenced the prices of WSS pipes and pressure tubes in the U.S. market.[4] For example, *** was cited by several firms as influencing prices through aggressive attempts to increase U.S. market share, and *** was cited by several firms as a price leader.

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[1] This represents a combined calculation based on available data for both welded A-312 pipes and other WSS pipes and pressure tubes; however, it is heavily weighted towards data for welded A-312 pipes. Available information shows that other WSS pipes and pressure tubes are much more likely to be sold directly to end users, with approximately 15.0 percent of U.S. producers' 1999 shipments within this category sold directly to end users.

[2] Staff interview with *** of ***, June 19, 2000. The master distributors' leverage in this industry is the ability to offer lower-priced products (as compared with U.S. manufacturers) for immediate sale. Thus, master distributors tend to buy primarily imported WSS pipes and pressure tubes (staff interview with *** of ***, June 28, 2000). Additionally, master distributors are not very active in the tubing market, but are significant players in the stainless steel pipe, fittings, bar, plate, and sheet coil markets (fax response from *** of ***, July 5, 2000).

[3] Of these firms, none reported importing the subject product from Taiwan. However, four firms reported importing nonsubject welded A-312 pipes from Taiwan.

[4] The majority of producers (8 of 10), importers (3 of 5), and purchasers (8 of 11) reported that they thought that individual firms have influenced the prices of WSS pipes and pressure tubes in the U.S. market since 1992.

SUPPLY AND DEMAND CONSIDERATIONS

WSS Pipe and Pressure Tube Business Cycle

While demand for WSS pipes and pressure tubes is somewhat cyclical, a distinctive, easily identifiable business cycle may not exist.[5] The primary factors affecting the WSS pipe and pressure tube business cycle are capital investment projects (i.e., new plants or expansions) instituted by such end users as chemical and petrochemical plants, food and beverage processing plants, power generation plants, and pulp and paper mills. According to U.S. producers, WSS pipe and pressure tube demand tends to mirror general U.S. economic conditions, and may be affected by factors such as interest rates, oil and gas prices, and construction spending. U.S. producers reported that capital expansion cycles have historically been 5 to 8 years in length.[6] Since 1992, the U.S. WSS pipe and pressure tube markets have experienced slow, steady growth, with declining demand from the pulp and paper industry being offset by increasing demand from the automobile, computer, and petroleum industries. This gradual overall increase in demand is expected by the majority of responding firms to continue for the next 3 to 5 years.

U.S. Supply

Domestic Production

Based on available information, U.S. WSS pipe and pressure tube producers have the ability to respond to changes in demand with relatively large changes in the quantity of shipments of U.S.-produced WSS pipes and pressure tubes. The main factors contributing to the responsiveness of supply are excess capacity and substantial end-of-period inventories.

Industry Capacity

Data reported by U.S. producers indicate that there is available capacity with which to expand WSS pipe and pressure tube production. Domestic capacity utilization fell from 75.2 percent in 1997 to 65.9 percent in 1998, and 64.4 percent in 1999.

Inventory Levels

The relatively high inventories during the period of review indicate that U.S. producers have some ability to immediately respond to changes in demand. Inventories irregularly fell from 18,312 short tons in 1997 to 17,341 short tons in 1999, representing 20.7 percent of annual shipments in 1997, 23.2 percent in 1998, and 20.6 percent in 1999. Relative to U.S. consumption, inventories represented 18.2 percent of demand in 1997, 18.8 percent in 1998, and 15.8 percent in 1999.

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[5] According to 4 of 11 responding U.S. producers, 1 of 4 importers, and 5 of 10 purchasers, there is no distinctive business cycle for this industry.

[6] Business cycle durations appear to be shortening, with current cycles lasting 3 to 4 years as compared with previous durations of 5 to 6 years (Joseph Avento, President of Bristol Metals, August 1, 2000, hearing transcript, p. 44).

Export Markets

The primary export market for U.S.-produced WSS pipes and pressure tubes in 1999 was Canada. Available data indicate that U.S. producers have experienced a decline in export sales of WSS pipes and pressure tubes since 1997. As a share of total shipment value, exports, which accounted for 6.2 percent in 1997, fell to 5.2 percent in 1998 and 5.8 percent in 1999. These data suggest that U.S. producers have a somewhat limited ability to respond to changes in prices in the U.S. market by diverting WSS pipes and pressure tubes to or from the U.S. market. In response to the Commission's question regarding the ability to shift sales between the U.S. market and alternative country markets, U.S. producers cited transportation costs and the strong U.S. dollar as significant suppressing factors.

Production Alternatives

The vast majority of responding U.S. producers stated that they are unable to employ the same equipment and labor to switch production from WSS pipes or pressure tubes to other products in response to changes in relative prices.[7] However, *** reported that since 1990 it has utilized the same equipment and labor for the production of both stainless steel and ***, which *** sells primarily to the power industry.[8]

Subject Imports

Based on limited available information, Korean producers appear to have the capability to respond to changes in demand with relatively large changes in the quantity of shipments of welded A-312 pipes to the U.S. market. The main factors contributing to this degree of supply responsiveness are increases in both excess capacity and end-of-period inventories, as well as the existence of alternative markets.

Industry Capacity

Based on available information, capacity utilization for Korean producers was approximately 58.8 percent in 1999, down from 68.3 percent in 1997 and 82.5 percent in 1998. There are no capacity utilization data available for Taiwanese producers.[9]

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[7] At the hearing the petitioners stated that production alternatives for A-312 pipe do exist, specifically A-249 and A-269 tubing, as well as A-778 pipe. However, production of these other products requires a shift in marketing and is not cost efficient (David Fox, Vice President Commercial, Damascus Division, Marcegaglia USA, and Jeffrey Stam, Executive Vice President, Avesta Sheffield, August 1, 2000, hearing transcript, pp. 24 and 77).

[8] Staff interview with *** of ***, June 23, 2000. Additionally, the foreign producer *** reported that it can also switch production between stainless steel and ***.

[9] Respondents believe that more emphasis should be placed on overall Korean capacity, which has declined since the original investigation, and less emphasis should be placed on actual capacity utilization. Further, respondents believe that optimal capacity utilization in this industry is most likely less than 100 percent (Donald Cameron, counsel to SeAH Steel Corp. and Hyundai Pipe Co., August 1, 2000, hearing transcript, pp. 131-132, and posthearing brief, pp. 1-2).

Inventory Levels

Available data indicate that inventories for Korean producers represented *** percent of annual shipments in 1999, up from *** percent in 1997 and *** percent in 1998. There are no inventory data available for Taiwanese producers.

Alternative Markets

Available data for 1999 indicate that Korean producers' exports of welded A-312 pipes represented 70.7 to 91.6 percent of total annual shipments during 1997-99. Approximately *** percent of Korean welded A-312 pipe exports went to markets other than the United States during 1997-99, primarily Asian markets. These alternative markets suggest that Korean producers have the ability to divert welded A-312 pipes to or from the U.S. market. There are no data available regarding alternative markets for Taiwanese producers.

U.S. Demand

Demand Characteristics

End users of WSS pipes and pressure tubes include chemical and petrochemical plants, food and beverage processing plants, oil refineries, power generation plants, pulp and paper mills, and waste water treatment facilities.[10] Demand for WSS pipes and pressure tubes is primarily dependent on the capital investment projects, as well as ongoing maintenance and repair, instituted by these end users. In turn, these capital investment projects are dependent on not only the strength of the U.S. economy, but also the continued strength of foreign economies experiencing significant amounts of project activity.

Available information indicates an average annual growth rate for U.S. WSS pipe and pressure tube demand of 2.0 to 4.0 percent for the period 1992 through the present. U.S. producers, importers, and purchasers expressed general agreement that overall demand for WSS pipes and pressure tubes in the United States showed a modest increase over the past 8 years in line with overall economic growth.[11] Responding firms reported new or increased usage in the automobile, computer, and petroleum industries as factors behind this increase in demand. In contrast, demand from the pulp and paper industry was reported to have declined.

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[10] While this is a compiled list based on questionnaire responses, the WSS pipe and pressure tube market can be considered as two separate markets, with WSS pipes primarily used in chemical and paper processing, and WSS pressure tubes primarily used in power generation and instrumentation (fax response from *** of ***, July 5, 2000).

[11] At the hearing, U.S. producers argued that recent demand for pipe may not reflect an actual increase in consumption, but rather an increase in inventories as purchasers took advantage of relatively low pipe prices (Joseph Avento, President of Bristol Metals, August 1, 2000, hearing transcript, p. 65). Korean producers disagree with this argument, and their comments can be found in their August 10, 2000, posthearing brief, pp. 11-12.

Substitute Products

Based on questionnaire responses from U.S. producers, importers, and purchasers, there are some potential substitute products for WSS pipes and pressure tubes.[12] Plastic pipes, glass-lined or carbon-lined steel pipes, seamless stainless steel pipes, and seamless stainless steel pressure tubes were the most frequent responses. However, respondents reported that such substitutions, particularly for plastic and carbon-lined steel pipes, rarely occur. In general, the aforementioned products are viewed as imperfect substitutes due to higher costs, less resistance to corrosion, reduced strength, and/or reduced availability.

Regarding competition between welded A-312 pipes and other WSS pipes and/or pressure tubes, responses were somewhat mixed. Among U.S. producers and importers, the majority of responding firms stated that competition of this kind does not occur.[13] Among purchasers, the majority of responding firms stated that such competition does exist,[14] with A-778 pipes cited most frequently as competing products.[15]

TRENDS IN U.S. SUPPLY AND DEMAND

Producers, importers, and purchasers were asked to identify supply factors that affected the availability of U.S., Korean, and Taiwanese WSS pipes and pressure tubes in the U.S. market since 1992, as well as factors that may affect future availability. According to importer ***, global production capacity significantly increased from 1992 to 1997. Similarly, U.S. producers and purchasers reported that additional domestic production capacity, as well as fluctuations in the availability and prices of raw materials, affected the availability of U.S.-produced WSS pipes and pressure tubes in the recent past. While the majority of responding firms do not anticipate future changes in the availability of the domestic or subject product, U.S. producer *** stated that it expects to see industry consolidation during the next 2 to 3 years in response to increased global competition.

As previously mentioned, questionnaire responses indicated that demand for WSS pipes and pressure tubes during the 1990s generally increased. According to the majority of responding firms, future demand is expected to moderately increase at an annual rate of 3.0 to 4.0 percent. Purchaser *** expects demand to shift away from carbon steel products and towards the relatively longer-lasting stainless steel products.

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[12] However, 4 of 11 U.S. producers, 4 of 5 importers, and 6 of 11 purchasers stated that there are no substitute products for WSS pipes and pressure tubes.

[13] According to 8 of 12 U.S. producers and 2 of 3 importers, competition between welded A-312 pipes and other WSS pipes and/or pressure tubes does not exist.

[14] Only 3 of 11 purchasers stated that competition between welded A-312 pipes and other WSS pipes and/or pressure tubes does not exist.

[15] A-778 pipes are basically welded A-312 pipes without any heat treatment or hydrostatic testing. Thus, welded A-312 pipes can replace welded A-778 pipes, but welded A-778 pipes generally cannot be substituted for welded A-312 pipes due to their lower resistance to corrosion (staff interview with *** of ***, June 19, 2000). Additional comparative information on welded A-312 and A-778 pipes can be found on p. 29 of the hearing transcript. Several purchasers also cited welded A-358 and A-790 pipes as competing products.

SUPPLY AND DEMAND IN THE KOREAN AND TAIWANESE HOME MARKETS

Questionnaire responses from Korean producers of welded A-312 pipes provide some indication of supply and demand conditions for their products in Korea. Available information indicates that Korean production increased by 18.4 percent in 1998 and then declined by 28.7 percent in 1999, while home market shipments of welded A-312 pipes fell by 67.1 percent in 1998 and then increased by 79.4 percent in 1999. According to ***, demand in the Korean market has recently increased due to stronger economic growth and a subsequent boost in capital investment. Similarly, *** anticipates that future demand will depend on the path of economic growth.

Real 1999 GDP growth as a percentage change from the previous year was 9.1 percent for Korea and 5.3 percent for Taiwan. Forecasts through 2005 (as percentage changes from the previous year) are as follows:[16]

Year	Korea	Taiwan
2000	6.0	5.2
2001	4.7	5.6
2002	3.3	6.1
2003	4.2	6.7
2004	5.3	6.6
2005	5.3	6.4

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported WSS pipes and pressure tubes depends upon such factors as relative prices, quality, and conditions of sale. Based upon available data, staff believes that there is a high degree of substitution between domestic welded A-312 pipes and welded A-312 pipes imported from Korea and Taiwan, and a lower degree of substitution between the broader definition of all WSS pipes and pressure tubes and subject imports from Korea and Taiwan.

Factors Affecting Purchasing Decisions

While price is an important factor in the sale of WSS pipes and pressure tubes, other factors such as availability, lead time, and quality also appear to be key considerations in purchase decisions. Table II-1 summarizes purchasers' responses concerning the top three factors that they consider in purchasing decisions. As indicated in the table, quality was cited most frequently as purchasers' primary factor in buying decisions, price was cited most frequently as purchasers' secondary factor, and lead time was cited most frequently as purchasers' third most important factor. Overall, price was the most frequently cited factor among the top three factors.

[16] DRI - *World Economic Outlook*, Second Quarter 2000, p. A-4.

Table II-1
WSS pipes and pressure tubes: Ranking of factors used in purchasing decisions as reported by U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Availability	1	3	3
Lead time	1	2	6
Price	4	8	2
Quality	8	1	3

Source: Compiled from data submitted in response to Commission questionnaires.

Another question asked of purchasers further establishes price as an important factor. When asked how often their firms' purchase decisions for WSS pipes and pressure tubes were based mainly on price, one out of 13 indicated "always," six indicated "usually," five indicated "sometimes," and one indicated "never." Similar to the results shown in table II-1, most purchasers who did not report that WSS pipe and pressure tube buying decisions were based primarily on price cited availability, lead time, and quality as more important factors.

Corresponding questions concerning the importance of country of origin and producer suggest that these factors may also be somewhat important in purchase decisions. When asked how often purchase decisions are based on the country of origin, one out of 13 indicated "always," three indicated "usually," seven indicated "sometimes," and two indicated "never." Regarding how frequently purchase decisions are based on the producer, one out of 13 indicated "always," one indicated "usually," six indicated "sometimes," and five indicated "never."

Comparisons of Domestic Product and Subject Imports [17]

All responding U.S. producers and importers believe that welded A-312 pipes produced in the United States, Korea, and Taiwan are used interchangeably. In addition, purchasers with actual marketing/pricing knowledge of both the U.S.-produced and subject product reported that domestic, Korean, and Taiwanese welded A-312 pipes are generally used in the same applications.

The Commission asked purchasers to rate domestically-produced welded A-312 pipes against welded A-312 pipes imported from Korea and Taiwan using a number of factors, such as availability, delivery time, discounts, lowest price, product quality, reliability of supply, and technical support. Domestically-produced welded A-312 pipes were generally rated as comparable or superior to subject imports from Korea and Taiwan in all of the aforementioned categories[18] with the exception of lowest price; virtually all responding purchasers rated subject imports from Korea and Taiwan as superior with respect to price.

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[17] No firms provided comparative data specifically on either subject or nonsubject imports of welded A-312 pipes from Taiwan, thus information in this section, as well as the next three sections, of Part II represents firms' perceptions on all imports of welded A-312 pipes from Taiwan.

[18] For example, one of three purchasers responded that U.S.-produced welded A-312 pipes are higher in quality as compared with the Korean products, and the other two purchasers responded that the U.S. products and Korean products are of comparable quality. Likewise, one of eight purchasers responded that U.S.-produced welded A-312 pipes are of higher quality as compared with the Taiwanese products, and the other seven purchasers responded that the U.S. products and Taiwanese products are of comparable quality.

Comparisons of Subject Imports from Korea and Taiwan

All responding U.S. producers and importers believe that subject imports from Korea and Taiwan are used interchangeably. Similarly, purchasers' responses reveal that subject imports from Korea and Taiwan are generally used in the same applications.

Several purchasers compared imports of welded A-312 pipes from Korea to imports of welded A-312 pipes from Taiwan using the aforementioned factors. Compiled results show complete comparability between subject imports from Korea and Taiwan, with the exception that one purchaser rated Korea as inferior to Taiwan in terms of lowest price.

Comparisons of Domestic Product and Nonsubject Imports

All responding U.S. producers and importers believe that U.S. and nonsubject welded A-312 pipes are used interchangeably. In addition, the Commission obtained nonsubject import data from seven purchasers, specifically for welded A-312 pipes from Canada, Germany, Malaysia, and South Africa. Purchasers' responses reveal that U.S. and nonsubject welded A-312 pipes are generally used in the same applications.

Purchasers were requested to rate domestically-produced welded A-312 pipes against nonsubject welded A-312 pipes using the previously mentioned factors, with overall results showing that domestically-produced welded A-312 pipes were generally rated as comparable or superior to nonsubject imports. However, as with the subject import comparisons, purchasers rated the U.S.-produced product as inferior in terms of lowest price.

Comparisons of Subject Imports and Nonsubject Imports

All responding U.S. producers and importers believe that subject and nonsubject welded A-312 pipes are used interchangeably. Similarly, purchasers' responses reveal that subject and nonsubject welded A-312 pipes are generally used in the same applications.

Several purchasers rated welded A-312 pipes from Korea and Taiwan against welded A-312 pipes from Malaysia, Mexico, and South Africa using the aforementioned factors. Based on the available data, subject imports from Korea and Taiwan are generally comparable to imports of welded A-312 pipes from Malaysia and South Africa. However, subject imports from Korea were rated as superior to nonsubject imports from Mexico in terms of delivery time, discounts, lowest price, reliability of supply, and technical support, and comparable in all other categories.

MODELING ESTIMATES

U.S. Supply Elasticity

The domestic supply elasticity for WSS pipes and pressure tubes measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price for WSS pipes and pressure tubes. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the existence of inventories, and the availability of alternate markets for U.S.-produced WSS pipes and pressure tubes. Previous analysis of these factors indicates that the U.S. industry is likely to be able to increase or decrease shipments to the U.S. market. An estimate in the range of 5.0 to 10.0 is suggested. There were no comments by parties on this estimate.

Import Supply Elasticity

The import supply elasticity depends on the same general factors as the domestic supply elasticity. Previous analysis of these factors indicates that Korean suppliers of the subject product are likely to experience more flexibility as compared with U.S. suppliers regarding the ability to increase or decrease shipments to the U.S. market. An estimate in the range of 7.0 to 10.0 is suggested.[19] While the petitioners did not comment on these estimates, SeAH Steel Corp. and Hyundai Pipe Co. believe that the Korean import supply elasticity estimate is closer to the low end of staff's estimated range.[20]

U.S. Demand Elasticity

The U.S. demand elasticity for WSS pipes and pressure tubes measures the sensitivity of the overall quantity demanded to a change in the U.S. market price for WSS pipes and pressure tubes. This estimate depends on the factors discussed earlier, such as the existence, availability, and commercial viability of substitute products. As noted earlier, there are products which are considered potential substitutes for WSS pipes and pressure tubes; however, there appear to be drawbacks associated with these substitute products. Based on the available information, the aggregate demand for WSS pipes and pressure tubes is likely to be inelastic. An estimate in the range of 0.3 to 0.7 is suggested. While the petitioners did not comment on this estimate, SeAH Steel Corp. and Hyundai Pipe Co. agreed with this estimate in their prehearing brief.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[21] Product differentiation, in turn, depends upon such factors as quality and conditions of sale. Based on available information, the elasticity of substitution between U.S.-produced welded A-312 pipes and welded A-312 pipes imported from Korea and Taiwan is likely to be high, in the range of 3.0 to 6.0. However, subject imports from Korea and Taiwan are less substitutable with the more broadly defined domestic like product of WSS pipes and pressure tubes. In the latter case, an estimate in the range of 1.5 to 3.5 is suggested. While the petitioners did not comment on this estimate, SeAH Steel Corp. and Hyundai Pipe Co. agreed with this estimate in their prehearing brief.

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[19] Staff does not have sufficient data on Taiwanese production of subject welded A-312 pipes to estimate an import supply elasticity. In the original economic memorandum, the subject import supply elasticity for Taiwan was estimated to be in a range of 6.0 to 10.0.

[20] In their prehearing brief, SeAH Steel Corp. and Hyundai Pipe Co. stated that the Korean import supply elasticity is more likely to be near 7.0 due to Korean producers' weakening desire to supply the U.S. market as Korean home market demand increases. Staff's estimate should not be viewed as an assessment of Korean producers' interest in supplying the U.S. market, but rather as an estimate of their capability of increasing or decreasing shipments to the U.S. market given a change in the U.S. price. In this sense, Korean producers possess flexibility through excess capacity, alternative markets (including their home market), and potentially through production alternatives.

[21] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and domestic like product to changes in their relative prices. This reflects how easily purchasers can switch from the U.S. like product to the subject product (or vice versa) when prices change.

Projected Growth in Demand

As discussed previously, the demand for WSS pipes and pressure tubes is primarily driven by capital investment projects in the processing industries. Available information indicates that demand over the next 3 to 5 years is expected to continue to grow at a moderate pace of 2.0 to 4.0 percent per year. There were no comments by parties on this estimate.

MODEL DISCUSSION AND RESULTS

This analysis uses a nonlinear partial equilibrium model that assumes that domestic and imported products are less than perfect substitutes. Such models, also known as Armington models, are relatively standard in applied trade policy analysis and are used for the analysis of trade policy changes in both partial and general equilibrium. Based on discussion earlier, staff has selected a range of estimates that represent price-supply, price-demand, and product-substitution relationships (i.e., supply elasticity, demand elasticity, and substitution elasticities) in the U.S. WSS pipe and pressure tube market. The model uses these estimates along with data on market shares and Commerce's final dumping margins.[22]

The analysis uses the most recent one year period for which data are available, 1999, as the base year. The model results estimate the effects of dumping on the domestic WSS pipe and pressure tube industry over a one year time period only.[23] Effects over a longer time period are not part of this modeling exercise. Finally, the model does not assume that all of the dumping margin is passed forward to U.S. prices of the subject imports. A summary of model results is presented in table II-2.[24]

Table II-2
Model results

* * * * * * *

[22] In this modeling exercise, staff has calculated a weighted-average margin for subject imports from Korea using export data submitted in foreign producers' questionnaire responses. A simple average margin was calculated for subject imports from Taiwan. Ta Chen has been treated as an additional nonsubject producer in this modeling exercise.

[23] In situations where subject imports have low U.S. market shares, the model may underestimate the likely impact for the domestic industry.

[24] See app. E for more detailed model results. Petitioners and respondents also performed COMPAS analyses. See SeAH Steel Corp. and Hyundai Pipe Co.'s prehearing brief, July 21, 2000, pp. 17-19 and 25-27, and U.S. producers' posthearing brief, August 10, 2000, exhibit 3.

PART III: U.S. PRODUCERS' OPERATIONS

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

The information presented in this section of the report is based on the questionnaire responses of firms identified in table I-4 that supplied the Commission with usable information on their operations producing WSS pipes and pressure tubes. In the Commission's questionnaire, U.S. producers were asked to describe the constraints that set the limits on their production capability. Three firms did not respond to the question. For those that did, however, the responses varied. *** reported that welding speeds, mill capacity, and order loads were all constraints on its production capability. *** reported that its constraints are determined by its ability to sell more products. *** stated that its production was based on demands of the market place and that its operation was not capacity driven. *** stated that equipment age and availability set the limits on it production capability. *** stated that its pipe manufacturing is done on ***. *** reported that its only constraint is equipment speed.

The Commission's questionnaire also asked firms to report any changes in the character of their operations (i.e., plant openings, relocations, expansions, acquisitions, etc.) relating to the production of WSS pipes and pressure tubes since the date on which the AD orders under review became effective. *** each reported experiencing no changes in the character of their operations since the orders became effective. The reported responses of all other domestic producers are summarized in the chart that follows:

* * * * * * *

Data on U.S. producers' production capacity, production, and capacity utilization for WSS pipes and pressure tubes are shown in table III-1. As the data show, U.S. producers' reported production capacity increased steadily throughout the period for which data are presented, increasing by 1.6 percent from 1997 to 1998, 5.6 percent from 1998 to 1999, and 8.1 percent between the interim periods. Reported U.S production fell by 10.8 percent from 1997 to 1998, increased by 3.2 percent from 1998 to 1999, and increased between the interim periods by 12.8 percent. The bulk of U.S. producers' production of WSS pipe and pressure tubes consists of A-312 pipe. Such pipe, for example, comprised 73.3 percent of U.S. producers' total production of WSS pipe and pressure tubes in 1999 as compared with *** percent for A-778 pipe and *** percent for all other types of WSS pipes and pressure tubes (figure III-1). However, the A-778 component is believed to be considerably understated and the all other than A-778 component overstated because no separate data on A-778 pipe were provided by ***, for which A-778 pipe is believed to account for about *** of respective production. ***.

Table III-1
WSS pipes and pressure tubes: U.S. producers' production capacity, production, and capacity utilization, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
Production capacity (*short tons*)	121,010	122,950	129,800	31,770	34,345
Production (*short tons*)	91,195	81,311	83,924	20,197	22,779
Capacity utilization (*percent*)	75.2	65.9	64.4	62.9	65.5

Note.--Capacity utilization is calculated using data of firms providing both capacity and production information.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-1
WSS pipes and pressure tubes: U.S. production shares, by types, 1999

* * * * * * *

U.S. PRODUCERS' SHIPMENTS

U.S. producers reported that the bulk of their shipments of WSS pipes and pressure tubes during the period for which the Commission requested information went to unrelated, third party customers.[1] Also, all but 4 of the 11 firms that supplied data on their shipments of WSS pipes and pressure tubes reported exports of such products during the period for which information was requested. Canada was the principal export market cited by most producers; other markets reported included Chile, Mexico, Korea, and the United Kingdom. Data on U.S. producers' shipments of WSS pipes and pressure tubes are presented in table III-2. The quantity and value of U.S. producers' U.S. shipments fell by 3.1 percent and 20.4 percent, respectively, between 1997 and 1999 and increased by 7.1 percent and 24.8 percent, respectively, between the interim periods. Similarly, the quantity and value of U.S. producers' export shipments fell by 28.2 percent and 26.2 percent, respectively, from 1997 to 1999; however, between the interim periods exports decreased by 9.5 percent in terms of quantity but increased by 0.7 percent on the basis of value. In terms of unit values, the average unit value of U.S. producers' U.S. shipments fell steadily by 17.8 percent from 1997 to 1999 and increased by 16.7 percent between the interim periods. The average unit value of U.S. producers' export shipments rose irregularly by 2.9 percent between 1997 and 1999 and increased by 11.5 percent between the interim periods.

Because A-312 pipes account for the vast majority of U.S. producers' production of WSS pipes and pressure tubes, such pipes also account for a significant share of U.S. producers' shipments of all WSS pipes and pressure tubes.

[1] During the period for which information was requested, *** shipped a portion of their production to related firms for pipe fabrication.

Table III-2
WSS pipes and pressure tubes: U.S. producers' shipments, by types, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
	Quantity (*short tons*)				
Commercial shipments	***	***	***	***	***
Internal shipments/company transfers	***	***	***	***	***
U.S. shipments	82,384	75,729	79,862	20,082	21,513
Export shipments	6,041	4,627	4,335	1,052	952
Total shipments	88,425	80,356	84,197	21,134	22,465
	Value (*$1,000*)				
Commercial shipments	***	***	***	***	***
Internal shipments/company transfers	***	***	***	***	***
U.S. shipments	287,067	237,070	228,404	53,811	67,133
Export shipments	19,067	13,120	14,071	2,837	2,857
Total shipments	306,134	250,190	242,475	56,648	69,990
	Unit value (*per short ton*)				
Commercial shipments	$***	$***	$***	$***	$***
Internal shipments/company transfers	***	***	***	***	***
U.S. shipments	3,455	3,100	2,838	2,661	3,107
Export shipments	3,154	2,838	3,245	2,701	3,013
Average	3,462	3,114	2,880	2,680	3,116

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. PRODUCERS' PURCHASES

Two domestic producers (***) reported purchases of A-312 pipe during the period for which the Commission requested information. ***. ***. Both firms reported purchases ***. ***.

As shown in the tabulation that follows, *** purchases of WSS pipe represented between *** percent and *** percent of its total production of WSS pipes and pressure tubes over the period for which information was requested.

* * * * * * *

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories of WSS pipes and pressure tubes fell unevenly by 5.3 percent between 1997 and 1999 and increased only slightly (by 1.3 percent) between the interim periods (table III-3). The ratio of inventories to production and the ratio of inventories to U.S. shipments fluctuated between 19.2 percent and 22.9 percent and between 20.3 percent and 24.6 percent, respectively.

Table III-3
WSS pipes and pressure tubes: U.S. producers' end-of-period inventories, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
Inventories (*short tons*)	18,312	18,644	17,341	17,286	17,509
Ratio to production (*percent*)	20.1	22.9	20.7	21.4	19.2
Ratio to U.S. shipments (*percent*)	22.2	24.6	21.7	21.5	20.3
Ratio to total shipments (*percent*)	20.7	23.2	20.6	20.4	19.5

Note.--January-March ratios are annualized.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Typically, machinery and equipment that are used to produce WSS pipes and pressure tubes are dedicated equipment used solely for that purpose. The same is also true of those production-and-related workers (PRWs) involved in producing such products. These workers are generally not involved in the production of any other products. Based on information supplied in Commission questionnaires, U.S. producers experienced a minimum of interruptions in production due to closures, prolonged shutdowns, and the like. Besides LTV Tubular Product's decision to close its stainless steel pipe operations at yearend 1997, only *** reported an interruption in production during the period for which information was requested. ***. Even LTV's exit had little impact on the domestic industry in terms of employment, since LTV employed ***.

Employment data for the U.S. industry producing WSS pipes and pressure tubes are presented in table III-4. The number of PRWs employed by U.S. producers and the number of hours worked by such workers fell by 3.5 percent and 8.5 percent, respectively, from 1997 to 1999 and increased by 7.8 percent and 9.1 percent, respectively, between the interim periods. U.S. producers' unit labor costs rose

Table III-4
WSS pipes and pressure tubes: Average number of production-and-related workers (PRWs), hours worked, wages paid to such workers, hourly wages, productivity, and unit labor costs, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
PRWs (*number*)	1,128	1,116	1,089	1,074	1,158
Hours worked by PRWs (*1,000*)	2,524	2,393	2,311	572	624
Wages paid to PRWs (*$1,000*)	32,161	32,477	32,708	8,206	8,883
Hourly wages	$12.73	$13.56	$14.15	$14.21	$14.14
Productivity (*short tons per 1,000 hours*)	36.4	34.2	36.7	35.3	36.5
Unit labor costs (*per short ton*)	$349.32	$396.24	$385.43	$403.04	$387.31

Note.--Productivity and unit labor costs are calculated using data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to Commission questionnaires.

unevenly by 10.3 percent between 1997 and 1999 and decreased by 3.9 percent between the interim periods. U.S. producers experienced an overall increase in worker productivity of 0.8 percent from 1997 to 1999 and then experienced an increase of 3.5 percent between interim 1999 and interim 2000.

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

Eleven U.S. producers provided usable financial information regarding their operations on WSS pipes and pressure tubes.[2] [3] These data represent the majority of known U.S. production of this product during the period examined.

The U.S. producers were asked to provide separate profit and loss information for the following sub-categories of WSS pipes and pressure tubes: welded A-312 pipes, welded A-778 pipes, and all other WSS pipes and pressure tubes. The majority of U.S. producers provided separate information for only welded A-312 pipes and all other pipes and pressure tubes, respectively. For these companies, the welded A-778 pipes category (if produced and sold) was included in the values reported for either welded A-312 pipes or all other pipes and pressure tubes.[4]

During the review period, entry into and exit from the WSS pipes and pressure tubes market was limited to LTV and Valtimet. LTV's operations in Cleveland, OH, reported sales of welded A-312 pipes in 1997 and 1998, but it subsequently ceased production and sales of this product. A new LTV facility in Elizabethtown, KY, reported a *** other WSS pipes and pressure tubes in 1999 and the first quarter of 2000. This facility reported *** sales of welded A-312 pipes.[5] Valtimet, a subsidiary of a joint venture between Timet and Valinox, reported ***.[6] The total volume of sales reported by LTV and Valtimet was *** during the period examined.

Operations on Welded Stainless Steel Pipes and Pressure Tubes

Income-and-loss data for the U.S. producers' operations on welded A-312 pipes and all WSS pipes and pressure tubes are presented in table III-5 and table III-6, respectively. Data on a per-short-ton basis for welded A-312 pipes and all WSS pipes and pressure tubes are shown in table III-7 and table III-8, respectively. (Note: Table III-5 and table III-7 do not include data for ***.)

Table III-5
Results of operations of U.S. producers in the production of welded A-312 pipes, fiscal years 1997-99, January-March 1999, and January-March 2000

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[2] ***.

[3] Other than ***, whose fiscal years close ***, the U.S. producers provided financial information based on fiscal years ending December 31.

[4] ***.

[5] ***.

[6] Valtimet SAS, a joint venture between Titanium Metals (Timet) of Denver, CO, and Valinox Welded of Les Laumes, France, owns and operates the welded tubing businesses of both companies. Valtimet, a U.S. manufacturing facility in Morristown, TN, responded to the Commission's questionnaire and has been identified as one of Timet's welded titanium tubing plants. Retrieved on June 23, 2000, at *http://www.manufacturing.net/-magazine/purchasing/archives/1997/pur0605.97/061mnews.htm.* ***.

Table III-6
Results of operations of U.S. producers in the production of all WSS pipes and pressure tubes, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March--	
	1997	1998	1999	1999	2000
	Quantity (*short tons*)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Related party transfers	***	***	***	***	***
Total sales	88,160	78,418	82,205	20,682	21,999
	Value (*$1,000*)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Related party transfers	***	***	***	***	***
Total sales	309,544	250,426	245,439	56,627	71,457
Cost of goods sold	268,053	232,247	219,387	53,660	60,091
Gross profit	41,491	18,179	26,052	2,967	11,366
SG&A expenses	21,332	23,110	21,976	5,448	5,911
Operating income or (loss)	20,159	(4,931)	4,076	(2,481)	5,456
Interest expense	5,402	5,261	5,935	1,395	1,561
Other expense	4,243	6,005	7,127	1,063	2,464
Other income items	899	737	752	60	975
Net income or (loss)	11,414	(15,460)	(8,234)	(4,878)	2,406
Depreciation/amortization	9,216	9,482	10,473	2,141	2,721
Cash flow	20,629	(5,978)	2,240	(2,736)	5,126
	Ratio to net sales (*percent*)				
Cost of goods sold	86.6	92.7	89.4	94.8	84.1
Gross profit	13.4	7.3	10.6	5.2	15.9
SG&A expenses	6.9	9.2	9.0	9.6	8.3
Operating income or (loss)	6.5	(2.0)	1.7	(4.4)	7.6
Net income or (loss)	3.7	(6.2)	(3.4)	(8.6)	3.4
	Number of firms reporting				
Operating losses	2	6	4	4	***
Data	10	11	11	10	11

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-7
Results of operations (per short ton) of U.S. producers in the production of welded A-312 pipes, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

Table III-8
Results of operations (per short ton) of U.S. producers in the production of all WSS pipes and pressure tubes, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March--	
	1997	1998	1999	1999	2000
Net sales	$3,511	$3,193	$2,986	$2,738	$3,248
Cost of sales					
Raw materials	2,293	2,145	1,861	1,785	1,984
Direct labor	307	323	320	298	341
Other factory	440	494	488	512	407
Total cost of goods sold	3,041	2,962	2,669	2,595	2,732
Gross profit	471	232	317	143	517
SG&A expenses	242	295	267	263	269
Operating income or (loss)	229	(63)	50	(120)	248
Source: Compiled from data submitted in response to Commission questionnaires.					

With respect to the overall financial results of all WSS pipes and pressure tubes, the period examined saw significant fluctuations in sales volume, revenue, and profitability. An 11.1 percent decline in sales volume occurred between 1997 and 1998 and was followed by a 4.8 percent rebound in 1999. This apparent recovery continued into the first quarter of 2000 with sales volume in that period 6.4 percent higher than first quarter 1999 sales volume.

While the sales volume of all WSS pipes and pressure tubes declined and then recovered somewhat, average (full-year) unit sales values declined steadily between 1997 and 1999: by 9.0 percent between 1997 and 1998 and by 6.5 percent between 1998 and 1999. As a result of these declines, total 1999 sales revenue was only 79.3 percent of 1997 sales revenue.

Between 1997 and 1998, average unit cost of goods sold (COGS) declined by a modest 2.6 percent. Despite relatively large percentage increases in average unit direct labor and average unit factory overhead during this period, the most significant component of COGS -- raw materials -- declined by 6.5 percent. The overall decline in average unit COGS did not, however, offset the larger reduction in unit sales value. As a result, average unit gross margins fell by 50.7 percent between 1997 and 1998. Lower average unit gross margins, in conjunction with lower sales volume and somewhat higher selling, general and administrative (SG&A) expenses, resulted in an operating loss of $4.9 million in 1998 compared with an operating income of $20.2 million in 1997.

Between 1998 and 1999, as indicated above, the average (full-year) unit sales value for all WSS pipes and pressure tubes continued to decline. Average unit COGS also declined and was 9.9 percent lower in 1999 than in 1998. The reduction in COGS offset the relatively small decrease in average unit sales value in 1999 and also recovered some of the average unit gross profit that was lost in 1998. In

conjunction with positive average unit gross margins and somewhat lower SG&A expenses, U.S. producers reported an operating profit of $4.1 million in 1999.

By the first quarter 2000, the average unit sales value for all WSS pipes and pressure tubes was 8.8 percent higher than the full-year 1999 average.[7] Despite a modest increase in average unit COGS and the fact that the first quarter 2000 average unit sales value was still lower than the average for 1997, the first quarter 2000 average unit gross margin was the highest reported during the period examined. Also, on a unit basis, SG&A expenses were only somewhat higher than the average for full-year 1999. Because of these positive factors, operating results were positive in the first quarter 2000, as compared with an operating loss in first quarter 1999. First quarter 2000 operating income was also 33.8 percent higher than the full-year operating income reported for 1999.

Estimated cash flows from operations for all WSS pipes and pressure tubes generally tracked net income during the period examined and were negative only during 1998 and the first quarter of 1999. While positive throughout most of the period examined, cash flows could be characterized as somewhat strong only in 1997 and the first quarter 2000.

Selected financial data for all WSS pipes and pressure tubes, by firms, are presented in table III-9. In terms of sales volume, U.S. producers reported ***.[8] [9]

Table III-9
Results of operations of U.S. producers in the production of all WSS pipes and pressure tubes, by firms, fiscal years 1997-99, January-March 1999, and January-March 2000

* * * * * * *

The majority of U.S. producers reported reduced operating income in 1998 with a rebound (or reduced operating losses) in 1999 followed by higher operating income in the first quarter of 2000 compared with the first quarter 1999.[10] ***.[11] ***.[12] In the first quarter 2000, the majority of U.S. producers (including ***) returned to positive operating income. ***.

A variance analysis for the 11 U.S. producers of WSS pipes and pressure tubes is presented in table III-10 and is derived from information reported in table III-6. The variance analysis provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. The analysis is most effective when the product involved is homogeneous and product mix does not vary. Based on this variance analysis, the change in overall operating income between 1997 and 1999 was primarily due to a large unfavorable price variance and to a lesser extent to an unfavorable volume variance. Despite a favorable cost/expense variance during this period, operating income declined significantly between 1997 and 1999. When comparing the difference between operating income for interim 1999 and interim 2000, the pattern of lower prices and costs/expenses was reversed with a large favorable price variance which offset smaller unfavorable cost/expense and volume variances. The overall improvement in

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[7] First quarter 1999 average unit sales value was lower than full-year 1999 average unit sales value. This suggests that unit sales values reached their low point in the first quarter of 1999 (or thereabouts) and subsequently improved. Although more pronounced for some U.S. producers, *** of the U.S. producers reported lower overall average unit sales values in the first quarter 1999, as compared with full-year 1999.

[8] ***.

[9] ***.

[10] ***.

[11] ***.

[12] ***.

Table III-10
Variance analysis of U.S. producers' operations on all WSS pipes and pressure tubes, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March
	1997-99	1997-98	1998-99	1999-2000
Commercial sales:	Value (*$1,000*)			
Price variance	***	***	***	***
Volume variance	***	***	***	***
Commercial sales variance	***	***	***	***
Internal consumption:				
Price variance	***	***	***	***
Volume variance	***	***	***	***
Internal consumption variance	***	***	***	***
Related party transfers:				
Price variance	***	***	***	***
Volume variance	***	***	***	***
Related party transfer	***	***	***	***
Total net sales:				
Price variance	(43,195)	(24,911)	(17,081)	11,224
Volume variance	(20,910)	(34,207)	12,094	3,606
Total net sales variance	(64,105)	(59,119)	(4,987)	14,830
Cost of sales:				
Cost variance	30,560	6,184	24,077	(3,014)
Volume variance	18,107	29,622	(11,216)	(3,417)
Total cost variance	48,666	35,806	12,860	(6,431)
Gross profit variance	(15,439)	(23,312)	7,874	8,399
SG&A expenses:				
Expense variance	(2,085)	(4,135)	2,250	(116)
Volume variance	1,441	2,357	(1,116)	(347)
Total SG&A variance	(644)	(1,778)	1,134	(463)
Operating income variance	(16,083)	(25,090)	9,007	7,936
Summarized as:				
Price variance	(43,195)	(24,911)	(17,081)	11,224
Net cost/expense variance	28,474	2,049	26,327	(3,129)
Net volume variance	(1,362)	(2,228)	(238)	(158)

Source: Compiled from data submitted in response to Commission questionnaires.

operating income between interim 1999 and interim 2000 was only somewhat smaller than the positive change in operating income between full-year 1998 and full-year 1999.

Investment in Productive Facilities and Capital Expenditures

The responding firms' data on capital expenditures and the value of their property, plant, and equipment are shown in table III-11. ***. As noted previously, Valtimet reported its *** other WSS pipes or pressure tubes in 1998.[13] LTV's manufacturing facility in Elizabethtown, KY, reported ***. According to LTV's 1999 annual report, the Elizabethtown operation is a "state of the art stainless steel tube manufacturing facility which began operating in March 1999." In its response to the Commission's questionnaire, the value of assets and capital expenditures reported by this facility reflected ***. In contrast, ***, which reported a small volume of welded A-312 pipes sales, ***.[14] ***.[15]

Table III-11
Value of assets and capital expenditures of U.S. producers of all WSS pipes and pressure tubes, fiscal years 1997-99, January-March 1999, and January-March 2000

Item	Fiscal year			January-March--	
	1997	1998	1999	1999	2000
Capital expenditures:	Value (*$1,000*)				
* * * * * * *					
Total capital expenditures	5,071	26,355	19,748	6,168	3,589
Fixed assets:					
Total original cost	122,026	148,793	168,025	147,615	173,156
Total book value	61,181	78,122	88,788	74,855	90,551
Source: Compiled from data submitted in response to Commission questionnaires.					

[13] ***.

[14] ***.

[15] ***.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

This section of the report relies on official import statistics as compiled by the U.S. Department of Commerce. Although relied upon also in the original investigations, these data do have some limitations. For example, official statistics encompass not only welded A-312 pipes, but also include unknown quantities of other pipes and tubes. For purposes of these reviews, it is assumed that welded A-312 pipes account for all U.S. imports under HTS subheadings reserved for welded stainless steel pipes and tubes, except those reported in Commission questionnaires as imports of other WSS pipes and pressure tubes. Although this may somewhat overstate the amount of imports of welded A-312 pipes, it is believed that unreported imports of other WSS pipes and pressure tubes are quite small.

In addition to Korea and Taiwan, significant other countries that export to the United States include Canada, Italy, Japan, Malaysia, Mexico, South Africa, and Thailand. Data on U.S. imports of WSS pipes and pressure tubes are shown in table IV-1. In 1997-99 and the first 3 months of 2000, subject U.S. imports from Korea and Taiwan (excluding Ta Chen) accounted for 18-28 percent of the quantity of total U.S. imports.[1] The quantity and value of total U.S. imports rose by 65.2 percent and by 44.7 percent, respectively, between 1997 and 1999 and increased by 40.1 percent and 47.9 percent, respectively, between interim 1999 and interim 2000. In contrast, the volume of imports from Korea fluctuated upward by 10.0 percent between 1997 and 1999 and decreased irregularly over the same period by 13.0 percent on the basis of value. Such imports decreased on the basis of both quantity and value between the interim periods. As shown in the table, the quantity of subject U.S. imports from Taiwan (excluding Ta Chen) increased by 83.7 percent in quantity between 1997 and 1998 and by another 43.5 percent between 1998 and 1999 and continued to increase by 51.1 percent in volume between the interim periods. Imports of Ta Chen product from Taiwan increased by *** percent from 1997 to 1998 and by *** percent from 1998 to 1999; in interim 2000 such imports had increased by nearly ***.

U.S. IMPORTERS' INVENTORIES

No U.S. importer reported end-of-period inventories of subject welded A-312 pipe imported from Korea and/or Taiwan. One U.S. importer (***) did, however, report having end-of-period inventories of nonsubject merchandise that was imported from Chang Mien, a Taiwanese company that is not subject to the AD duty order.[2]

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[1] Petitioners argue that the Commission should consider Ta Chen product to be subject for purposes of its analysis. Subject imports from Korea and Taiwan (including Ta Chen) accounted for *** percent of the quantity of total imports in 1997-99 and the first 3 months of 2000.

[2] Asked in the Commission's foreign producer's questionnaire whether it has maintained inventories of welded A-312 pipes in the United States (excluding inventories held by U.S. importers of its products), the Korean producer ***.

Table IV-1
WSS pipes and pressure tubes: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
	Quantity (*short tons*)				
Korea	2,465	4,740	2,711	1,251	734
Taiwan (subject)	990	1,819	2,610	476	719
Subtotal	3,455	6,559	5,321	1,727	1,453
Taiwan (Ta Chen)[1]	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (Chang Mien)[2]	***	***	***	***	***
All others	10,867	11,406	14,326	4,075	4,820
Total	18,124	23,351	29,944	7,205	10,091
	Value (*$1,000*)				
Korea	5,195	8,368	4,520	1,965	1,432
Taiwan (subject)	2,300	3,507	4,277	802	1,377
Subtotal	7,495	11,875	8,797	2,767	2,809
Taiwan (Ta Chen)[1]	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (Chang Mien)[2]	***	***	***	***	***
All others	34,525	37,250	46,386	13,137	15,436
Total	51,552	59,326	74,590	18,520	27,395
	Unit value (*per short ton*)				
Korea	$2,107	$1,765	$1,667	$1,571	$1,952
Taiwan (subject)	2,323	1,928	1,639	1,685	1,915
Average	2,169	1,811	1,653	1,602	1,934
Taiwan (Ta Chen)[1]	***	***	***	***	***
Average	***	***	***	***	***
Taiwan (Chang Mien)[2]	***	***	***	***	***
All others	3,177	3,266	3,238	3,224	3,202
Average	2,844	2,541	2,491	2,571	2,715

See footnotes at end of table.

Table IV-1--*Continued*
WSS pipes and pressure tubes: U.S. imports, by sources, 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
	Share of quantity (*percent*)				
Korea	13.6	20.3	9.1	17.4	7.3
Taiwan (subject)	5.5	7.8	8.7	6.6	7.1
Subtotal	19.1	28.1	17.8	24.0	14.4
Taiwan (Ta Chen)[1]	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (Chang Mien)[2]	***	***	***	***	***
All others	60.0	48.8	47.8	56.6	47.8
Total	100.0	100.0	100.0	100.0	100.0
	Share of value (*percent*)				
Korea	10.1	14.1	6.1	10.6	5.2
Taiwan (subject)	4.5	5.9	5.7	4.3	5.0
Subtotal	14.5	20.0	11.8	14.9	10.3
Taiwan (Ta Chen)[1]	***	***	***	***	***
Subtotal	***	***	***	***	***
Taiwan (Chang Mien)[2]	***	***	***	***	***
All others	67.0	62.8	62.2	70.9	56.3
Total	100.0	100.0	100.0	100.0	100.0

[1] On June 26, 2000, Commerce published notice in the *Federal Register* that it was revoking the AD duty order with respect to subject pipes produced by Ta Chen and also exported by Ta Chen, that are entered or withdrawn from warehouse for consumption on or after December 1, 1998.

[2] Includes U.S. imports manufactured and/or exported from Taiwan by Chang Mien (formerly Chang Tieh), which imports Commerce determined to be fairly traded.

Source: Compiled from Commission questionnaires and from official statistics of the U.S. Department of Commerce.

THE FOREIGN INDUSTRIES

The Industry in Korea

The information presented in this section of the report is based on responses to the Commission's foreign producer's questionnaire as submitted on behalf of the Korea Iron and Steel Association (KOSA); Hyundai Pipe Co., Ltd. (Hyundai); LG Industrial Systems Co., Ltd. (LG Industrial); and SeAH Steel Corp. (SeAH). According to KOSA, there are four firms in Korea that produce welded A-312 pipes solely for the domestic market and five firms that export all or a portion of their production to markets outside of Korea.[3] The top five producing firms in Korea are believed to include ***.[4] However, based on data supplied in questionnaire responses, the industry in Korea is essentially dominated by three firms, ***.[5] Of the seven firms for which questionnaire information was provided, only *** reported exports of welded A-312 pipe to the United States.

Aggregate welded A-312 pipe production capacity, production, shipments, and inventory data based on questionnaire responses are presented in table IV-2. In general, the data show a decrease, between 1997 and 1999, in production, home market shipments, and export shipments. Between the interim periods, production capacity decreased while production and total shipments increased. As the data show, the industry in Korea is heavily dependent on exports, as exports accounted for between 70.7 percent and 91.6 percent of total shipments over the period for which information was requested. As a share of total shipments, exports to the United States increased from *** percent in 1997 to *** percent in 1998 and then fell to *** percent in 1999, which was below the 1997 level. In interim 2000, exports to the United States accounted for *** percent of total shipments--the lowest level during the period examined.

The Industry in Taiwan

In these reviews, the Commission sent foreign producer questionnaires to three firms in Taiwan identified as possible producers of welded A-312 pipe. These three firms are Jaung Yaunn Enterprise Co., Ltd. (Jaung Yaunn); Ta Chen Stainless Pipe Co., Ltd. (Ta Chen); and Yeun Chyang Industrial Co., Ltd. (Yeun Chyang). Although Jaung Yaunn did respond to the Commission's questionnaire, the information it provided was somewhat limited. Concerning Ta Chen and Yeun Chyang, neither firm responded to the Commission's request for information; but as previously mentioned, the AD duty order has been revoked with respect to Ta Chen. The Commission also sent a telegram to the American Institute in Taiwan (AIT) requesting its assistance in supplying the Commission with information on the industry in Taiwan. The information obtained from the AIT is presented below.[6]

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[3] Firms identified as producing only for the home market include ***. Reportedly, *** ceased operating in 1998, ***. (See Kaye, Scholer, Fierman, Hays & Handler's submission dated August 8, 2000, Response to the Commission's Supplemental Questionnaire.) No questionnaire data were provided for Kukdong or Pohang. Although data were provided for Daiyang and Dongshin, ***.

[4] *** identified a sixth firm, Mi Joo Steel Co., as being a *** Korean supplier of welded A-312 pipe.

[5] In its response to the Commission's foreign producer's questionnaire, *** estimates that its sales of welded A-312 pipe represents *** percent of its consolidated sales of all products and approximately *** percent of its total stainless steel pipe sales.

[6] See incoming telegram, Department of State, AIT, Taipei, Taiwan, August 25, 2000, subject: Taiwan, USITC Antidumping Review Investigations of Certain Welded Stainless Steel Pipes.

Table IV-2
Welded A-312 pipes: Aggregate production capacity, production, inventories, and shipments for the industry in Korea,[1] 1997-99, January-March 1999, and January-March 2000

Item	1997	1998	1999	January-March--	
				1999	2000
	Quantity (*short tons*)				
Capacity	13,167	13,167	13,167	3,289	3,003
Production	8,998	10,650	7,590	1,793	1,873
End-of-period inventories[2]	***	***	***	***	***
Shipments:					
Home market	2,683	883	1,584	249	414
Exports to:					
United States[3]	***	***	***	***	***
All other markets	***	***	***	***	***
Subtotal	6,472	9,615	6,116	1,656	1,561
Total shipments	9,155	10,498	7,700	1,904	1,975
	Ratios and shares (*percent*)				
Capacity utilization	68.3	82.5	58.8	55.7	63.8
Inventories/production	***	***	***	***	***
Inventories/shipments	***	***	***	***	***
As a share of total shipments:					
Home market shipments	29.3	8.4	20.6	13.1	20.9
Exports to the United States	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
Total exports	70.7	91.6	79.4	86.9	79.1

[1] Data are for Daiyang Pipe, Dongshin Metal, Hyundai, LG Industrial, Miju Steel, SeAH Steel, and Sungwon Pipe. ***.
[2] Data shown are for three firms, Hyundai, LG Industrial, and SeAH.
[3] Data shown are for ***.

Note.--Inventory ratios are calculated using data of firms supplying both numerator and denominator information. Capacity utilization is calculated using data of firms reporting production and capacity information.

Source: Compiled from data submitted in response to Commission questionnaires.

Based on information contained in the records of the China External Trade Development Council (CETRA), the AIT was able to identify 17 possible Taiwanese manufacturers/exporters of welded stainless steel pipes. Included in this group are the three firms (Jaung Yaunn, Ta Chen, and Yeun Chyang) that were sent questionnaires directly by the Commission staff. The AIT sent each of these firms a series of questions designed to elicit information on their welded A-312 pipe operations. According to the AIT, seven of the firms responded that they "either only produce or export nonsubject products or have already closed business,"[7] three declined to respond, five responded that they needed more time to respond to the AIT's request for information, and one firm (Jaung Yaunn) responded to the AIT's request with details.[8]

According to information supplied in its response to the Commission's questionnaire, Jaung Yuann estimates that there currently are about *** firms in Taiwan that are capable of producing welded A-312 pipe. It estimates that its production alone accounts for roughly *** percent of all welded A-312 pipe production in Taiwan. While the company stated that it does not maintain its records on a product-by-product basis, it did report its 1999 production capacity for all welded stainless pipe and tube as *** metric tons, *** short tons. The company reported that it *** in response to increased demand in its domestic market. This *** gives the firm *** metric tons, or *** short tons, of added annual capacity. Jaung Yuann reported ***. The company identified *** as its principal export markets. In terms of production, Jaung Yuann reported its total production of all WSS pipes and tubes increased from *** metric tons (*** short tons) in 1997 to *** metric tons (*** short tons) in 1999, an increase of *** percent.

CURRENT ANTIDUMPING DUTY ORDERS ON THE SUBJECT PRODUCTS

Both Hyundai and SeAH indicated in their questionnaire responses that their exports of welded A-312 pipes are not subject to penalty tariff or non-tariff barriers in any other country. LG Industrial indicated in its response that in 1999 South Africa imposed a barrier on its exports of welded A-312 pipes to that country.

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[7] ***.

[8] Quantitative information supplied was not specific to the subject merchandise but rather included stainless steel coil as well as all pipe made according to standards comparable to welded A-312 pipe.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

The largest raw material cost component in the production of WSS pipes and pressure tubes is flat-rolled stainless steel. The significance of raw material costs in the overall cost structure varies among U.S. producers, but such costs accounted for an average of 69.7 percent of the total 1999 cost of WSS pipes and pressure tubes.

Many U.S. producers, importers, and purchasers noted the direct link between changes in raw material prices and the selling prices for WSS pipes and pressure tubes. Available information indicates that raw material prices declined from the first quarter of 1997 through the second quarter of 1999, then began to trend upwards. The successful antidumping suits filed by the domestic stainless steel industry against imports of stainless steel sheet and strip were cited as key factors behind the recent upswing in raw material costs, along with increasing nickel prices due to supply shortages.

Transportation Costs to the U.S. Market

Transportation costs for subject pipes from Korea and Taiwan to the United States (excluding U.S. inland costs) are estimated to be 5.4 and 9.5 percent, respectively, of the total cost of the pipes. These estimates are derived from official import data for HTS subheading 7306.40.50, and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.

U.S. Inland Transportation Costs

Transportation costs for WSS pipes and pressure tubes for delivery within the United States vary from firm to firm but tend to account for a small to moderate percentage of the total cost of the product. For the nine U.S. producers that provided usable responses, these costs accounted for between 0.8 and 7.0 percent of the total cost of WSS pipes and pressure tubes, with an average of 3.1 percent. For the five importers that provided usable responses, these costs accounted for between 1.0 and 5.0 percent of the total cost of welded A-312 pipes, with an average of 2.7 percent.

Virtually all responding U.S. producers and importers reported a geographic market area encompassing the entire continental United States, however *** noted that due to delivery time and transportation cost considerations, it primarily supplies the west coast market.

Producers and importers were also requested to provide estimates of the percentages of their shipments that were made within specific distance ranges. Among the nine U.S. producers that provided usable responses to this question, an average of 9.7 percent of shipments occurred within 100 miles of their facilities, 58.3 percent occurred within 101-1,000 miles, and 32.0 percent occurred at distances over 1,000 miles. Among the seven importers that provided usable responses to this question, an average of 49.4 percent of shipments occurred within 100 miles of their facilities, 48.4 percent occurred within 101 to 1,000 miles, and 2.1 percent occurred at distances over 1,000 miles.

Exchange Rates

Quarterly data reported by the International Monetary Fund and the Central Bank of China indicate that the real values of the Korean won and Taiwanese dollar depreciated by approximately 20.0 and 7.0 percent, respectively, relative to the U.S. dollar during 1997, the year in which the Asian financial crisis began. The Korean won fell an additional 16.0 percent in the first quarter of 1998, then began its current strengthening trend. In contrast, the Taiwanese dollar has experienced much less volatility, depreciating an additional 9.0 percent through the first 9 months of 1998, then remaining fairly constant through the first quarter of 2000. Similar, albeit somewhat more extreme, nominal exchange rate trends occurred during the period January 1997 through March 2000 (figures V-1 and V-2).

PRICING PRACTICES

Pricing Methods

Available information indicates that U.S.-produced WSS pipes and pressure tubes are generally sold in the U.S. market using set price lists. In contrast, imported welded A-312 pipe sales are generally made on a transaction-by-transaction basis, with prices quoted based on current market conditions. The vast majority of U.S. producers' and importers' sales are on a spot basis. However, four U.S. producers and two importers reported that some or all of their sales were on a contract basis during the period for which data were requested.[1]

Discounts and Sales Terms

The vast majority of U.S. producers of WSS pipes and pressure tubes reported the existence of some type of volume-based discount policy. In contrast, responding importers did not report having fixed discount policies; however, several stated that price discounting may occur during negotiations with individual customers. U.S. producers and importers reported similar information regarding payment terms, with virtually all responding firms reporting that payment is required within 30 days. U.S. producers, importers, and purchasers provided mixed responses with regard to how prices are quoted, however the majority of responding firms reported that the U.S.-produced and imported products' prices are quoted on an f.o.b. mill or f.o.b. port of entry basis, respectively.[2]

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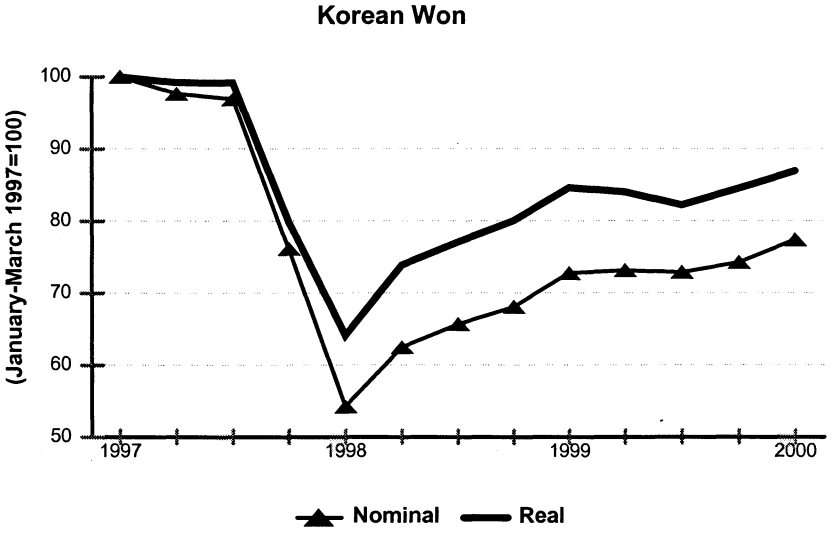
[1] For the four U.S. producers, contractual sales as a percent of total WSS pipe and pressure tube sales accounted for *** percent. For the two importers, ***, contractual sales were reported to account for *** percent of total welded A-312 pipe sales.

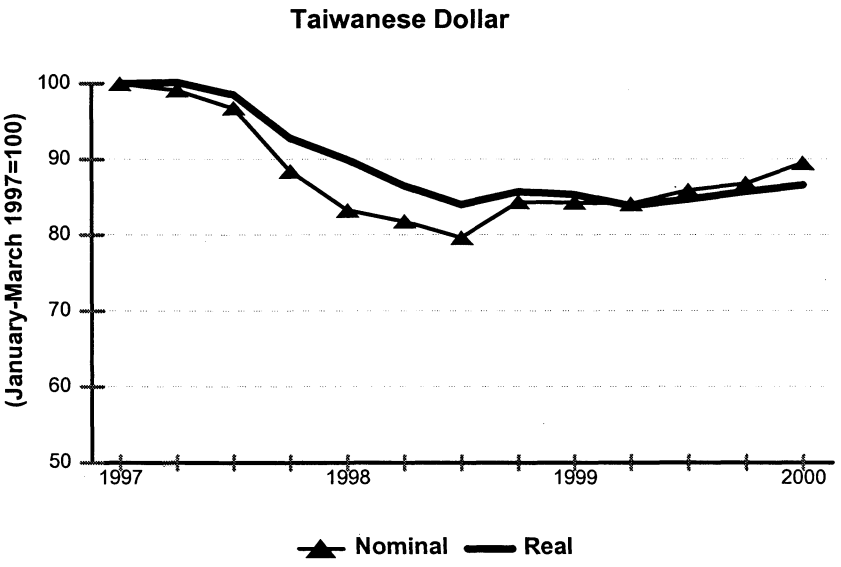
[2] U.S. WSS pipe and pressure tube producers pass along nickel surcharges incurred from raw material suppliers to their customers, while Korean and Taiwanese producers include raw material costs in their net price (David Fox, Vice President Commercial, Damascus Division, Marcegaglia USA, August 1, 2000, hearing transcript, pp. 24-25, and U.S. producers' posthearing brief, August 10, 2000, pp. 10-11).

Figure V-1
Exchange rates: Indices of the nominal and real values of the Korean won relative to the U.S. dollar, by quarters, January 1997-March 2000



Source: International Monetary Fund, *International Financial Statistics*, June 2000.

Figure V-2
Exchange rates: Indices of the nominal and real values of the Taiwanese dollar relative to the U.S. dollar, by quarters, January 1997-March 2000



Source: Central Bank of China, International Monetary Fund Financial Statistics, *http://www.cbc.gov.tw*, May 2000.

PRICE DATA

The Commission requested U.S. producers and importers of welded A-312 pipes to provide quarterly data for the total quantity and value of certain welded A-312 pipes that were shipped to unrelated distributors in the U.S. market. The Commission also requested purchasers of welded A-312 pipes to provide similar data regarding their purchases in the U.S. market. Data were requested for the period January 1997 to March 2000. The products for which pricing data were requested are as follows:

Product 1. **– ASTM A-312, welded, grade AISI 304/304L pipes, 1-inch schedule 40**

Product 2. **– ASTM A-312, welded, grade AISI 304/304L pipes, 2-inch schedule 40**

Product 3. **– ASTM A-312, welded, grade AISI 304/304L pipes, 2-inch schedule 10**

Product 4. **– ASTM A-312, welded, grade AISI 316/316L pipes, 2-inch schedule 40**

Nine U.S. producers, 2 importers, and 11 purchasers provided usable pricing data for sales of the requested products, although not all firms reported pricing data for all products for all quarters. Pricing data reported by U.S. producers and importers accounted for 4.9 percent of the 1999 value of U.S. producers' commercial shipments of WSS pipes and pressure tubes, as well as 7.8 percent of the 1999 value of imports of WSS pipes and pressure tubes from Korea.

Price Comparisons

U.S. Producers' and Importers' Data

Data on f.o.b. selling prices and quantities of products 1 through 4 sold by U.S. producers and importers of subject Korean and Taiwanese pipes are shown in tables V-1 through V-4 and figures V-3 through V-6, respectively.

Both domestic and Korean producers believe that the underselling shown in the staff report is most likely overstated due in part to imported welded A-312 pipes from Korea and Taiwan generally being sold to master distributors, which then resell the products to traditional distributors, while U.S.-produced welded A-312 pipes are generally sold directly to traditional distributors. Thus, subject imports generally go through an additional level of trade.[3]

Product 1

As shown in table V-1 and figure V-3, price comparisons for product 1 between the United States and Korea were possible in a total of 13 quarters. In all quarters, the Korean product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of

[3] See hearing transcript, August 1, 2000, pp. 110-111 and 162-164. In supplemental information submitted to the Commission on August 8, 2000, *** stated that *** percent of its 1999 sales of subject imports from Korea went to master distributors, while *** stated that *** percent of its 1999 sales of subject imports from Korea went to master distributors, *** percent went to traditional distributors, and *** percent went to end users. According to ***, it sells the subject products to master distributors for approximately *** what it charges traditional distributors. Korean producers also cited perceived quality differences as a significant factor behind the margins of underselling shown in the staff report (posthearing brief of SeAH Steel Corp. and Hyundai Pipe Co., August 10, 2000, pp. 4-5).

Table V-1
Product 1: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States			Korea				Taiwan			
	Price	Quantity	Firms	Price	Quantity	Margin	Firms	Price	Quantity	Margin	Firms
	Per foot	*1,000 feet*	*Number*	*Per foot*	*1,000 feet*	*Percent*	*Number*	*Per foot*	*1,000 feet*	*Percent*	*Number*
1997:											
January-March	$2.35	241	6	$***	***	***	1	--	--	--	--
April-June	2.35	264	6	***	***	***	1	--	--	--	--
July-September	2.27	205	6	***	***	***	1	--	--	--	--
October-December	2.17	176	6	***	***	***	1	--	--	--	--
1998:											
January-March	2.12	215	5	***	***	***	1	--	--	--	--
April-June	1.93	223	4	***	***	***	2	--	--	--	--
July-September	1.81	266	4	***	***	***	1	--	--	--	--
October-December	1.73	278	4	***	***	***	2	--	--	--	--
1999:											
January-March	1.72	221	4	***	***	***	1	--	--	--	--
April-June	1.71	190	5	***	***	***	1	--	--	--	--
July-September	1.69	186	5	***	***	***	1	--	--	--	--
October-December	1.83	305	5	***	***	***	1	--	--	--	--
2000:											
January-March	2.05	166	5	***	***	***	1	--	--	--	--

Product 1 – ASTM A-312, welded, grade AISI 304/304L pipes, 1-inch schedule 40.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-2
Product 2: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States			Korea				Taiwan			
	Price	Quantity	Firms	Price	Quantity	Margin	Firms	Price	Quantity	Margin	Firms
	Per foot	*1,000 feet*	*Number*	*Per foot*	*1,000 feet*	*Percent*	*Number*	*Per foot*	*1,000 feet*	*Percent*	*Number*
1997:											
January-March	$4.43	264	5	$***	***	***	1	--	--	--	--
April-June	4.39	276	5	***	***	***	1	--	--	--	--
July-September	4.30	240	5	***	***	***	1	--	--	--	--
October-December	4.13	215	5	***	***	***	1	--	--	--	--
1998:											
January-March	4.09	198	6	***	***	***	1	--	--	--	--
April-June	3.64	235	6	***	***	***	2	--	--	--	--
July-September	3.45	215	6	***	***	***	1	--	--	--	--
October-December	3.32	224	6	***	***	***	2	--	--	--	--
1999:											
January-March	3.29	286	6	***	***	***	1	--	--	--	--
April-June	3.21	252	7	***	***	***	1	--	--	--	--
July-September	3.07	285	7	***	***	***	1	--	--	--	--
October-December	3.44	356	7	***	***	***	1	--	--	--	--
2000:											
January-March	4.02	274	7	***	***	***	1	--	--	--	--

Product 2 – ASTM A-312, welded, grade AISI 304/304L pipes, 2-inch schedule 40.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-3
Product 3: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States			Korea				Taiwan			
	Price	Quantity	Firms	Price	Quantity	Margin	Firms	Price	Quantity	Margin	Firms
	Per foot	*1,000 feet*	*Number*	*Per foot*	*1,000 feet*	*Percent*	*Number*	*Per foot*	*1,000 feet*	*Percent*	*Number*
1997:											
January-March	$3.34	267	6	$***	***	***	1	--	--	--	--
April-June	3.39	227	6	***	***	***	1	--	--	--	--
July-September	3.18	279	6	***	***	***	1	--	--	--	--
October-December	3.09	253	5	***	***	***	1	--	--	--	--
1998:											
January-March	2.93	240	6	***	***	***	1	--	--	--	--
April-June	2.69	224	5	***	***	***	2	--	--	--	--
July-September	2.56	223	5	***	***	***	1	--	--	--	--
October-December	2.48	272	5	***	***	***	2	--	--	--	--
1999:											
January-March	2.47	265	6	***	***	***	1	--	--	--	--
April-June	2.46	221	7	***	***	***	1	--	--	--	--
July-September	2.46	258	7	***	***	***	1	--	--	--	--
October-December	2.72	311	7	***	***	***	1	--	--	--	--
2000:											
January-March	2.96	339	7	***	***	***	1	--	--	--	--

Product 3 – ASTM A-312, welded, grade AISI 304/304L pipes, 2-inch schedule 10.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-4
Product 4: Weighted-average f.o.b. prices and quantities as reported by U.S. producers and importers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States			Korea				Taiwan			
	Price	Quantity	Firms	Price	Quantity	Margin	Firms	Price	Quantity	Margin	Firms
	Per foot	*1,000 feet*	*Number*	*Per foot*	*1,000 feet*	*Percent*	*Number*	*Per foot*	*1,000 feet*	*Percent*	*Number*
1997:											
January-March	$6.14	120	4	$***	***	***	1	--	--	--	--
April-June	6.01	169	4	***	***	***	1	--	--	--	--
July-September	5.91	107	4	***	***	***	1	--	--	--	--
October-December	5.65	105	4	***	***	***	1	--	--	--	--
1998:											
January-March	5.49	124	5	***	***	***	1	--	--	--	--
April-June	5.04	118	5	***	***	***	2	--	--	--	--
July-September	4.65	136	5	***	***	***	1	--	--	--	--
October-December	4.53	110	6	***	***	***	2	--	--	--	--
1999:											
January-March	4.48	143	6	***	***	***	1	--	--	--	--
April-June	4.37	127	5	***	***	***	1	--	--	--	--
July-September	4.42	146	7	***	***	***	1	--	--	--	--
October-December	4.93	201	7	***	***	***	1	--	--	--	--
2000:											
January-March	5.42	173	7	***	***	***	1	--	--	--	--

Product 4 – ASTM A-312, welded, grade AISI 316/316L pipes, 2-inch schedule 40.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-3
Weighted-average f.o.b. prices for product 1 as reported by U.S. producers and importers, by quarters, January 1997-March 2000

* * * * * * *

Figure V-4
Weighted-average f.o.b. prices for product 2 as reported by U.S. producers and importers, by quarters, January 1997-March 2000

* * * * * * *

Figure V-5
Weighted-average f.o.b. prices for product 3 as reported by U.S. producers and importers, by quarters, January 1997-March 2000

* * * * * * *

Figure V-6
Weighted-average f.o.b. prices for product 4 as reported by U.S. producers and importers, by quarters, January 1997-March 2000

* * * * * * *

underselling for product 1 between the United States and Korea was 14.6 percent. Price comparisons for product 1 between the United States and Taiwan were not possible.

Product 2

As shown in table V-2 and figure V-4, price comparisons for product 2 between the United States and Korea were possible in a total of 13 quarters. In all quarters, the Korean product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 2 between the United States and Korea was 10.6 percent. Price comparisons for product 2 between the United States and Taiwan were not possible.

Product 3

As shown in table V-3 and figure V-5, price comparisons for product 3 between the United States and Korea were possible in a total of 13 quarters. In 2 quarters, the Korean product was priced above the U.S. product, with margins of *** and *** percent. In the other 11 quarters, the Korean product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 3 between the United States and Korea in those 11 quarters was 11.5 percent. Price comparisons for product 3 between the United States and Taiwan were not possible.

Product 4

As shown in table V-4 and figure V-6, price comparisons for product 4 between the United States and Korea were possible in a total of 13 quarters. In all quarters, the Korean product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of

underselling for product 4 between the United States and Korea was 13.8 percent. Price comparisons for product 4 between the United States and Taiwan were not possible.

Purchasers' Data

Data on f.o.b. prices paid and quantities bought by purchasers of domestic and subject Korean and Taiwanese products 1 through 4 are shown in tables V-5 through V-8 and figures V-7 through V-10, respectively. Four of the reporting purchasers – ***, ***, ***, and *** – have been identified as master distributors.[4] Purchase price data excluding these four master distributors are shown in appendix F.

Product 1

As shown in table V-5 and figure V-7, comparisons between U.S. and Korean purchase prices for product 1 were possible in a total of 10 quarters. In 3 of these instances, the Korean product was priced above the U.S. product, with margins ranging from *** to *** percent. In the other 7 quarters, the Korean product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 1 between U.S. and Korean purchase prices in those 7 quarters was 11.7 percent.

Comparisons between U.S. and Taiwanese purchase prices (excluding Ta Chen) for product 1 were possible in a total of 4 quarters. In 1 of these instances, the Taiwanese product was priced above the U.S. product, with a margin of *** percent. In the other 3 quarters, the Taiwanese product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 1 between U.S. and Taiwanese purchase prices in those 3 quarters was 4.2 percent.[5]

Product 2

As shown in table V-6 and figure V-8, comparisons between U.S. and Korean purchase prices for product 2 were possible in a total of 11 quarters. In 3 of these instances, the Korean product was priced above the U.S. product, with margins ranging from *** to *** percent. In the other 8 quarters, the Korean product was priced equal to or below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 2 between U.S. and Korean purchase prices in those 8 quarters was 13.1 percent.

Comparisons between U.S. and Taiwanese purchase prices (excluding Ta Chen) for product 2 were possible in a total of 6 quarters. In 1 of these instances, the Taiwanese product was priced above the U.S. product, with a margin of *** percent. In the other 5 quarters, the Taiwanese product was

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[4] *** was identified as a master distributor in supplemental information submitted to the Commission by SeAH Steel Corp. and Hyundai Pipe Co. on August 8, 2000. However, *** considers itself to be a traditional distributor (staff interview with *** of ***, August 7, 2000). *** was identified as a traditional distributor in the same supplemental information. However, *** considers itself to be a master distributor (staff interview with *** of ***, August 7, 2000).

[5] With the inclusion of purchases from Ta Chen, comparisons between U.S. and Taiwanese purchase prices for product 1 were possible in a total of 11 quarters. In 3 of these instances, the Taiwanese product was priced above the U.S. product, with margins ranging from *** to *** percent. In the other 8 quarters, the Taiwanese product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 1 between U.S. and Taiwanese purchase prices (including Ta Chen) in those 8 quarters was 7.9 percent.

Table V-5
Product 1: Weighted-average f.o.b. purchase prices and quantities as reported by U.S. purchasers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Taiwan (including Ta Chen)			Taiwan (excluding Ta Chen)		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per foot	*1,000 feet*	*Per foot*	*1,000 feet*	*Percent*	*Per foot*	*1,000 feet*	*Percent*	*Per foot*	*1,000 feet*	*Percent*
1997:											
January-March	$2.11	12	$***	***	***	$***	***	***	--	--	--
April-June	2.26	31	--	--	--	***	***	***	--	--	--
July-September	2.23	27	***	***	***	***	***	***	$***	***	***
October-December	***	***	1.97	23	***	***	***	***	***	***	***
1998:											
January-March	1.96	29	***	***	***	1.93	17	1.2	***	***	***
April-June	1.75	16	***	***	***	1.91	25	(9.1)	***	***	***
July-September	1.74	22	***	***	***	–	--	--	--	--	--
October-December	1.71	16	***	***	***	–	--	--	--	--	--
1999:											
January-March	1.79	17	--	--	--	1.51	17	15.4	--	--	--
April-June	1.72	24	***	***	***	1.52	7	11.4	--	--	--
July-September	1.81	27	***	***	***	1.54	10	14.7	--	--	--
October-December	1.98	62	--	--	--	1.68	13	15.4	--	--	--
2000:											
January-March	2.04	43	***	***	***	2.09	8	(2.1)	--	--	--

Product 1 – ASTM A-312, welded, grade AISI 304/304L pipes, 1-inch schedule 40.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-6
Product 2: Weighted-average f.o.b. purchase prices and quantities as reported by U.S. purchasers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Taiwan (including Ta Chen)			Taiwan (excluding Ta Chen)		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per foot	1,000 feet	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent
1997:											
January-March	$4.10	18	--	--	--	$***	***	***	--	--	--
April-June	4.11	25	--	--	--	***	***	***	--	--	--
July-September	4.13	18	$***	***	***	***	***	***	--	--	--
October-December	***	***	***	***	***	***	***	***	$***	***	***
1998:											
January-March	3.68	17	***	***	***	3.54	20	3.6	***	***	***
April-June	3.60	15	***	***	***	3.65	14	(1.6)	***	***	***
July-September	3.45	15	***	***	***	--	--	--	--	--	--
October-December	3.45	11	***	***	***	***	***	***	--	--	--
1999:											
January-March	3.41	21	***	***	***	3.13	18	8.3	***	***	***
April-June	3.29	26	***	***	***	3.19	7	3.1	--	--	--
July-September	3.31	25	***	***	***	3.14	16	5.1	***	***	***
October-December	3.63	65	***	***	***	3.29	13	9.2	--	--	--
2000:											
January-March	4.17	59	***	***	***	3.60	10	13.5	***	***	***

Product 2 – ASTM A-312, welded, grade AISI 304/304L pipes, 2-inch schedule 40.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-7
Product 3: Weighted-average f.o.b. purchase prices and quantities as reported by U.S. purchasers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Taiwan (including Ta Chen)			Taiwan (excluding Ta Chen)		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per foot	1,000 feet	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent
1997:											
January-March	$2.96	1	--	--	--	$***	***	***	--	--	--
April-June	3.14	6	--	--	--	***	***	***	--	--	--
July-September	3.22	5	$***	***	***	***	***	***	--	--	--
October-December	***	***	2.92	11	0.1	***	***	***	$***	***	***
1998:											
January-March	2.63	16	***	***	***	***	***	***	***	***	***
April-June	2.47	13	--	--	--	2.75	5	(11.3)	***	***	***
July-September	2.45	15	***	***	***	--	--	--	--	--	--
October-December	2.43	13	***	***	***	--	--	--	--	--	--
1999:											
January-March	2.55	10	--	--	--	2.23	5	12.4	***	***	***
April-June	2.44	25	***	***	***	***	***	***	--	--	--
July-September	2.56	39	--	--	--	2.48	15	3.2	***	***	***
October-December	2.72	59	***	***	***	2.50	8	8.0	--	--	--
2000:											
January-March	3.22	40	***	***	***	2.97	14	7.9	***	***	***

Product 3 – ASTM A-312, welded, grade AISI 304/304L pipes, 2-inch schedule 10.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-8
Product 4: Weighted-average f.o.b. purchase prices and quantities as reported by U.S. purchasers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Taiwan (including Ta Chen)			Taiwan (excluding Ta Chen)		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per foot	1,000 feet	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent
1997:											
January-March	$***	***	$***	***	***	--	--	--	--	--	--
April-June	***	***	--	--	--	$***	***	***	--	--	--
July-September	***	***	***	***	***	--	--	--	--	--	--
October-December	***	***	5.16	5	***	***	***	***	$***	***	***
1998:											
January-March	5.06	7	***	***	***	4.76	6	5.9	***	***	***
April-June	4.96	7	***	***	***	5.07	3	(2.3)	--	--	--
July-September	***	***	***	***	***	--	--	--	--	--	--
October-December	4.93	5	***	***	***	--	--	--	--	--	--
1999:											
January-March	4.63	6	***	***	***	4.09	3	11.7	***	***	***
April-June	4.46	21	***	***	***	4.29	3	4.0	***	***	***
July-September	4.69	26	***	***	***	4.34	5	7.3	***	***	***
October-December	4.99	20	***	***	***	5.24	4	(4.9)	--	--	--
2000:											
January-March	5.52	25	***	***	***	5.69	3	(3.2)	--	--	--

Product 4 – ASTM A-312, welded, grade AISI 316/316L pipes, 2-inch schedule 40.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-7
Weighted-average f.o.b. purchase prices for product 1 as reported by U.S. purchasers, by quarters, January 1997-March 2000

* * * * * * *

Figure V-8
Weighted-average f.o.b. purchase prices for product 2 as reported by U.S. purchasers, by quarters, January 1997-March 2000

* * * * * * *

Figure V-9
Weighted-average f.o.b. purchase prices for product 3 as reported by U.S. purchasers, by quarters, January 1997-March 2000

* * * * * * *

Figure V-10
Weighted-average f.o.b. purchase prices for product 4 as reported by U.S. purchasers, by quarters, January 1997-March 2000

* * * * * * *

priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 2 between U.S. and Taiwanese purchase prices in those 5 quarters was 14.7 percent.[6]

Product 3

As shown in table V-7 and figure V-9, comparisons between U.S. and Korean purchase prices for product 3 were possible in a total of 8 quarters. In 3 of these instances, the Korean product was priced above the U.S. product, with margins ranging from *** to *** percent. In the other 5 quarters, the Korean product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 3 between U.S. and Korean purchase prices in those 5 quarters was 14.5 percent.

Comparisons between U.S. and Taiwanese purchase prices for product 3 (excluding Ta Chen) were possible in a total of 6 quarters. In 1 of these instances, the Taiwanese product was priced above the U.S. product, with a margin of *** percent. In the other 5 quarters, the Taiwanese product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of

[6] With the inclusion of purchases from Ta Chen, comparisons between U.S. and Taiwanese purchase prices for product 2 were possible in a total of 12 quarters. In 6 of these instances, the Taiwanese product was priced above the U.S. product, with margins ranging from *** to *** percent. In the other 6 quarters, the Taiwanese product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 2 between U.S. and Taiwanese purchase prices (including Ta Chen) in those 6 quarters was 7.1 percent.

underselling for product 3 between U.S. and Taiwanese purchase prices in those 5 quarters was 14.1 percent.[7]

Product 4

As shown in table V-8 and figure V-10, comparisons between U.S. and Korean purchase prices for product 4 were possible in a total of 12 quarters. In 1 of these instances, the Korean product was priced above the U.S. product, with a margin of *** percent. In the other 11 quarters, the Korean product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 4 between U.S. and Korean purchase prices in those 11 quarters was 15.5 percent.

Comparisons between U.S. and Taiwanese purchase prices (excluding Ta Chen) for product 4 were possible in a total of 5 quarters. In all instances, the Taiwanese product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 4 between U.S. and Taiwanese purchase prices was 12.2 percent.[8]

[7] With the inclusion of purchases from Ta Chen, comparisons between U.S. and Taiwanese purchase prices for product 3 were possible in a total of 11 quarters. In 3 of these instances, the Taiwanese product was priced above the U.S. product, with margins ranging from *** to *** percent. In the other 8 quarters, the Taiwanese product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 3 between U.S. and Taiwanese purchase prices (including Ta Chen) in those 8 quarters was 6.2 percent.

[8] With the inclusion of purchases from Ta Chen, comparisons between U.S. and Taiwanese purchase prices for product 4 were possible in a total of 9 quarters. In 3 of these instances, the Taiwanese product was priced above the U.S. product, with margins ranging from 2.3 to 4.9 percent. In the other 6 quarters, the Taiwanese product was priced below the U.S. product, with margins ranging from *** to *** percent. The average margin of underselling for product 4 between U.S. and Taiwanese purchase prices (including Ta Chen) in those 6 quarters was 8.3 percent.

APPENDIX A

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–540, 354, and 541 (Review)]

Certain Stainless Steel Pipe From Korea, Sweden, and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the antidumping duty orders on certain stainless steel pipe from Korea, Sweden, and Taiwan.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on certain stainless steel pipe from Korea, Sweden, and Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; [1] to be assured of consideration, the deadline for responses is August 20, 1999. Comments on the adequacy of responses may be filed with the Commission by September 13, 1999.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at http://www.usitc.gov/rules.htm.

EFFECTIVE DATE: July 1, 1999.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193) or Vera Libeau (202–205–3176), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION:

Background

On December 3, 1987, the Department of Commerce issued an antidumping duty order on imports of seamless stainless steel hollow products from Sweden (52 FR 45985). The Department of Commerce amended the order on November 5, 1992 to include welded stainless steel hollow products from Sweden (57 FR 52761). The Department subsequently revoked the order as to the seamless products on August 16, 1995, the order thus remaining in effect only as to the welded products (60 FR 42529). On December 30, 1992, the Department of Commerce issued antidumping duty orders on imports of welded ASTM A–312 stainless steel pipe from Korea (57 FR 62301) and Taiwan (57 FR 62300). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions

The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Korea, Sweden, and Taiwan.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In the original and remand determinations concerning Sweden, the Commission found two Domestic Like Products: (1) Welded pipe and tube, excluding articles containing between 10.1 and 11.5 percent chromium (primarily grade 409 pipe and tube), and (2) seamless pipe and tube, including redraw hollows and finished seamless pipe and tube. One Commissioner defined the welded pipe and tube Domestic Like Product differently. Because the antidumping order was subsequently revoked as to seamless pipe and tube, the seamless pipe and tube Domestic Like Product, as defined above, is no longer like, or most similar in characteristics with, the merchandise from Sweden that remains subject to the order. Accordingly, for purposes of responding to this notice, persons should consider welded pipe and tube, excluding articles containing between 10.1 and 11.5 percent chromium by weight (primarily grade 409 pipe and tube), to be the sole Domestic Like Product corresponding to the subject merchandise from Sweden.

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 99–5–021. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW, Washington, DC 20436.

In its original determinations concerning Korea and Taiwan, the Commission found one Domestic Like Product: welded stainless steel pipes and pressure tubes, excluding grade 409 tubes and mechanical tubes (also known as ornamental tubes). For purposes of this notice, you should report information separately on each of the two foregoing welded pipe and tube Domestic Like Products.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In the original and remand determinations concerning Sweden, the Commission found two Domestic Industries corresponding to the two Domestic Like Products. The first is the welded pipe and tube industry, which consists of integrated companies that melt stainless steel, produce the required basic shapes (sheet, strip, and plate), and then make the pipe and tube; and non-integrated companies that purchase the basic shapes and make the pipe and tube. The second is the seamless pipe and tube industry, which consists of integrated companies that melt the steel, produce the basic shapes, and then make the pipe and tube; and redrawers. Because the antidumping order was subsequently revoked as to seamless pipe and tube, the Domestic Industry corresponding to the Domestic Like Product is now the welded pipe and tube industry, as defined above. The Commission excluded one domestic producer, Sandvik, from the Domestic Industry under the related parties provision. In its original determinations concerning Korea and Taiwan, the Commission found one Domestic Industry: producers of welded stainless steel pipes and pressure tubes, excluding grade 409 tubes and mechanical tubes (also known as ornamental tubes). For purposes of this notice, you should report information separately on each of the two foregoing welded pipe and tube Domestic Industries.

(5) The *Order Dates* are the dates that the antidumping duty order under review became effective. In the review concerning Sweden, the Order Date is December 3, 1987. In the reviews concerning Korea and Taiwan, the Order Date is December 30, 1992.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the Reviews and Public Service List

Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and APO Service List

Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification

Pursuant to § 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written Submissions

Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is August 20, 1999. Pursuant to § 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is September 13, 1999. All written submissions must conform with the provisions of §§ 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of §§ 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means. Also, in accordance with §§ 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability To Provide Requested Information

Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information To Be Provided in Response to This Notice of Institution

Please provide the requested information separately for each Domestic Like Product, as defined above, and for each of the products identified by Commerce as Subject Merchandise. If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent

Subject Country. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product to which your response pertains, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on each Domestic Industry for which you are filing a response in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of each Domestic Like Product for which you are filing a response. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in Sweden that currently export or have exported Subject Merchandise to the United States or other countries since 1986. A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in Korea and Taiwan that currently export or have exported Subject Merchandise to the United States or other countries since 1991.

(7) If you are a U.S. producer of a Domestic Like Product, provide the following information separately on your firm's operations on each product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of each Domestic Like Product accounted for by your firm's(s") production; and

(b) The quantity and value of U.S. commercial shipments of each Domestic Like Product produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of each Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm's(s") operations on that product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from the Subject Countries accounted for by your firm's(s') imports; and

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from the Subject Countries; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from the Subject Countries.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm's(s") operations on that product during calendar year 1998 (report quantity data in short tons and value data in thousands of U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in the Subject Countries accounted for by your firm's(s") production; and

(b) The quantity and value of your firm's(s") exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from the Subject Countries accounted for by your firm's(s") exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for each Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries since the Order Dates, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.61 of the Commission's rules.

Issued: June 25, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-16822 Filed 6-30-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–540–541 (Review)]

Certain Stainless Steel Pipe From Korea and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determinations to conduct full five-year reviews concerning the antidumping duty orders on certain stainless steel pipe from Korea and Taiwan.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty orders on certain stainless steel pipe from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B); a schedule for the reviews will be established and announced at a later date.

For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 FR 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at http://www.usitc.gov/rules.htm.

EFFECTIVE DATE: October 1, 1999.

FOR FURTHER INFORMATION CONTACT: Bonnie Noreen (202–205–3167), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION: On October 1, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group responses to its notice of institution (64 FR 35694, July 1, 1999) were adequate with respect to both reviews,[1] and that the respondent interested party group response was adequate with respect to Korea but inadequate with respect to Taiwan. The Commission also found that other circumstances warranted conducting a full review with respect to Taiwan.[2]

A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: October 8, 1999.

By order of the Commission.

Donna R. Koehnke,

Secretary.

[FR Doc. 99–26910 Filed 10–14–99; 8:45 am]

BILLING CODE 7020–02–P

[1] Commissioner Crawford dissenting.

[2] Commissioner Crawford dissenting. Commissioner Crawford also found that no other circumstances warranted conducting a full review with respect to Korea.

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731–TA–540 and 541 (Review)]

Certain Welded Stainless Steel Pipe From Korea and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the antidumping duty orders on certain stainless steel pipe from Korea and Taiwan.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty orders on certain welded stainless steel pipe from Korea and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: March 24, 2000.

FOR FURTHER INFORMATION CONTACT: Woodley Timberlake (202–205–3188), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION:

Background.—On October 1, 1999, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (64 FR 55961, October 15, 1999). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's web site.

Participation in the reviews and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the reviews will be placed in the nonpublic record on July 12, 2000, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on August 1, 2000, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before July 24, 2000. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on July 27, 2000, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is July 21, 2000. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is August 10, 2000; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before August 10, 2000. On August 30, 2000, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before September 1, 2000, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: March 24, 2000.

Donna R. Koehnke,

Secretary.

[FR Doc. 00–8028 Filed 3–30–00; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–810, A–583–815]

Final Results of Expedited Sunset Reviews: Certain Welded Stainless Steel Pipes From the Republic of Korea and Taiwan

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

ACTION: Notice of Final Results of Expedited Sunset Reviews: Certain Welded Stainless Steel Pipes from the Republic of Korea and Taiwan.

SUMMARY: On July 1, 1999, the Department of Commerce ("the Department") initiated sunset reviews of the antidumping duty orders on certain welded stainless steel pipes ("pipes") from the Republic of Korea ("Korea") and Taiwan (64 FR 35588) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate response filed on behalf of a domestic interested party and inadequate response (in these cases, no response) from respondent interested parties in each of these reviews, the

Department decided to conduct expedited reviews. As a result of these reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to the continuation or recurrence of dumping at the levels indicated in the Final Results of Reviews section of this notice.

FOR FURTHER INFORMATION CONTACT: Mark D. Young or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–6397 or (202) 482–1560, respectively.

EFFECTIVE DATE: February 4, 2000.

Statute and Regulations

These reviews were conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for conducting sunset reviews are set forth in Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) ("Sunset Regulations"), and 19 CFR part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3 Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

Scope

The merchandise subject to these reviews are certain welded austenitic stainless steel pipe that meets the standards and specifications set forth by the American Society for Testing and Materials ("ASTM") for the welded form of chromium-nickel pipe designated ASTM A–312. The merchandise covered by the scope of these orders also includes austenitic welded stainless steel pipes made according to the standards of other nations which are comparable to ASTM A–312. Pipes are produced by forming stainless steel flat-rolled products into a tubular configuration and welding along the seam. Pipes are a commodity product generally used as a conduit to transmit liquids or gases. Major applications for pipes include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper process machines. Imports of pipes are currently classifiable under the following Harmonized Tariff Schedule of the United States ("HTSUS") subheadings: 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5065, and 7306.40.5085. Although these subheadings include both pipes and tubes, the scope of this order is limited to welded austenitic stainless steel pipes. Although the HTSUS subheadings are provided for convenience and United States Customs purposes, our written description of the scope of these orders are dispositive.

History of the Orders

Korea

The Department published its final affirmative determination of sales at less than fair value ("LTFV") with respect to imports of pipes from Korea on November 12, 1992 (57 FR 53693). In this determination and subsequent antidumping duty order, the Department published two weighted-average dumping margins and an "all others" rate.[1] These margins were later amended by the Department pursuant to a ruling by the Court of International Trade. [2] The Department has not completed an administrative review of this order since its imposition; [3] however, there has been one changed-circumstance review. [4] The order remains in effect for all Korean manufacturers and exporters of the subject merchandise.

Taiwan

On November 12, 1992, the Department issued its final affirmative determination of sales at LTFV regarding pipes from Taiwan (Final Determination of Sales at Less Than Fair Value: Certain Welded Stainless Steel Pipes from Taiwan, 57 FR 53705 (November 12, 1992). In this determination, the Department published four weighted-average dumping margins and an "all others" rate.[5] These margins were later amended by the Department,[6] pursuant to a ruling by the Court of International Trade.[7] Since the order was issued, the Department has completed four administrative reviews [8] and one changed-circumstances review [9] with respect to pipes from Taiwan. The order remains in effect for all manufacturers and exporters of the subject merchandise from Taiwan, other than Chang Mien.

Background

On July 1, 1999, the Department initiated sunset reviews of the antidumping duty orders on pipes from Korea and Taiwan (64 FR 35588), pursuant to section 751(c) of the Act. We received Notices of Intent To Participate, in each of the two sunset reviews, on behalf of Avesta Sheffield Pipe Co., Damascus Tubular Division of Damascus-Bishop Tube Co., Davis Pipe Inc., and the United Steel Workers of America (AFL–CIO/CLC) (collectively "domestic interested parties"), by July 16, 1999, within the deadline specified in § 351.218(d)(1)(i) of the Sunset Regulations. Pursuant to section 771(9)(C) and (D) of the Act, the domestic interested parties claimed interested-party status as U.S. manufacturers and workers engaged in the production of domestic like products. Moreover, the domestic interested parties stated that they have been involved in all segments of these proceedings since their inception. The Department received complete substantive responses from the domestic

[1] See Antidumping Duty Order and Clarification; Certain Welded Stainless Steel Pipes from the Republic of Korea, 57 FR 62301 (December 30, 1992) (clarifying HTSUS numbers).

[2] *See Avesta Sheffield, Inc.* v. *United States*, 17 CIT 1212, 838 F.Supp. 608 (1993); *see* also *Federal Mogul Corp. and the Torrington Co.* v. *United States*, 17 CIT 1093, 834 F.Supp. 1391 (1993); and Amended Final Determination and Antidumping Duty Order: Certain Welded Stainless Steel Pipe From Korea, 60 FR 10064 (February 23, 1995).

[3] However, on December 28, 1999, the Department issued preliminary results of review in this case. See Certain Welded ASTM A–312 Stainless Steel Pipe from Korea: Preliminary Results of Antidumping Duty Administrative Review, 64 FR 72645 (December 28, 1999).

[4] See Certain Welded Stainless Steel Pipe From Korea; Final Results of Changed-Circumstances Antidumping Duty Administrative Review, 63 FR 16979 (April 7, 1998) (determination that SeAH Steel Corp. ("SeAH") is the corporate successor to Pusan Steel Pipe Co., Ltd. ("Pusan")).

[5] Chang Tieh Industry Co. Ltd. ("Chang Tieh") currently Chang Mien was excluded from the Taiwanese antidumping duty order in light of the zero percent margin it received in the final determination of sales at LTFV. However, it was listed as one of the four respondent companies originally investigated by the Department (57 FR 5370); see also Notice of Amended Final Determination and Antidumping Duty Order; Certain Welded Stainless Steel Pipes from Taiwan, 59 FR 6619 (February 11, 1994) and *Chang Tieh Industry Co.* v. *United States*, 840 F.Supp. 141 (Ct. Int'l Trade 1993) (regarding the Department's error in imposing conditions upon Chang Tieh's exclusion from the antidumping duty order.)

[6] Notice of Amended Final Determination, 59 FR 6619.

[7] See Chang Tieh Industry Co. 840 F.Supp. at 141.

[8] See Welded Stainless Steel Pipes from Taiwan; Final Results of Administrative Review, 64 FR 33243 (June 22, 1999) (the first and second administrative reviews were jointly published); 62 FR 37543 (July 14, 1997); 63 FR 38382 (July 16, 1998).

[9] See Certain Welded Stainless Steel Pipe From Taiwan; Final Results of Changed-Circumstances Antidumping Duty Administrative Review, 63 FR 34147 (June 23, 1998) (determination that Chang Mien Industries Co., Ltd ("Chang Mien") is the corporate successor to Chang Tieh).

interested parties by August 2, 1999, within the 30-day deadline specified in the Sunset Regulations under § 351.218(d)(3)(i). On August 2, 1999, the Department received a waiver of participation, in the sunset review of certain welded stainless steel pipes from Korea, on behalf of Korea Iron & Steel Association ("KOSA"), SeAH Steel Corporation, Ltd. ("SeAH"), and Hyundai Pipe Co., Ltd. ("Hyundai"). We did not receive a substantive response from any respondent interested party to these proceedings. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department determined to conduct expedited, 120-day, reviews of these orders.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). The reviews at issue concern transition orders within the meaning of section 751(c)(6)(C)(ii) of the Act. Therefore, the Department determined that the sunset reviews of the antidumping duty orders on pipes from Korea and Taiwan are extraordinarily complicated and extended the time limit for completion of the final results of these reviews until not later than January 27, 2000, in accordance with section 751(c)(5)(B) of the Act.[10]

Although the deadline for this determination was originally January 27, 2000, due to the Federal Government shutdown on January 25 and 26, 2000, resulting from inclement weather, the time frame for issuing this determination has been extended by one day.

Determination

In accordance with section 751(c)(1) of the Act, the Department conducted these reviews to determine whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making these determinations, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order, and it shall provide to the International Trade Commission ("the Commission") the magnitude of the margins of dumping likely to prevail if the order were revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margins are discussed below. In addition, the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margins are addressed within the respective sections below.

Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103–316, vol. 1 (1994), the House Report, H.R. Rep. No. 103–826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103–412 (1994), the Department issued its Sunset Policy Bulletin providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its Sunset Policy Bulletin, the Department indicated that determinations of likelihood will be made on an order-wide basis (See Sunset Policy Bulletin, 63 FR at 18872). In addition, the Department indicated that normally it will determine that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see id).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of the order would be likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. We received a waiver of participation, in the sunset review of certain stainless steel pipes from Korea, from KOSA, SeAH, and Hyundai on August 2, 1999. The Department did not receive a substantive response from any respondent interested party. Pursuant to § 351.218(d)(2)(iii) of the Sunset Regulations, lack of substantive response from respondent interested parties constitutes a waiver of participation.

In their substantive responses, the domestic interested parties argue that revocation of these antidumping duty orders would likely lead to a continuation or recurrence of dumping by Korean and Taiwanese producers/manufacturers. The domestic interested parties argue that the records in these proceedings demonstrate that respondents reduced their sales to the United States after the issuance of the orders and continued to dump at the same or at higher rates of dumping. Further, they argue that the substantial decline in the volume of imports of pipes from Korea and Taiwan following the issuance of the orders demonstrates the inability of the producers from subject countries to sell in the United States at any significant volume without dumping. They support this argument with statistics showing that, since the imposition of the orders, respondents have generally reduced their shipments to the United States. Therefore, they assert, were the antidumping duty orders revoked, it is likely that Korean and Taiwanese producers would need to dump in order to sell their pipes in any significant quantities in the United States. In conclusion, the domestic interested parties state that whether comparing the level of imports during the calendar year encompassing the period of investigation or the calendar year most immediately preceding the order, the dramatic decrease in import levels underscores the importance of the orders in the domestic market.

Korea

With respect to subject merchandise from Korea, the domestic interested parties maintain that Korean importers need to dump pipes in the U.S. market in order to sell at pre-order volumes. They state that the order's extraordinary impact on imports in the period following the issuance of the order demonstrates the inability of Korean producers to sell pipes in the United States without dumping. The domestic interested parties also note that in 1998 Korean imports of the subject merchandise jumped to 116 percent of 1991 levels after Pusan purchased Sammi Metal Products Co., Ltd. ("Sammi") pipe division out of bankruptcy. Apart from 1998's unusually high level, they argue that imports of the subject merchandise from Korea following the issuance of the order have never been more than 59 percent of their 1991 level.[11]

[10] See Extension of Time Limit for Final Results of Five-Year Reviews, 64 FR 62167 (November 16, 1999).

[11] See August 2, 1999, Substantive Response of the Domestic Interested Parties regarding pipes from Korea at 16.

Taiwan

The domestic interested parties argue that the imposition of the antidumping duty order had a dramatic effect on subject import volumes from Taiwan. In addition, they note that post-order imports from Taiwan have, on average, remained at 57 percent of the 1991 level. Even in 1998, the domestic interested parties add, when consumption of stainless steel products was at an all time high, imports from Taiwan were only 80 percent of 1991 imports. In conclusion they state that a comparison of the pre- and post-order import levels supports a reasonable inference that dumping would continue absent the disciplinary influence of the order.[12]

If companies continue dumping with the discipline of an order in place or imports ceased after the issuance of the order, the Department may reasonably infer that dumping would continue or recur if the discipline were removed (see section II.A.3 of the Sunset Policy Bulletin, the SAA at 890, and the House Report at 63–64). Dumping margins above *de minimis* continue to exist for all producers and exporters of pipes from Korea and Taiwan, other than Chang Mien, which was excluded from the order on Taiwan.

Consistent with section 752(c) of the Act, the Department also considers the volume of imports before and after issuance of the order. As outlined in each respective section above, the domestic interested parties argue that a significant decline in the volume of imports of the subject merchandise from Korea and Taiwan since the imposition of the orders provides further evidence that dumping would continue if the orders were revoked. In their substantive responses, the domestic interested parties provided statistics demonstrating the decline in import volumes of pipes from Korea and Taiwan immediately following the issuance of the orders. The Department agrees with the domestic interested parties' arguments that imports of the subject merchandise fell after the orders were imposed and never regained pre-order volumes.[13]

As noted above, in conducting its sunset reviews, the Department considered the weighted-average dumping margins and volume of imports in determining whether revocation of these antidumping duty orders would lead to the continuation or recurrence of dumping. Based on this analysis, the Department finds that the existence of dumping margins at levels above *de minimis* after the issuance of the orders is highly probative of the likelihood of continuation or recurrence of dumping. A deposit rate above *de minimis* continues in effect for exports of the subject merchandise by all known Korean and Taiwanese manufacturers/exporters of the subject merchandise.[14] Therefore, given that dumping has continued over the life of the orders, import volumes have declined significantly after the imposition of the order,[15] respondent parties have waived participation, and absent argument and evidence to the contrary, the Department determines that dumping is likely to continue or recur if the orders were revoked.

Magnitude of the Margin

In the Sunset Policy Bulletin, the Department stated that normally it will provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. See Sunset Policy Bulletin, 63 FR at 18873. Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty-absorption determinations. See id, 63 FR at 18873–74. To date, the Department has not issued any duty-absorption findings in any of these cases.

In their substantive response, the domestic interested parties recommended that, consistent with the Sunset Policy Bulletin, the Department provide to the Commission the company-specific margins from the original investigation, except that the Department should use the 31.90 percent margin assigned to Ta Chen Stainless Pipe Co., Ltd. ("Ta Chen") in the first two annual administrative reviews, not the 3.27 percent found in the original investigation. Moreover, regarding companies not reviewed in the original investigations, the domestic interested parties suggested that the Department report the "all others" rates included in the original investigations.

In the Sunset Policy Bulletin we indicated that, consistent with the SAA and the House Report, we may determine, in cases where declining (or no) dumping margins are accompanied by steady or increasing imports, that a more recently calculated rate reflects that companies do not have to dump to maintain market share in the United States and, therefore, that dumping is less likely to continue or recur if the order was revoked. Alternatively, if a company chooses to increase dumping in order to increase or maintain market share, the Department may provide the Commission with a more recently calculated margin for that company. The Sunset Policy Bulletin provides that we will entertain such considerations in response to argument from an interested party. Further, we noted that, in determining whether a more recently calculated margin is probative of an exporter's behavior absent the discipline of an order, the Department normally will consider the company's relative market share, with such information to be provided by the parties. It is clear, therefore, that in determining whether a more recently calculated margin is probative of the behavior of exporters were the order revoked, the Department considers company-specific exports and company-specific margins. Additionally, although we expressed a clear preference for market-share information, in past sunset reviews, where market-share information was not available, we relied on changes in import volumes between the periods before and after the issuance of the order. See, *e.g.*, Final Results of Expedited Sunset Review: Stainless Steel Plate from Sweden, 63 FR 67658 (December 8, 1998), and Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China, 64 FR 30310 (June 7, 1999).

In sunset reviews, although we make likelihood determinations on an order-wide basis, we report company-specific margins to the Commission. Therefore, it is appropriate that our determinations regarding the magnitude of the margin likely to prevail be based on company-specific information. Generic arguments that margins decreased over the life of the order while, at the same time, exporters' share of the U.S. market remained constant do not address the question of whether any particular company decreased its margin of dumping while at the same time maintaining or increasing market share. In fact, such generic argument may disguise company-specific behavior

[12] See August 2, 1999, Substantive Response of the Domestic Interested Parties regarding pipes from Taiwan at 15.

[13] With the exception of Korean imports of the subject merchandise in 1998, which increased to 116 percent of 1991 pre-order level as noted above.

[14] With the exception of Chang Tieh, now Chang Mien, which was excluded from the Taiwanese order.

[15] Based on import data from the U.S. Department of Commerce, the U.S. Treasury, the International Trade Commission, and the domestic interested parties.

demonstrating increased dumping coupled with increased market share.

Our review of import statistics, provided by the domestic interested parties, covering pipes from Korea and Taiwan demonstrated that the margins calculated in the original investigations are probative of the behavior of Korean and Taiwanese manufacturers/exporters if the orders were revoked as they are the only margins which reflect their actions absent the discipline of the order. However, with respect to Ta Chen, the Department disagrees with the domestic interested parties. Absent evidence that Ta Chen chose to increase dumping in order to maintain or increase market share, the margin calculated in the original investigation is the margin the Department will provide to the Commission.[16]

Therefore, the Department will report to the Commission the company-specific and all others rates from the original investigations as contained in the Final Results of Reviews section of this notice.

Final Results of Reviews

As a result of these reviews, the Department finds that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the margins listed below:

KOREA

Manufacturer/exporter	Margin (percent)
Pusan Steel Pipe Co., Ltd (now SeAH Steel Corp.)[1]	2.67
All manufacturers/producers/exporters	7.00

[1] SeAH is the corporate successor to Pusan, and Pusan had acquired certain of Sammi's production assets. See Certain Welded Stainless Steel Pipe from Korea; Final Results of Changed-Circumstances Antidumping Duty Administrative Review, 63 FR 16979 (April 7, 1998).

TAIWAN

Manufacturer/exporter	Margin (percent)
Chang Tieh Industry Co., Ltd (now Chang Mien)[1].	excluded.
Jaung Yuann Enterprise Co., Ltd..	31.91.
Ta Chen Stainless Pipe Co., Ltd.	3.27.
Yeun Chyang Industrial Co., Ltd.	31.90.
All Others	19.84.

[1] For the purposes of antidumping duty law the Department concluded that Chang Mein is the successor firm to Chang Tieh, and, as such is excluded from the order. See Certain Welded Stainless Steel Pipe From Taiwan; Final Results of Changed-Circumstances Antidumping Duty Administrative Review, 63 FR 34147 (June 23, 1998).

This notice serves as the only reminder to 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 of the Department's regulations. Timely notification of return/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 five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: January 28, 2000.

Holly A. Kuga,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00-2585 Filed 2-3-00; 8:45 am]

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[16] The Department recently made a preliminary determination to revoke the order, with respect to Ta Chen, based on *de minimis* margins in the last three reviews. See Certain Welded Stainless Steel Pipe from Taiwan Certain Welded: Preliminary Results of Antidumping Administrative Review, 64 FR 71728 (December 22, 1999). However, given that Ta Chen waived participation in this sunset proceeding and did not provide any information indicating that a more recently calculated margin would be more appropriate, the Department determined that, consistent with the Sunset Policy Bulletin, the margin calculated in the original investigation is most likely to prevail if the order were revoked.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–815]

Certain Welded Stainless Steel Pipe From Taiwan: Final Results of Antidumping Duty Administrative Review and Determination To Revoke Order In Part

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

ACTION: Notice of final results in the antidumping duty administrative review of certain welded stainless steel pipe from Taiwan and determination to revoke order in part.

SUMMARY: On December 22, 1999, the Department of Commerce ("Department") published the preliminary results of the administrative review of the antidumping duty order on certain welded stainless steel pipe from Taiwan. This review covers one manufacturer/exporter of the subject merchandise. The period of review ("POR") is December 1, 1997 through November 30, 1998.

We gave interested parties an opportunity to comment on the preliminary results. Based upon our verification of the data and analysis of the comments received, we have made changes in the margin calculation. Therefore, the final results differ from the preliminary results of this review. The final weighted-average dumping margin is listed below in the section titled "Final Results of the Review."

EFFECTIVE DATE: June 26, 2000.

FOR FURTHER INFORMATION CONTACT: Juanita H. Chen or Robert A. Bolling, Enforcement Group III, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230, telephone 202–482–0409 (Chen) or 202–482–3434 (Bolling), fax 202–482–1388.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930 ("Act") are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR part 351 (1999).

Background

On December 30, 1992, the Department published the antidumping duty order on certain welded stainless steel pipe from Taiwan. See Certain Welded Stainless Steel Pipe From Taiwan: Amended Final Determination and Antidumping Order, 57 FR 62300 (December 30, 1992). On December 8, 1998, the Department published a notice of opportunity to request administrative review of this order for the period December 1, 1997 through November 30, 1998. See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review, 63 FR 67646 (December 8, 1998). Both Ta Chen Stainless Pipe Co., Ltd. ("Ta Chen"), a Taiwan producer and exporter of subject merchandise, and Petitioners, Avesta Sheffield Pipe Co., Damascus Tube Division, Damascus-Bishop Tube Co., and the United Steelworkers of America, AFL–CIO/CLC (collectively "Petitioners"), timely requested that the Department conduct an administrative review of Ta Chen's sales. Ta Chen also requested revocation of the Department's antidumping duty order on welded stainless steel pipe from Taiwan. On January 25, 1999, in accordance with section 751(a) of the Act, the Department published in the **Federal Register** a notice of initiation of this antidumping duty administrative review for the period December 1, 1997 through November 30, 1998 (64 FR 3682).

On December 22, 1999, the Department published the preliminary results of the administrative review in the **Federal Register**. See Certain Welded Stainless Steel Pipe from Taiwan: Preliminary Results of Antidumping Administrative Review and Intent to Revoke in Part, 64 FR 71728 (December 22, 1999) ("Preliminary Results"). On January 17, 2000 through January 25, 2000, the Department conducted verification of Ta Chen's home market data at Ta Chen's headquarters in Tainan, Taiwan. On April 4, 2000 through April 7, 2000, the Department conducted verification of Ta Chen's U.S. sales data at the Long Beach, California office of Ta Chen's U.S. affiliate, Ta Chen International Corp. ("TCI"). We gave interested parties an opportunity to comment on our Preliminary Results. Ta Chen filed a case brief on May 23, 2000; Petitioners did not file a case brief or a rebuttal brief. No hearing was requested or held. The Department has conducted and completed the administrative review in accordance with section 751 of the Act.

Scope of the Review

The merchandise subject to this administrative review is certain welded austenitic stainless steel pipe ("WSSP") that meets the standards and specifications set forth by the American Society for Testing and Materials ("ASTM") for the welded form of chromium-nickel pipe designated ASTM A–312. The merchandise covered by the scope of the order also includes austenitic welded stainless steel pipes made according to the standards of other nations which are comparable to ASTM A–312.

WSSP is produced by forming stainless steel flat-rolled products into a tubular configuration and welding along the seam. WSSP is a commodity product generally used as a conduit to transmit liquids or gases. Major applications for WSSP include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines, and paper process machines.

Imports of WSSP are currently classifiable under the following Harmonized Tariff Schedule of the United States ("HTSUS") subheadings: 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5062, 7306.40.5064, 7306.40.5085. Although these subheadings include both pipes and tubes, the scope of this review is limited to welded austenitic stainless steel pipes. Although the HTSUS subheadings are provided for convenience and Customs purposes, our written description of the scope of this order is dispositive.

Analysis of Comments Received

All issues raised in the case brief to this administrative review are addressed

in the June 19, 2000 Issues and Decision Memorandum ("Decision Memo") from Joseph A. Spetrini, Deputy Assistant Secretary, Import Administration, to Troy H. Cribb, Acting Assistant Secretary for Import Administration, which is hereby adopted by this notice. A list of the issues raised and to which we have responded, all of which are in the Decision Memo, and a list of our changes, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file at the U.S. Department of Commerce, in the Central Records Unit, in room B–099. In addition, a complete version of the Decision Memo can be accessed directly on the Web at www.ita.doc.gov/import_admin/records/frn. The paper copy and electronic version of the Decision Memorandum are identical in content.

Use of Facts Available

In accordance with section 776 of the Act, we have determined that the use of facts available is appropriate for certain portions of our analysis of Ta Chen. For a discussion of our determination with respect to this matter, see the Decision Memo.

Sales Below Cost in the Home Market

The Department disregarded home market below-cost sales that failed the cost test in the final results of review.

Request for Revocation

On December 29, 1998, Ta Chen submitted a request, in accordance with 19 CFR 351.222(e), that the Department revoke the antidumping duty order on WSSP from Taiwan with respect to Ta Chen. In accordance with 19 CFR 351.222(e), Ta Chen certified that it sold the subject merchandise at not less than normal value for a three-year period, including this review period, and that it sold the subject merchandise in commercially significant quantities to the U.S. during each of these three years.[1] Ta Chen also stated that it would not sell the subject merchandise at less than normal value to the U.S. in the future, and agreed to the reinstatement of the antidumping order, as long as any exporter or producer is subject to the order, if the Department concludes that Ta Chen sold the subject merchandise at less than normal value.

[1] At the Department's request, on October 19, 1999, Ta Chen submitted volume and value data supporting its statement that it sold subject merchandise in commercially significant quantities for three consecutive years.

In the fourth administrative review period, Ta Chen had a de minimis margin of 0.10 percent. See Certain Welded Stainless Steel Pipe from Taiwan: Final Results of Administrative Review, 63 FR 38382 (July 16, 1998). While no fifth administrative review was conducted, the Department's regulations state at 19 CFR 351.222(d) that the Department "need not have conducted a review of an intervening year." In this sixth administrative review period, Ta Chen had a de minimis margin in the preliminary results. See Preliminary Results, 64 FR at 71734. Because we have determined in the final results for this administrative review that Ta Chen has a de minimis margin (Final Results of the Review, infra), Ta Chen meets the requirement of three consecutive years of zero or de minimis margins on WSSP, and revocation of the order with respect to Ta Chen is granted under 19 CFR 351.222(e).

Changes Since the Preliminary Results

Based on our verification and analysis of the comments received, we have made certain changes in the margin calculation, as discussed in the Decision Memo. In addition, we have made corrections to certain clerical errors in the margin calculation: (1) Errors in currency denomination in the cost of goods sold and the foreign unit price calculations; and (2) an incorrect variable in the selling expense calculation, as discussed in the Analysis Memorandum for Ta Chen (June 9, 2000).

Final Results of the Review

We determine that the following percentage weighted-average margin exists for the period December 1, 1997 through November 30, 1998:

CERTAIN WELDED STAINLESS STEEL PIPE

Producer/manufacturer/exporter	Weighted-average margin (percent)
Ta Chen	0.47

The Department shall determine, and the U.S. Customs Service ("Customs") shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b), we have calculated exporter/importer-specific assessment rates. With respect to the constructed export price sales, we divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct Customs to assess any resulting non-de minimis percentage margins against the entered Customs values for the subject merchandise on each of that importer's entries during the review period.

The Department's revocation decision applies to all entries of subject merchandise produced by Ta Chen and that are also exported by Ta Chen, entered, or withdrawn from warehouse, for consumption on or after December 1, 1998. The Department will order the suspension of liquidation ended for all such entries and will instruct Customs to release any cash deposits or bonds. If applicable, the Department will further instruct Customs to refund with interest any cash deposits on entries made after November 30, 1998.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of this notice of final results of administrative review for all shipments of certain WSSP from Taiwan entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for Ta Chen will be zero percent, except that for imports of subject merchandise that are produced by Ta Chen and also exported by Ta Chen, cash deposits will no longer be required and the suspension of liquidation will cease for entries made on or after December 1, 1998; (2) for previously reviewed or investigated companies other than Ta Chen, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less than fair value ("LTFV") investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 19.84 percent. This rate is the "all others" rate from the LTFV investigations. See Amended Final Determination and Antidumping Duty Order; Certain Welded Stainless Steel Pipe from Taiwan, 57 FR 62300 (December 30, 1992).

These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant

entries during this review period. Failure to comply with this requiremer could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed unde APO in accordance with 19 CFR 351.305 or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordanc with sections 751(a)(1) and 777(i) of th Act.

Dated: June 19, 2000.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

Appendix

Issues in Decision Memo:

Changes Since the Preliminary Results

1. Export Price or Constructed Export Pric Status
2. Packing Expenses—Allocation of Labor

Discussion of the Issues

1. EP/CEP
   a. Calculation and Allocation of U.S. Inventory Carrying Cost (Time on Water
   b. Calculation and Allocation of U.S. Inventory Carrying Cost and Credit Expense (Short-Term Borrowing Cost)
2. Other AD Issues
   a. U.S. Date of Sale
   b. Advertising
   c. Date of Payment

[FR Doc. 00–16103 Filed 6–23–00; 8:45 am]

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EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Stainless Steel Pipe from Korea and Taiwan, Invs. Nos. 731-TA-540-541 (Review)

On October 1, 1999, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).[1]

Regarding domestic interested parties, the Commission received adequate responses from four domestic producers of stainless steel pipe -- Avesta Sheffield Pipe Co.; Damascus Tubular Division of Damascus-Bishop Tube Co.; Davis Pipe, Inc.; and Bristol Metals, L.P. -- as well as from the United Steelworkers of America (AFL/CIO/CLC), a union representing workers engaged in the production of stainless steel pipe.[2] The Commission determined that these companies and workers represent a significant share of production of stainless steel pipe in the United States. Regarding respondent interested parties, the Commission received a response from five Korean producers/exporters of the subject merchandise: Dongshin Metal Co., Ltd. (a producer); Hyundai Pipe Co., Ltd. (a producer and exporter); LG Industrial Systems Co., Ltd. (a producer); SeAH, Ltd. (a producer and exporter); and Sung Won Pipe Co., Ltd. (a producer). The Commission determined that these companies account for a significant share of production and exports from Korea. The Commission did not receive a response from any respondent interested party in the review concerning subject merchandise from Taiwan.

The Commission determined that the domestic interested party group response and respondent interested party group response for the review concerning Korea were adequate and that it should proceed to a full review.[3] Because no respondent interested party responded to the notice of institution, the Commission determined that the respondent interested party group response for the review concerning Taiwan was inadequate. However, the Commission determined to conduct a full review to promote administrative efficiency in light of the Commission's decision to conduct a full review with respect to *Stainless Steel Pipe from Korea*.[4]

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[1]Commissioner Crawford dissented.

[2]Felker Brothers Corp. also responded to the notice of institution. The Commission found that this response was inadequate because it did not provide much of the information requested in the Commission's notice of institution.

[3]Commissioner Crawford dissented. She determined that the domestic interested party group response was inadequate, and therefore voted to conduct an expedited review of this order.

[4]Commissioner Crawford dissented. She voted to conduct an expedited review of this order.

APPENDIX B

CALENDAR OF THE PUBLIC HEARING

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing held in connection with the following investigations:

SUBJECT: Certain Welded Stainless Steel Pipe from Korea and Taiwan

INVS. NOS.: 731-TA-540 and 541 (Review)

DATE AND TIME: August 1, 2000 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 E Street, SW, Washington, DC.

In Support of the Continuation of the Orders:

Schagrin Associates
Washington, D.C.
on behalf of

Avesta Sheffield Pipe Co., Bristol Metals L.P., Marcegaglia, S.p.A., Davis Pipe, Inc., Felker Brothers Corp., and Swepco Tube Corp.

Joseph N. Avento, President, Bristol Metals, L.P.
David Fox, Vice President-Commercial, Damascus Division, Marcegaglia USA
James MacMahon, President, Premiere Pipe and Tube Group, Inc.
Jeffrey Stam, Executive Vice-President, Avesta Sheffield Pipe Co.
Rob Yepsen, Product Manager-Pipe, Damascus Division, Marcegaglia USA

Roger B. Schagrin)
)–OF COUNSEL
Andrew B. Knapp)

In Support of the Revocation of the Orders:

Kaye, Scholer, Fierman, Hays & Handler, LLP
Washington, D.C.
on behalf of

Korea Iron and Steel Association, Hyundai Pipe Co., Ltd., and SeAH Steel Corp.

Laura M. Baughman, Economist, The Trade Partnership

Donald B. Cameron)
)–OF COUNSEL
R. Will Planert)

APPENDIX C

SUMMARY DATA

Table C-1
Welded A-312 pipes: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data					Period changes			
				January-March					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
Korea	***	***	***	***	***	***	***	***	***
Tawian (subject)	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Tawian (Ta Chen)	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Tawian (Chang Mein)	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
Korea	***	***	***	***	***	***	***	***	***
Tawian (subject)	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Tawian (Ta Chen)	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Tawian (Chang Mein)	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from:									
Korea:									
Quantity	2,465	4,740	2,711	1,251	734	10.0	92.3	-42.8	-41.4
Value	5,195	8,368	4,520	1,965	1,432	-13.0	61.1	-46.0	-27.1
Unit value	$2,107	$1,765	$1,667	$1,571	$1,952	-20.9	-16.2	-5.6	24.3
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Taiwan (subject):									
Quantity	990	1,819	2,610	476	719	163.6	83.7	43.5	51.1
Value	2,300	3,507	4,277	802	1,377	86.0	52.5	22.0	71.7
Unit value	$2,323	$1,928	$1,639	$1,685	$1,915	-29.5	-17.0	-15.0	13.7
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Subtotal:									
Quantity	3,455	6,559	5,321	1,727	1,453	54.0	89.8	-18.9	-15.9
Value	7,495	11,875	8,797	2,767	2,809	17.4	58.4	-25.9	1.5
Unit value	$2,169	$1,811	$1,653	$1,602	$1,934	-23.8	-16.5	-8.7	20.7
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Taiwan (Ta Chen):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Taiwan (Chang Mien):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other sources (2):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All sources (2):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
Welded A-312 pipes: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data					Period changes			
				January-March					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. producers':									
Average capacity quantity	91,160	92,900	95,600	23,945	24,445	4.9	1.9	2.9	2.1
Production quantity	69,048	59,627	61,520	14,876	16,610	-10.9	-13.6	3.2	11.7
Capacity utilization (1)	75.5	64.2	64.4	62.1	67.9	-11.1	-11.3	0.2	5.8
U.S. shipments:									
Quantity	61,532	55,274	59,710	14,947	15,863	-3.0	-10.2	8.0	6.1
Value	184,313	147,100	152,828	36,955	45,852	-17.1	-20.2	3.9	24.1
Unit value	$2,995	$2,661	$2,560	$2,472	$2,890	-14.6	-11.2	-3.8	16.9
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	14,861	14,262	11,312	12,788	11,091	-23.9	-4.0	-20.7	-13.3
Inventories/total shipments (1)	22.1	23.9	17.8	20.1	16.5	-4.3	1.8	-6.1	-3.6
Production workers	571	557	541	549	602	-5.3	-2.5	-2.9	9.7
Hours worked (1,000s)	1,283	1,177	1,083	289	325	-15.6	-8.3	-8.0	12.5
Wages paid ($1,000s)	15,383	15,043	14,475	3,850	4,254	-5.9	-2.2	-3.8	10.5
Hourly wages	$11.99	$12.78	$13.37	$13.32	$13.09	11.5	6.6	4.6	-1.7
Productivity (tons/1,000 hours)	53.8	50.7	56.8	51.5	51.1	5.6	-5.9	12.1	-0.7
Unit labor costs	$222.79	$252.29	$235.29	$258.81	$256.11	5.6	13.2	-6.7	-1.0
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Official Commerce statistics minus imports of "other" (non A-312) welded stainless steel pipes and pressure tubes reported in Commission questionnaires.
(3) Undefined.

Note.--Financial data (which exclude *** because the firm was unable to provide separate product-line data) are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from official Commerce statistics and data submitted in response to Commission questionnaires.

Table C-2
Other WSS pipes and pressure tubes: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data					Period changes			
				January-March					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1)	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1)	***	***	***	***	***	***	***	***	***
U.S. imports from all sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	29,850	30,050	34,200	7,825	9,900	14.6	0.7	13.8	26.5
Production quantity	22,147	21,684	22,404	5,321	6,169	1.2	-2.1	3.3	15.9
Capacity utilization (1)	74.2	72.1	64.2	65.8	61.2	-10.0	-2.1	-7.9	-4.5
U.S. shipments:									
Quantity	20,852	20,455	20,152	5,135	5,650	-3.4	-1.9	-1.5	10.0
Value	102,754	89,970	75,576	16,856	21,281	-26.4	-12.4	-16.0	26.3
Unit value	$4,928	$4,398	$3,750	$3,283	$3,767	-23.9	-10.7	-14.7	14.7
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	3,451	4,382	6,029	4,498	6,418	74.7	27.0	37.6	42.7
Inventories/total shipments (1)	16.3	21.1	29.0	21.6	28.3	12.8	4.8	7.9	6.7
Production workers	557	559	548	525	556	-1.6	0.4	-2.0	5.9
Hours worked (1,000s)	1,241	1,216	1,228	283	299	-1.1	-2.0	0.9	5.7
Wages paid ($1,000s)	16,778	17,434	18,233	4,356	4,629	8.7	3.9	4.6	6.3
Hourly wages	$13.52	$14.34	$14.85	$15.39	$15.48	9.9	6.0	3.6	0.6
Productivity (tons/1,000 hours)	17.8	17.8	18.3	18.8	20.6	2.3	-0.1	2.4	9.7
Unit labor costs	$757.57	$804.00	$813.83	$818.64	$750.36	7.4	6.1	1.2	-8.3
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data (which exclude *** because the firm was unable to provide separate product-line data) are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figure

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-3
WSS pipes and pressure tubes: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data					Period changes			
				January-March					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. consumption quantity:									
Amount	100,508	99,080	109,806	27,287	31,604	9.3	-1.4	10.8	15.8
Producers' share (1)	82.0	76.4	72.7	73.6	68.1	-9.2	-5.5	-3.7	-5.5
Importers' share (1):									
Korea	2.5	4.8	2.5	4.6	2.3	0.0	2.3	-2.3	-2.3
Tawian (subject)	1.0	1.8	2.4	1.7	2.3	1.4	0.9	0.5	0.5
Subtotal	3.4	6.6	4.8	6.3	4.6	1.4	3.2	-1.8	-1.7
Tawian (Ta Chen)	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Tawian (Chang Mein)	***	***	***	***	***	***	***	***	***
Other sources	10.8	11.5	13.0	14.9	15.3	2.2	0.7	1.5	0.3
Total imports	18.0	23.6	27.3	26.4	31.9	9.2	5.5	3.7	5.5
U.S. consumption value:									
Amount	338,619	296,396	302,994	72,331	94,528	-10.5	-12.5	2.2	30.7
Producers' share (1)	84.8	80.0	75.4	74.4	71.0	-9.4	-4.8	-4.6	-3.4
Importers' share (1):									
Korea	1.5	2.8	1.5	2.7	1.5	-0.0	1.3	-1.3	-1.2
Tawian (subject)	0.7	1.2	1.4	1.1	1.5	0.7	0.5	0.2	0.3
Subtotal	2.2	4.0	2.9	3.8	3.0	0.7	1.8	-1.1	-0.9
Tawian (Ta Chen)	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Tawian (Chang Mein)	***	***	***	***	***	***	***	***	***
Other sources	10.2	12.6	15.3	18.2	16.3	5.1	2.4	2.7	-1.8
Total imports	15.2	20.0	24.6	25.6	29.0	9.4	4.8	4.6	3.4
U.S. imports from:									
Korea (subject):									
Quantity	2,465	4,740	2,711	1,251	734	10.0	92.3	-42.8	-41.4
Value	5,195	8,368	4,520	1,965	1,432	-13.0	61.1	-46.0	-27.1
Unit value	$2,107	$1,765	$1,667	$1,571	$1,952	-20.9	-16.2	-5.6	24.3
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Taiwan (subject):									
Quantity	990	1,819	2,610	476	719	163.6	83.7	43.5	51.1
Value	2,300	3,507	4,277	802	1,377	86.0	52.5	22.0	71.7
Unit value	$2,323	$1,928	$1,639	$1,685	$1,915	-29.5	-17.0	-15.0	13.7
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Subtotal (subject):									
Quantity	3,455	6,559	5,321	1,727	1,453	54.0	89.8	-18.9	-15.9
Value	7,495	11,875	8,797	2,767	2,809	17.4	58.4	-25.9	1.5
Unit value	$2,169	$1,811	$1,653	$1,602	$1,934	-23.8	-16.5	-8.7	20.7
Ending inventory quantity	0	0	0	0	0	0.0	0.0	0.0	0.0
Taiwan (Ta Chen):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subtotal									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Taiwan (Chang Mein):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Other sources:									
Quantity	10,867	11,406	14,326	4,075	4,820	31.8	5.0	25.6	18.3
Value	34,525	37,250	46,386	13,137	15,436	34.4	7.9	24.5	17.5
Unit value	$3,177	$3,266	$3,238	$3,224	$3,202	1.9	2.8	-0.9	-0.7
Ending inventory quantity	219	101	240	156	212	9.6	-53.9	137.6	35.9
All sources:									
Quantity	18,124	23,351	29,944	7,205	10,091	65.2	28.8	28.2	40.1
Value	51,552	59,326	74,590	18,520	27,395	44.7	15.1	25.7	47.9
Unit value	$2,844	$2,541	$2,491	$2,571	$2,715	-12.4	-10.7	-2.0	5.6
Ending inventory quantity	344	168	533	214	401	54.9	-51.2	217.3	87.4

Table continued on next page.

Table C-3--Continued
WSS pipes and pressure tubes: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data					Period changes			
				January-March					Jan.-Mar.
Item	1997	1998	1999	1999	2000	1997-99	1997-98	1998-99	1999-00
U.S. producers':									
Average capacity quantity	121,010	122,950	129,800	31,770	34,345	7.3	1.6	5.6	8.1
Production quantity	91,195	81,311	83,924	20,197	22,779	-8.0	-10.8	3.2	12.8
Capacity utilization (1)	75.2	65.9	64.4	62.9	65.5	-10.8	-9.3	-1.4	2.6
U.S. shipments:									
Quantity	82,384	75,729	79,862	20,082	21,513	-3.1	-8.1	5.5	7.1
Value	287,067	237,070	228,404	53,811	67,133	-20.4	-17.4	-3.7	24.8
Unit value	$3,455	$3,100	$2,838	$2,661	$3,107	-17.8	-10.3	-8.4	16.7
Export shipments:									
Quantity	6,041	4,627	4,335	1,052	952	-28.2	-23.4	-6.3	-9.5
Value	19,067	13,120	14,071	2,837	2,857	-26.2	-31.2	7.2	0.7
Unit value	$3,154	$2,838	$3,245	$2,701	$3,013	2.9	-10.0	14.3	11.5
Ending inventory quantity	18,312	18,644	17,341	17,286	17,509	-5.3	1.8	-7.0	1.3
Inventories/total shipments (1)	20.7	23.2	20.6	20.4	19.5	-0.1	2.5	-2.6	-1.0
Production workers	1,128	1,116	1,089	1,074	1,158	-3.5	-1.1	-2.4	7.8
Hours worked (1,000s)	2,524	2,393	2,311	572	624	-8.5	-5.2	-3.4	9.1
Wages paid ($1,000s)	32,161	32,477	32,708	8,206	8,883	1.7	1.0	0.7	8.3
Hourly wages	$12.73	$13.56	$14.15	$14.21	$14.14	11.2	6.5	4.4	-0.5
Productivity (tons/1,000 hours)	36.4	34.2	36.7	35.3	36.5	0.8	-6.1	7.3	3.5
Unit labor costs	$349.32	$396.24	$385.43	$403.04	$387.31	10.3	13.4	-2.7	-3.9
Net sales:									
Quantity	88,160	78,417	82,205	20,682	21,999	-6.8	-11.1	4.8	6.4
Value	309,544	250,426	245,439	56,627	71,457	-20.7	-19.1	-2.0	26.2
Unit value	$3,511	$3,194	$2,986	$2,738	$3,248	-15.0	-9.0	-6.5	18.6
Cost of goods sold (COGS)	268,053	232,247	219,387	53,661	60,091	-18.2	-13.4	-5.5	12.0
Gross profit or (loss)	41,491	18,179	26,052	2,966	11,366	-37.2	-56.2	43.3	283.2
SG&A expenses	21,332	23,109	21,976	5,448	5,910	3.0	8.3	-4.9	8.5
Operating income or (loss)	20,159	(4,930)	4,076	(2,482)	5,456	-79.8	(2)	(2)	(2)
Capital expenditures	5,071	26,355	19,748	6,168	3,589	289.4	419.7	-25.1	-41.8
Unit COGS	$3,041	$2,962	$2,669	$2,595	$2,732	-12.2	-2.6	-9.9	5.3
Unit SG&A expenses	$242	$295	$267	$263	$269	10.5	21.8	-9.3	2.0
Unit operating income or (loss)	$229	($63)	$50	($120)	$248	-78.3	(2)	(2)	(2)
COGS/sales (1)	86.6	92.7	89.4	94.8	84.1	2.8	6.1	-3.4	-10.7
Operating income or (loss)/ sales (1)	6.5	(2.0)	1.7	(4.4)	7.6	-4.9	-8.5	3.6	12.0

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Undefined.

Note.--Financial data (which include ***) are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from official Commerce statistics and data submitted in response to Commission questionnaires.

Table C-4
Welded A-778 pipes: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

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Table C-5
Welded A-312 and A-778 pipes: Summary data concerning the U.S. market, 1997-99, January-March 1999, and January-March 2000

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APPENDIX D

U.S. PRODUCERS', U.S. IMPORTERS', U.S. PURCHASERS', AND FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If the Orders Were to Be Revoked (Question II-4)

The Commission requested U.S. producers to describe any anticipated changes in the character of their operations or organization relating to the production of WSS pipes and pressure tubes in the future if the relevant AD orders on imports of the subject products from Korea and Taiwan were revoked. Their responses follow.

Anticipated changes if the order on imports from Korea were to be revoked

* * * * * * *

Anticipated changes if the order on imports from Taiwan were to be revoked

* * * * * * *

Significance of Existing Orders in Terms of Trade and Related Data (Question II-15)

The Commission requested U.S. producers to describe the significance of the existing AD orders on imports of WSS pipes and pressure tubes from Korea and Taiwan in terms of their effects on their firms' production capacity, production, U.S. shipments, inventories, purchases, and employment. Their responses follow.

Significance of existing order on imports from Korea

* * * * * * *

Significance of existing order on imports from Taiwan

* * * * * * *

Significance of Existing Orders in Terms of Financial Data (Question III-8)

The Commission requested U.S. producers to describe the significance of the existing AD orders covering imports of WSS pipes from Korea and Taiwan in terms of revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. Their responses follow.

* * * * * * *

Anticipated Effects on Financial Condition If the Orders were Revoked

The Commission also requested U.S. producers to state whether they anticipated any changes in their financial performance if the AD orders on WSS pipes from Korea and Taiwan were revoked. Their responses follow.

* * * * * * *

U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If the Orders Were to Be Revoked (Question II-4)

The Commission requested U.S. importers to describe any anticipated changes in the character of their operations or organization relating to the importation of welded A-312 pipes in the future if the relevant AD orders on imports of the subject products from Korea and Taiwan were revoked. Their responses follow.

Anticipated changes if the order on Korea is revoked

* * * * * * *

Anticipated changes if the order on Taiwan is revoked

* * * * * * *

Significance of Existing Orders in Terms of Trade and Related Data (Question II-10)

The Commission requested U.S. importers to describe the significance of the existing AD orders on imports of welded A-312 pipes from Korea and Taiwan in terms of their effects on their firm's imports, U.S. shipments of imports, and inventories. Their responses follow.

Significance of existing order on imports from Korea

* * * * * * *

Significance of existing order on imports from Taiwan

* * * * * * *

U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If the Orders Were to Be Revoked (Question III-11)

The Commission requested U.S. purchasers to describe the likely potential effects on (1) the future activities of their firm and (2) the U.S. market as a whole revocation if the relevant AD orders on imports of the subject products from Korea and Taiwan were revoked. Their responses follow.

Likely potential effects on the future activities of firm if the orders are revoked

* * * * * * *

Likely potential effects on the the U.S. market as a whole if the orders are revoked

* * * * * * *

FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If the Orders Were to Be Revoked (Question II-3)

The Commission requested foreign producers/exporters to describe any anticipated changes in the character of their operations or organization relating to the production of welded A-312 pipes in the future if the relevant AD orders on imports of the subject products from Korea and Taiwan were revoked. Their responses follow.

Anticipated changes if the order on imports from Korea were revoked

* * * * * * *

Anticipated changes if the order on imports from Taiwan were revoked

* * * * * * *

Significance of Existing Orders in Terms of Trade and Related Data (Question II-16)

The Commission requested foreign producers/exporters to describe the significance of the existing AD orders on imports of welded A-312 pipes from Korea and Taiwan in terms of their effects on their firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses follow.

Significance of existing orders on imports from Korea

* * * * * * *

Anticipated Changes in Trade and Related Data If Orders Were Revoked (Question II-17)

The Commission requested foreign producers/exporters to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, and inventories relating to the production of welded A-312 pipes from Korea and Taiwan in the future if AD orders were revoked. Their responses follow.

* * * * * * *

APPENDIX E

MODEL RESULTS

Table E-1
Model results

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APPENDIX F

PURCHASERS' PRICE DATA EXCLUDING MASTER DISTRIBUTORS' PRICE DATA

Table F-1
Product 1: Weighted-average f.o.b. purchase prices and quantities as reported by certain U.S. purchasers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Taiwan (including Ta Chen)			Taiwan (excluding Ta Chen)		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per foot	*1,000 feet*	*Per foot*	*1,000 feet*	*Percent*	*Per foot*	*1,000 feet*	*Percent*	*Per foot*	*1,000 feet*	*Percent*
1997:											
January-March	$***	***	--	--	--	$***	***	***	--	--	--
April-June	***	***	--	--	--	***	***	***	--	--	--
July-September	***	***	--	--	--	***	***	***	--	--	--
October-December	***	***	$***	***	***	--	--	--	--	--	--
1998:											
January-March	*1.85*	*21*	--	--	--	*1.92*	*7*	*(4.2)*	--	--	--
April-June	*1.70*	*14*	--	--	--	*1.95*	*14*	*(14.9)*	--	--	--
July-September	*1.73*	*18*	--	--	--	--	--	--	--	--	--
October-December	*1.71*	*16*	--	--	--	--	--	--	--	--	--
1999:											
January-March	*1.79*	*17*	--	--	--	*1.55*	*15*	*13.6*	--	--	--
April-June	*1.72*	*24*	--	--	--	*1.64*	*5*	*4.7*	--	--	--
July-September	*1.81*	*27*	--	--	--	*1.61*	*9*	*11.3*	--	--	--
October-December	*1.96*	*59*	--	--	--	*1.68*	*11*	*14.0*	--	--	--
2000:											
January-March	*2.04*	*43*	***	***	***	*2.09*	*8*	*(2.1)*	--	--	--

Product 1 – ASTM A-312, welded, grade AISI 304/304L pipes, 1-inch schedule 40.

*Note: Excludes price data from master distributors ***.*

Source: Compiled from data submitted in response to Commission questionnaires.

Table F-2
Product 2: Weighted-average f.o.b. purchase prices and quantities as reported by certain U.S. purchasers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Taiwan (including Ta Chen)			Taiwan (excluding Ta Chen)		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per foot	1,000 feet	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent
1997:											
January-March	$3.89	9	--	--	--	$***	***	***	--	--	--
April-June	***	***	--	--	--	***	***	***	--	--	--
July-September	***	***	--	--	--	***	***	***	--	--	--
October-December	***	***	$***	***	***	--	--	--	--	--	--
1998:											
January-March	3.68	17	--	--	--	3.85	6	(4.9)	--	--	--
April-June	3.54	12	--	--	--	3.76	7	(6.2)	--	--	--
July-September	3.45	15	--	--	--	--	--	--	--	--	--
October-December	3.45	11	--	--	--	***	***	***	--	--	--
1999:											
January-March	3.41	21	--	--	--	3.11	16	8.8	$***	***	***
April-June	3.29	26	--	--	--	3.18	6	3.2	--	--	--
July-September	3.32	21	--	--	--	3.13	15	5.9	***	***	***
October-December	3.63	62	***	***	***	3.30	11	9.2	--	--	--
2000:											
January-March	4.16	59	***	***	***	3.60	10	13.5	***	***	***

Product 2 – ASTM A-312, welded, grade AISI 304/304L pipes, 2-inch schedule 40.

*Note: Excludes price data from master distributors ***.*

Source: Compiled from data submitted in response to Commission questionnaires.

Table F-3
Product 3: Weighted-average f.o.b. purchase prices and quantities as reported by certain U.S. purchasers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Taiwan (including Ta Chen)			Taiwan (excluding Ta Chen)		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per foot	1,000 feet	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent
1997:											
January-March	$***	***	--	--	--	$***	***	***	--	--	--
April-June	***	***	--	--	--	***	***	***	--	--	--
July-September	***	***	--	--	--	***	***	***	--	--	--
October-December	***	***	$***	***	***	--	--	--	--	--	--
1998:											
January-March	2.58	14	--	--	--	***	***	***	--	--	--
April-June	2.47	13	--	--	--	***	***	***	--	--	--
July-September	2.45	15	--	--	--	--	--	--	--	--	--
October-December	2.43	13	--	--	--	--	--	--	--	--	--
1999:											
January-March	2.55	10	--	--	--	***	***	***	***	***	***
April-June	2.45	22	--	--	--	***	***	***	--	--	--
July-September	2.58	37	--	--	--	2.48	15	3.6	***	***	***
October-December	2.72	57	***	***	***	2.51	8	8.0	--	--	--
2000:											
January-March	3.27	38	***	***	***	2.97	14	9.1	***	***	***

Product 3 – ASTM A-312, welded, grade AISI 304/304L pipes, 2-inch schedule 10.

*Note: Excludes price data from master distributors ***.*

Source: Compiled from data submitted in response to Commission questionnaires.

Table F-4
Product 4: Weighted-average f.o.b. purchase prices and quantities as reported by certain U.S. purchasers, and margins of underselling/(overselling), by quarters, January 1997-March 2000

Period	United States		Korea			Taiwan (including Ta Chen)			Taiwan (excluding Ta Chen)		
	Price	Quantity	Price	Quantity	Margin	Price	Quantity	Margin	Price	Quantity	Margin
	Per foot	1,000 feet	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent	Per foot	1,000 feet	Percent
1997:											
January-March	$***	***	--	--	--	--	--	--	--	--	--
April-June	***	***	--	--	--	$***	***	***	--	--	--
July-September	***	***	--	--	--	--	--	--	--	--	--
October-December	***	***	$***	***	***	--	--	--	--	--	--
1998:											
January-March	5.02	7	--	--	--	***	***	***	--	--	--
April-June	4.91	6	--	--	--	5.07	3	(3.4)	--	--	--
July-September	***	***	--	--	--	--	--	--	--	--	--
October-December	4.93	5	--	--	--	--	--	--	--	--	--
1999:											
January-March	4.63	6	--	--	--	4.00	2	13.5	***	***	***
April-June	4.46	21	--	--	--	4.29	2	3.9	***	***	***
July-September	4.69	26	--	--	--	4.33	4	7.6	***	***	***
October-December	4.99	20	***	***	***	***	***	***	--	--	--
2000:											
January-March	5.52	25	***	***	***	5.62	2	(1.9)	--	--	--

Product 4 – ASTM A-312, welded, grade AISI 316/316L pipes, 2-inch schedule 40.

*Note: Excludes price data from master distributors ***.*

Source: Compiled from data submitted in response to Commission questionnaires.