

**Statement of Pushkar Natu, Director of Zenith USA**

**United States International Trade Commission's Investigation on Circular Welded  
Carbon-Quality Steel Pipe from India, Oman, UAE, and Vietnam  
Inv. Nos. 701-TA-482-485 and 731-TA-1191-1194**

**October 17, 2012**

Good afternoon. My name is Pushkar Natu and I am the Director of Zenith USA, where I have worked for the past 14 years. Zenith has been making pipe in India for 50 years and has been selling to the United States for the past 40 years. Zenith is the "only known active" Indian producer/ exporter of circular welded steel pipes from India whose shipments are not already subject to the constraints of an antidumping duty order, which has been in effect since 1986. Despite this fact, Zenith has maintained a steady and responsible presence in the United States, and has not attempted to take advantage of its preferred status. For some customers, Zenith India sells directly to U.S. customers. For other sales, Zenith India sells through Zenith USA, and Zenith USA acts as the U.S. importer of record. All of our sales are made to order.

I am a U.S. citizen, based in Arlington, Virginia. Zenith USA is a U.S. company, incorporated in Virginia. When I started with Zenith, Zenith had already been selling pipe directly to U.S. customers for 25 years. For all of Zenith's U.S. sales, I am responsible for servicing customers and making sure they receive deliveries in a timely manner. I personally visit customers and ports of entry on a regular basis. I continuously strive to improve customer service by actively seeking feedback on our products.

I believe that Zenith's success in the United States has resulted from its track record of selling quality merchandise at competitive prices, with reliable and consistent delivery, with the help of our U.S. presence. We sell pipe throughout the United States, principally to customers located near the major ports. We have 8 major customers, including Allied Tube & Conduit, one of the petitioners you heard from this morning. Some of our current customers were already buying pipe from us when I joined Zenith in 1997. I developed other customers over the years, long before this case was filed.

Our sales to the United States peaked at the beginning of the 21<sup>st</sup> century. Zenith's shipments to the United States increased to meet increasing domestic demand from our traditional customers. However, between 2005 and 2007 our sales declined substantially, as low-priced imports from China flooded the market. The imposition by the United States of an antidumping duty order on Chinese pipe reversed this trend. The Chinese exited the market, which allowed Zenith to resume sales to our pre-existing customers at normal, competitive levels. I would like to emphasize this point. The increase in Zenith's sales to the United States during the Commission's period of investigation of 2009-2011 was not a surge of new imports. It was merely a return to business as usual. Our customers were the same customers with whom we had been doing business in the past. I do not understand how a return to normalcy can be perceived as injurious to domestic producers.

As I mentioned, one of our long term customers is Allied Tube & Conduit. Allied buys pipe from Zenith because they do not make the product that we supply them. Zenith makes a hot-dipped galvanized pipe, which is a requirement for rigid conduit, as per UL (Underwriter's

Laboratory) standards. Allied does not manufacture any hot-dipped galvanized pipe. Allied has been a customer of ours since 2007. I do not understand how Allied can be injured by us when it is buying our products, which are complementary to their own.

An additional reason why our imports have returned to normal levels in the past 3 years is due to changes in shipping methods. First, it is our understanding from conversations with our customers that due to increased fuel costs, our costs to ship pipe by sea from India to the port of unloading in the United States have become less than the costs for domestic producers to ship their products over land to customers in the United States. Second, we have been able to cut delivery times as a result of using weekly container shipments, rather than monthly break bulk vessels that we had used exclusively in the past. Thus, the reason we have increased shipments to the United States is not due to decreased prices.

Despite our success, there is a large part of the U.S. market in which we are unable to compete. For example, all federally-funded projects require pipe that is made in the USA. In addition, our pipe is made to order with lead times of between 3-4 months. In cases where customers require pipe with shorter lead times, we are simply not competitive. We also cannot sell to many customers that are located in-land. Finally, certain companies simply prefer to buy pipe that is made in the United States. The domestic industry dominates the U.S. market and will continue to do so.

I would like to speak for a moment about our production facilities in India, which I have visited on numerous occasions in the past 14 years. I have also taken our largest customers to

our plant in India. We have not substantially increased our production capacity in India. We sell more pipe in the Indian home market than we do to the United States, and we also have significant shipments to third country markets around the world. Selling pipe to the United States is not the only reason for our success.

I would also like to say something about the Department of Commerce proceeding. Our AD margin of 48.43 percent and our CVD margin of 285 percent were based on the Department's decision that we did not cooperate to the best of our ability. I know the Commission conducts its investigation independently and does not examine the reasons for Commerce's conclusions. However, I can categorically state that Zenith in fact did cooperate with the Department to the best our ability. The reasons why the Department decided to apply adverse facts available in its decision reflected its extraordinarily short time frames required to submit extensive documentation and our unfamiliarity with its rules and regulations. The Department's decision does not reflect Zenith's actual commercial reality.

Finally, the record reveals that our sales have declined substantially in the past year. It is important to recognize that our decline in sales preceded the petition being filed. Therefore, I'd like to reiterate that Zenith's actions have not been injurious to the domestic industry and do not threaten the domestic industry with material injury in the future.