

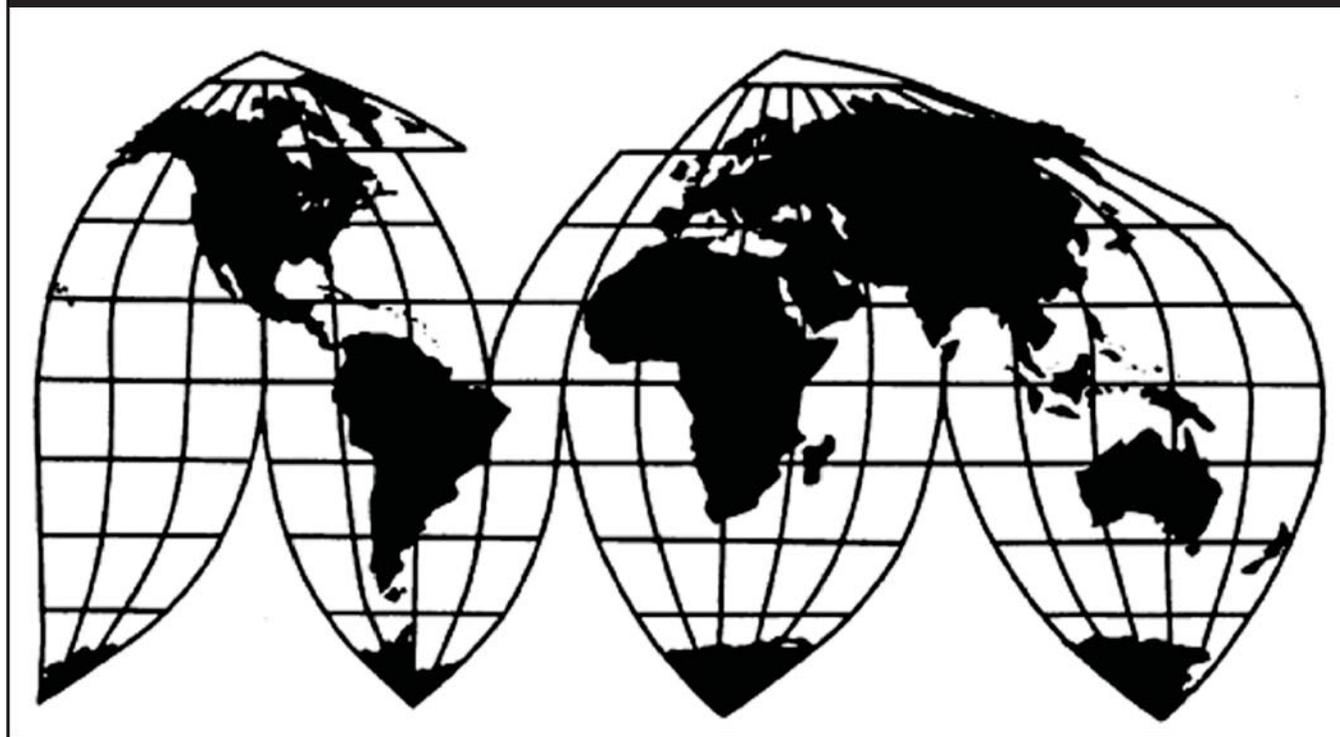
WELDED STAINLESS STEEL PRESSURE PIPE FROM CHINA

Investigation Nos. 701-TA-454 and 731-TA-1144 (Expedited Review)

Publication 4478

July 2014

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Meredith M. Broadbent, Chairman

Dean A. Pinkert, Vice Chairman

Irving A. Williamson

David S. Johanson

F. Scott Kieff

Rhonda K. Schmidlein

Robert B. Koopman
Director of Operations

Staff assigned

Vincent Honnold, Investigator

Karen Taylor, Industry Analyst

Nataline Viray-Fung, Attorney

Fred Ruggles, 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
www.usitc.gov

WELDED STAINLESS STEEL PRESSURE PIPE FROM CHINA

Investigation Nos. 701-TA-454 and 731-TA-1144 (Expedited Review)

Publication 4478



July 2014

CONTENTS

	Page
Determination	1
Views of the Commission	3
Information obtained in the reviews	I-1
Introduction.....	I-1
Background.....	I-1
The original investigations.....	I-2
Commerce’s final results of five-year reviews	I-3
Previous and related title VII investigations.....	I-3
Previous and related safeguard investigations	I-4
The product.....	I-5
Commerce’s scope	I-5
U.S. tariff treatment	I-6
Domestic like product and domestic industry	I-6
Description and uses	I-6
Production process.....	I-7
U.S. supply and U.S. demand	I-8
Interchangeability and customer and producer perceptions	I-8
Channels of distribution	I-9
Prices and related information.....	I-9
The industry in the United States	I-9
U.S. producers	I-9
U.S. producers’ trade and financial data.....	I-11
U.S. imports and apparent consumption.....	I-12
U.S. imports	I-12
Apparent U.S. consumption and market shares	I-12
The industry in China.....	I-14
Antidumping actions outside the United States	I-15

CONTENTS

	Page
Appendixes	
A. <i>Federal Register</i> notice	A-1
B. Adequacy statement.....	B-1
C. Summary data.....	C-1

Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore have been deleted. Such deletions are indicated by astericks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Inv. Nos. 701-TA-454 and 731-TA-1144 (Review)

WELDED STAINLESS STEEL PRESSURE PIPE FROM CHINA

DETERMINATION

On the basis of the record¹ 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 antidumping duty order on welded stainless steel pressure 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.

BACKGROUND

The Commission instituted these reviews on February 3, 2014 (79 F.R. 6222, February 3, 2014) and determined on May 29, 2014 that it would conduct expedited reviews (79 F.R. 30877, May 29, 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)).

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 antidumping and countervailing duty orders on welded stainless steel pressure pipe (“WSS pressure 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.

I. Background

The original investigations of WSS pressure pipe from China were instituted in response to a petition filed by four domestic producers of WSS pressure pipe and a labor union on January 30, 2008.¹ In March 2009, the Commission determined that an industry in the United States was materially injured by reason of imports of WSS pressure pipe from China that Commerce found had been subsidized and sold at less than fair value.² Commerce issued antidumping duty and countervailing duty orders on subject imports on March 17, 2009, and March 19, 2009, respectively.³

The Commission instituted these reviews on February 3, 2014.⁴ The Commission received one substantive joint response to the notice of institution from domestic producers Bristol Metals, Felker Brothers Corp., and Outokumpu Stainless Pipe, Inc. (collectively “domestic producers”).⁵ It did not receive a response from any respondent interested party. On May 9, 2014, the Commission found the domestic producers’ response to the notice of institution individually adequate, the domestic interested party group response adequate, and the respondent interested party group response inadequate.⁶ The Commission did not find any circumstances that would warrant conducting full reviews and determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Tariff Act.⁷

¹ Confidential Report (“CR”) at I-2 (listing petitioners), Public Report (“PR”) at I-2.

² *Welded Stainless Steel Pressure Pipe from China*, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final), USITC Pub. 4064 at 3 (March 2009) (“Original Determination”).

³ Circular Welded Austenitic Stainless Pressure Pipe from the People’s Republic of China, 74 Fed. Reg. 11351 (Mar. 17, 2009) (notice of antidumping duty order); Circular Welded Austenitic Stainless Pressure Pipe from the People’s Republic of China, 74 Fed. Reg. 11712 (Mar. 19, 2009) (notice of countervailing duty order).

⁴ *Welded Stainless Steel Pressure Pipe from China*, 79 Fed. Reg. 6222 (Feb. 3, 2014) (institution of five-year reviews).

⁵ Substantive Response to the Commission’s Notice of Institution, March 5, 2013 (“Response”).

⁶ Explanation of Commission Determination on Adequacy, EDIS Doc. 533869 (May 9, 2014).

⁷ See Explanation of Commission Determination on Adequacy, EDIS Doc. 533869.

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.”⁸ 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.”⁹ 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.¹⁰

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

[C]ircular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter. This merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. ASTM A-358 products are only included when they are produced to meet ASTM A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. Excluded from the scope are: (1) welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchangers, superheater, refining furnace, feedwater heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.¹¹

⁸ 19 U.S.C. § 1677(4)(A).

⁹ 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).

¹⁰ *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).

¹¹ *Circular Welded Austenitic Stainless Pressure Pipe from the People’s Republic of China*, 79 Fed. Reg. 32913 (June 9, 2014) (final results of the expedited first sunset review of the antidumping duty order) (“Commerce Final AD Determination”). The scope of the countervailing duty review is the same as the scope of the antidumping duty review. *See Circular Welded Austenitic Stainless Pressure Pipe from the People’s Republic of China*, 79 Fed. Reg. 32911 (June 9, 2014) (final results of the expedited first sunset review of the countervailing duty order) (“Commerce Final CVD Determination”).

WSS pressure pipe is produced in relatively few standard sizes and is used to convey fluids at high temperatures, high pressures, or both.¹² It is produced by forming coils of stainless steel into tubular shapes, which are typically welded lengthwise while they are being formed.¹³ Industries in which it is used include petrochemicals, oil and gas, chemicals, and water purification.¹⁴

The scope definition set out above is unchanged from Commerce's scope definition in the original investigations. In its original determinations, the Commission defined a single domestic like product consisting of WSS pressure pipe, coextensive with the scope of the investigations.¹⁵ There is no new information obtained during these reviews that would suggest any reason to revisit the Commission's domestic like product definition in the original determinations, and the domestic producers agree with that definition.¹⁶ Therefore, we define the domestic like product as WSS pressure pipe, coextensive with Commerce's scope definition.

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."¹⁷ 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 its original investigations, the Commission defined a domestic industry as consisting of the domestic producers of WSS pressure pipe.¹⁸ There are no related party issues in these reviews. Accordingly, we define the domestic industry as all domestic producers of WSS pressure pipe.

¹² CR at I-8, PR at I-6-7.

¹³ CR at I-10-11, PR at I-7-8.

¹⁴ CR at I-9-10, PR at I-7.

¹⁵ Original Determination, USITC Pub. 4064 at 10.

¹⁶ See *generally* CR at I-7-11, PR at I-6-9; Response at 13.

¹⁷ 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.

¹⁸ Original Determination, USITC Pub. 4064 at 11.

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.”¹⁹ 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.”²⁰ Thus, the likelihood standard is prospective in nature.²¹ 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.²²

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

¹⁹ 19 U.S.C. § 1675a(a).

²⁰ Uruguay Round Agreements Act Statement of Administrative Action, H.R. Doc. 103-316, vol. I at 883-84 (1994) (“SAA”). The SAA states that “***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.

²¹ 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 *** 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.

²² 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’”).

time.”²³ 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.”²⁴

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 investigation is terminated.”²⁵ 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).²⁶ 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.²⁷

In evaluating the likely volume of imports of subject merchandise if the order under review is revoked, 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.²⁸ 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.²⁹

In evaluating the likely price effects of subject imports if the order under review is revoked, 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

²³ 19 U.S.C. § 1675a(a)(5).

²⁴ 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.*

²⁵ 19 U.S.C. § 1675a(a)(1).

²⁶ 19 U.S.C. § 1675a(a)(1).

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

²⁸ 19 U.S.C. § 1675a(a)(2).

²⁹ 19 U.S.C. § 1675a(a)(2)(A-D).

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.³⁰

In evaluating the likely impact of imports of subject merchandise if the order under review is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to 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 development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.³¹ 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 order under review and whether the industry is vulnerable to material injury upon revocation.³²

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited information with respect to the WSS pressure pipe industry in China. Accordingly, for our determinations, we rely on the facts available from the original investigations and the new information on the record in these five-year reviews, including data submitted in the response to the notice of institution.

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.”³³ The following conditions of competition inform our determinations.

Demand Conditions. In the original investigations, the Commission found that demand for WSS pressure pipe derives from demand in the downstream industries which use WSS pressure pipe, such as the chemical, petrochemical, food and beverage, pharmaceutical, water

³⁰ See 19 U.S.C. § 1675a(a)(3). The SAA states that “***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.

³¹ 19 U.S.C. § 1675a(a)(4).

³² 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.

³³ 19 U.S.C. § 1675a(a)(4).

purification, ethanol, and oil and gas industries.³⁴ The Commission also found that demand had strongly increased between 2005 and 2007 before falling in late 2007.³⁵ Apparent U.S. consumption increased from *** short tons in 2005 to *** short tons in 2006, and then to *** short tons in 2007.³⁶

In these reviews, the information available indicates that the conditions of competition pertaining to demand have not changed significantly since the original investigations. Demand for WSS pressure pipe continues to be driven by demand in the downstream industries in which it is used. Apparent U.S. consumption in 2013, based on data from responding domestic producers and official import statistics, was *** short tons.³⁷

Supply Conditions. In the original investigations, the Commission found that prior to and during the period of investigation (“POI”), some U.S. production capacity closed or consolidated.³⁸ Domestic producers’ share of the U.S. market declined over the POI from *** percent in 2005 to *** percent in 2006, and then to *** percent in 2007.³⁹ At the same time, subject imports’ share of the market increased from *** percent in 2005 to *** percent in 2007.⁴⁰ Nonsubject imports were principally from Korea, Malaysia, Taiwan, and Thailand. Their share of the U.S. market fell from *** percent in 2005 to *** percent in 2006, and then increased to *** percent in 2007.⁴¹

The limited data in these reviews indicate that in 2013, responding U.S. producers shipped *** short tons of WSS pressure pipe, subject imports totaled 1,544 short tons, and nonsubject imports were 39,796 short tons.⁴² The responding U.S. producers observed that the volume of subject imports decreased significantly following the imposition of the orders, but nonsubject imports, particularly those from Malaysia, Thailand, and Vietnam, have increased.⁴³ Responding U.S. producers’ U.S. shipments accounted for *** percent of apparent U.S. consumption in 2013, subject imports accounted for *** percent, and nonsubject imports accounted for *** percent.⁴⁴

Substitutability and Other Conditions. In the original investigations, the Commission found that WSS pressure pipe was a commodity product and that subject imports were highly

³⁴ Original Determination, USITC Pub. 4064 at 15.

³⁵ Original Determination, USITC Pub. 4064 at 15-16.

³⁶ Original Determination, USITC Pub. 4064 at 16; Confidential version, EDIS Doc. 321447 at 21.

³⁷ CR/PR at Table I-4.

³⁸ Original Determination, USITC Pub. 4064 at 17.

³⁹ Original Determination, USITC Pub. 4064 at 21; Confidential version at 28.

⁴⁰ Original Determination, USITC Pub. 4064 at 21; Confidential version at 28.

⁴¹ Original Determination, USITC Pub. 4064 at 21; Confidential version at 28.

⁴² CR/PR at Table I-4.

⁴³ Response at 5.

⁴⁴ CR/PR at Table I-5. Because U.S. shipment data for 2013 are for three U.S. producers accounting for approximately *** percent of domestic production of WSS pressure pipe that year, import market share data are overstated and domestic industry market share data are understated for that year.

substitutable with the domestic like product.⁴⁵ Both subject imports and the domestic like product were made to identical ASTM specifications, were sold in the same channels of distribution, and were purchased based on specification and price.⁴⁶

The Commission also found that raw material costs, particularly for flat-rolled stainless steel, accounted for the majority of the cost of production of WSS pressure pipe.⁴⁷ Between mid-2003 and mid-2007, prices of alloys and energy rose rapidly and substantially, and U.S. flat-rolled stainless steel producers imposed and frequently raised surcharges for their products. In 2008, monthly surcharges fell dramatically as the prices of chromium, nickel, molybdenum, and energy fell. Petitioners contended that, in contrast, most Chinese flat-rolled stainless steel producers did not use surcharges until late in the period of investigation. Thus, domestic WSS pressure pipe producers also imposed surcharges, subject producers reportedly did not.

The information available in these reviews contains nothing to indicate that the substitutability between subject and domestic WSS pressure pipe has changed since the original investigations. Accordingly, we again find that there is a high degree of substitutability between domestic and subject WSS pressure pipe, and that price continues to be an important factor in purchasing decisions. There is no new information on the record regarding raw material prices during the period of review or the use of surcharges by WSS pressure pipe producers.

C. Likely Volume of Subject Imports

Original Investigations. In the original investigations, the Commission found that the absolute volume of subject imports increased over the POI at a rate that greatly outpaced demand growth.⁴⁸ The volume of subject imports more than doubled, increasing from 14,394 short tons in 2005 to 30,371 short tons in 2007.⁴⁹ Subject imports also increased their share of the U.S. market, increasing from *** percent in 2005 to *** percent in 2006, and then to *** percent in 2007.⁵⁰ In 2007, the volume of subject imports was greater than both domestic production and the volume of nonsubject imports.⁵¹ The Commission found that because nonsubject imports held a relatively stable share of the U.S. market throughout the POI, subject imports gained market share almost entirely at the expense of the domestic industry.⁵² The Commission found that the volume of subject imports was significant, both on an absolute basis and relative to consumption and production in the United States.⁵³

⁴⁵ Original Determination, USITC Pub. 4064 at 20.

⁴⁶ Original Determination, USITC Pub. 4064 at 20.

⁴⁷ Original Determination, USITC Pub. 4064 at 17.

⁴⁸ Original Determination, USITC Pub. 4064 at 20.

⁴⁹ Original Determination, USITC Pub. 4064 at 20.

⁵⁰ Original Determination, USITC Pub. 4064 at 21; Confidential version at 28.

⁵¹ Original Determination, USITC Pub. 4064 at 20-21.

⁵² Original Determination, USITC Pub. 4064 at 21.

⁵³ Original Determination, USITC Pub. 4064 at 22.

Current Reviews. In these reviews, the information available indicates that the orders have had a disciplining effect on the volume of subject imports, which declined significantly since the original investigations.⁵⁴ In 2013, total subject imports were 1,544 short tons, compared with 30,371 short tons in 2007.⁵⁵ The record contains no current data regarding WSS pressure pipe capacity or production in China because subject producers in China declined to participate or furnish information in these reviews. There is no indication in the record that subject producers' capacity and production have declined appreciably since the original investigations.

We find that, in light of its historically large production and demonstrated ability to increase export volume rapidly, the WSS pressure pipe industry in China has the ability to increase exports of subject merchandise to the United States upon revocation, as it did during the original investigations. Moreover, we find that it has the incentive to increase exports to the United States significantly upon revocation in light of its prior interest in supplying the U.S. market and its continued exports to the United States during the review period, albeit at lower volumes. Available data indicate that China is a substantial exporter of stainless steel tubular goods.⁵⁶ Additionally, the domestic producers responding to the notice of institution stated that worldwide demand for WSS pressure pipe had not increased substantially since the orders were imposed, and thus Chinese production that was displaced by the U.S. orders was not likely absorbed in other markets.⁵⁷

The record also indicates that there are barriers to the importation of the subject merchandise into countries other than the United States. Since the original POI, Brazil and Turkey have imposed antidumping duty orders on imports of welded stainless steel tubes and pipes from China.⁵⁸ Although the scopes of these orders differ somewhat from the scope of the orders currently under review, there is sufficient overlap for us to find that there are barriers to the importation of WSS pressure pipe from China into countries other than the United States.⁵⁹ These barriers create further incentives for the subject producers to direct exports to the U.S. market should the orders under review be revoked.

In light of these factors, we find that the subject producers are likely, absent the restraining effects of the orders, to direct significant volumes of WSS pressure pipe to the U.S. market, as they did during the original investigations. We find that the likely volume of subject imports, both in absolute terms and relative to consumption in the United States, would be significant if the orders were revoked.

⁵⁴ See, e.g. CR/PR at Table I-4.

⁵⁵ CR/PR at Table I-4.

⁵⁶ Information from the Global Trade Atlas on global exports of circular welded tubes, pipes, and profiles of stainless steel – a product category substantially broader than the subject merchandise here – indicates that China was the third largest world exporter of such products, and that its export quantities increased each year from 2010 to 2012. INV-13-055, EDIS Doc. 511942, Table VII-8 (June 25, 2013).

⁵⁷ CR at I-20, PR at I-15.

⁵⁸ CR at I-21, PR at I-15.

⁵⁹ CR at I-21, PR at I-15.

D. Likely Price Effects

Original Investigations. In the original investigations, the Commission found the subject imports consistently undersold the domestic like product throughout the POI, with underselling occurring in 73 percent of comparisons, often at large margins.⁶⁰ The Commission found that instances of overselling were limited, generally occurred after the petitions were filed, and involved smaller quantities of WSS pressure pipe.⁶¹ In addition, instances of overselling were consistent with evidence on the record indicating that subject import prices were determined at the time of order rather than the time of sale, and therefore did not reflect substantial decreases in raw material prices that were reflected in domestic prices.⁶² The Commission observed that the domestic industry's average unit sales value and average unit cost of goods sold ("COGS") both increased over the POI.⁶³ Additionally, the domestic industry's COGS to net sales ratio declined from 95.4 percent in 2005 to 89.4 percent in 2006, and then to 87.9 percent in 2007; in light of this, the Commission did not find that the subject imports had significant price-suppressing effects.⁶⁴ Because domestic prices increased over the POI, the Commission did not find that subject imports significantly depressed domestic prices.⁶⁵ Rather, the Commission found that subject imports had adverse price effects on the domestic industry based on evidence of lost sales.⁶⁶

Current Reviews. There is no new product-specific pricing information on the record of these expedited reviews. Given the substitutable nature of WSS pressure pipe, we find that price continues to be an important factor in purchasing decisions. In light of the underselling that occurred during the original POI, we find that if the antidumping and countervailing duty orders were revoked, subject imports from China would likely undersell the domestic like product at high margins as they did during the original investigations. This in turn would likely cause the domestic producers to cut prices or restrain price increases, or to lose sales.

Accordingly, given the likely significant volume of subject imports, we find that the subject imports would likely engage in significant underselling of the domestic like product to gain market share, or would likely have significant depressing or suppressing effects on the price of the domestic like product if the antidumping and countervailing duty orders were revoked.

E. Likely Impact

Original Investigations. In the original investigations, the Commission found that performance indicia for the domestic industry generally declined over the POI.⁶⁷ Domestic

⁶⁰ Original Determination, USITC Pub. 4064 at 23.

⁶¹ Original Determination, USITC Pub. 4064 at 23.

⁶² Original Determination, USITC Pub. 4064 at 23-24.

⁶³ Original Determination, USITC Pub. 4064 at 24.

⁶⁴ Original Determination, USITC Pub. 4064 at 24.

⁶⁵ Original Determination, USITC Pub. 4064 at 24.

⁶⁶ Original Determination, USITC Pub. 4064 at 25.

⁶⁷ Original Determination, USITC Pub. 4064 at 26.

production of WSS pressure pipe increased in 2006, but then declined in 2007 to levels lower than in 2005.⁶⁸ Inventories increased over the POI.⁶⁹ The domestic industry was generally able to increase its production and capacity between 2005 and 2006, but still lost market share to subject imports, and lost additional market share between 2006 and 2007 despite increases in demand.⁷⁰

The domestic industry's average number of production and related workers, hours worked, total wages, and productivity increased marginally between 2005 to 2006 before declining between 2006 and 2007.⁷¹ Net sales by quantity followed a similar trend, increasing between 2005 and 2006, and then decreasing in 2007.⁷² Net sales by value, however, increased over the POI, which the Commission found reflected higher prices for domestically produced WSS pressure pipe.⁷³ The Commission also found that the domestic industry's financial performance improved during the POI, shifting from a \$3.6 million operating loss in 2005 to \$7.0 million in operating profits in 2006, and then to \$14.2 million in operating profits in 2007.⁷⁴ Capital expenditures declined from \$2.7 million in 2005 to \$1.5 million in 2006 before increasing to \$3.8 million in 2007.⁷⁵

The Commission found that, given the decrease in shipments and capacity utilization levels, and the industry's lost sales, which occurred when volumes of low-priced subject imports were increasing, the improvement in the domestic industry's operating income did not merit as much weight as the other factors that it considered in its analysis.⁷⁶ The Commission concluded that subject imports from China had a significant adverse impact on the domestic industry.⁷⁷ The Commission examined the price and volume trends of nonsubject imports and concluded that the material injury it found by reason of subject imports from China could not be attributed to nonsubject imports.⁷⁸

Current Reviews. The information available concerning the domestic industry's condition in these reviews consists of the data that the domestic producers provided in response to the notice of institution. Because these are expedited reviews, we have only limited information with respect to the domestic industry's financial performance, consisting of data that the domestic producers provided in response to the notice of institution. Many of the domestic industry's performance indicators showed deterioration in 2013, as compared with 2007. The limited record is insufficient for us to make a finding on whether the domestic

⁶⁸ Original Determination, USITC Pub. 4064 at 26.

⁶⁹ Original Determination, USITC Pub. 4064 at 26.

⁷⁰ Original Determination, USITC Pub. 4064 at 27.

⁷¹ Original Determination, USITC Pub. 4064 at 27.

⁷² Original Determination, USITC Pub. 4064 at 27.

⁷³ Original Determination, USITC Pub. 4064 at 28.

⁷⁴ Original Determination, USITC Pub. 4064 at 29.

⁷⁵ Original Determination, USITC Pub. 4064 at 29.

⁷⁶ Original Determination, USITC Pub. 4064 at 29.

⁷⁷ Original Determination, USITC Pub. 4064 at 29.

⁷⁸ Original Determination, USITC Pub. 4064 at 30-31.

industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.⁷⁹

The information on the record indicates that the capacity of reporting U.S. WSS pressure pipe producers was *** short tons in 2013.⁸⁰ Reported production was *** short tons in 2013; accordingly, capacity utilization was *** percent. U.S. shipments were *** short tons in 2013.⁸¹ Domestic producers reported an operating *** of \$*** from sales of \$***, resulting in an operating margin of *** percent in 2013.⁸² Responding producers' share of apparent U.S. consumption was *** percent in 2013.⁸³

Based on the limited record of these reviews, we find that, should the orders be revoked, the likely significant volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share and revenues of the domestic industry. These declines would likely have a direct adverse impact on the domestic industry's profitability and employment, as well as its ability to raise capital, and to make and maintain capital investments.

We also have 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. During the original investigations, nonsubject imports increased from 21,810 short tons in 2005 to 24,099 short tons in 2006, and then to 29,078 short tons in 2007.⁸⁴ In 2013, nonsubject imports were 39,796 short tons.⁸⁵ As mentioned earlier, nonsubject imports are principally from Korea, Malaysia, Taiwan, and Thailand. Imports from Korea and Taiwan⁸⁶ have been subject to an antidumping duty order since 1991.⁸⁷ There is evidence on the record that nonsubject imports from Malaysia, Thailand, and Vietnam have increased since imposition of the orders.⁸⁸ At the time the record closed in these reviews, the Commission was conducting antidumping duty investigations concerning imports of WSS pressure pipe from Malaysia, Thailand, and Vietnam, with the vote occurring on the same day as the vote in these reviews.⁸⁹

⁷⁹ Based on the limited record of this review, Commissioners Williamson and Pinkert find that the domestic industry appears to be vulnerable. They reach this conclusion primarily due to the industry's *** percent operating margin and COGS/net sales ratio of *** percent in 2013. CR/PR at Table I-3.

⁸⁰ CR/PR at Table I-3.

⁸¹ CR/PR at Table I-3.

⁸² CR/PR at Table I-3.

⁸³ CR/PR at Table I-5.

⁸⁴ CR/PR at Table I-4.

⁸⁵ CR/PR at Table I-4.

⁸⁶ Chang Tieh (later Chang Mien) was excluded from the original order and the order for Ta Chen was revoked effective June 26, 2000. CR/PR at Table I-1.

⁸⁷ CR/PR at Table I-1.

⁸⁸ See Response at 5.

⁸⁹ See *Welded Stainless Steel Pressure Pipe from Malaysia, Thailand, and Vietnam*, Inv. Nos. 731-TA-1210-1214 (Final). The petition for those investigations was filed on May 16, 2013. 78 Fed. Reg. 31574 (May 24, 2013).

Regardless of the outcome of those investigations, we find that, given the likely significant volume and underselling of subject imports from China, the effects of nonsubject imports would be distinct from those of subject imports from China upon revocation of the orders under review here.

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

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping and countervailing duty orders on WSS pressure 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 February 3, 2014, 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 antidumping and countervailing duty orders on welded stainless steel pressure pipe (“WSSPP”) from China would be likely to lead to the continuation or recurrence of material injury to a domestic industry.² On May 9, 2014, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.³ The following tabulation presents information relating to the background and schedule of this proceeding:

¹ 19 U.S.C. 1675(c).

² *Welded Stainless Steel Pressure Pipe from China; Institution of Five-Year Reviews*, 79 FR 6222, February 3, 2014. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission’s notice of institution is presented in app. A.

³ *Welded Stainless Steel Pressure Pipe From China: Scheduling of Expedited Five-Year Reviews Concerning the Antidumping Duty Order and the Countervailing Duty Order on Welded Stainless Steel Pressure Pipe From China*, 79 FR 30877, May 29, 2014. The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Bristol Metals, Felker Brothers, and Outokumpu Stainless Pipe, U.S. producers of the domestic like product. These three producers indicated in their response that they accounted for approximately *** percent of domestic production of WSSPP in 2013. 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. The Commission’s statement on adequacy is presented in app. B.

Effective date	Action
March 17, 2009	Commerce's antidumping duty order on circular welded austenitic stainless pressure pipe from China (74 FR 11351, March 17, 2009)
March 19, 2009	Commerce's countervailing duty order on circular welded austenitic stainless pressure pipe from China (74 FR 11712, March 19, 2009)
February 3, 2014	Commission's institution of first five-year reviews (79 FR 6222, February 3, 2014)
February 1, 2014	Commerce's initiation of first five-year reviews (79 FR 6163, February 3, 2014)
May 9, 2014	Commission's determination to conduct expedited five-year reviews and scheduling of such reviews (79 FR 30877, May 29, 2014)
June 9, 2014	Commerce's final results of expedited five-year reviews of the countervailing duty order and the antidumping duty order (79 FR 32911 and 32913, June 9, 2014)
June 24, 2014	Commission's vote
July 7, 2014	Commission's determination to Commerce

The Original Investigations

The original investigations resulted from a petition filed on January 30, 2008, by four U.S. producers⁴ of WSSPP and a labor union⁵ 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 WSSPP from China. On January 28, 2009, Commerce determined that imports of WSSPP from China were being subsidized and sold at LTFV.⁶ On March 17, 2009, the Commission issued its determination that an industry in the United States was materially injured by reason of subsidized and LTFV imports of WSSPP from China.⁷ Commerce issued an antidumping duty order on WSSPP from China on March 17, 2009 and a countervailing duty order on March 19, 2009.⁸

⁴ The four petitioner producers were: Bristol Metals, Felker Brothers Corp., Marcegaglia USA, Inc., and Outokumpu Stainless Pipe, Inc.

⁵ The United Steel, Paper and Forestry, Rubber, Manufacturing Energy, Allied Industrial and Service Workers International Union.

⁶ *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 74 FR 4936, January 28, 2009. *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 4913, January 28, 2009.

⁷ *Welded Stainless Steel Pressure Pipe from China: Determination*, 74 FR 11378, March 17, 2009.

⁸ *Notice of Antidumping Duty Order: Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China*, 74 FR 11351, March 17, 2009. *Notice of Countervailing Duty Order: Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China*, 74 FR 11712, March 19, 2009.

Commerce’s Final Results of Five-Year Reviews

Commerce’s final results of its expedited sunset reviews of the subject countervailing duty order and antidumping duty order were published in the Federal Register on June 9, 2014.⁹ Commerce determined that revocation of the subject countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

Exporter/manufacturer	Net subsidy rate
Winner Stainless Steel Tube Co. Ltd. (Winner)/Winner Steel Products (Guangzhou) Co., Ltd. (WSP)/Winner Machinery Enterprises Company Limited (Winner HK) (Collectively the Winner Companies).	1.10 percent <i>ad valorem</i>
Froch Enterprise Co. Ltd. (Froch) (also known as Zhangyuan Metal Industry Co. Ltd.)	299.16 percent <i>ad valorem</i>
All Others	1.10 percent <i>ad valorem</i>
Source: Cited <i>Federal Register</i> notice.	

Commerce determined that revocation of the subject antidumping duty order would be likely to lead to continuation or recurrence of dumping, and magnitude of the margins of dumping likely to prevail are at the following rates:

Exporter and producer	Weighted-average margin (percent)
Zhejiang Jiuli Hi-Tech Metals Co., Ltd. Produced by: Zhejiang Jiuli Hi-Tech Metals Co., Ltd.	10.53
PRC-Wide Entity—All Other Exporters and Producers	55.21
Source: Cited <i>Federal Register</i> notice.	

Previous and Related Title VII Investigations

The Commission has conducted several previous import relief investigations (and subsequent reviews) on welded stainless steel pipe and tube, including ASTM A-312 pipe, a product that is both broader and narrower than WSSPP.¹⁰ Table I-1 presents data on previous and related Title VII investigations.

⁹ *Circular Welded Austenitic Stainless Pressure Pipe from the People’s Republic of China: Final Results of Expedited Sunset Review of the Countervailing Duty Order*, 79 FR 32911, June 9, 2014. *Circular Welded Austenitic Stainless Pressure Pipe from the People’s Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 79 FR 32913, June 9, 2014.

¹⁰ The product scope of the orders on A-312 pipe from Korea and Taiwan is narrower than that of WSS pressure pipe because it does not include A-778 pipe. It is broader in that it includes pipe greater
(continued...)

Table I-1
WSSPP: Previous and related Title VII investigations

Product	Inv. No.	Year of petition	Country	Original determination	Current status
Welded stainless steel pipe and tube	AA1921-180	1978	Japan	Negative	(¹)
Welded stainless steel pipe and tube excluding grade 409 pipe	701-TA-281	1986	Sweden	Negative	(¹)
	731-TA-354	1986	Sweden	Negative	(¹)
ASTM A-312 pipe	731-TA-540 ²	1991	Korea	Affirmative	Order in place
	731-TA-541 ²	1991	Taiwan	Affirmative	Order in place ³
Welded stainless steel pressure pipe	731-TA-1210-1212 (Preliminary)	2013	Malaysia Thailand Vietnam	Affirmative	Final Phase Investigations Ongoing

¹ Not applicable.
² On July 1, 1999, the Commission instituted the first five-year review of the antidumping duty orders, and on September 22, 2000, the Commission made an affirmative determination. On September 1, 2005, the Commission instituted the second five-year review of the antidumping duty orders, and on August 16, 2006, the Commission made an affirmative determination. On July 1, 2011, the Commission instituted the third five-year review of the antidumping duty orders, and on November 17, 2011, made an affirmative determination.
³ Chang Tieh (later Chang Mien) was excluded from the original order, and the order for Ta Chen was revoked effective June 26, 2000, on merchandise entered on or after December 1, 1998.

Source: *Welded Stainless Steel Pressure Pipe from Malaysia, Thailand and Vietnam, Inv. Nos. 731-TA-1210-1212 (Preliminary)*, USITC Publication 4413, July 2013.

Previous and Related Safeguard Investigations

Following receipt of a request from the Office of the United States Trade Representative (“USTR”) on June 22, 2001, the Commission instituted investigation No. TA-201-73, Steel, under section 202 of the Trade Act of 1974¹¹ to determine whether certain steel products, including stainless steel welded tubular products,¹² were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.¹³

(...continued)

than 14 inches O.D. Although the A-312 specification includes seamless pipe, the product scope of the orders on A-312 pipe from Korea and Taiwan does not include seamless pipe

¹¹ 19 U.S.C. § 2252.

¹² Stainless steel welded tubular products were found to be a single ‘like or directly competitive’ product. *Steel, Inv. No. TA-201-73, Volume I: Determinations and Views of Commissioners*, USITC Publication 3479, December 2001, p. 16.

¹³ *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267, July 3, 2001.

On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate (“Senate Finance Committee” or “Committee”) requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.¹⁴ Consistent with the Senate Finance Committee’s resolution, the Commission consolidated the investigation requested by the Committee with the Commission’s previously instituted investigation No. TA-201-73.¹⁵ On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission made a unanimous negative determination with respect to stainless steel welded tubular products.¹⁶

THE PRODUCT

Commerce’s Scope

In its final results of the expedited sunset reviews of the antidumping duty order and the countervailing duty order, Commerce defined the subject merchandise as:

circular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter. This merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. ASTM A-358 products are only included when they are produced to meet ASTM A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. Excluded from the scope are: (1) welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchanger, superheater, refining furnace, feedwater heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.¹⁷

¹⁴ 19 U.S.C. § 2251.

¹⁵ *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158, August 22, 2001.

¹⁶ *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

¹⁷ *Circular Welded Austenitic Stainless Pressure Pipe from the People’s Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 79 FR 32913, June 9, 2014.

U.S. Tariff Treatment

The products that are the subject of these reviews are currently imported under the following Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings: 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085.¹⁸ They also may be imported under HTSUS statistical reporting numbers 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090.¹⁹ The column 1-general (normal trade relations) rate of duty for these products is “free”.

Domestic Like Product and Domestic Industry

In the final phase of the original investigations, the Commission defined a single domestic like product, coextensive with the scope of the investigations.²⁰ The Commission also defined the domestic industry as consisting of domestic producers of WSSPP.²¹ The three U.S. producers responding to the Commission’s notice of institution in these reviews agree with the domestic like product and domestic industry defined by the Commission in its original determination.²²

Description and Uses²³

WSSPP refers to welded pipe of austenitic stainless steel not greater than 14 inches in outside diameter (“O.D.”).²⁴ It is produced in relatively few standard sizes, designated by nominal diameter and wall thickness, and is designed for use with standard pipe fittings. Pressure pipe is used to convey fluids at high temperatures, high pressures, or both, and is suitable for high-temperature applications. WSSPP is produced to exact outside diameters and decimal wall thicknesses and to specifications A-312 and A-778 by the American Society for Testing and Materials (“ASTM”) or to similar specifications, either foreign or domestic.

Stainless steel is a general class of steels that contains at least 10.5 percent of chromium by weight. Chromium gives stainless steel its excellent resistance to corrosion and good

¹⁸ These statistical reporting numbers are believed to include primarily subject products but also include modest quantities of nonsubject products.

¹⁹ *Circular Welded Austenitic Stainless Pressure Pipe from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 4913, January 28, 2009.

²⁰ *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009, p. 10.

²¹ *Ibid*, p. 11.

²² *Response of domestic interested parties*, March 5, 2014, p. 13.

²³ Unless otherwise noted this information is based on the following publication: *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009.

²⁴ Austenitic stainless steels contain a maximum of 0.15 percent carbon, and a minimum of 16 percent chromium, together with varying amounts of nickel and manganese.

strength at high temperatures and pressure. For these reasons, it is used in corrosive environments, under high temperature and pressure conditions, or when cleanliness and ease of maintenance are strictly required. Although there are various types of stainless steels, WSSPP is made from the austenitic class of stainless steels which has excellent corrosion resistance, unusually good formability, and increases in strength as a result of cold work (changes to the shape or structure of steel, for example by rolling, without the application of heat). WSSPP is generally made from austenitic grades 304 and 316. Grade 304, the most widely used austenitic grade, contains 18-20 percent chromium, 8-10.5 percent nickel, is resistant to food processing environments (except possibly for high-temperature conditions involving high acid and chloride contents), organic chemicals, and a wide variety of inorganic chemicals. Grade 316 contains 16-18 percent chromium, 10-14 percent nickel, and 2-3 percent molybdenum. In comparison to grade 304, grade 316 has more nickel and molybdenum which gives grade 316 better corrosion resistance than grade 304.

As mentioned earlier, WSSPP is generally made to ASTM specifications A-312 or A-778. The A-312 specification covers seamless and straight-seam welded and heavily cold worked welded austenitic stainless steel pipe intended for high-temperature and general corrosive service; specification A-778 is a standard specification for welded, unannealed austenitic stainless steel tubular products. Welded A-312 pipe is designed for high-temperature and general corrosive-resistance service, and must be annealed (heat treated) after welding. A-778 pipe is similar to A-312, but differs in the welding process and in that A-778 post-weld annealing of the pipe is not required. This specification is designed for low and moderate temperatures and corrosive service where heat treatment is not necessary for corrosion resistance.

WSSPP is used by a variety of industries requiring corrosion-resistant pipe to convey fluids at high temperatures, high pressures, or both; end users include the chemicals, petrochemicals, food and beverage, pharmaceutical, water purification, ethanol, and oil and gas industries.

Production Process²⁵

Production of WSSPP is a two-stage process of forming the tubular shape followed by welding the product in a continuous mill process. The continuous-mill process, which is the principal method of producing WSSPP, begins with coils of stainless-steel sheet, strip, or plate. Coiled steel, of a width essentially corresponding with the outside diameter of the pipe to be produced, is mounted in an uncoiler and fed into a series of paired forming rolls. As the stainless steel progresses through the rolls, its cross-sectional profile is formed into a tubular shape with the butted edges along its length ready for (longitudinal) welding as described below. Domestic producers' facilities include several continuous weld mills, with each

²⁵ Unless otherwise noted this information is based on the following publication: *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009.

dedicated to a limited range of pipe diameters based on the individual mill configuration and tooling.

In the welding stage, the butt edges are welded together by an automatic welding machine using either the tungsten-inert-gas (“TIG”) welding process, the plasma welding process, or the laser welding process. These methods allow welding without filler material, complete fusion of butted edges, and shielding of the weld area with inert gas to prevent oxidation. In the TIG welding process, welding heat is provided by an electric arc between a tungsten electrode and the pipe edges. The plasma welding process is similar to the TIG process in that the (gaseous) plasma is heated as it passes through an arc torch, which is created by an electrode within a nozzle. In the laser welding process, a laser beam is directed to the weld butt joint, forming a deep-penetration fusion weld. The laser process is capable of a higher speed of operation than is the TIG process. The pipe continues after welding through an in-line annealing furnace in a non-oxidizing atmosphere, then through straightening equipment and, finally, cutting to length.

U.S. Supply and U.S. Demand

Domestic supply responsiveness for WSSPP depends upon such factors as the level of industry capacity utilization, the level of inventories, the availability of export markets, and the flexibility of shifting production equipment to other products. U.S. demand for WSSPP depends on the health of the overall U.S. economy and on the level of demand for downstream products using WSSPP. WSSPP is used primarily as a conduit for liquids or gasses, heat exchange, and other purposes in the chemical and petrochemical industry, food and beverage processing industry, power generation industry, and pulp and paper industry.²⁶

Interchangeability and Customer and Producer Perceptions

In its original investigations, the Commission noted that WSSPP “vary depending on their ASTM specifications (generally A-312 or A-778), AISI steel type (i.e., 304/304L or 316/316L), gauge (or thickness) range, and outside diameter.”²⁷ The Commission indicated that “The majority of questionnaire respondents reported that WSSPP produced in China is ‘always’ or ‘frequently’ interchangeable with U.S.-produced products.”²⁸ The Commission also found “that WSSPP is a commodity product and that WSSPP from China is highly substitutable for U.S.-produced WSSPP because both are made to identical ASTM specifications, are sold in the same channels of distribution, and are purchased based on specification and price.”²⁹

²⁶ *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009, pp. II-2-II-3.

²⁷ *Ibid.* p. 19.

²⁸ *Ibid.* p. 19.

²⁹ *Ibid.* p. 20.

Channels of Distribution

U.S. producers of WSSPP and U.S. importers of WSSPP ship principally to distributors rather than end users. During the period of investigation, shipments of WSSPP to distributors consistently accounted for the large majority of U.S. shipments of domestically-produced and imported WSSPP. In 2007, U.S.-produced and imported WSSPP from China was sold in all areas of the continental United States.³⁰

Prices and Related Information

In the original investigations, the Commission noted that five U.S. producers of WSSPP and 10 importers of WSSPP from China provided quarterly net U.S. f.o.b. weighted-average pricing data for six WSSPP products. The Commission stated that “The pricing data collected for all six products show pervasive underselling (73 percent of comparisons) at large margins by subject imports from China during much of the period of investigation. Moreover, when underselling is calculated based on weight rather than on the number of quarterly comparisons, subject imports from China undersold the domestic like product in transactions accounting for about 79 percent of the covered volume.”³¹ Given these data, the Commission found significant underselling of the domestic product by subject imports from China.³²

The three U.S. producers responding to the Commission’s notice of institution in these reviews noted that they were unaware of any source of national or regional information on prices for WSSPP.³³

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

In the original investigations, eight firms reported at least limited production of WSSPP. Of these eight, five firms provided complete responses to the Commission’s producer questionnaire, and three firms provided partial responses.³⁴ The three U.S. producers responding to the Commission’s notice of institution in these reviews noted that there are

³⁰ Ibid, p.II-1.

³¹ Ibid, p. 23.

³² Ibid, p. 24.

³³ *Response of domestic interested parties*, March 5, 2014, p. 11.

³⁴ *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009, p. III-1.

currently four other U.S. producers of WSSPP.³⁵ These seven producers are the same producers as reported in the original investigations.³⁶

Table I-2 lists the eight U.S. producers, their locations, and their share of U.S. production of WSSPP. Two of the three U.S. producers responding to the Commission’s notice of institution in these reviews, Bristol Metals and Felker Brothers, stated that they are not related to any importers or exporters of WSSPP or to any firms, either foreign or domestic, that are engaged in the production of WSSPP. The third U.S. producer, Outokumpu Stainless Pipe, stated that it is not related to any importers or exporters of WSSPP, but that it is related to OSTP Holding Oy, Espoo, Finland, which is engaged in the production of WSSPP and which is 49 percent owned by Outokumpu Oyj, a Finnish company.³⁷

Table I-2
WSSPP: U.S. producers and shares of U.S. production, 2007 and 2013

Firm	Location	Share of U.S. production (percent)	
		2007	2013 ¹
Alaskan Copper & Brass Co.	Kent, WA	***	(²)
Bristol Metals	Bristol, TN	***	***
Felker Brothers	Marshfield, WI	***	***
Marcegaglia USA Inc.	Munhall, PA	***	(²)
Outokumpu Stainless Pipe	Schaumburg, IL	***	***
Rath Gibson	Janesville, WI	***	(²)
Swepeco	Clifton, NJ	***	(³)
Webco	Sand Springs, OK	***	(²)
<p>¹ Data for 2013 are estimated. ² Data not available. ³ Swepeco, was not identified as a current U.S. producer of WSSPP by the three U.S. producers responding to the Commission’s notice of institution in these reviews.</p> <p>Source: Data for 2007 are from the <i>Staff Report</i>, February 5, 2009 (INV-GG-009), table III-1, p. III-2; data for 2013 are from <i>Response of domestic interested parties</i>, March 5, 2014, pp. 8-9 and exhibit 1.</p>			

³⁵ *Response of domestic interested parties*, March 5, 2014, pp. 8-9.

³⁶ The eighth producer from the original investigations, Swepeco, was not identified as a current U.S. producer of WSSPP by the three U.S. producers responding to the Commission’s notice of institution in these reviews. *Response of domestic interested parties*, March 5, 2014, pp. 8-9.

³⁷ *Response of domestic interested parties to Commission’s Letter of March 19, 2014*, March 26, 2014, p. 2.

U.S. Producers' Trade and Financial Data

The Commission requested 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-3 presents the data reported by responding U.S. producers from both the original investigations (2005-07) and the response to the notice of institution (2013).³⁸

Table I-3

WSSPP: U.S. producers' trade and financial data, 2005-07 and 2013

Item	2005	2006	2007	2013 ¹
Capacity (<i>short tons</i>)	***	***	***	***
Production (<i>short tons</i>)	***	***	***	***
Capacity utilization (<i>percent</i>)	***	***	***	***
U.S. shipments				
Quantity (<i>short tons</i>)	***	***	***	***
Value (<i>1,000 dollars</i>)	***	***	***	***
Unit value (<i>dollars per short ton</i>)	***	***	***	***
Net sales value (<i>1,000 dollars</i>)	134,353	167,817	194,820	***
Cost of goods sold (COGS) (<i>\$1,000</i>)	128,183	150,065	171,200	***
Gross profit or (loss) (<i>\$1,000</i>)	6,170	17,752	23,620	***
SG&A (<i>\$1,000</i>)	9,731	10,752	9,416	***
Operating income or (loss) (<i>\$1,000</i>)	(3,561)	7,000	14,204	***
COGS/sales (<i>percent</i>)	95.4	89.4	87.9	***
Operating income or (loss)/sales (<i>percent</i>)	(2.7)	4.2	7.3	***

¹ Data for 2013 are for three U.S. producers accounting for approximately *** percent of domestic production of WSSPP in 2013.

Source: Data for 2005-07 are from the *Staff Report*, February 5, 2009 (INV-GG-009), appendix C; data for 2013 are from *Response of domestic interested parties*, March 5, 2014, pp. 11-12.

The three U.S. producers responding to the Commission's notice of institution in these reviews stated that the domestic WSSPP industry's financial condition remains precarious and that a revocation of the orders, allowing large volumes of imports of WSSPP from China to return to the U.S. market at low prices, would have a severe negative impact on the U.S. WSSPP industry. The three U.S. producers stated that the domestic industry would experience declines in sales and capacity utilization and increases in financial losses.³⁹

³⁸ Appendix C, table C-1, presents additional data from the original investigations.

³⁹ *Response of domestic interested parties*, March 5, 2014, p. 7.

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. Imports

Between 2005 and 2007, the period examined in the Commission's original investigations, China was the largest foreign supplier of WSSPP to the United States, accounting for 51.1 percent of the quantity of total U.S. imports in 2007, and 49.4 percent of the value. Between 2005 and 2007, the quantity and value of imports of WSSPP from China increased by 111.0 percent and 225.2 percent, respectively. Other large suppliers of WSSPP to the United States during the period were Korea, Malaysia, Taiwan, and Thailand.⁴⁰

The three U.S. producers responding to the Commission's notice of institution in these reviews stated that the filing of the petitions in 2008 and the successful conclusion of the investigations in 2009 had the effect of substantially reducing the volume of WSSPP imports from China. The three U.S. producers noted, however, that the relief provided by the orders on imports of WSSPP from China was shortened by the appearance of increased imports of WSSPP from other countries, particularly Malaysia, Thailand, and Vietnam. The domestic producers consequently filed antidumping petitions regarding imports of WSSPP from Malaysia, Thailand, and Vietnam in 2013.⁴¹

Apparent U.S. Consumption and Market Shares

Table I-4 shows U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption in 2005-07 and 2013. Table I-5 shows U.S. market shares and import market shares during 2005-07 and 2013. Apparent U.S. consumption of WSSPP increased by *** percent between 2005 and 2007. In 2013, apparent U.S. consumption of WSSPP was *** short tons, although this figure is understated because U.S. shipment data for 2013 are for three U.S. producers accounting for approximately *** percent of domestic production of WSSPP in 2013. U.S. producers' market share for WSSPP on a quantity basis declined by *** percentage points between 2005 and 2007. In 2013, U.S. producers' market share on a quantity basis was *** percent. The market share of subject imports from China increased from *** percent in 2005 to *** percent in 2007. The market share of subject imports from China in 2013 was ***.

⁴⁰ *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009, p. IV-1.

⁴¹ *Response of domestic interested parties*, March 5, 2014, pp. 4-5.

Table I-4

WSSPP: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2005-07 and 2013

Item	2005	2006	2007	2013 ¹
Quantity (short tons)				
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports ² from-				
China	14,394	23,712	30,371	1,544
Nonsubject	21,810	24,099	29,078	39,796
Total imports	36,204	47,811	59,448	41,340
Apparent U.S. consumption	***	***	***	***
Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from--				
China	47,607	79,360	154,833	5,652
Nonsubject	76,573	99,681	158,535	141,803
Total imports	124,180	179,041	313,368	147,455
Apparent U.S. consumption	***	***	***	***

¹ U.S. shipment data for 2013 are for three U.S. producers accounting for approximately *** percent of domestic production of WSSPP in 2013.

² Import data include imports covered by HTS statistical reporting numbers 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085, which may include pipe with a diameter greater than 14 inches. The import data for 2005-07 were modified to include WSSPP entering under broader HTS categories (based on questionnaire responses) and to exclude pressure pipe greater than 14 inches in diameter (based on questionnaire responses) and mechanical tubing from Canada. See the *Staff Report*, February 5, 2009 (INV-GG-009), pp. IV-1 and IV-3.

Source: Data for 2005-07 are from the *Staff Report*, February 5, 2009 (INV-GG-009), Table IV-4, p. IV-8; U.S. shipment data for 2013 are from *Response of domestic interested parties*, March 5, 2014, pp. 11-12.

Table I-5

WSSPP: Apparent U.S. consumption and market shares, 2005-07 and 2013¹

Item	2005	2006	2007	2013 ¹
Quantity (short tons)				
Apparent U.S. consumption	***	***	***	***
Value (1,000 dollars)				
Apparent U.S. consumption	***	***	***	***
Share of quantity (percent)				
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from--				
China	***	***	***	***
Nonsubject	***	***	***	***
Total imports	***	***	***	***
Share of value (percent)				
U.S. producers' U.S. shipments	***	***	***	***
U.S. imports from--				
China	***	***	***	***
Nonsubject	***	***	***	***
Total imports	***	***	***	***
<p>¹ U.S. shipment data for 2013 are for three U.S. producers accounting for approximately *** percent of domestic production of WSSPP in 2013. Import penetration for 2013 is thus overstated.</p> <p>Source: Data for 2005-07 are from the <i>Staff Report</i>, February 5, 2009 (INV-GG-009), Table IV-5, p. IV-9; data for 2013 are calculated from Table I-4.</p>				

THE INDUSTRY IN CHINA

During the original investigations, the petition identified nine producers and/or exporters of WSSPP in China, and petitioners listed 23 possible producers and/or exporters in their prehearing brief. The Commission sent foreign producer questionnaires to 20 firms, received no completed questionnaires, and received one response indicating that the firm does not produce the subject product.⁴² In the preliminary phase of these investigations, however, Winner Stainless Steel Tube Co., Ltd. returned a completed questionnaire. The company estimated that it accounts for *** percent of total exports of WSSPP from China to the United States.⁴³

The Commission did not receive a response from any foreign producer or exporter of WSSPP in China to its notice of institution of the five-year reviews of the subject orders. The three U.S. producers responding to the Commission's notice of institution in these reviews

⁴² *Staff Report*, February 5, 2009 (INV-GG-009), p. VII-4.

⁴³ *Ibid.*

stated their belief that Zhejiang Jiuli Hi-Tech Metals, Co., Ltd. is a Chinese producer of WSSPP that currently exports to the United States.⁴⁴

In 2006, during the period of the original investigations, China surpassed Japan to become the world's largest producer of stainless steel. During this time, China also continued to expand its capacity to produce stainless tubular products.⁴⁵ The three U.S. producers responding to the Commission's notice of institution in these reviews stated that worldwide demand for WSSPP has not increased substantially since the orders were issued. The three producers also noted that they do not have any information on the extent to which Chinese capacity to produce WSSPP has increased in recent years.⁴⁶

ANTIDUMPING ACTIONS OUTSIDE THE UNITED STATES

During the original investigations, import relief investigations against WSSPP from China were identified in Argentina and South Africa.⁴⁷ Since the original investigations, Brazil and Turkey have initiated antidumping investigations on imports of WSSPP from China.

On July 3, 2012, Brazil initiated an antidumping investigation on imports from China of welded tubes of austenitic stainless steel of circular cross section, with outside diameter of 6mm (1/4 inch) or more but less than 2032 mm (80 inches), with pipe wall thickness of 0.40 mm (0.016 inches) or more and less than or equal to 12.70 mm (5 inches) and imposed antidumping duty orders on these imports on July 27, 2013.⁴⁸ The product scope of the Brazilian antidumping investigation is broader than the WSSPP product scope because Brazil's scope includes pipe with outside diameter of greater than 14 inches. Pipe with outside diameter greater than 14 inches is excluded from the WSSPP product scope.

Turkey initiated antidumping investigations against China and Taiwan on April 19, 2012 on imports of welded stainless steel tubes, pipes, and profiles and imposed antidumping duty orders on both countries on March 15, 2013.⁴⁹ The product scope covered by these orders is broader than that of WSSPP as the Turkish orders include welded stainless steel pipe of circular, square, and rectangular cross section. Tubes and profiles of square and rectangular cross section are outside of the WSSPP product scope.

⁴⁴ *Response of domestic interested parties*, March 26, 2014, pp. 2-3.

⁴⁵ *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009, p. VII-3.

⁴⁶ *Response of domestic interested parties*, March 5, 2014, p. 7.

⁴⁷ *Welded Stainless Steel Pressure Pipe from China, Inv. Nos. 701-TA-454 and 731-TA-1144 (Final)*, USITC Publication 4064, March 2009, p. VII-5.

⁴⁸ WTO, Committee on Antidumping Practices, Semi-Annual Report under Article 16.4 of the Agreement: Brazil, document symbol G/ADP/N/237/BRA, p. 3, April 16, 2013 and G/ADP/N/252/BRA, p. 3, March 28, 2014.

⁴⁹ Republic of Turkey, Ministry of Economy, "List of Definitive Anti-Dumping Measures," <http://www.ekonomi.gov.tr/upload/6EAC7EC0-D8D3-8566-452029A4778AB3DA/onlemler.xls>, retrieved on June 18, 2013 and WTO, Committee on Antidumping Practices, Semi-Annual Report under Article 16.4 of the Agreement: Turkey, document symbol G/ADP/N/237/TUR, p. 2, March 28, 2013.

APPENDIX A

FEDERAL REGISTER NOTICES

**INTERNATIONAL TRADE
COMMISSION**

**[Investigation Nos. 701–TA–454 and 731–
TA–1144 (Review)]**

**Welded Stainless Steel Pressure Pipe
From China; Institution of Five-Year
Reviews**

AGENCY: United States International
Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping and countervailing duty orders on welded stainless steel pressure pipe from China would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission; ¹ to be assured of consideration, the deadline for responses is March 5, 2014. Comments on the adequacy of responses may be filed with the Commission by April 18, 2014. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 14–5–307, expiration date June 30, 2014. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436.

E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: Effective February 3, 2014.

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

SUPPLEMENTARY INFORMATION:

Background.—On March 17, 2009, the Department of Commerce issued an antidumping duty order on imports of welded stainless steel pressure pipe from China (74 FR 11351). On March 19, 2009, the Department of Commerce issued a countervailing duty order on imports of welded stainless steel pressure pipe from China (74 FR 11712). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

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

(2) The *Subject Country* in these reviews is China.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations, the Commission defined one *Domestic Like Product* consisting of small-diameter welded pressure pipe with an outside diameter

not greater than 14 inches, as coextensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the *Domestic Industry* as all producers of small-diameter welded pressure pipe with an outside diameter not greater than 14 inches.

(5) The *Order Date* is the date that the antidumping and countervailing duty orders under review became effective. The *Order Date* concerning the antidumping duty order is March 17, 2009, and the *Order Date* concerning the countervailing duty order is March 19, 2009.

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

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

Former Commission employees who are seeking to appear in Commission five-year reviews are advised that they may appear in a review even if they participated personally and substantially in the corresponding underlying original investigation. The Commission's designated agency ethics official has advised that a five-year review is not considered the "same particular matter" as the corresponding underlying original investigation for purposes of 18 U.S.C. 207, the post employment statute for Federal employees, and Commission rule 201.15(b) (19 CFR 201.15(b)), 73 FR 24609 (May 5, 2008). This advice was developed in consultation with the Office of Government Ethics. Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the

corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

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

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

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is March 5, 2014. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is April 18, 2014. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. Please be aware that the Commission's rules with

respect to electronic filing have been amended. The amendments took effect on November 7, 2011. See 76 FR 61937 (Oct. 6, 2011) and the newly revised Commission's Handbook on E-Filing, available on the Commission's Web site at <http://edis.usitc.gov>. Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act (19 U.S.C. 1677e(b)) in making its determinations in the reviews.

Information To Be Provided in Response To This Notice of Institution: As used below, the term "firm" includes any related firms.

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

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

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

(4) A statement of the likely effects of the revocation of the antidumping and countervailing duty orders on the

Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

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

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the *Order Date*.

(7) A list of 3–5 leading purchasers in the U.S. market for the *Domestic Like Product* and the *Subject Merchandise* (including street address, World Wide Web address, and the name, telephone number, fax number, and Email address of a responsible official at each firm).

(8) A list of known sources of information on national or regional prices for the *Domestic Like Product* or the *Subject Merchandise* in the U.S. or other markets.

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2013, except as noted (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

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

(b) Capacity (quantity) of your firm to produce the *Domestic Like Product* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix);

(c) the quantity and value of U.S. commercial shipments of the *Domestic*

Like Product produced in your U.S. plant(s);

(d) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s); and

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit, (iv) selling, general and administrative (SG&A) expenses, and (v) operating income of the *Domestic Like Product* produced in your U.S. plant(s) (include both U.S. and export commercial sales, internal consumption, and company transfers) for your most recently completed fiscal year (identify the date on which your fiscal year ends).

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2013 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

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

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

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2013 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise*

in the *Subject Country* accounted for by your firm's(s') production;

(b) Capacity (quantity) of your firm(s) to produce the *Subject Merchandise* in the *Subject Country* (i.e., the level of production that your establishment(s) could reasonably have expected to attain during the year, assuming normal operating conditions (using equipment and machinery in place and ready to operate), normal operating levels (hours per week/weeks per year), time for downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

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

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

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

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

By order of the Commission.

Issued: January 27, 2014.

Lisa R. Barton,

Acting Secretary to the Commission.

[FR Doc. 2014-01891 Filed 1-31-14; 8:45 am]

BILLING CODE 7020-02-P

APPENDIX B
ADEQUACY STATEMENT

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Welded Stainless Steel Pressure Pipe from China,
Inv. Nos. 701-TA-454 and 731-TA-1144 (Review)

On May 9, 2014, the Commission unanimously determined to conduct expedited reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. §1675(c)(3)(B).

The Commission unanimously determined that the domestic interested party group response to the notice of institution was adequate. The Commission received adequate responses filed jointly by three U.S. producers of welded stainless steel pressure pipe: Bristol Metals, Felker Brothers, and Outokumpu Stainless Pipe. Because the Commission received an adequate response from interested parties accounting for a substantial share of U.S. production of welded stainless steel pressure pipe, the Commission determined that the domestic interested party group response was adequate.

The Commission also unanimously determined that the respondent interested party group response was inadequate, as no respondent interested party filed a response to the notice of institution.

The Commission did not find any circumstances that would warrant conducting full reviews. The Commission, therefore, decided to conduct expedited reviews of the orders.

A record of the Commissioners' votes is available from the Office of the Secretary and at the Commission's web site (www.usitc.gov).

APPENDIX C
SUMMARY DATA

Table C-1

WSS pressure pipe (<=14"): Summary data concerning the U.S. market, 2005-07, January-September 2007, and January-September 2008

* * * * *

Table C-2

WSS pressure pipe (all diameters): Summary data concerning the U.S. market, 2005-07, January-September 2007, and January-September 2008

* * * * *

Table C-3

WSS pressure pipe and pressure tubing: Summary data concerning the U.S. market, 2005-07, January-September 2007, and January-September 2008

* * * * *

Table C-4

WSS pressure pipe: Summary data concerning the U.S. market (including pipe > 14" diameter and pressure tubing), 2005-07, January-September 2007, and January-September 2008

* * * * *

