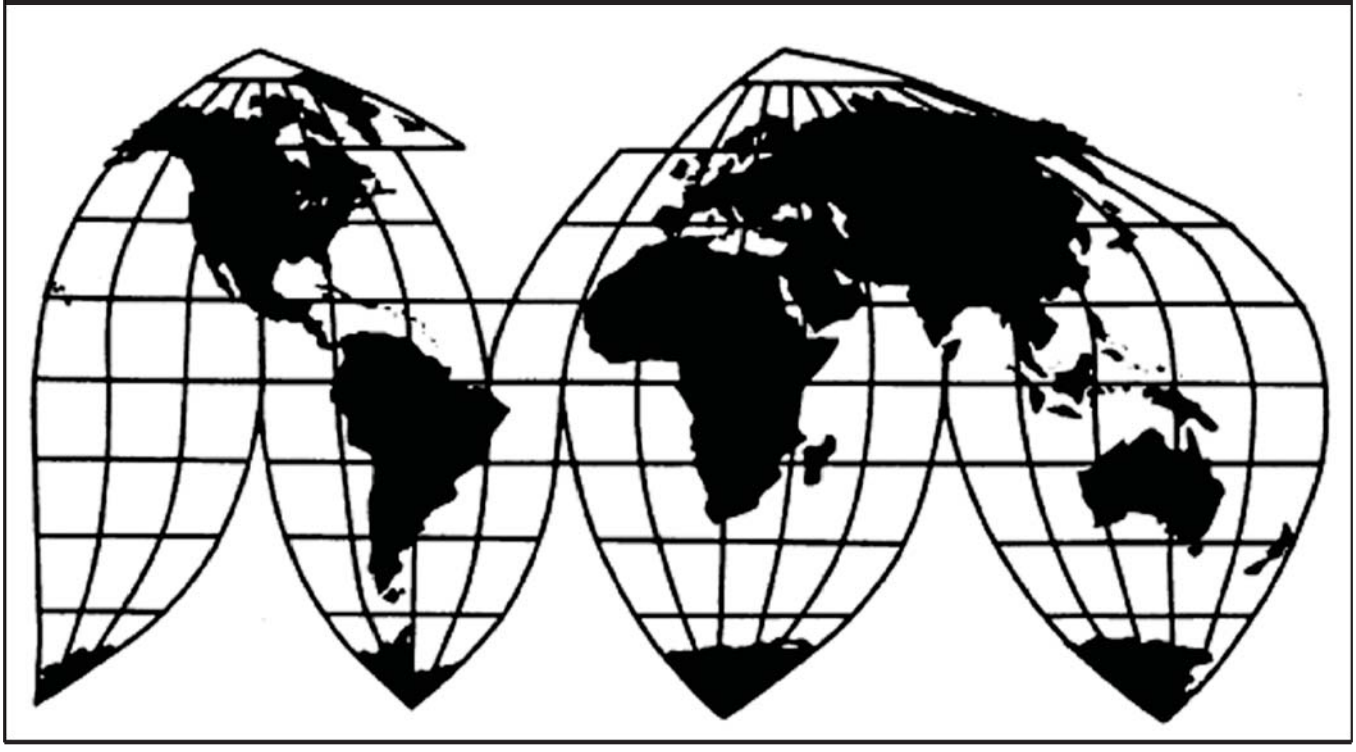
Circular Welded Carbon Quality Steel Line Pipe from China

Investigation No. 701-TA-455 and 731-TA-1149 (Review)

Publication 4464 **May 2014**

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Dean A. Pinkert
David S. Johanson
Meredith M. Broadbent
F. Scott Kieff
Rhonda K. Schmidtlein

Robert B. Koopman
Director of Operations

Staff assigned

William English, Acting Investigator
Karen Taylor, Industry Analyst
Rhonda Hughes, Attorney
Douglas Corkran, Supervisory Investigator

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
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Note.-Information that would reveal confidential operations of individuals concerns may not be published and therefore has been deleted from this report.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 Nos. 701-TA-455 and 731-TA-1149 (Review)
Circular Welded Carbon Quality Steel Line Pipe from China

DETERMINATION

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the countervailing duty order and the antidumping duty on circular welded carbon quality steel line pipe from China 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 December 2, 2013 (78 FR 72114) and determined on March 7, 2014 that it would conduct expedited reviews (79 FR 15776, March 21, 2014).

[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 Rhonda K. Schmidtlein was not a member of the Commission at the time of the vote.

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 Tariff Act"), that revocation of the countervailing duty and antidumping duty orders on circular welded carbon quality steel line pipe ("line pipe") from China 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

Original Investigations: On April 3, 2008, Maverick Tube Corp., Tex-Tube Co., U.S. Steel Corp., and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (collectively "the domestic producers"), filed petitions in the original investigations. On January 7, 2009, the Commission determined that an industry in the United States was materially injured by reason of subsidized imports of line pipe from China and on May 6, 2009, the Commission determined that an industry in the United States was materially injured by reason of less-than-fair-value ("LTFV") imports of line pipe from China. The Department of Commerce ("Commerce") issued countervailing and antidumping duty orders on line pipe from China on January 23, 2009 and May 13, 2009, respectively.[2]

These First Reviews: On January 2, 2014, the domestic producers submitted a joint response to the December 2, 2013 *Federal Register* notice instituting these reviews. On February 14, 2014, the domestic producers jointly filed comments on the adequacy of the responses to the notice of institution. On March 7, 2014, the Commission found each domestic producer's individual response to be adequate and further determined that the domestic interested party group response to the notice of institution was adequate because these producers accounted for a substantial portion of domestic line pipe production.[3]

The Commission did not receive a response to the notice of institution from any respondent interested party. Consequently, it determined that the respondent interested party

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[1] Commissioner Schmidtlein was not a member of the Commission when the Commission voted on its determinations in these reviews.

[2] Confidential Report ("CR") at I-3 – I-4, Public Report ("PR") at I-3. Commissioners Lane, Williamson, and Pinkert determined that a domestic industry was materially injured by reason of subject imports of line pipe from China. Commissioners Aranoff, Pearson, and Okun determined that a domestic industry was threatened with material injury by reason of subject imports of line pipe from China. *Circular Welded Carbon Quality Steel Line Pipe from China*, Inv. No. 701-TA-455 (Final), USITC Pub. 4055, at 3 nn.2-3 (Jan. 2009) ("Original CVD Views"); *Circular Welded Carbon Quality Steel Line Pipe from China*, Inv. No. 731-TA-1149 (Final), USITC Pub. 4075, at 3 nn.2-3 (May 2009) ("Original AD Views"). Because the AD views simply incorporated the prior CVD views by reference, we cite only to the original CVD views in summarizing the original determinations.

[3] CR at I-1 – I-2 n.4, PR at I-2 n.4; Explanation of Commission Determination on Adequacy (EDIS Doc. No. 529586).

group response was inadequate. In the absence of any circumstances warranting full reviews, the Commission unanimously determined to conduct expedited reviews of the orders.[4]

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[5] The Tariff 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."[6] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.[7]

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

> circular welded carbon quality steel pipe of a kind used for oil and gas pipelines, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling. The term "carbon quality steel" includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for non alloy steels imposed in the Harmonized Tariff Schedule of the United States ("HTSUS"). Specifically, the term "carbon quality" includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:
>
> (i) 2.00 percent of manganese,
> (ii) 2.25 percent of silicon,
> (iii) 1.00 percent of copper,
> (iv) 0.50 percent of aluminum,
> (v) 1.25 percent of chromium,
> (vi) 0.30 percent of cobalt,
> (vii) 0.40 percent of lead,

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[4] CR at I-1 – I-2 n.4, PR at I-2 n.4.

[5] 19 U.S.C. § 1677(4)(A).

[6] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[7] *See*, *e.g.*, *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

(viii) 1.25 percent of nickel,
(ix) 0.30 percent of tungsten,
(x) 0.012 percent of boron,
(xi) 0.50 percent of molybdenum,
(xii) 0.15 percent of niobium,
(xiii) 0.41 percent of titanium,
(xiv) 0.l5 percent of vanadium, or
(xv) 0.15 percent of zirconium.

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

Excluded from this scope are pipes of a kind used for oil and gas pipelines that are multiple-stenciled to a standard and/or structural specification and have one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish. (The term "painted" does not include coatings to inhibit rust in transit, such as varnish, but includes coatings such as polyester.)[8]

In the original investigations, the Commission defined a single domestic like product consisting of circular welded carbon quality steel line pipe, 16 inches or less in outside diameter, corresponding to the scope of the investigations. No party advocated defining the domestic like product differently.[9]

In these five-year reviews, the domestic producers did not object to the definition of the domestic like product in their response to the notice of institution.[10] The record of these reviews contains no information that would suggest a reconsideration of the domestic like

[8] *Issues and Decision Memorandum for the Final Results of Expedited Sunset Review of the Countervailing Duty Order on Circular Welded Carbon Steel Line Pipe from the People's Republic of China* from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, at 3-4 (Mar. 11, 2014). We note that Commerce defined the scope of the antidumping duty order simply as "circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (welded line pipe), not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling." 79 Fed. Reg. 19052, 19052-53 (Apr. 7, 2014).

[9] Original CVD Views, USITC Pub. 4055 at 6-7.

[10] Domestic Producers' Response to Notice of Institution at 26.

product definition is necessary.[11] Therefore, we again define the domestic like product as consisting of circular welded carbon quality steel line pipe, 16 inches or less in outside diameter, corresponding to the scope of the investigations, for the same reasons articulated in the original investigations.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole 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."[12] 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.

In the original investigations, no domestic producer was a related party. Accordingly, in view of its definition of the domestic like product, the Commission defined a single domestic industry consisting of all domestic producers of line pipe.[13]

In these reviews, the domestic producers did not object to the definition of the domestic industry in their response to the notice of institution.[14] The record of these reviews contains no information that would suggest a reconsideration of the domestic industry definition is necessary and there again are no related party issues. Thus, we again define a single domestic industry consisting of all domestic producers of line pipe, as the Commission did in the original investigations.

III. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing 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 the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[15]

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[11] *See* CR at I-9 – I-18, PR at I-7 – I-13.

[12] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

[13] Original CVD Views, USITC Pub. 4055 at 7.

[14] Domestic Producers' Response to Notice of Institution at 26.

[15] 19 U.S.C. § 1675a(a).

The Uruguay Round Agreements Act Statement of Administrative Action ("SAA") states that "under the likelihood standard, the Commission will engage in a counterfactual 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."[16] Thus, the likelihood standard is prospective in nature.[17] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[18]

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 of time."[19] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[20]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, 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 orders are revoked or the suspended

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[16] SAA, H.R. Rep. 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." *Id*. at 883.

[17] 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.

[18] *See NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"), *aff'd mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) ("more likely than not" standard is "consistent with the court's opinion;" "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); *Usinor v. United States*, 26 CIT 767, 794 (2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[19] 19 U.S.C. § 1675a(a)(5).

[20] 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*.

investigation is terminated."[21] 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, whether the industry is vulnerable to material injury if the orders are revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[22] 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.[23]

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed 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, which can be used to produce the subject merchandise, are currently being used to produce other products.[25]

In evaluating the likely price effects of subject imports if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[26]

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked and/or a suspended investigation is terminated, 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 the following: (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

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[21] 19 U.S.C. § 1675a(a)(1).

[22] 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings regarding circular welded carbon quality steel line pipe from China. CR at I-4, PR at I-4.

[23] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[24] 19 U.S.C. § 1675a(a)(2).

[25] 19 U.S.C. § 1675a(a)(2)(A-D).

[26] *See* 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.

development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[27] 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. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.[28]

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the line pipe industry in China. There also is somewhat limited information on the line pipe market in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations, and the limited new information on the record in these five-year reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, 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."[29] The following conditions of competition inform our determinations.

1. Demand Conditions

In the original determinations, the Commission found that the demand for line pipe is derived from oil and gas exploration and the level of home construction. Oil and gas exploration is directly affected by oil and gas prices. The expansion of drilling for natural gas, rather than oil exploration, was responsible for much of the increase in demand during the original period of investigation.[30] The domestic producers have not indicated that there have been any significant changes since the original investigations concerning factors affecting the demand for line pipe.

In the original investigations the Commission also found that the domestic industry enjoyed a period of strong demand until the end of the period of investigation. Apparent U.S. consumption increased 57.5 percent from 2005 to 2007, and was slightly lower in January-September (interim) 2008 than in interim 2007. There were a number of large transmission

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[27] 19 U.S.C. § 1675a(a)(4).

[28] 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.

[29] 19 U.S.C. § 1675a(a)(4).

[30] Original CVD Views, USITC Pub. 4055 at 11.

projects during the period examined that boosted demand for line pipe.[31] However, the U.S. line pipe market was projected to weaken in 2009 because a global economic downturn had caused a dramatic decline in the prices of oil and natural gas.[32]

The record in these reviews indicates that in 2012, apparent U.S. consumption of line pipe was *** short tons. By contrast, apparent U.S. consumption ranged from 872,471 in 2005 to 1.4 million short tons in 2006 and 2007 on an annual basis during the original investigations.[33]

2. Supply Conditions

Regarding supply, in the original investigations the Commission found that nine domestic producers accounted for more than 95 percent of U.S. production of line pipe during the period. Between 2005 and September 2008, the industry had experienced several mergers and acquisitions. Despite this restructuring and some associated production curtailments, the U.S. producers increased their shipments and capacity over the period. The volume of subject imports also increased.[34]

Nonsubject imports increased from 2005 to 2006, before declining in 2007, and were higher in interim 2008 than in interim 2007. Nonsubject import market share fell from 2005 to 2007, as subject import volume rose rapidly. Major nonsubject sources of line pipe included Korea, Mexico, Taiwan, Japan, and Brazil.[35]

The Commission found that due to the growth in imports, the domestic industry's market share declined. However, because of the strong market, the domestic industry's capacity, production, and capacity utilization rose from 2005 to 2007.[36]

In 2012, the domestic industry had a *** percent share of apparent U.S. consumption, subject imports had a *** percent share and nonsubject imports had a *** percent share.[37] Since 2008, subject imports from China have been present in the U.S. market in very small quantities. Nonsubject imports have increased; Korea was the largest source of imports of line pipe to the U.S. market during every year from 2009 to 2013.[38] The domestic industry's share of apparent U.S. consumption in 2012 was below that of any year from 2005 to 2007,[39] and the domestic industry contends that its market share continues to fall. According to data submitted by the domestic producers, the domestic industry's market share declined to *** percent during the first 10 months of 2013.[40]

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[31] Original CVD Views, USITC Pub. 4055 at 11-12.
[32] Original CVD Views, USITC Pub. 4055 at 12.
[33] CR/PR at Table I-8.
[34] Original CVD Views, USITC Pub. 4055 at 12-13.
[35] Original CVD Views, USITC Pub. 4055 at 13.
[36] Original CVD Views, USITC Pub. 4055 at 13.
[37] CR/PR at Table I-9.
[38] CR/PR at Table I-6.
[39] CR/PR at Table I-9.
[40] Domestic Producers' Response to Notice of Institution at 25.

3. Substitutability

The record in the original investigations indicated that line pipe produced to given specifications was interchangeable and that the subject imports from China were typically produced to the same specifications as domestically produced line pipe, resulting in a high degree of substitutability between the subject imports and the domestic like product.[41] Nothing in the record of these current reviews indicates any significant change in substitutability. Accordingly, we again find a high degree of substitutability between subject line pipe and the domestic like product.

4. Other Conditions

Both domestic and Chinese producers indicated during the original investigations that line pipe is typically produced on the same equipment and with the same workers that produce other forms of welded pipe, in particular standard pipe, oil country tubular goods ("OCTG"), and large diameter line pipe. Thus, producers of other forms of welded pipe could shift their production to subject merchandise in response to changes in demand.[42]

The Commission found that purchasers generally bought line pipe on the spot market and negotiated prices for each transaction. For pipeline projects, the end users could solicit bids directly from a manufacturer for a contract. The record also indicated that line pipe produced to given specifications was interchangeable and that the subject imports from China were typically produced to the same specifications as domestic line pipe, resulting in a high degree of substitutability between the subject imports and domestic line pipe.[43]

The Commission found that the domestic industry's cost of goods sold ("COGS") increased from 2005 to 2007, with raw material costs responsible for much of the increase as they accounted for approximately 75 percent of COGS. Prices for hot-rolled steel, the primary input for production of line pipe, reached their peak in May 2008, then dropped sharply during the fourth quarter of 2008.[44]

During the original investigations, domestic producers sold to both end users and distributors. U.S. producers sold a majority of their line pipe to end users in 2007, although in 2005 and 2006 they made most of their sales to distributors. Commodity grades of line pipe tended to be sold through distributors and, as a result, importers shipped virtually all their shipments to distributors during the period.[45]

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[41] Original CVD Views, USITC Pub. 4055 at 13-14.
[42] Original CVD Views, USITC Pub. 4055 at 13.
[43] Original CVD Views, USITC Pub. 4055 at 13-14.
[44] Original CVD Views, USITC Pub. 4055 at 14.
[45] Original CVD Views, USITC Pub. 4055 at 14.

The most commonly sold lengths of U.S.-produced line pipe were double random lengths, as were the most commonly sold lengths of imported line pipe. A substantial amount of imported line pipe was sold as single random lengths. [46]

Nothing in the record of these reviews indicates that the above-mentioned conditions have changed appreciably since the original investigations.

C. Likely Volume of Subject Imports

1. Original Investigations

The Commission found in the original investigations that the volume of subject imports increased rapidly, by over 1,400 percent between 2005 and 2007. Despite a large increase in apparent U.S. consumption, the subject imports captured substantial market share from both the domestic industry and nonsubject imports. The market share of subject imports, as measured by quantity, rose from 1.8 percent in 2005 to 17.2 percent in 2007, while the domestic industry's market share declined from 59.9 percent in 2005 to 52.9 percent in 2007. Nonsubject imports lost market share, declining from 38.3 percent of the market in 2005 to 30.0 percent in 2007. The ratio of the quantity of subject imports to U.S. production rose from 2.7 percent in 2005 to 30.7 percent in 2007.[47]

The Commission found that subject imports were lower in interim 2008 than in interim 2007, and attributed the decline to the filing of the petitions in April 2008. Consequently, the Commission accorded less weight to the 2008 data in its analysis.[48] The Commission found that the volume of subject imports and the increase in that volume were significant, both in absolute terms and relative to consumption and production in the United States.[49]

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[46] Original CVD Views, USITC Pub. 4055 at 14.

[47] Original CVD Views, USITC Pub. 4055 at 15. Commissioners Aranoff, Pearson, and Okun likewise found, in the discussion of their affirmative threat of material injury determinations, that subject imports captured substantial market share from both the domestic industry and nonsubject imports as nonsubject imports' market share declined. The domestic industry's overall loss of market share to subject imports was due in part to the rapid increase in subject imports. Original CVD Views, USITC Pub. 4055 at 21.

[48] Original CVD Views, USITC Pub. 4055 at 15. Commissioners Aranoff, Pearson, and Okun also attributed the declines in subject imports in 2008 to the filing of the petitions. Original CVD Views, USITC Pub. 4055 at 21.

[49] Original CVD Views, USITC Pub. 4055 at 15. Commissioners Aranoff, Pearson, and Okun found that China was the world's largest producer of welded pipe products. Current Chinese production capacity for line pipe was estimated to total 8.5 million short tons. They noted that welded pipe and tube production capacity in China was projected to increase further and that much of the new production would be devoted to export markets, with a substantial share of these exports likely to be directed to the U.S. market. Although unused production capacity in China was difficult to quantify, the limited evidence in the record indicated that the Chinese producers possessed unused capacity equivalent to approximately 34.6 percent of apparent U.S. consumption in 2007. There was also the potential for production facilities in China that were currently being used to produce other pipe (Continued…)

2. Current Reviews

In the current reviews, the available information indicates that the antidumping and countervailing duty orders have had a disciplining effect on the volume of subject imports of line pipe from China. In 2007, the last full year of the original investigations, subject imports from China totaled 236,358 short tons. Subject imports fell to 127,511 short tons in 2008, 2,313 short tons in 2009, and have thereafter remained at low levels. In 2012, several years after the orders were imposed, they totaled 8,449 short tons.[50]

In the original investigations, the Commission did not receive any completed questionnaires from producers of line pipe in China during the preliminary phase of the original investigations and only received one completed questionnaire in the final phase of the investigations. Consequently, information in the original investigations concerning the subject industry was limited.[51]

Although the domestic industry identified 52 known producers or exporters of line pipe in China in its response to the notice of institution, no foreign producer or exporter of line pipe participated in these expedited reviews.[52] Nonetheless, available record data indicate that the industry in China continues to manufacture[53] and export[54] substantial volumes of line pipe and its overall welded pipe capacity is quite large.[55] China continues to be a substantial world exporter of line pipe, as it was during the original investigations.[56]

The United States remains an attractive market to the line pipe industry in China. As stated above, subject imports remain in the U.S. market despite imposition of the orders. The

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(…Continued)
products to shift to the production of subject line pipe. In addition, Chinese producers had incentives to shift to the production of line pipe from standard pipe and other products because of import restrictions or active investigations in the United States as well as third countries. The Chinese government had encouraged the shift to the production and increased exportation of line pipe by imposing a 15 percent export tax on hot-rolled strip and other welded pipe products, while providing a 13-percent value added tax rebate on exported line pipe. Original CVD Views, USITC Pub. 4055 at 22-23.

[50] CR/PR at Table I-8.

[51] Original CVD Views, USITC Pub. 4055 at VII-6.

[52] CR at I-34, PR at I-26.

[53] Because no Chinese producers responded to the notice of institution, data specific to the production or capacity of subject line pipe in China are unavailable. However, whereas production of all welded pipe totaled 23.7 million short tons in 2007, it totaled 40.5 million short tons in 2011, according to data gathered from the World Steel Association. CR/PR at Table I-10.

[54] According to data gathered by Global Trade Information Services, China's exports of line pipe totaled 745,587 short tons in 2008, and fluctuated at lower levels thereafter. Chinese exports of line pipe in 2013 totaled 603,215 short tons. CR/PR at Table I-11.

[55] According to data obtained from China's National Bureau of Statistics and provided by the domestic producers, welded pipe capacity totaled more than 71 million short tons in 2012. Domestic Producers' Response to Notice of Institution, Exh. 6.

[56] CR/PR at Table I-12. China exported 603,221 short tons of line pipe in 2013, or 23.8 percent of the world total. *Id*.

domestic producers have provided information indicating that China has a great deal of unused capacity to make welded pipe, and that this unused capacity increased during the period of review.[57] In addition, they claim, the Chinese industry continues to add new capacity to make welded pipe.[58] On the basis of the Chinese producers' production alone and without taking into account their unused capacity, the domestic producers maintain that Chinese producers could ***.[59]

There is also evidence on the record that the Chinese industry has increased ***.[60] These ***, along with ***, would encourage Chinese producers to increase exports to the U.S. market upon revocation of the orders.

Chinese producers of welded pipe face export barriers in other markets. The European Union ("EU") maintains antidumping duties on welded steel non-alloy pipe from China, and Canada maintains antidumping duties on certain carbon steel welded pipe from China.[61] The increases in capacity and in unused capacity, along with these export barriers, provide an incentive for the Chinese producers to increase sharply the supply of subject merchandise to the U.S. market, as they did during the original investigations, should the orders be revoked.

Notwithstanding the imposition of the orders in 2009, subject imports have remained in the U.S. market. The Chinese industry has the incentive to increase exports of line pipe to the United States because of its increased and unused capacity to produce line pipe and the outstanding orders in the EU on welded steel non-alloy pipe from China and in Canada on certain carbon steel welded pipe from China. We find that subject producers in China are likely, absent the restraining effects of the orders, to direct substantial and increasing volumes of line pipe to the U.S. market, as they did during the original investigations. We find that the likely volume of subject imports would be significant if the orders were revoked, both in absolute terms and relative to production and consumption.

D. Likely Price Effects

1. Original Investigations

In the original investigations, the Commission found that subject imports from China and domestic line pipe were highly substitutable and that most sales of both the domestic like product and subject imports were made on the spot market to distributors. Price, as well as

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[57] The domestic producers reported the Chinese industry's unused welded pipe capacity was 20.95 million short tons in 2013, an increase of 1.93 million short tons over the 2012 level. Domestic Producers' Response to Notice of Institution at 10-11; Domestic Producers' Comments at 12.

[58] Domestic Producers' Response to Notice of Institution at 11-12.

[59] Domestic Producers' Response to Notice of Institution at 10-11. Total apparent consumption of all welded pipe was *** metric tons in 2012. *Id*.

[60] Domestic Producers' Response to Notice of Institution at 12; Domestic Producers' Comments at 14.

[61] Domestic Producers' Response to Notice of Institution at 13.

quality that meets industry standards, were reported to be the two most important purchasing factors.[62]

The Commission's pricing data showed that subject imports were priced lower than domestic line pipe in all 56 quarterly comparisons for all four pricing products and undersold the domestic like product by margins that averaged 30.4 percent. The Commission found the underselling to be significant.[63] Prices for domestically produced line pipe were generally steady, only fluctuating within a narrow range from 2005 through the first quarter of 2008, despite the large growth in apparent U.S. consumption in 2006 and 2007, and concurrent cost increases. The Commission found that subject imports prevented price increases that otherwise would have occurred to a significant degree. The domestic industry was unable to raise its prices to cover increases in costs, notwithstanding a substantial increase in demand from 2005 to 2007. However, in 2008 when subject imports declined due to the filing of the petition, the domestic industry was able to increase its prices to cover its increasing costs and the industry increased its profitability.[64]

2. Current Reviews

As indicated above, in these reviews we continue to find that subject imports from China are highly substitutable for line pipe manufactured in the United States. Nothing in the record of these reviews indicates that price is no longer an important factor in purchasing decisions. The record does not contain current pricing comparisons due to the failure of respondent interested parties to participate and the expedited nature of these reviews, as well as the fact that there have been few subject imports since 2008.[65] We find that the significant underselling observed during the original investigations would likely recur if the antidumping and countervailing duty orders were revoked. This in turn would likely cause the domestic industry to lower prices or, as was the case in the original investigations, to forgo price increases to cover costs. Given our finding that subject imports would likely increase in the event of revocation, we conclude that the likely significant volume of subject imports of line

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[62] Original CVD Views, USITC Pub. 4055 at 15-16.

[63] Original CVD Views, USITC Pub. 4055 at 16. Commissioners Aranoff, Pearson, and Okun made similar findings in their affirmative threat determinations. Original CVD Views, USITC Pub. 4055 at 23-24.

[64] Original CVD Views, USITC Pub. 4055 at 16. The ratio of COGS to net sales rose from 79.9 percent in 2005 to 86.3 percent in 2007. Original CVD Views, USITC Pub. 4055 at Table VI-1. Commissioners Aranoff, Pearson, and Okun also found that the subject imports prevented prices increases for the domestic product that otherwise would have occurred during the period, and only after the petition was filed could the domestic producers raise prices to cover their rising costs. They found subject imports would have further significant depressing and suppressing effects on U.S. prices and be likely to increase demand for imports. Original CVD Views, USITC Pub. 4055 at 24.

[65] Published data regarding average transaction prices for a combination of domestic and import shipments appear in CR/PR at Table I-2 (2013) and Figure I-1 (2008-13).

pipe from China would again undersell the domestic like product to a significant degree to gain market share and would have likely price suppressing or depressing effects.

E. Likely Impact[66]

1. Original Investigations

In the original investigations, the Commission found that as demand for line pipe increased, the domestic industry increased its production, capacity utilization, shipments, and net sales quantities. Most of the domestic industry's employment indicators improved over the period. The number of production and related workers, aggregate hours worked, aggregate wages paid, and hourly wages all increased. There was a small decline in productivity, but the industry increased its capital expenditures.[67]

However, even with the increase in the output of the domestic industry during a period of strong demand, the industry's profitability and market share suffered. While growth in demand enabled the industry to remain profitable, it experienced a 25.9 percent decline in operating income from 2005 to 2007 and a 49.5 percent decline from 2006 to 2007. The industry lost seven percentage points of market share, despite its increased capacity and production.[68]

The Commission found that nonsubject imports were present in the market in significant quantities. Most purchasers reported that welded line pipe from the major nonsubject supplying countries was interchangeable with the domestic product. Yet nonsubject imports were consistently priced above subject imports, indicating that nonsubject

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[66] Under the statute, "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 US.C. § 1677(35)(C)(iv); *see also* SAA at 887. After conducting an expedited review of the antidumping duty order on line pipe from China, Commerce determined that revocation of the order would likely lead to continuation or recurrence of dumping at weighted-average margins of 73.87 percent for individually listed producers/exporters and 101.10 for the PRC-wide rate. 79 Fed. Reg. 19052, 19053 (Apr. 7, 2014). In its expedited view of the countervailing duty order, Commerce determined that revocation of the order would likely lead to continuation or recurrence of countervailable subsidies ranging from 33.43 to 40.05 percent for individually listed producers/exporters and 36.74 percent for all others. 79 Fed. Reg. 15313, 15314 (Mar. 19, 2014).

[67] Original CVD Views, USITC Pub. 4055 at 17-18. Commissioners Aranoff, Pearson, and Okun made similar findings in their affirmative threat determinations. Original CVD Views, USITC Pub. 4055 at 24.

[68] Original CVD Views, USITC Pub. 4055 at 18. The operating income margin declined from 16.3 percent in 2005 to 8.9 percent in 2007. *Id*. at Table VI-1. Commissioners Aranoff, Pearson, and Okun also found that the domestic industry's profitability suffered as subject imports increased between 2005 and 2007. They also found the domestic industry to be vulnerable to material injury from large and increasing volumes of subject imports. Original CVD Views, USITC Pub. 4055 at 24-25.

imports did not compete as aggressively and would not have captured market share from the domestic industry to the same extent as subject imports. Producers in nonsubject countries lost substantial U.S. market share to subject imports over the period just as domestic producers did.[69]

The Commission noted that the business cycle of the welded line pipe industry was such that domestic producers must maximize profits during high demand periods to carry them through the low periods when orders decline due to the cyclical nature of the oil and gas industries. By taking market share and suppressing domestic producers' prices, the subject imports limited profits of the domestic industry during 2007 when demand was strong.[70] In view of the foregoing, the Commission concluded that subject imports had a significant adverse impact on the condition of the domestic industry.[71]

2. Current Reviews

In the current reviews, the available information concerning the domestic industry's condition consists of data provided by 10 domestic producers in their joint response to the notice of institution. These producers accounted for *** percent of total U.S. production in 2012.[72]

Various indicators in the record of these reviews show that the condition of the industry has improved since the orders were imposed in 2009. As in the original investigations, apparent U.S. consumption increased, ***, in terms of quantity, between 2007 and 2012.[73] Domestic capacity appears to have increased,[74] and production[75] and shipments[76] were also larger in 2012 than in 2007. Capacity utilization, however, was *** lower in 2012 than in 2007.[77]

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[69] Original CVD Views, USITC Pub. 4055 at 19. Commissioners Aranoff, Pearson, and Okun did not find that likely material injury to the domestic industry could be attributed to the effects of weak demand or nonsubject imports. Once subject imports left the market, the industry's fortunes improved despite weakening demand. Also, nonsubject imports were consistently priced above subject imports during the period, indicating that nonsubject imports did not compete as aggressively and would not have captured market share from the domestic industry to the same extent as subject imports. Original CVD Views, USITC Pub. 4055 at 25.

[70] Original CVD Views, USITC Pub. 4055 at 19.

[71] Original CVD Views, USITC Pub. 4055 at 20.

[72] Domestic Producers' Response to Notice of Institution at 1, 24.

[73] Apparent U.S. consumption was 1.4 million short tons in 2007 and totaled *** tons in 2012. CR/PR at Table I-8.

[74] Capacity totaled 1.0 million short tons in 2007 and was higher in 2012, although this reflects in part the failure of certain domestic producers to allocate capacity properly. CR/PR at Table I-4 & note.

[75] Production totaled 769,607 short tons in 2007 and *** short tons in 2012. CR/PR at Table I-4.

[76] U.S. shipments rose from 727,185 short tons in 2007 to *** short tons in 2012. CR/PR at Table I-4.

[77] Calculated capacity utilization fell from 74.3 percent in 2007 to *** percent in 2012, but this reflects in part the failure of certain domestic producers to allocate capacity properly between all (Continued…)

Although the domestic industry accounted for the majority of the U.S. market in 2007, its share of the market was appreciably lower in 2012. Whereas the domestic producers' U.S. shipments accounted for 52.9 percent of the U.S. market in 2007, they accounted for only *** percent in 2012.[78] This loss of market share did not become a gain for subject Chinese producers, however. Their market share was 17.2 percent in 2007, but fell to *** percent by 2012 as a result of the imposition of the orders. Nonsubject imports gained market share during this period, rising from 30.0 percent in 2007 to *** percent in 2012.[79]

The limited financial data show that the domestic industry had improved profitability after the orders were imposed. The operating income margin was *** percentage points higher in 2012 than in 2007.[80] The value of net sales was also significantly higher.[81] Even though COGS was significantly higher in 2012 than in 2007,[82] the COGS to net sales margin was significantly lower in 2012 than in 2007.[83] [84]

Based on the record, we find that, should the orders be revoked, the likely significant volume and likely significant price effects of subject imports would likely have a significant adverse impact on the domestic industry's profitability and market share, as they did in the original investigations, when demand was also strong.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. In 2012, imports from nonsubject sources had the largest market share of all market participants.[85] We also observe that, despite the large presence of nonsubject imports in the U.S. market, the domestic industry's production, shipments, and financial performance were better in 2012 than in 2007.

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, subject imports from China would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

(…Continued)
welded pipe and line pipe not more than 16 inches in diameter in response to the notice of institution. CR/PR at Table I-4 & note.

[78] CR/PR at Table I-9.

[79] CR/PR at Table I-9.

[80] The operating income margin was 8.9 percent in 2007 and *** percent in 2012. CR/PR at Table I-4.

[81] The value of net sales rose from $780.9 million in 2007 to $*** in 2012. CR/PR at Table I-4.

[82] COGS was $674.1 million in 2007 and $*** in 2012. CR/PR at Table I-4.

[83] COGS relative to net sales was 86.3 percent in 2007 and *** percent in 2012. CR/PR at Table I-4.

[84] Although, as discussed above, we have some data pertaining to the condition of the domestic industry, we find the evidence on the record of these reviews to be insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the antidumping and countervailing duty orders.

[85] CR/PR at Table I-9.

IV. Conclusion

For the foregoing reasons, we determine that revocation of the countervailing and antidumping duty orders on circular welded carbon quality steel line pipe from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

INFORMATION OBTAINED IN THE REVIEWS

INTRODUCTION

Background

On December 2, 2013, the U.S. International Trade Commission ("Commission" or "USITC") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of the countervailing duty or antidumping duty orders on circular welded carbon quality steel line pipe ("line pipe") from China would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] [3] On March 7, 2014, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.[4] The following tabulation presents information relating to the background and schedule of this proceeding:

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[1] 19 U.S.C. 1675(c).

[2] *Circular Welded Carbon Quality Steel Line Pipe From China; Institution of Five-Year Reviews*, 78 FR 72114, December 2, 2013. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

[3] In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of a five-year review of the subject countervailing duty and antidumping duty order concurrently with the Commission's notice of institution. *Initiation of Five-Year ("Sunset") Review*, 78 FR 72061, December 2, 2013.

[4] *Scheduling of expedited five-year reviews concerning the countervailing and antidumping duty orders on circular welded carbon quality steel line pipe from China*, 79 FR 15776, March 21, 2014. The Commission received one submission in response to its notice of institution in the subject reviews. A joint response was filed on behalf of United States Steel Corporation, Maverick Tube Corporation, American Cast Iron Pipe Company, California Steel Industries, Inc., JMC Steel Group, Northwest Pipe Company, Stupp Corporation, Tex-Tube Co., TMK IPSCO, and Welspun Tubular LLC USA, U.S. producers believed to account for a substantial portion of U.S. production of the domestic like product in 2012. The Commission did not receive any responses from producers in China or importers of the subject merchandise from China. The Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate. In the absence of respondent interested party responses and any other circumstances that would warrant the conduct of full reviews, the Commission determined to conduct expedited reviews.

Effective date	Action
January 23, 2009	Commerce's countervailing duty order on line pipe from China (74 FR 4136) http://www.gpo.gov/fdsys/pkg/FR-2009-01-23/pdf/E9-1446.pdf
May 13, 2009	Commerce's antidumping duty order on line pipe from China (74 FR 22515) http://www.gpo.gov/fdsys/pkg/FR-2009-05-13/pdf/E9-11174.pdf
December 2, 2013	Commission's institution of first five-year reviews (78 FR 72114) http://www.gpo.gov/fdsys/pkg/FR-2013-12-02/pdf/2013-28791.pdf
December 2, 2013	Commerce's initiation of first five-year reviews (78 FR 72061) http://www.gpo.gov/fdsys/pkg/FR-2013-12-02/pdf/2013-28807.pdf
March 7, 2014	Commission's determination to conduct expedited five-year reviews (79 FR 15776, March 21, 2014) http://www.gpo.gov/fdsys/pkg/FR-2014-03-21/pdf/2014-06178.pdf The press release announcing the Commission's determination concerning adequacy and the conduct of expedited reviews can be found at http://www.usitc.gov/press_room/news_release/2014/er0307mm1.htm A summary of the Commission's votes concerning the adequacy and the conduct of expedited reviews can be found at http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11646 The Commission's explanation of its determination can be found at http://pubapps2.usitc.gov/sunset/caseProfSuppAttmnt/download/11649
March 19, 2014	Commerce's final result of expedited five-year review of the countervailing duty order (79 FR 15313) http://www.gpo.gov/fdsys/pkg/FR-2014-03-19/pdf/2014-05972.pdf
April 7, 2014	Commerce's final result of expedited five-year review of the antidumping duty order (79 FR 19052) http://www.gpo.gov/fdsys/pkg/FR-2014-04-07/pdf/2014-07595.pdf
April 23, 2014	Commission's vote
May 2, 2014	Commission's determination

The original investigations

The original investigations resulted from a petition filed on April 3, 2008, by Maverick Tube Corp. (Houston, Texas), Tex-Tube Co. (Houston, Texas), U.S. Steel Corp. (Pittsburgh, Pennsylvania), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC (Pittsburgh, Pennsylvania)[5] alleging that an industry in the United States was materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of line pipe from China. On November 24, 2008, Commerce determined that countervailing subsidies were being provided to producers and exporters of line pipe from China.[6] On March 31, 2009, Commerce determined that imports of line pipe from China were being sold at LTFV.[7] On January 7, 2009, the Commission determined that an industry in the United States was materially injured by reason of subsidized imports of circular welded line pipe from China.[8] On May 6, 2009, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of circular welded line pipe from China.[9] Commerce issued countervailing duty and antidumping duty orders on line pipe from China on January 23, 2009, and May 13, 2009, respectively.

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[5] On April 4, 2008, Wheatland Tube Co. (Sharon, Pennsylvania) separately filed an entry of appearance in support of the petitions. Counsel for petitioning firm Tex-Tube Co. amended its entry of appearance on October 31, 2008, to also include domestic producers Northwest Pipe Co. (Vancouver, Washington); Stupp Corp. (Baton Rouge, Louisiana); and TMK IPSCO Tubulars (Lisle, Illinois); and again on November 3, 2008, to add domestic producer American Steel Pipe Division of ACIPCO (Birmingham, Alabama).

[6] Commerce examined 30 programs and found the following programs to be countervailable: *"Two Free, Three Half" Program; Provision of Land for Less ThanAdequate Remuneration; Provision of Hot-Rolled Steel for Less Than Adequate Remuneration; Foreign Trade Development Fund Program (Grants and VAT refunds); Export Interest Subsidies; Export Loans; Liaoning Province Grants–Five Points One Line Program; Income Tax Credits on Purchases of Domestically-Produced Equipment by Domestically Owned Companies; and Preferential Lending of Policy Loans to State-Owned Enterprises and the Steel Industry by State-Owned and Controlled Banks. Issues and Decision Memorandum for Final Determination in the Countervailing Duty Investigation of Circular Welded Carbon Quality Steel Line Pipe (Line Pipe) from the People's Republic of China, November 17, 2008; Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination,* 73 FR 70961, November 24, 2008.

[7] *Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Postponement of Final Determination,* 74 FR 14514, March 31, 2009.

[8] *Circular Welded Carbon Quality Steel Line Pipe from China*, *Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, p. 1.

[9] *Certain Circular Welded Carbon Quality Steel Line Pipe from China*, *Investigation No. 731–TA–1149 (Final)*, USITC Publication 4075, May 2009, p.1.

Commerce's reviews

Commerce has not conducted any administrative reviews of either the antidumping duty or countervailing duty order. Commerce has not issued any duty absorption findings and has not conducted any separate new shipper reviews or changed circumstances reviews.

Commerce's results of its expedited review of the subject countervailing duty order were published in the Federal Register on March 19, 2014. Commerce determined that revocation of the subject order would likely lead to continuation or recurrence of countervailable subsidies at rates of 33.43-40.05 percent.[10] Commerce's results of its expedited review of the subject antidumping duty order were published in the Federal Register on April 7, 2014. Commerce determined that revocation of the subject order would likely lead to continuation or recurrence of dumping at rates of 73.87 – 101.10 percent.[11]

Previous and related investigations

The Commission has conducted a number of import relief investigations on line pipe. Table I-1 presents information regarding previous Title VII and safeguard investigations concerning line pipe.[12]

[10] *Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China: Final Results of Expedited Sunset Review of the Countervailing Duty Order*, 79 FR 15313, March 19, 2014.

[11] *Circular Welded Carbon-Quality Steel Line Pipe From the People's Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 79 FR 19052, April 7, 2014.

[12] The Commission also has conducted several investigations that either covered a broad range of tubular products (including line pipe) or focused on standard and structural pipe and tube, but included certain welded pipe that was dual-stenciled to line pipe specifications. *See Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, p. I-6.

Table I-1
Line pipe: Previous and related title VII investigations

Investigations		Dates		Outcome
Number	**Product / Country**	**Begin**	**End**	
701-TA-165, 168	Welded Carbon Steel Pipes and Tubes from Brazil and Korea	05/07/1982	12/27/1982	Brazil - terminated after Commission preliminary affirmative determination
			02/08/1983	Korea - Commission final affirmative determination;[1] order revoked by Commerce effective October 1, 1984
731-TA-212	Welded Carbon Steel Pipes and Tubes from Venezuela	12/18/1984	02/01/1985	Commission preliminary negative determination[2]
701-TA-242 & 731-TA-253	Welded Carbon Steel Pipes and Tubes from Venezuela	02/28/1985	12/05/1985	Terminated by Commerce following Commission preliminary affirmative determination[2]
701-TA-252-253 & 731-TA-272-274	Welded Carbon Steel Pipes and Tubes from Taiwan, Turkey, and Yugoslavia	07/16/1985	01/08/1986	Taiwan and Yugoslavia - terminated by Commerce following Commission preliminary affirmative determinations
			02/21/1986	Turkey - Commission final affirmative determination;[2] countervailing duty order revoked by Commerce effective January 1, 2000
731-TA-375	Certain Line Pipes and Tubes from Canada	02/11/1987	03/30/1987	Commission preliminary negative determination[3]
TA-201-70	Circular Welded Carbon Quality Line Pipe	06/30/1999	12/22/1999	Commission affirmative determination with respect to all countries except Mexico and Canada; [4] relief ended effective March 1, 2003.
731-TA-1073-1075	Circular Welded Carbon Quality Line Pipe from China, Korea, Mexico	10/06/2004	12/14/2004	China - terminated by Commerce following Commission preliminary affirmative determination
			02/17/2005	Korea and Mexico - terminated after petition withdrawn[5]
731-TA-1150	Circular Welded Carbon Quality Steel Line Pipe from Korea	04/03/2008	11/25/2008	Terminated after petition withdrawn

[1] The Commission found small (16 inches or less) diameter welded carbon steel standard, line, and structural pipes and tubes to constitute a single like product.
[2] The Commission found separate like products consisting of welded standard pipe and welded line pipe.
[3] The Commission found that the product "like" welded line pipe from Canada was welded line pipe. Commissioner Brunsdale concurred with reservations, writing that "...while I do not do so here, it appears appropriate to find that the like product consists of both standard and line pipe."
[4] The Commission found that the domestic product "like or directly competitive" with line pipe (including multiple-stenciled line pipe) was line pipe. Commissioner Crawford concluded that the record would justify defining the like or directly competitive product as both line pipe and standard pipe, although she declined to do so.
[5] The Commission found small (16 inches or less) diameter welded line pipe to constitute a single like product but in the final phase sought data on both welded standard pipe and welded line pipe.
Source: USITC Publication 4055, January 2009, p. I-5

THE PRODUCT

Commerce's scope

Commerce has defined the subject merchandise as:

circular welded carbon quality steel pipe of a kind used for oil and gas pipelines, not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling. The term "carbon quality steel" includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels imposed in the Harmonized Tariff Schedule of the United States (HTSUS). Specifically, the term "carbon quality" includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated: (i) 2.00 percent of manganese, (ii) 2.25 percent of silicon, (iii) 1.00 percent of copper, (iv) 0.50 percent of aluminum, (v) 1.25 percent of chromium, (vi) 0.30 percent of cobalt, (vii) 0.40 percent of lead, (viii) 1.25 percent of nickel, (ix) 0.30 percent of tungsten, (x) 0.012 percent of boron, (xi) 0.50 percent of molybdenum, (xii) 0.15 percent of niobium,(xiii) 0.41 percent of titanium, (xiv) 0.15 percent of vanadium, or (xv) 0.15 percent of zirconium. Welded line pipe is normally produced to specifications published by the American Petroleum Institute (API) (or comparable foreign specifications) including API A–25, 5LA, 5LB, and X grades from 42 and above, and/or any other proprietary grades or nongraded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil and gas pipelines, including all multiple-stenciled pipe with an API line pipe stencil is covered by the scope of these investigations.[13]

Excluded from this scope are pipes that are multiple-stenciled to a standard and/or structural specification and have one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish. (The term "painted" does not include coatings to inhibit rust in transit, such as varnish, but includes coatings such as polyester.)

The welded line pipe products that are the subject of this order are currently classifiable in the HTSUS under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and

[13] *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 70961, November 24, 2008.

7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.[14]

Beginning with its final countervailing duty determination with respect to line pipe from China, Commerce modified the scope to eliminate the overlap that had existed between the scope of a recently completed circular welded (standard and structural) pipe investigation and that of the subject line pipe investigation. [15]

U.S. tariff treatment

Subject line pipe is currently classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150.[16] Line pipe imported from China enters the U.S. market at a column 1-general duty rate of "free."

Domestic like product and domestic industry

In the final phase of the original investigations, the Commission defined a single domestic like product including all welded line pipe, coextensive with the scope of the investigations. The Commission observed that "no party advocates defining the domestic like product differently" and no new information had been developed since its conclusions in the preliminary phase of the investigations to suggest that a different definition was warranted.[17] The Commission did not find any of the U.S. producers to be related parties.[18]

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry. In their joint response to the Commission's notice of institution, the domestic producers indicated

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[14] *Circular Welded Carbon Quality Steel Line Pipe From the People's Republic of China: Final Results of Expedited Sunset Review of the Countervailing Duty Order*, 79 FR 15313, March 19, 2014.

[15] *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 73 FR 52297, September 9, 2008; *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 73 FR 70961, November 24, 2008.

[16] Questionnaire responses in the original investigations indicated that the amount of subject line pipe imported under the statistical reporting numbers for alloy line pipe was minimal. *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, p. I-10.

[17] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, p. 6.

[18] *Circular Welded Carbon Quality Steel Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, p. 7.

that they agree with the Commission's definitions of the domestic like product and domestic industry that were adopted in the original investigations.[19] No further comment on the domestic like product or domestic industry has been filed with the Commission in this proceeding.

Description and uses[20]

In general, steel pipes and tubes[21] are produced in various grades of carbon, stainless, or other alloy steel. Tubular products frequently are distinguished by the following six end uses as defined by the American Iron and Steel Institute ("AISI").

- *Standard pipe* is ordinarily used for low-pressure conveyance of air, steam, gas, water, oil, or other fluids for mechanical applications. It is used primarily in machinery, buildings, sprinkler systems, irrigation systems, and water wells rather than in pipe lines or utility distribution systems. It may carry fluids at elevated temperatures which are not subject to external heat applications. It is usually produced in standard diameters and wall thicknesses to American Society for Testing and Materials ("ASTM") specifications.
- *Line pipe* is used for transportation of gas, oil, or water, generally in a pipeline or utility distribution system. It is produced to API-5L and American Water Works Association ("AWWA") specifications.
- *Structural pipe and tubing* is welded or seamless pipe and tubing generally used for structural or load-bearing purposes above ground by the construction industry, as well as for structural members in ships, trailers, farm equipment, and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications in round, square, rectangular, or other cross-sectional shapes.
- *Mechanical tubing* is welded or seamless tubing produced in a large number of shapes of varied chemical composition in sizes 3/16 inch to 10¾ inches O.D. inclusive for carbon and alloy material. It is not normally produced to meet any specification other than that required to meet the end use. It is produced to meet exact O.D. and decimal wall thickness.
- *Pressure tubing* is used to convey fluids at elevated temperatures or pressures, or both, and is suitable to be subjected to heat applications. It is produced to exact

[19] *The Domestic Industry's Substantive Response To The Notice of Institution*, January 2014, p. 23.

[20] Unless otherwise noted this information is based on *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, p. I-10.

[21] Pipe dimensions (*e.g.*, outside diameter ("O.D.") and wall thickness) are standardized while tube dimensions are design-specific. The HTS generally makes no distinction between pipes and tubes.

O.D. and decimal wall thickness in sizes ½ inch to 6 inches O.D. inclusive, usually to specifications such as ASTM.

- *Oil country tubular goods* ("OCTG") are pipe produced to API specifications and used in wells to extract oil and natural gas:
    - *Casing* is the structural retainer for the walls of oil or gas wells and covers sizes 4½ to 20 inches O.D., inclusive.
    - *Tubing* is used within casing oil wells to convey oil to ground level and ordinarily includes sizes 1.050 to 4.500 inches O.D., inclusive.
    - *Drill pipe* is used to transmit power to a rotary drilling tool below ground level and covers sizes 2 3/8 to 6¾ inches O.D., inclusive.

The line pipe subject to these reviews is made from "carbon quality steel" which includes both carbon steel and carbon steel combined with small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels imposed in the HTS.[22] The welded line pipe at issue is a circular pipe product not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling. Line pipe generally is produced in the United States in lengths of 40 feet or greater, and with either a bare finish or a black (lacquered) finish to protect the pipe from rust, which is especially important for storage in humid climates or for waterborne transportation. End finishes typically include square cut or beveled for welding in the field.

The welded pipe at issue includes pipe of a kind used in oil and gas pipelines, whether or not stenciled. Such line pipe normally is produced in conformance with the American Petroleum Institute's specification API 5L, and generally bears an API line pipe stencil. A "stencil" is information marked by the manufacturer with paint on the outside surface of the pipe indicating the specification in conformance with which it has been manufactured.

The API 5L specification for line pipe indicates that the markings and class (e.g., A-25, A, B, and X-42 through X-80), process of manufacture (seamless pipe, electric resistance welded pipe, or continuous welded pipe), heat treatment, and test pressure. The API 5L grades define the strength level of the pipe and of the steel that is used to make the pipe. For grades A-25 and X-42 to X-80, the last two digits reflect the tensile strength of the steel. Lower grades of line pipe, namely, A-25, grade A, and grade B, have lower strength but have other desirable

[22] Specifically, the term "carbon quality" includes products in which (1) iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated: 2.00 percent of manganese, 2.25 percent of silicon, 1.00 percent of copper, 0.50 percent of aluminum, 1.25 percent of chromium, 0.30 percent of cobalt, 0.40 percent of lead, 1.25 percent of nickel, 0.30 percent of tungsten, 0.012 percent of boron, 0.50 percent of molybdenum, 0.15 percent of niobium, 0.41 percent of titanium, 0.15 percent of vanadium, or 0.15 percent of zirconium.

properties. For example, grade A line pipe is more malleable and more readily weldable than pipes of higher grades.[23]

Production process[24]

U.S. mills commonly manufacture line pipe by the electric resistance weld ("ERW") process;[25] however, the continuous weld ("CW") process can be used for pipe up to 4.5 inches (114.3 mm) in diameter.[26] The manufacture of welded line pipe by the ERW process begins with coils of hot-rolled sheet steel,[27] which are cut by a slitting machine into strips of the precise width needed to produce a desired diameter of pipe.[28] The slit coils are fed into the tube mills, which cold-form the flat ribbon of steel into a tubular cylinder by a series of tapered forming rolls. The product then is welded along the joint axis. The welded tube next passes under a tool that removes the outside flash resulting from the pressure during welding. Inside flash is

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[23] The API 5L specification also specifies that "products in compliance with multiple compatible standards may be marked with the name of each standard." Because welded line pipe for use in oil and gas pipelines requires higher hydrostatic test pressures and more restrictive weight tolerances than standard pipe, pipe that is in conformance with API Specification 5L Grade B automatically is in conformance with the less restrictive standard pipe specification of the American Society for Testing and Materials, ASTM A-53 Grade B. As a consequence, manufacturers often mark such product with both specifications (a practice known as "dual stenciling") so that it may be applied for either use. Product also may be simultaneously in conformance with both Grade B and Grade X-42 of the API 5L specification; indeed, much of the line pipe used in the United States meets the specifications of both Grades B and X-42. Such product may be marked with API 5L Grade B, API 5L Grade X-42, and ASTM A-53 Grade B (a "triple stencil"). Finally, some standard pipe customers require product marked as being in compliance with the American Society of Manufacturing Engineers ("ASME") AS-53, which is identical to ASTM A-53; including this information can result in a "quad stencil."

[24] Unless otherwise noted this information is based on *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, p. I-12.

[25] ERW is a process where the strip edges are mechanically pressed together and welded. The heat for welding is generated by resistance of the steel to the flow of an electric current. In one process, a low frequency current (typically 60 to 360 hertz) is conducted to the strip edges by a pair of copper alloy discs which rotate as the pipe is propelled under them. A second variation uses high frequency current (in the range of 400 to 500 kilohertz) which enters the tubing through shoes which act as sliding contacts. An induction coil can also be used with the high frequency current to induce current in the edges of the steel. No direct contact between the induction coil and the tubing is required.

[26] CW is a process of forming a seam by heating the steel in a furnace and mechanically pressing the formed edges together as it passes through a series of round welding rolls. Successive coils are joined together to provide a continuous flow of steel to the welding mill. This process is also known as continuous butt welding. *See*, API, *Specification for Line Pipe: API Specification 5L*, March 2004, p. 35. According to this specification, only grade A-25 can be manufactured using the CW process.

[27] Flat-rolled steel that is more than 0.1875 inch in thickness if more than 48 inches in width, or more than 0.230 inch in thickness if 48 inches or less in width, may be called "plate in coils."

[28] The required diameter and wall thickness of a pipe are a function of the intended volume and pressure of material that is to flow through the pipe.

likewise removed by cutting tools. The tube is then subjected to such post-weld heat treatment as is required. Such treatment may involve heat treatment of the welded seam only or treatment of the full cross-section of the pipe. After heat treatment, sizing rolls shape the tube to specific diameter tolerances. The product is cooled and then cut to size at the end of the tube mill. The same equipment and workers can be used to produce standard pipe as well as other tubular products, most commonly oil country tubular goods ("OCTG").[29]

Interchangeability and customer and producer perceptions

As discussed previously, line pipe generally is produced in conformance with API specification 5L for use in the transmission of petroleum products through oil and gas pipelines. As such, U.S. mills produce the domestic like product in a range of grade, length, size, and wall thickness combinations. Certain line pipe can be certified to non-line pipe applications as well (generally standard pipe certified to ASTM specification A53 for use in low-pressure conveyance of water or gas), however, the scope exclusions discussed previously based on length, diameter, surface finish, and end finish eliminate much of this potential overlap.

In its original investigations, the Commission observed that there was a "high degree of substitutability between the subject imports and domestic line pipe." [30] The Commission specifically pointed to use of common specifications.[31] Indeed, the majority of U.S. producers' shipments during January 2005 – September 2008 were in grades A through X56, as were all U.S. shipments of imports of line pipe from China.[32] The Commission also noted that the most commonly sold lengths of U.S.-produced line pipe were double random lengths,[33] as were line pipe imported from China, albeit with a substantial amount sold as single random lengths.[34] Overall, large majorities of producers and purchasers, as well as generally smaller majorities of

[29] Welded OCTG includes casing (the structural retainer for the walls of oil and gas wells) and tubing (used with casing to convey hydrocarbons to ground level).

[30] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, p. 14.

[31] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, p. 13.

[32] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, table IV-9.

[33] Random lengths are sold without a guarantee they will be a certain length but that pipes will be within a set ranges of lengths. Single random lengths are very roughly 20 feet in length and double random lengths are roughly 40 feet in length.

[34] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final), USITC Publication 4055, January 2009, p. 14.* U.S. producers also sold substantial volumes of longer-length pipe, unlike U.S. importers. Id. *See also* table IV-10.

U.S. importers, reported that line pipe from different sources was "always" or "frequently" interchangeable (that is, can be physically used in the same applications). [35]

Channels of distribution

During 2005-07, U.S. producers and U.S. importers primarily shipped line pipe to distributors. For U.S. producers, distributor sales accounted for 47.3– 60.3 percent of U.S. shipments. For U.S. importers, distributor sales accounted for 100 percent of U.S. shipments of imported line pipe from China and 97.3 percent of U.S. shipments of imported line pipe from nonsubject countries. [36]

Pricing and related information

In the original investigations, the Commission collected price data for four line pipe products. All four price items were API 5L Grades B/X-42, with outside diameters ranging from 4.5 inches to 12.75 inches. Prices of imports from China were consistently lower than domestic prices in all quarters for all four products. Margins of underselling ranged from 15.8 to 56.7 percent. [37]

Table I-2 presents pricing data from January 2013 to December 2013 as published by *Preston Pipe and Tube*, in dollars per net (short) ton. Average monthly market prices for small diameter and larger diameter line pipe increased from January to December 2013. As presented in figure I-I, over a longer time horizon U.S. prices for line pipe rose steeply through the first nine months of 2008, then declined sharply. Prices recovered partially during 2010-11, then fluctuated over the course of 2012-13 (generally weakening in 2012 and strengthening in 2013).

Table I-2
Line pipe: Average market prices (in dollars per net (short) ton) for line pipe, monthly, 2013

Type of product	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13	Jul '13	Aug '13	Sep '13	Oct '13	Nov '13	Dec '13
CARBON ERW – 0" – 4 ½"	987	982	986	982	991	1,002	1,005	1,011	1,015	1,028	1,021	1,024
CARBON ERW – 5" – 16"	1,003	996	1,002	997	1,006	1,014	1,009	1,014	1,017	1,033	1,028	1,031

Note.—Prices are average transaction prices by weighted average value. Prices are a combination of both domestic (U.S.) and import shipments.

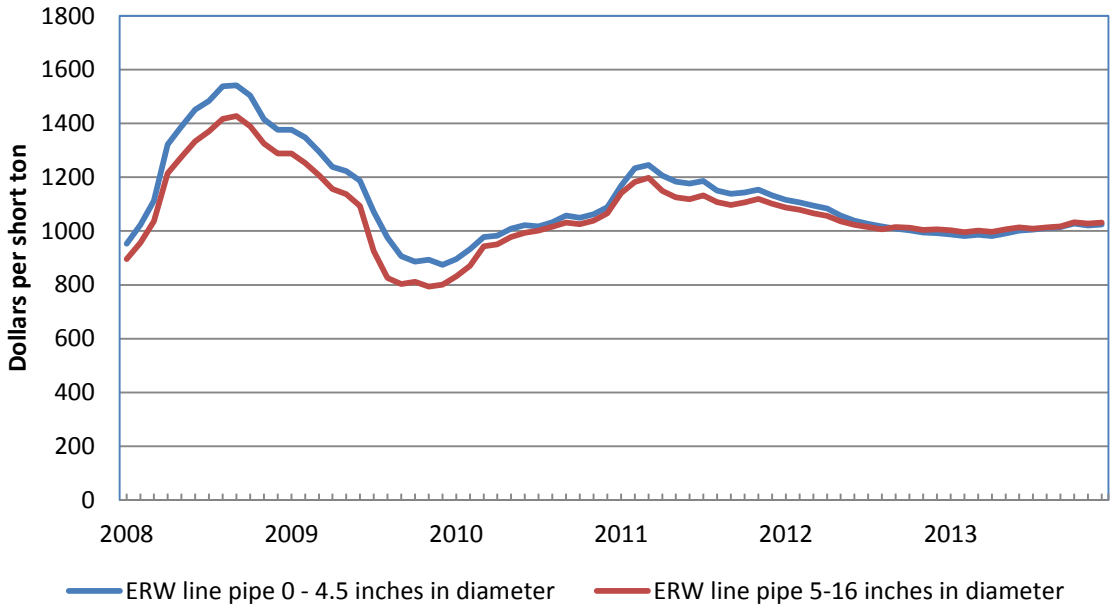
Source: Data from Preston Pipe & Tube Report, Vols. 26-31.

[35] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, table II-5.

[36] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, table II-1.

[37] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, table V-6.

Figure I-I
Line pipe: Monthly average prices, January 2008-December 2013



Note.—The reported prices represent the average transaction price (by weighted average value) for the designated products. These prices are a combination of both domestic and import shipments. The domestic prices include both contract and spot market values and are first point of sale (FOB mill). Import values are calculated CIF, duty paid from official U.S. Customs declarations. Import prices may lag behind domestic values by a minimum delay of 90 days due to shipment times. All values are in U.S. dollars per net ton. Land freight has not been included.

Source: Preston Publishing Co., *Preston Pipe & Tube Report,* February 2009, February 2010, February 2011, February 2012, February 2013, and February 2014 isues, http://prestonpipe.com/ ,

The principal raw material used in line pipe is hot-rolled steel sheet. Price information regarding hot-rolled steel sheet shown in figure I-2.

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THE INDUSTRY IN THE UNITED STATES

U.S. producers

In its original investigations, the Commission collected data from nine U.S. producers of line pipe that accounted for more than 95 percent of U.S. production in 2007. Three producers, California Steel, Maverick, and U.S. Steel, together accounted for *** percent of reported 2007 production of line pipe.[38] During 2005-07, the domestic industry experienced a series of mergers and acquisitions (involving Atlas Tube, IPSCO, Lone Star Technologies Inc., Maverick, Sharon Tube, Tenaris, and Wheatland) as well as several mill closures (Wheatland closed four facilities.

In their substantive response to the Commission's notice of institution, the domestic interested parties identified 12 known and currently operating line pipe producers in the United States. Table I-3 lists the ten domestic interested parties (believed to account for *** percent of total 2012 production), each company's position on the subject orders, production location(s), related and/or affiliated firms, and share of reported production of circular welded pipe in 2012. No U.S. producer directly imports the subject merchandise from China, and none are known to have any affiliation with Chinese producers of line pipe.[39]

[38] *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2014, p. III-1.

[39] *The Domestic Industry's Substantive Response To The Notice of Institution*, January 2, 2009, pp. 23-24.

Table I-3
Line pipe: U.S. producers, positions on the subject orders, U.S. production locations, related and/or affiliated firms, and shares of 2012 reported U.S. production

Firm	Position on orders	U.S. plant location(s)	Share of production (*percent*)
American Cast Iron Pipe Company	Support	Birmingham, AL	***
California Steel Industries	Support	Fontana, CA	***
JMC Steel Industries	Support	Sharon, PA Wheatland, PA Warren, OH Chicago, IL Little Rock, AK	***
Maverick Tube Corporation	Support	Hickman, AR Blytheville, AR Counce, TN	***
Northwest Pipe Company	Support	Atchison, KS	***
Stupp Corporation	Support	Baton Rouge, LA	***
Tex-Tube Co	Support	Houston, TX	***
TMK IPSCO	Support	Camanche, IA Blytheville, AR Wilder, KY	***
U.S. Steel Corp.	Support	McKeesport, PA Lone Star, TX	***
Welspun Pipes	Support	Little Rock, AR	***

Note.—Does not include the operations of Boomerang Tube (Chesterfield, MO) and Paragon Industries (Sapulpa, OK).

Source: *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2, 2014, exhibit 25.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the five-year reviews of the subject orders. Table I-4 presents the data reported by responding U.S. producers from both the original investigations (2005-07) and the response to the notice of institution (2012). The data presented in the table were provided by 9 firms for the period 2005-07 and by 10 firms, accounting for an estimated *** percent of the total domestic production of line pipe, for the year 2012.[40]

[40] *The Domestic Industry's Substantive Response To The Notice Of Institution,* January 2, 2014, p. 21. JMC reported data separately for its Atlas and Wheatland operations.

Table I-4
Line pipe: U.S. producers' trade and financial data, 2005-07 and 2012

Item	2005	2006	2007	2012
Capacity	946,891	947,312	1,035,515	***
Production *(short tons)*	570,076	749,202	769,607	***
Capacity utilization (*percent*)	60.2	79.1	74.3	***
U.S. shipments				
Quantity (*short tons*)	522,831	694,012	727,185	***
Value (*1,000 dollars*)	507,703	694,165	757,701	***
Unit value (*dollars per short ton*)	971	1,000	1,042	***
Net sales				
Quantity (*short tons*)	586,170	745,701	741,853	N/A
Value (*1,000 dollars*)	574,930	749,831	780,944	***
Unit value (*dollars per short ton*)	981	1,006	1,053	***
Cost of goods sold (*COGS*) *($1,000*)	457,816	577,876	674,102	***
Gross profit or (loss) *($1,000*)	117,114	171,955	106,842	***
SG&A *($1,000*)	23,599	34,702	37,561	***
Operating income or (loss) *($1,000*)	93,515	137,253	69,281	***
COGS/sales (*percent*)	79.6	77.1	86.3	***
Operating income or (loss)/sales (*percent*)	16.3	18.3	8.9	***

Note.—Several producers did not allocate capacity between line pipe and other tubular products produced on the same equipment. Capacity, therefore, is substantially overstated.

Source: Compiled from *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation No. 701-TA-455,* USITC Publication 4055 January 2009, table C-1 and *The Domestic Industry's Substantive Response To The Notice Of Institution,* January 2, 2014, exhs. 25, 26, 27, 28, and 29.

The domestic interested parties contend that their current condition is extremely vulnerable to any increase in the volume of unfairly traded imports. They point to declining demand and import penetration.[41]

U.S. Imports and Apparent Consumption

U.S. importers[42]

In response to Commission questionnaires issued to importers during the original investigations, 31 firms supplied usable data. Responding importers were believed to account for 64 percent of the quantity of subject U.S. line pipe imports from China and 54 percent of U.S. imports from nonsubject sources during January 2005 to September 2008. During this

[41] *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2, 2014, p. 20-21.

[42] All information is from the original staff report unless otherwise indicated. *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, pp. IV-1 to IV-2.

timeframe, largest importers of subject line pipe from China were (***) and the largest importers of line pipe from other sources were (***).

In their substantive response to the Commission's notice of institution, the domestic interested parties observed that the number of U.S. importers importing the subject merchandise from China had likely declined following the issuance of the subject orders. Nonetheless, they identified one possible U.S. importer (***) in addition to the original 31 identified by the Commission. [43]

U.S. imports

In its original investigations, the Commission found that the subject import volume and the increase in that volume were significant, both in absolute terms and relative to consumption and production in the United States.[44] Data regarding U.S. imports of welded line pipe from the period 2005 to 2007, 2012 and 2013, are presented in table I-5. The Commission noted that the volume of subject imports from China was 15,549 short tons in 2005, and increased by over 1400 percent from 2005 to 2007, to 236,358 short tons. This increase in subject imports greatly exceeded the increase in apparent U.S. consumption from 2005 to 2007, and subject imports from China increased their share of the U.S. market from 1.8 percent in 2005 to 17.2 percent in 2007 (presented details "Apparent U.S consumption and market shares"). As a ratio to U.S. production, subject imports from China increased from 2.7 percent in 2005 to 30.7 percent in 2007 (presented in "Ratio of imports to U.S. productions").

[43] *The Domestic Industry's Substantive Response To The Notice Of Institution,* January 2014, p. 23 and exh. 22.

[44] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, p. 15

Table I-5
Line pipe: U.S. imports data, 2005-07 and 2012-2013

Item	2005	2006	2007	2012	2013
	Quantity (*short tons*)				
China	15,549	169,652	236,358	8,449	2,721
All other	334,091	539,671	412,183	1,065,609	915,947
Total imports	349,640	709,323	648,541	1,074,059	918,668
	Value (*$1,000*)				
China	11,543	105,754	153,881	7,655	2,274
All other	260,929	412,384	315,411	1,053,180	814,018
Total imports	272,472	518,138	469,292	1,060,835	816,292
	Unit value (*dollars per short ton*)				
China	742	623	651	906	836
All other	781	764	765	988	889
Average, total	779	730	724	988	889
	Share of quantity (*percent*)				
China	4.4	23.9	36.4	0.8	0.3
All other	95.6	76.1	63.6	99.2	99.7
Total	100	100	100	100	100.0

Note. -- Because of rounding, figure may not add to total shown.

Source: *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation No. 701-TA-455,* USITC Publication 4055, January 2009, table C-1.

The domestic producers participating in the current five-year review acknowledged the Commission's findings in its original investigations.[45] Also, the domestic producers stated in their response to the Commission's notice of institution that "in the instant reviews, the evidence clearly establishes that the Orders have kept dumped and subsidized imports of welded line pipe from China out of the U.S. market."[46] According to U.S. producers, the U.S market remains attractive and the number and diversity of nonsubject import sources establishes that the U.S. market remains an attractive market for imports generally. Moreover, they contend, Chinese welded line pipe producers continue to solicit sales opportunities, even from U.S. producers, notwithstanding the subject orders.[47]

Table I-6 presents the quantity, value, unit value, and share of quantity for the top sources of U.S. imports as well as China. Imports of line pipe from China decreased from 127,511 short tons in 2008 to 2,721 short tons in 2013. In 2013, Korea was the largest source of imports, having increased from 241,596 to 570,365 short tons between 2008 and 2013. Imports from Korea now account for 62.1 percent of total U.S. imports of line pipe.

[45] *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2, 2014, pp. 5-6.

[46] Ibid. p. 19.

[47] Ibid. pp. 16-17.

Table I-6
Line pipe: U.S. imports data, 2008-13

Source	2008	2009	2010	2011	2012	2013
Quantity (*short tons*)						
China	127,511	2,313	3,607	7,068	8,449	2,721
Korea (nonsubject)	241,596	143,275	261,252	484,132	596,717	570,365
Mexico (nonsubject)	159,167	67,133	125,144	139,696	113,511	120,202
All other sources	144,466	98,101	100,237	213,636	355,381	225,380
Subtotal, nonsubject	545,229	308,509	486,633	837,464	1,065,609	915,947
Total imports	672,740	310,822	490,240	844,532	1,074,058	918,668
Value *($1,000*)						
China	99,206	2,707	2,398	7,342	7,655	2,274
Korea (nonsubject)	230,409	134,776	208,389	451,816	557,473	501,055
Mexico (nonsubject)	230,342	77,567	124,402	164,400	127,365	117,536
All other sources	153,849	117,861	92,675	213,997	368,342	195,427
Subtotal, nonsubject	614,600	330,204	425,466	830,213	1,053,180	814,018
Total imports	713,806	332,911	427,864	837,555	1,060,835	816,292
Unit value (*dollars per short ton*)						
China	778	1,170	665	1,039	906	836
Korea (nonsubject)	954	941	798	933	934	878
Mexico (nonsubject)	1,447	1,155	994	1,177	1,122	978
All other sources	1,065	1,201	925	1,002	1,036	867
Subtotal, nonsubject	1,127	1,070	874	991	988	889
Average	1,061	1,117	845	1,038	1,000	890
Share of quantity (*percent)*						
China	19.0	0.7	0.7	0.8	0.8	0.3
Korea (nonsubject)	35.9	46.1	53.3	57.3	55.6	62.1
Mexico (nonsubject)	23.7	21.6	25.5	16.5	10.6	13.1
All other sources	21.5	31.6	20.4	25.3	33.1	24.5
Subtotal, nonsubject	81.0	99.3	99.3	99.2	99.2	99.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

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

Source: Compiled from official statistics of Commerce for HTS statistical reporting numbers 7306.19.1010 and 7306.19.1050. Line pipe may also be imported under the statistical reporting numbers for alloy line pipe, (7306.19.5110, and 7306.19.5150) but during the original investigation, these imports were minimal. *Circular Welded Carbon Quality Steel Line Pipe from China, Inv. No. 701-TA-455 (Final)*, Publication 4055, January 2009, p. IV-1.n.2.

Ratio of imports to U.S. production

Table I-7 presents the ratio of U.S. imports to U.S. production

Table I-7
Line welded pipe: Ratio of imports to U.S. production, 2005-07 and 2012

Item	Calendar year			
	2005	2006	2007	2012
Ratio of imports to U.S. production				
China	2.7	22.6	30.7	***
Nonsubject countries	58.6	72.0	53.6	***
Total	61.3	94.7	84.3	***

Source: Compiled from *Circular Welded Carbon Quality Steel Line Pipe From China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, July 2008, table C-1, and *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2009.

Apparent U.S. consumption and market shares

Table I-8 presents U.S. shipments of domestic product, U.S. imports and apparent U.S. consumption in 2005-07 and 2012. Data on U.S. market share during 2005-07 and 2012 are presented in Table I-9. U.S. consumption in terms of quantity increased from 872,471 short tons in 2005 to 1,375,726 short tons in 2007. Since then, consumption has increased to *** short tons in 2012. The responding producers' share of consumption was 59.9 percent in 2007 and *** percent in 2012.

Table I-8
Line pipe: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2005-07 and 2012

Item	2005	2006	2007	2012
	Quantity (short tons)			
U.S. producers' U.S. shipments	522,831	694,012	727,185	***
China	15,549	169,652	236,358	8,449
All other	334,091	539,671	412,183	1,065,609
Total imports	349,640	709,323	648,541	***
Apparent U.S. consumption	872,471	1,403,335	1,375,726	***
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	507,703	694,165	757,701	***
China	11,543	105,754	153,881	7,655
All other	260,929	412,384	315,411	1,053,180
Total imports	272,472	518,138	469,292	1,060,835
Apparent U.S. consumption	780,175	1,212,303	1,226,993	***

Source: Compiled from *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final), USITC Publication 4055, January 2009*, table C-1, and *The Domestic Industry's Substantive Response To The Notice Of Institution,* January 2, 2014.

Table I-9
Line pipe: U.S. market shares, 2005-07 and 2012

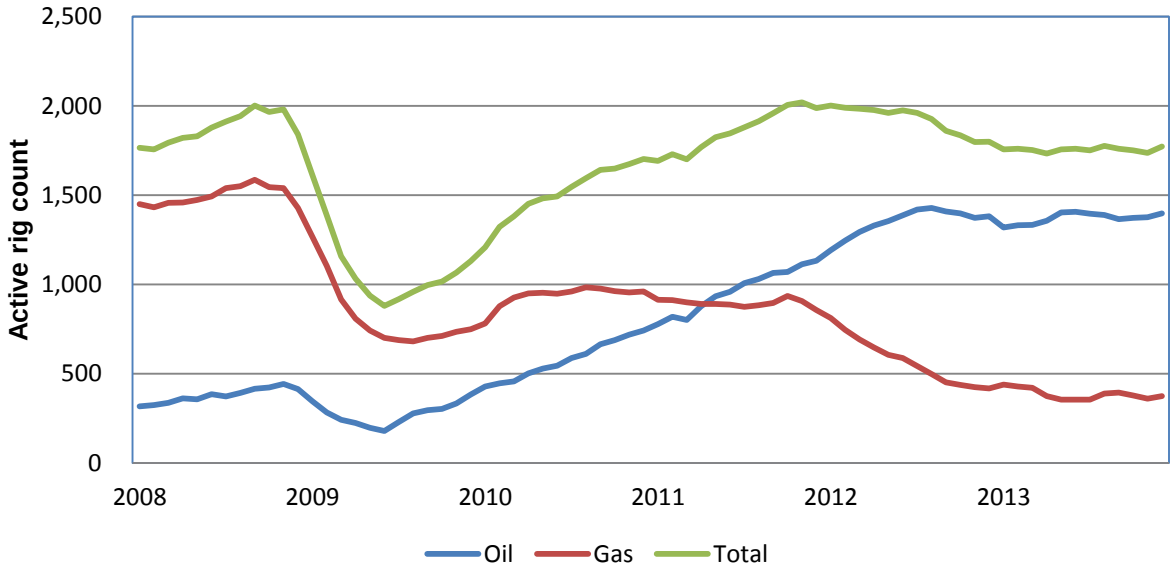
Item	2005	2006	2007	2012
	Quantity (*short tons*)			
Apparent U.S. consumption	872,471	1,403,335	1,375,726	***
	Value (*1,000 dollars*)			
Apparent U.S. consumption	780,175	1,212,303	1,226,993	***
	Share of quantity (*percent*)			
Producer's share	59.9	49.5	52.9	***
China	1.8	12.1	17.2	***
All other sources	38.3	38.5	30.0	***
Total imports	40.1	50.5	47.1	***
	Share of value (*percent*)			
Producer's share	65.1	57.3	61.8	***
China	1.5	8.7	12.5	***
All other sources	33.4	34.0	25.7	***
Total imports	34.9	42.7	38.2	***

Source: Compiled from *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final) USITC Publication 4055, January 2009*, table C-1, and *The Domestic Industry's Substantive Response To The Notice Of Institution,* January 2, 2014.

As the Commission noted in its views, "end users generally use line pipe for gathering oil and gas from the point of production, as well as for distributing oil and gas to consumers, and in some instances for transmission of oil and gas in extensive pipelines.[48] Demand for line pipe is therefore derived from oil and gas exploration and the level of home construction. Oil and gas exploration is, in turn, directly affected by oil and gas prices." Figures I-3 through I-7 track these factors.

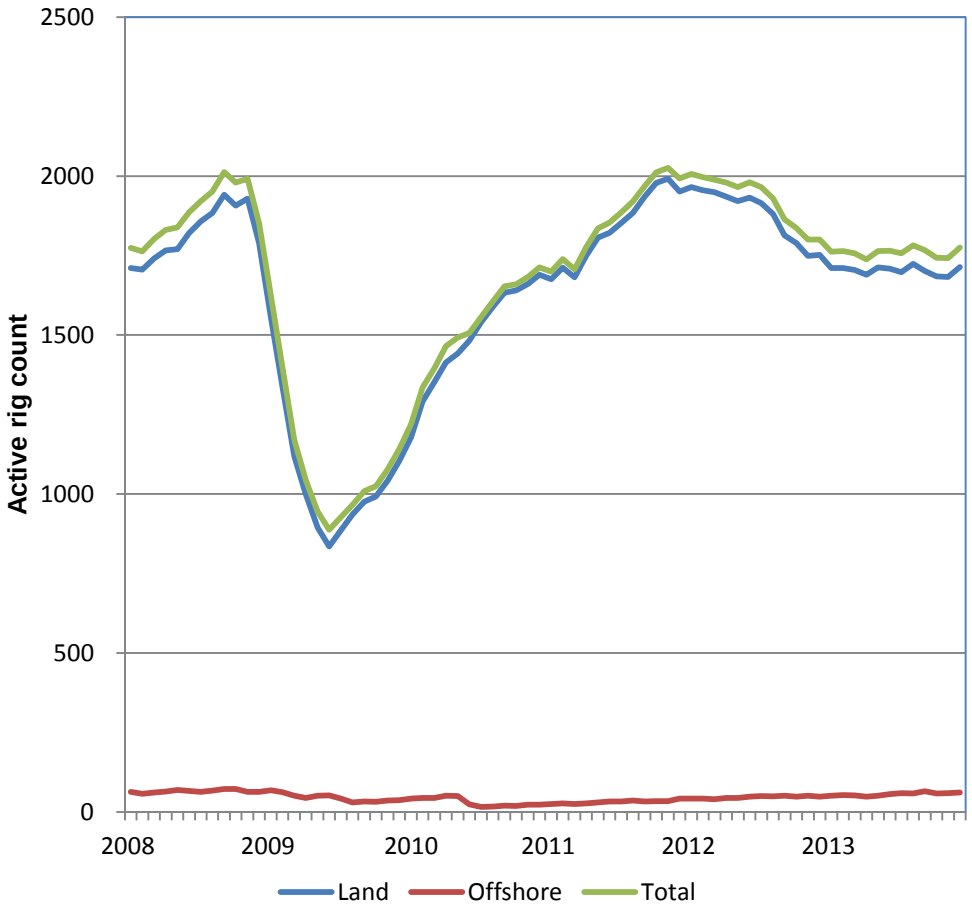
[48] *Circular Welded Carbon Quality Steel Line Pipe from China, Investigation No. 701-TA-455 (Final)*, USITC Publication 4055, January 2009, p. 11.

Figure I-3
U.S. rotary rig count, oil and gas transmission, by month, January 2008-December 2013



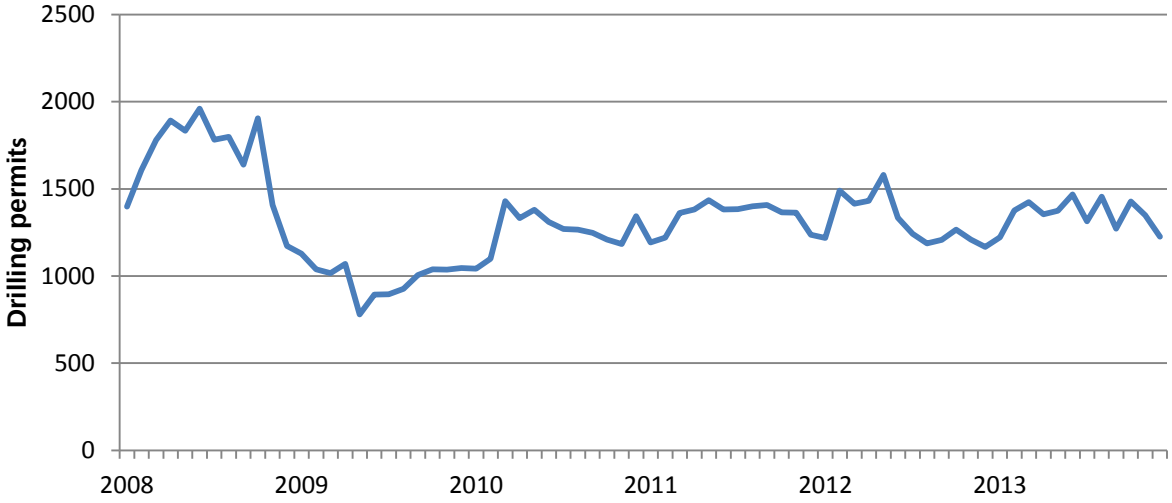
***Source*: Baker Hughes, Inc., *North American Rotary Rig Count (January 2000-Current)*, http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-reportsother, accessed April 2, 2014.**

Figure I-4
U.S. rotary rig count, land and offshore, by month, January 2008-December 2013



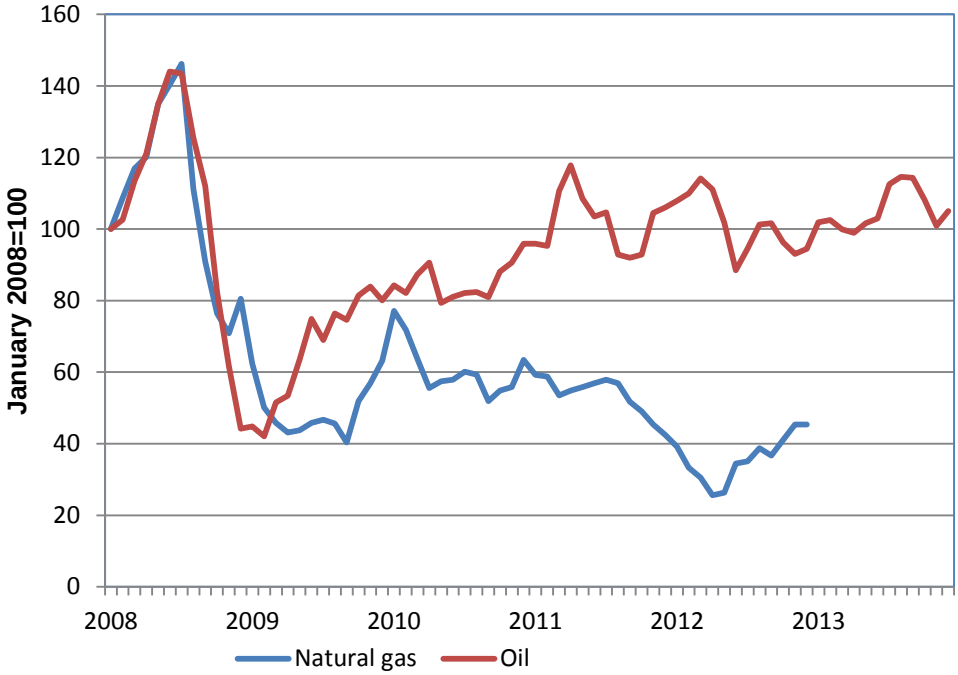
Source: Baker Hughes, Inc., *North American Rotary Rig Count (January 2000-Current)*, http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-reportsother, accessed April 2, 2014.

Figure I-5
U.S. drilling permits, weekly averages, by month, January 2008-December 2013



Source: RigData. A Division of DataWright Corp., *Our Permit Count*, annual issues during 2008-13, http://www.rigdata.com/index.aspx.

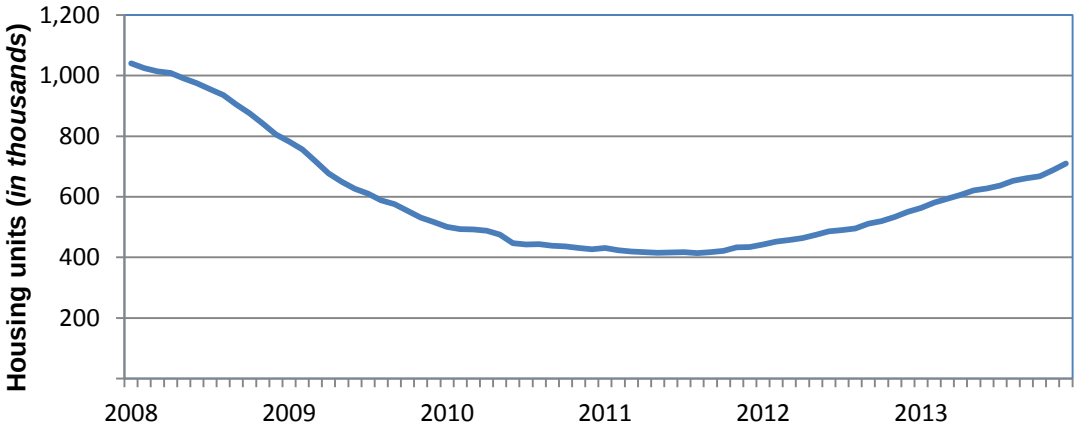
Figure I-6
Indexed prices for West Texas intermediate crude oil and U.S. natural gas wellhead prices, by month, January 2008-December 2013



Note.—Natural gas wellhead prices are unavailable for 2013.

Source: U.S. Energy Information Administration, "Petroleum & Other Liquids, Data," http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm, and "Natural Gas, Data," http://www.eia.gov/dnav/ng/ng_pri_sum_dcu_nus_m.htm, accessed April 2, 2014.

Figure I-7
New privately-owned housing units under construction, seasonally adjusted, by month, January 2008-December 2013



Source: U.S. Census Bureau, "Residential Construction, Historical Data," http://www.census.gov/construction/nrc/historical_data/, accessed April 2, 2014.

THE INDUSTRY IN CHINA

Background

During the final phase of the original investigations, the Commission issued questionnaires to 65 firms that were identified as possible producers or exporters of line pipe from China. Only a single firm, Kunshan Pearl, provided data, although the staff report also included aggregate information from five companies that produced both standard and structural pipe and line pipe, indicating that those five firms were operating with capacity utilization of 94.4 percent in 2007 (based on operations for all welded pipe). These five firms were: Benxi Northern Steel Pipe Co., Ltd.; Liaoning Northern Steel Pipe Co., Ltd.; Shanghai Alison Steel Pipe Co., Ltd.; Tai Feng Qiao Metal Products Co. Ltd.; and Tianjin Lifengyuanda Steel Group Co., Ltd.[49]

The Commission did not receive any responses to the notice of institution from foreign producers or exporters. The domestic industry identified fifty-two known producers or exporters of line pipe.[50]

Since no Chinese producers responded to the notice of institution, no further data are available specific to the production or capacity of subject line pipe in China. Table I-10 shows Chinese production of all welded pipe during both 2005-07 and 2008-11, the most recent period available. Production of all welded pipe in China has increased by over 16 million short tons since 2007.[51]

Table I-10
Welded pipe: Chinese production of all welded pipe

	Quantity (*thousand short tons*)						
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
China	17,468	21,213	23,711	27,068	31,425	32,555	40,487

Source: All data gathered from the World Steel Association, *Steel Statistical Yearbook 2012,* Economics Committee, Brussels, 2012.

Exports

The leading markets for Chinese line pipe since 2008 are presented in Table I-11.

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[49] *Circular Welded Carbon Quality Steel Line Pipe from China*, *Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, p. VII-4 – VII-7.

[50] *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2, 2014, Exhibit 2.

[51] According to China's National Bureau of statistics, welded pipe capacity exceeded 53 million short tons in 2012, *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2, 2014, Exhibit 6.

Table I-11
Line pipe: China's exports, by quantity and average value, 2008-13

Item	2008	2009	2010	2011	2012	2013
			Quantity (*short tons*)			
Venezuela	134	3,828	10,989	20,232	77,723	74,167
Canada	105,965	50,201	58,010	135,348	156,062	68,997
Chile	40,346	18,572	54,396	63,223	74,048	61,942
Mexico	5,333	13,987	7,044	22,714	30,095	38,770
Australia	40,404	10,144	20,044	27,859	65,944	34,472
Colombia	21,044	18,540	28,400	32,369	30,519	32,336
Pakistan	6,703	7,566	8,787	640	6,254	25,396
Hong Kong	8,541	5,743	12,424	15,674	22,545	24,808
Thailand	12,446	7,804	8,342	11,501	12,941	23,172
Bangladesh	3,847	857	2,316	9,009	2,969	23,068
Saudi Arabia	4,105	2,761	3,934	4,588	17,130	15,638
South Africa	6,062	12,411	4,928	11,278	8,343	14,864
Philippines	21,321	12,270	17,722	16,532	9,792	12,287
Oman	231	48,683	0	248	0	10,783
Sudan	25,561	29,004	18,155	10,609	21,657	9,718
All others	443,544	217,391	187,244	180,354	160,802	132,797
Total	745,587	459,763	442,737	562,178	696,824	603,215

– Table continued on following page

Table I-11—Continued
Line pipe: China's exports, by quantity and average value, 2008-13

	Unit value (*dollars per short ton*)					
Venezuela	1,009	985	1,049	772	772	746
Canada	742	607	594	677	661	588
Chile	755	594	656	734	730	730
Mexico	695	563	601	718	651	686
Australia	842	767	618	743	823	746
Colombia	1,075	825	639	690	729	743
Pakistan	772	925	739	719	932	979
Hong Kong	838	610	638	751	714	621
Thailand	734	665	617	752	691	645
Bangladesh	621	661	662	650	695	718
Saudi Arabia	833	706	632	713	676	607
South Africa	841	585	673	712	706	627
Philippines	735	564	604	699	678	593
Oman	838	1,664	([1])	1,281	([1])	951
Sudan	866	1,084	834	924	1,274	805
All others	796	781	709	833	815	811
Average	796	850	682	753	759	731

[1] Not applicable.

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

Source: Global Trade Information Services, Inc., *Global Trade Atlas,* HTS subheading 7306.19.Data may include product that is out of scope of this review, i.e. line pipe greater than 16 inches in diameter and line pipe made from alloy steel.

Tariff or non-tariff barriers to trade

During the original investigations, Chinese respondents identified no outstanding antidumping or countervailing duty orders on line pipe in other countries. There were a number of findings that covered product that could be produced on shared equipment (namely, standard and structural pipe). [52] The domestic industry, as part of its response to the notice of institution in these reviews, provided details on barriers to trade in Chinese-origin welded pipe. These continued to include antidumping duties on standard and structural pipe in the European Union, Canada, and the United States (which also maintains a countervailing duty on standard and structural pipe from China). [53]

THE GLOBAL MARKET

Table I-12 shows the largest export sources of line pipe in the world. Table I-13 presents the largest import markets for line pipe in the world.

[52] *Circular Welded Carbon Quality Steel Line Pipe from China*, *Investigation No. 701-TA-455 (Final),* USITC Publication 4055, January 2009, p. VII-8.

[53] *The Domestic Industry's Substantive Response To The Notice Of Institution*, January 2014, p. 13.

Table I-12
Line pipe: Global exports by major sources, 2008-13

Item	2008	2009	2010	2011	2012	2013
Quantity (*short tons*)						
United States	139,535	67,714	85,281	67,790	65,058	77,759
China	745,595	459,767	442,741	562,184	696,832	603,221
Korea	438,825	238,553	473,737	622,135	714,768	697,511
Turkey	464,769	494,083	391,248	300,934	355,649	380,372
All others	958,013	803,092	754,863	947,850	999,647	854,259
Total	2,746,737	2,063,209	2,147,870	2,500,893	2,831,954	2,535,363
Value *($1,000*)						
United States	167,802	107,567	137,999	112,876	111,442	117,118
China	593,149	390,884	301,913	423,082	529,023	441,060
Korea	431,285	183,353	361,386	543,238	595,642	521,527
Turkey	519,763	492,574	362,941	315,906	319,207	337,618
All others	1,881,108	1,216,125	862,779	1,244,302	1,274,813	1,012,253
Total	3,073,344	2,390,503	2,027,018	2,639,404	2,830,127	2,429,576
Unit value (*dollars per short ton*)						
United States	1,203	1,589	1,618	1,665	1,713	1,506
China	796	850	682	753	759	731
Korea	983	769	763	873	833	748
Turkey	1,118	997	807	1050	898	888
All others	1,964	1,514	1,143	1,313	1,275	1,185
Average	1,119	1,159	944	1,055	999	958

Note. – The data presented in this table are for HTS 7306.19 which covers all welded line pipe excluding stainless steel. The data thus include welded line pipe of an outside diameter larger than 16 inches, which is not subject to this proceeding**.**

Source: Global Trade Information Services, Inc., Global Trade Atlas, for HTS subheading 7306.19.

Table I-13
Line pipe: Global imports by major sources, 2008-13

Item	2008	2009	2010	2011	2012	2013
Quantity (*short tons*)						
United States	680,958	314,002	498,272	865,283	1,110,399	931,987
Algeria	9,618	19,673	58,072	31,783	72,338	191,159
Canada	91,701	36,928	62,147	54,207	79,880	140,246
Australia	91,986	38,133	76,059	38,629	94,523	75,455
All others	878,326	1,077,236	[1]	1,314,797	[1]	618,142
Total	1,752,589	1,485,972	[1]	2,304,699	[1]	1,956,988
Value *($1,000*)						
United States	677,041	315,188	403,886	801,771	1,033,459	740,794
Algeria	108,873	53,066	139,508	84,864	80,566	183,081
Canada	115,835	42,484	65,162	73,272	94,185	126,741
Australia	79,911	43,685	58,901	31,780	89,987	69,865
All others	1,107,747	1,285,089	1,027,964	1,411,952	1,682,813	755,089
Total	2,089,406	1,739,512	1,695,421	2,403,638	2,981,010	1,875,570
Unit value (*dollars per short ton*)						
United States	994	1,004	811	927	931	795
Algeria	[1]	2,697	2,402	2,670	1,114	958
Canada	1,263	1,150	1,049	1,352	1,179	904
Australia	869	1,146	774	823	952	926
All others	1,261	1,193	[1]	1,074	[1]	1,222
Average	1,192	1,171	[1]	1,043	[1]	958

[1] Anomalous data.

Note.--Data may include product outside the scope of this investigation, i.e. line pipe with diameter larger than 16 inches and line pipe made from alloy steel.

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

Source: Global Trade Information Services, Inc. *Global Trade Atlas*, HTS subheading 7306.19.