

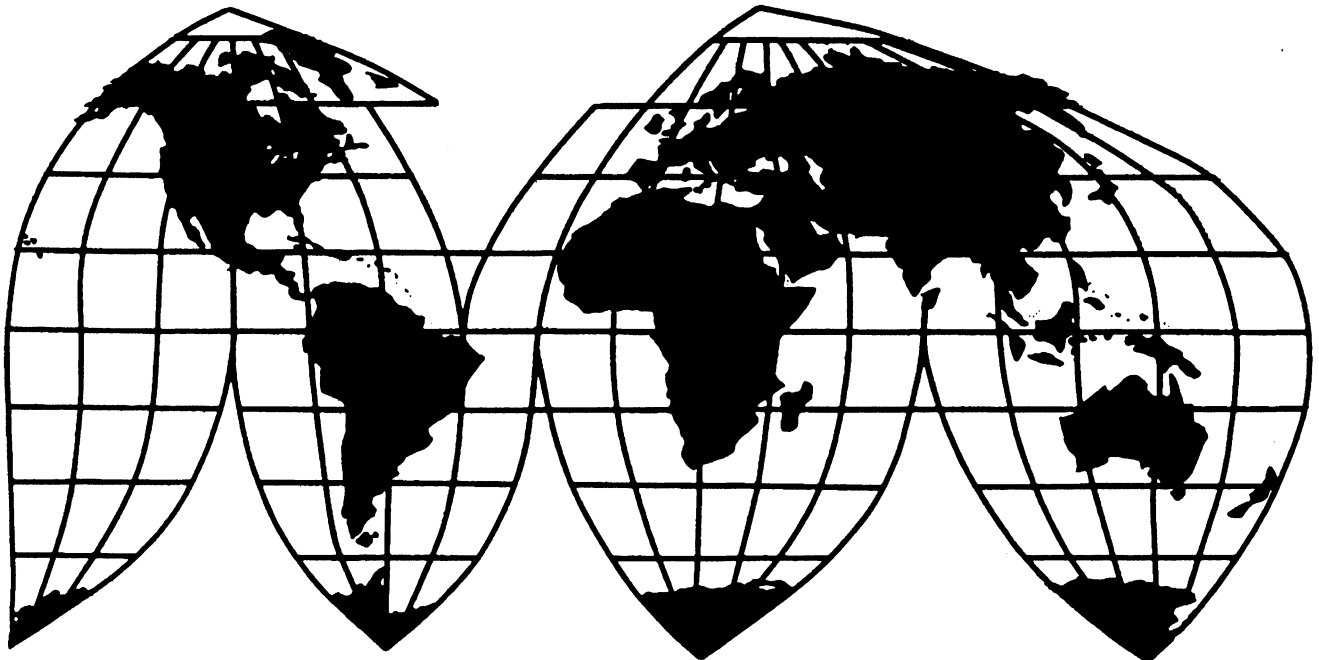
Certain Welded Large Diameter Line Pipe From Mexico

Investigation No. 731-TA-920 (Final)

Publication 3487

February 2002

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-920 (Final)

CERTAIN WELDED LARGE DIAMETER LINE PIPE FROM MEXICO

DETERMINATION

On the basis of the record¹ developed in the subject investigation, the United States International Trade Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from Mexico of certain welded large diameter line pipe, provided for in subheadings 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

BACKGROUND

The Commission instituted this investigation effective January 10, 2001, following receipt of a petition filed with the Commission and Commerce by Berg Steel Pipe Corp. (Panama City, FL); American Steel Pipe Division of American Cast Iron Pipe Co. (Birmingham, AL); and Stupp Corp. (Baton Rouge, LA). The final phase of the investigation was scheduled by the Commission following notification of a preliminary determination by Commerce that imports of certain welded large diameter line pipe from Mexico were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of July 9, 2001 (66 FR 35811). The hearing was held in Washington, DC, on October 9, 2001, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

VIEWS OF THE COMMISSION

Based on the record in this investigation, we determine that an industry in the United States is materially injured by reason of imports of certain welded large diameter line pipe from Mexico that the Department of Commerce (“Commerce”) has found to be sold in the United States at less than fair value (“LTFV”).

THE COMMISSION ADOPTS THE VIEWS STATED IN CERTAIN WELDED LARGE DIAMETER LINE PIPE FROM JAPAN

The instant investigation arose from a petition that was filed simultaneously with the petition for our recently completed investigation regarding LTFV imports of certain welded large diameter line pipe from Japan. We were required to issue our determination in the investigation of LTFV imports from Japan¹ in November 2001 because Commerce issued its final determination in that investigation earlier than it did in the current investigation. We cumulated subject imports from Japan and Mexico in making our determination with respect to subject imports from Japan. Under section 771(7)(G)(iii) of the Tariff Act of 1930, as amended, we are required to make our determination in the instant investigation on the same record as that used in the determination regarding LTFV imports of certain welded large diameter line pipe from Japan, except that the record in this investigation also includes Commerce’s final determination in this investigation and the parties’ final comments concerning the significance of that determination.^{2 3} The record in the present investigation is otherwise identical to that in the investigation regarding LTFV imports of certain welded large diameter line pipe from Japan. Therefore, in this investigation, we adopt the findings and analysis in our determination regarding LTFV imports from Japan for domestic like product, domestic industry, cumulation, conditions of competition, and material injury.

With respect to the material injury analysis, we note that Commerce found the same dumping margins as in its preliminary determination.^{4 5} Accordingly, for the reasons set forth in our determination

¹ Certain Welded Large Diameter Line Pipe From Japan, Inv. No. 731-TA-919 (Final), USITC Pub. 3464 (November 2001).

² 19 U.S.C. § 1677(7)(G)(iii).

³ The Commission’s record in this investigation closed on October 19, 2001, except with respect to Commerce’s final determination for Mexico and the parties’ comments on the significance of that determination. The Commission’s deadline for the parties to submit final comments was January 17, 2002. Only one party, Respondent Tubacero, submitted comments on January 16, 2002, but did not raise any new issues.

⁴ In its final antidumping duty determinations, Commerce found a margin of 49.86 percent *ad valorem* for respondent PMT-Tubacero. It applied this margin to all other manufacturers/exporters in Mexico. Notice of Final Determination of Sales at Less Than Fair Value: Welded Large Diameter Line Pipe From Mexico, 67 Fed. Reg. 566, 568 (Jan. 4, 2002); see also Notice of Preliminary Determination of Sales at Less Than Fair Value: Welded Large Diameter Line Pipe from Mexico, 66 Fed. Reg. 42841, 42843 (Aug. 15, 2001).

⁵ Commissioner Bragg notes that she does not ordinarily consider the magnitude of the margin of dumping to be of particular significance in evaluating the effects of subject imports on the domestic producers. See Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 (June 1996); Anhydrous Sodium Sulfate from Canada, Inv. No. 731-TA-884 (Preliminary), USITC Pub. 3345 (Sept. 2000) at 11, n.63.

with respect to certain welded large diameter line pipe from Japan,⁶ we conclude that the domestic industry producing certain welded large diameter line pipe is materially injured by reason of cumulated subject imports.

CONCLUSION

For the foregoing reasons, we determine that an industry in the United States is materially injured by reason of imports of certain welded large diameter line pipe from Mexico that are sold in the United States at less than fair value.

⁶ Certain Welded Large Diameter Line Pipe From Japan, Inv. No. 731-TA-919 (Final), USITC Pub. 3464 (November 2001).

PART I: INTRODUCTION

BACKGROUND

This investigation results from a petition filed on January 10, 2001, by Berg Steel Pipe Corp., Panama City, FL; American Steel Pipe Division of American Cast Iron Pipe Co., Birmingham, AL; and Stupp Corp., Baton Rouge, LA (collectively, “petitioners”), alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value (LTFV) imports of certain welded large diameter line pipe (CWLDLP)¹ from Japan and Mexico.

On February 26, 2001, the Commission determined that there was a reasonable indication that an industry in the United States was materially injured, or threatened with material injury, by reason of the subject imports from Japan and Mexico that were allegedly being sold in the United States at LTFV. On June 27, 2001, and August 15, 2001, the U.S. Department of Commerce (Commerce) made affirmative preliminary determinations of sales at LTFV with respect to welded large diameter line pipe from Japan and Mexico, respectively. On September 11, 2001, Commerce made an affirmative final determination of sales at LTFV with respect to the subject merchandise from Japan, and on September 28, 2001, published a notice of postponement of a final determination of sales at LTFV for Mexico.

On October 25, 2001, the Commission determined that an industry in the United States was materially injured by reason of imports from Japan of CWLDLP that were found by Commerce to be sold in the United States at LTFV. On January 4, 2002, Commerce published in the *Federal Register* its notice of final affirmative determination of sales at LTFV concerning welded large diameter line pipe from Mexico.

This report contains only information relating to Commerce’s final determination of sales at LTFV regarding Mexico. Other information collected in the investigation concerning Mexico is contained in the Commission’s report and record in the investigation concerning Japan. Information relating to the background and scheduling of the investigation concerning Mexico is provided below.

Effective date	Action	<i>Federal Register</i> citation
January 10, 2001	Petitions filed with Commerce and the Commission; institution of Commission investigations	66 FR 4860, January 18, 2001
February 23, 2001	Commerce’s notice of initiations	66 FR 11266, February 23, 2001
February 26, 2001	Commission’s affirmative preliminary determinations	66 FR 13568, March 6, 2001

¹ The product covered by this investigation is certain welded carbon and alloy steel line pipe, of circular cross section and with an outside diameter (OD) greater than 16 inches (406.4 mm), but less than 64 inches (1,625.6 mm), whether or not stenciled. The product is provided for in subheadings 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50 of the Harmonized Tariff Schedule of the United States (HTS). A complete description of the imported product subject to investigation is contained in Commerce’s notice of final determination of sales at LTFV regarding Mexico (see appendix A). General duty rates in 2002 are 0.4 percent ad valorem for some subject goods and 1.0 percent for others; NAFTA rates for goods of Mexico under the terms of general note 12 to the HTS are 0.1 percent or 0.4 percent ad valorem.

Effective date	Action	<i>Federal Register</i> citation
June 27, 2001	Commerce's affirmative preliminary determination with respect to Japan; scheduling of final phase of Commission investigations	66 FR 34151, June 27, 2001; 66 FR 35811, July 9, 2001
August 15, 2001	Commerce's affirmative preliminary determination with respect to Mexico	66 FR 42841, August 15, 2001
September 11, 2001	Commerce's affirmative final determination with respect to Japan	66 FR 47172, September 11, 2001
September 28, 2001	Commerce's notice of postponement of final determination with respect to Mexico	66 FR 49634, September 28, 2001
October 9, 2001	Commission's hearing	Not applicable
October 25, 2001	Commission's vote with respect to Japan	Not applicable
October 25, 2001	Commission's determination on Japan sent to Commerce	Not applicable
January 4, 2002	Commerce's affirmative final determination with respect to Mexico	67 FR 566, January 4, 2002
February 8, 2002	Commission's vote with respect to Mexico	Not applicable
February 19, 2002	Commission's determination on Mexico sent to Commerce	Not applicable

NATURE AND EXTENT OF SALES AT LTFV

In its preliminary determination, Commerce relied on information in the petition and assigned a dumping margin of 49.86 percent. In making its final determination, Commerce "determined that the use of total adverse facts available is appropriate" and therefore continued to apply the rate of 49.86 percent. This rate applies equally to Productora Mexicana de Tuberia S.A. de C.V. and Tubacero S.A. de C.V. (PMT-Tubacero), and to all other manufacturers/exporters in Mexico.

APPENDIX A
FEDERAL REGISTER NOTICE

DEPARTMENT OF COMMERCE**International Trade Administration****[A-201-328]****Notice of Final Determination of Sales at Less Than Fair Value: Welded Large Diameter Line Pipe From Mexico****AGENCY:** Import Administration, International Trade Administration, Department of Commerce.**ACTION:** Notice of the final determination of sales at less than fair value investigation: welded large diameter line pipe from Mexico.

SUMMARY: On August 15, 2001, the Department of Commerce ("Department") published the preliminary determination in the less than fair value ("LTFV") investigation of welded large diameter line pipe from Mexico. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Welded Large Diameter Line Pipe from Mexico*, 66 FR 42841 (August 15, 2001) ("Preliminary Determination"). This investigation covers one manufacturer/exporter of the subject merchandise.

Based upon our verification of the data and analysis of the comments received, we have not made changes to our margin calculations. Therefore, the final determination does not differ from the preliminary determination. The final weighted-average dumping margin is listed below in the section titled "Continuation of Suspension of Liquidation."

EFFECTIVE DATE: January 4, 2002.

FOR FURTHER INFORMATION CONTACT: Mesbah Motamed or Robert Bolling, Enforcement Group III, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230, telephone 202-482-1382 (Motamed) 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 (2000).

Period of Investigation

The period of investigation ("POI") is January 1, 2000 through December 31, 2000.

Final Determination

We determine that certain welded large diameter line pipe from Mexico is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the "Continuation of Suspension of Liquidation" section of this notice.

Background

On January 30, 2001, the Department initiated the above referenced investigation. See *Notice of Initiation of Antidumping Duty Investigations: Welded Large Diameter Line Pipe from Mexico and Japan*, 66 FR 11266 (February 23, 2001). On August 15, 2001, the Department published a notice of its preliminary determination in the investigation. See *Preliminary Determination*, 66 FR 42841. From October 31, 2001 through November 5, 2001, the Department conducted a sales and cost verification for Productora Mexicana de Tuberia ("PMT"). See *Sales and Cost Verification Report* (November 14, 2001). We invited parties to comment on our Preliminary Determination. Petitioners submitted their case brief ("Petitioners' Brief") on November 21, 2001. PMT did not submit a case brief or a rebuttal brief. The Department has conducted and completed the investigation in accordance with section 735 of the Act.

Scope of the Investigation

The product covered by this investigation is certain welded carbon and alloy line pipe, of circular cross section and with an outside diameter greater than 16 inches, but less than 64 inches, in diameter, whether or not stenciled. This product is normally produced according to American Petroleum Institute (API) specifications, including Grades A25, A, B, and X grades ranging from X42 to X80, but can also be produced to other specifications.

Specifically not included within the scope of this investigation is American Water Works Association (AWWA) specification water and sewage pipe and the following size/grade combinations of line pipe:

- Having an outside diameter greater than or equal to 18 inches and less than or equal to 22 inches, with a wall thickness measuring 0.750 inch or greater, regardless of grade.

- Having an outside diameter greater than or equal to 24 inches and less than 30 inches, with wall thickness measuring greater than 0.875 inches in grades A, B, and X42, with wall thickness measuring greater than 0.750 inches in grades X52 through X56, and with wall thickness measuring greater than 0.688 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 30 inches and less than 36 inches, with wall thickness measuring greater than 1.250 inches in grades A, B, and X42, with wall thickness measuring greater than 1.000 inches in grades X52 through X56, and with wall thickness measuring greater than 0.875 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 36 inches and less than 42 inches, with wall thickness measuring greater than 1.375 inches in grades A, B, and X42, with wall thickness measuring greater than 1.250 inches in grades X52 through X56, and with wall thickness measuring greater than 1.125 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 42 inches and less than 64 inches, with a wall thickness measuring greater than 1.500 inches in grades A, B, and X42, with wall thickness measuring greater than 1.375 inches in grades X52 through X56, and with wall thickness measuring greater than 1.250 inches in grades X60 or greater.

- Having an outside diameter equal to 48 inches, with a wall thickness measuring 1.0 inch or greater, in grades X-80 or greater.

The product currently is classified under U.S. Harmonized Tariff Schedule ("HTSUS") item numbers 7305.11.10.30, 7305.11.10.60, 7305.11.50.00, 7305.12.10.30, 7305.12.10.60, 7305.12.50.00, 7305.19.10.30, 7305.19.10.60, and 7305.19.50.00. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

Analysis of Comments Received

All issues raised in the case briefs to this investigation are addressed in the December 28, 2001 Issues and Decision Memorandum ("Decision Memo") from Joseph A. Spetrini, Deputy Assistant Secretary for Import Administration,

Group III to Faryar Shirzad, Assistant Secretary for Import Administration, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, and other issues addressed, all of which are in the Decision Memo, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in the Decision Memo, a 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 <http://ia.ita.doc.gov>. The paper copy and electronic version of the Decision Memo are identical in content.

Use of Total Adverse Facts Available

In the preliminary determination, the Department applied facts available to the mandatory respondent. Deficiencies present in respondent's response made it impossible for the Department to appropriately calculate a preliminary antidumping duty margin. Consequently, the Department assigned PMT-Tubacero the rate of 49.86 percent, the margin calculated from information in the petition and used for initiation. The Department also applied the 49.86 percent margin as the "All Others" rate.

Subsequent to the preliminary determination, we have determined that the use of total adverse facts available is appropriate for the final determination for our analysis of PMT and its collapsed affiliate Tubacero, hereinafter referred to as "PMT-Tubacero." For a discussion of our determination with respect to this matter, see the Decision Memo. Consequently, we have continued to apply the rate of 49.86 percent for purposes of this final determination.

All-Others Rate

Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-average dumping margins established for all exporters and producers individually investigated are zero or de minimis margins, or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated "all-others" rate for exporters and producers not individually investigated. This provision contemplates that we weight-average margins other than facts available margins to establish the "all others" rate. Where the data do not permit weight-averaging such rates, the Statement of Administrative Action accompanying the URAA, H.R. Doc. No.

316, 103d Cong., 2d Sess. 870 (1994) ("SAA") at 873 provides that we may use other reasonable methods. Because the petition contained only an estimated price-to-price dumping margin, which the Department adjusted for purposes of initiation, there are no additional estimated margins available with which to create the "all others" rate. Therefore, we applied the published margin of 49.86 percent as the "all others" rate.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of subject merchandise from Mexico that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the *Preliminary Determination* in the *Federal Register*. The Customs Service shall continue to require a cash deposit or posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. The suspension of liquidation instructions will remain in effect until further notice.

STAINLESS STEEL BUTT-WELD PIPE FITTINGS

Producer/Manufacturer/Exporter	Weighted-average margin (percent)
PMT-Tubacero	49.86
All Others	49.86

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our final determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs to assess antidumping duties on all imports of the subject merchandise entered or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding APO

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of the APO is a sanctionable violation.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: December 28, 2001.

Richard W. Moreland,
Acting Assistant Secretary for Import Administration.

Appendix

Issues in the Decision Memo

1. The Department should continue to collapse respondent Productora Mexicana de Tuberia, S.A. de C.V. ("PMT") with its affiliate, Tubacero, S.A. de C.V. ("Tubacero").
2. The Department should apply adverse facts available in determining the antidumping duty margin.

[FR Doc. 02-244 Filed 1-3-02; 8:45 am]
BILLING CODE 3510-DS-P

