

**BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION**

Circular Welded Carbon-Quality Steel  
Pipe from Oman, Pakistan, Philippines,  
United Arab Emirates, and Vietnam

Inv. Nos. 701-TA-549 and 731-TA-1299-  
1303

**Testimony of Peter Schrumpf,  
President, UTP Pipe USA Corp and Prime Metal Corp. USA**

1. Good afternoon. My name is Peter Schrumpf, President, of UTP Pipe USA Corp. and Prime Metal Corp. USA. UTP and Prime Metal are the exclusive U.S. importers of circular welded pipe from the UAE produced by Universal Tube.

2. Prime Metal USA was formed in 2000, but I have been in the pipe and tube business in some capacity for the past 35 years. We opened UTP Pipe in 2012. As a result of opening UTP Pipe, we import from Universal primarily through UTP, while Prime Metal remains a distributor that both imports from Universal and purchases pipe from domestic producers as well.

3. This case is basically a re-filing of the unsuccessful petition in 2012. In that case, Petitioners claimed that they were injured by subject imports even though 3<sup>rd</sup> country imports dwarfed subject imports. That condition remains true today as third country imports continue to dominate the import segment of the market. I would like to share with you today my

understanding of the U.S. standard pipe market, and the role of imports from the UAE in this market.

4. I have been an importer and distributor of standard pipe from the UAE since 2000. Universal has a limited customer base and a limited number of products that we distribute. A significant portion of the pipe we distribute is A-53A, hydrostatically tested pipe in sizes of between ½ and 2 inches in diameter. We also export hot dipped galvanized pipe as well. There is only one producer of hot dipped galvanized pipe in the United States.

5. It is important to understand that, although most imported standard pipe is physically interchangeable and of comparable quality with domestic standard pipe, there is nevertheless a bifurcated market. Purchasers have a strong preference for domestic product over imports because U.S. producers are located closer to the market and are normally able to ship from inventory. This results in much shorter lead times and lower inventory costs when purchasing domestic product. In addition, many customers choose domestic production over imports because of access to technical services and warranty and product liability concerns. This built-in customer preference for domestic supply allows domestic producers to

command a price premium over imports. Our lead times are 90 to 120 days from order placement to delivery to the customer in the United States

6. The customer preference for domestic supply also means that most purchasers are only willing to purchase a limited volume of imports, because they are unwilling to assume the costs and risks associated with holding large inventories. In addition, domestic producers offer a much broader range of products, including specialty products that are only available from domestic producers. In many cases, purchasers make a point of buying at least some significant percentage of their regular products from the domestic industry in order to ensure that they have access to these specialty products.

7. The preference for domestic supply and the domestic price premium have been in place so long that today they are a structural feature of the market and are understood by all buyers and sellers. I rarely find myself in competition with domestic mills. My competitors are other importers. A customer will typically determine a balance among domestic and import sources, and we compete for the import portion of their purchases.

8. Among import sources, there are established suppliers such as Korea, Turkey, and Taiwan, which have a well-deserved reputation for

quality, and tend to have greater market reach because they have well-established distribution networks and offer a wider range of sizes and products. Then there is a second group of suppliers, including the UAE, Oman, and Vietnam, but also countries such as Malaysia, Thailand, South Africa, the Philippines, India and Indonesia. These suppliers tend to be more limited in the scope of their distribution networks and product offerings.

9. Given the wide variety of import sources in the market, I have built my business by emphasizing reliability and consistency in both pricing and service. I have done this by building long-term customer relationships rather than trying to be the cheapest guy on the block. We have built our business slowly, and have focused on products and sizes that are not always available from other suppliers. For these reasons, I am confident that my imports of standard pipe from UAE are not causing material injury or threat to the domestic industry.

Thank you.