

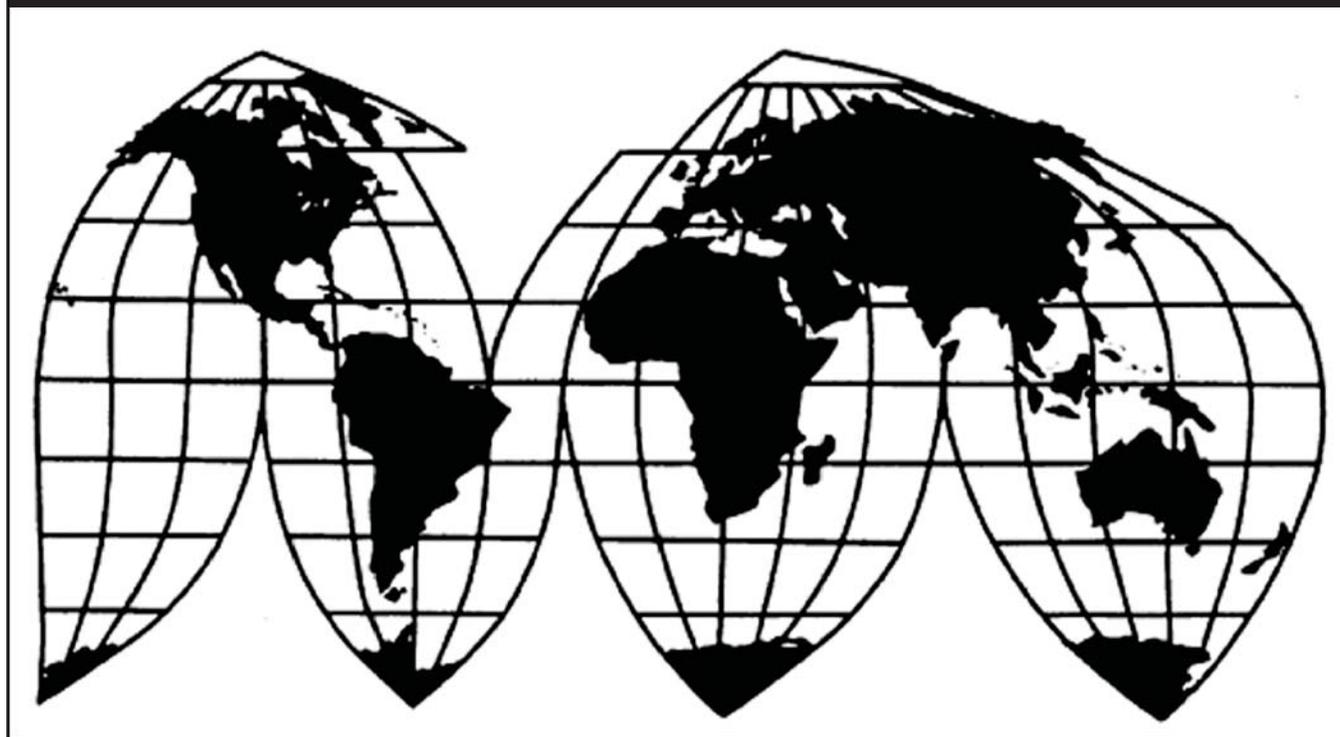
# **Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines**

Investigation Nos. 731-TA-865-867 (Third Review)

**Publication 4751**

**January 2018**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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

## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-865-867 (Third Review)  
Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty orders on stainless steel butt-weld pipe fittings from Italy, Malaysia, and the Philippines would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted these reviews on June 1, 2017 (82 F.R. 25324) and determined on September 5, 2017 that it would conduct expedited reviews (82 F.R. 46524, October 5, 2017).

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<sup>1</sup> 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 duty orders on stainless steel butt-weld (“SSBW”) pipe fittings from Italy, Malaysia, and the Philippines 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

*Original Investigations.* The original petitions concerning SSBW pipe fittings from Germany, Italy, Malaysia, and the Philippines were filed on December 29, 1999.<sup>1</sup> The Commission determined that an industry in the United States was materially injured by reason of less-than-fair value (“LTFV”) subject imports of SSBW pipe fittings from Italy, Malaysia, and the Philippines, and made a negative determination with respect to LTFV imports from Germany.<sup>2</sup> On February 23, 2001, the U.S. Department of Commerce (“Commerce”) issued antidumping duty orders on SSBW pipe fittings from Italy, Malaysia, and the Philippines.<sup>3</sup>

*First Five-Year Reviews:* On January 3, 2006, the Commission instituted the first five-year reviews of the antidumping duty orders on SSBW pipe fittings from Italy, Malaysia, and the Philippines.<sup>4</sup>

In November 2006, following its full first five-year reviews, the Commission determined that revocation of the antidumping duty orders on SSBW pipe fittings from Italy, Malaysia, and the Philippines would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.<sup>5</sup> On December 11, 2006, Commerce published its notice of continuation of the antidumping duty orders covering SSBW pipe fittings from Italy, Malaysia, and the Philippines.<sup>6</sup>

*Second Five-Year Reviews:* On November 1, 2011, the Commission instituted second five-year reviews of the antidumping duty orders on SSBW pipe fittings from Italy, Malaysia, and the Philippines.<sup>7</sup>

In June 2012, following its expedited second five-year reviews, the Commission determined that revocation of the antidumping duty orders on SSBW pipe fittings from Italy,

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<sup>1</sup> 65 Fed. Reg. 1174 (Jan. 7, 2000).

<sup>2</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia and the Philippines*, Inv. Nos. 731-TA-865-867 (Final), USITC Pub. 3387 (Jan. 2001) (“Original Determinations”); *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany*, Inv. No. 731-TA-864 (Final), USITC Pub. 3372 (Nov. 2000).

<sup>3</sup> 66 Fed. Reg. 11257 (Feb. 23, 2001).

<sup>4</sup> 71 Fed. Reg. 140 (Jan. 3, 2006).

<sup>5</sup> *Stainless Steel Butt-Weld Pipe fittings from Italy, Malaysia, and the Philippines*, Inv. Nos. 731-TA-865-867 (Reviews), USITC Pub. 3889 (Nov. 2006) (“First Reviews”).

<sup>6</sup> 71 Fed. Reg. 71530 (Dec. 11, 2006).

<sup>7</sup> 76 Fed. Reg. 67473 (Nov. 1, 2011).

Malaysia, and the Philippines would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.<sup>8</sup> On July 20, 2012, Commerce published its notice of continuation of the antidumping duty orders covering SSBW pipe fittings from Italy, Malaysia, and the Philippines.<sup>9</sup>

*Current Reviews.* On June 1, 2017, the Commission instituted these five-year reviews.<sup>10</sup> The Commission received a joint response to the notice of institution from Core Pipe Products, Inc. (“Core Pipe”), Shaw Alloy Piping Products, LLC (“Shaw APP”), and Taylor Forge Stainless, Inc. (“Taylor Forge”) (collectively “domestic producers”), domestic producers of SSBW pipe fittings. It did not receive a response from any respondent interested party. On September 5, 2017, the Commission found the domestic interested party group response to be adequate and the respondent interested party group response to be inadequate, and did not find any other circumstances that would warrant conducting full reviews.<sup>11</sup> The Commission therefore determined that it would conduct expedited reviews.<sup>12</sup> The domestic producers filed comments pursuant to Commission Rule 207.62(d).<sup>13</sup>

*Data/response coverage.* U.S. industry data for these reviews are based on the information the domestic producers provided in response to the notice of institution and information from the original investigations and prior reviews. The domestic producers estimate that they were responsible for \*\*\* percent of domestic production of SSBW pipe fittings during 2016.<sup>14</sup> No U.S. importer, exporter, or foreign producer of subject merchandise participated in these reviews. U.S. import data are based on official import statistics and information from the original investigations and prior reviews.<sup>15</sup> Foreign industry data and related information are based on information from the original investigations, prior reviews, and publicly available data.

## **II. Domestic Like Product and Domestic 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.”<sup>16</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and

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<sup>8</sup> *Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines*, Inv. Nos. 731-TA-865-867 (Second Reviews) (June 2012) (“Second Reviews”).

<sup>9</sup> 77 Fed. Reg. 42697 (July 20, 2012).

<sup>10</sup> 82 Fed. Reg. 25324 (June 1, 2017).

<sup>11</sup> *Explanation of Commission Determinations on Adequacy* (Sept. 8, 2017) (EDIS Doc. 622725).

<sup>12</sup> *Explanation of Commission Determinations on Adequacy* (Sept. 8, 2017) (EDIS Doc. 622725).

<sup>13</sup> Domestic Producer Comments (Nov. 15, 2017) (“Comments”).

<sup>14</sup> See Domestic Producer Response (“Response”) at 5; Confidential Report (“CR”)/Public Report (“PR”) INV-PP-116 at Table I-1 (Aug. 23, 2017).

<sup>15</sup> CR/PR at Table I-4.

<sup>16</sup> 19 U.S.C. § 1677(4)(A).

uses with, the article subject to an investigation under this subtitle.”<sup>17</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original determinations and consider whether the record indicates any reason to revisit the prior findings.<sup>18</sup>

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

Certain stainless steel butt-weld pipe fittings (butt-weld fittings). Butt-weld pipe fittings are under 14 inches in outside diameter (based on nominal pipe size), whether finished or unfinished. The product encompasses all grades of stainless steel and “commodity” and “specialty” fittings. Specifically excluded from the definition are threaded, grooved, and bolted fittings, and fittings made from any material other than stainless steel.

The butt-weld fittings subject to the orders are generally designated under specification ASTM A403/A403M, the standard specification for Wrought Austenitic Stainless Steel Piping Fittings, or its foreign equivalents (e.g., DIN or JIS specifications). This specification covers two general classes of fittings, WP and CR, of wrought austenitic stainless steel fittings of seamless and welded construction covered by the latest revision of ANSI B16.9, ANSI B16.11, and ANSI B16.28. Butt-weld fittings manufactured to specification ASTM A774, or its foreign equivalents, are also covered by the orders.

The orders do not apply to cast fittings. Cast austenitic stainless steel pipe fittings are covered by specifications A351/A351M, A743/743M, and A744/A744M.<sup>19</sup>

Commerce’s scope has remained the same since the original investigations.

SSBW pipe fittings are used to connect pipe sections where conditions require permanent, welded connections. The beveled edges of SSBW pipe fittings distinguish them from other types of pipe fittings, such as threaded, grooved, or bolted fittings, which rely on different

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<sup>17</sup> 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, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>18</sup> 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).

<sup>19</sup> 82 Fed. Reg. 46763 (Oct. 6, 2017).

fastening methods. When placed against the matching beveled end of a pipe or another fitting, the beveled edges of SSBW pipe fittings form a shallow channel that accommodates the “bead” of the weld that fastens the two adjoining pieces. SSBW pipe fittings are identified by their diameter, wall thickness, shape or configuration, and material composition. Only those SSBW pipe fittings of wrought stainless steel which are less than 14 inches in outside diameter are covered by the antidumping duty orders under review.<sup>20</sup> SSBW pipe fittings within the scope definition are available in several basic shapes, such as elbows, returns, tees, crosses, reducers, caps, and stub-ends.<sup>21</sup>

In general, SSBW pipe fittings are used by a variety of industries in “process” operations (piping systems) to join pipes in straight lines or to change the direction or flow of fluids. SSBW pipe fittings are typically used in bitumen upgraders, heavy oil refineries, offshore oil and gas production platforms, nuclear power plants, and some acid and chemical plants. SSBW pipe fittings classified under the American Society for Testing and Materials (“ASTM”) A403/A403M specification are used in high pressure and/or high heat piping applications, while those classified under ASTM A774/A774M-14 are general use corrosive-resistant SSBW pipe fittings that are not tested or manufactured for use in high heat or full pressure environments.<sup>22</sup>

*Original Investigations and Prior Reviews.* In the original investigations and prior reviews, the Commission found a single domestic like product coextensive with the scope definition.<sup>23</sup> In the original investigations, the respondent argued that the Commission should include large-diameter butt-weld fittings in the domestic like product, but the Commission declined to do so.<sup>24</sup> In the prior reviews, no party argued for a definition of the domestic like product that differed from the definition that the Commission adopted in the original investigations.<sup>25</sup>

*Current Reviews.* In these current five-year reviews, the domestic producers state that they agree with the Commission’s definition of domestic like product in the prior proceedings.<sup>26</sup> Additionally, the record of these expedited third five-year reviews does not contain information that calls into question the Commission’s domestic like product definition in the original investigations and prior five-year reviews.<sup>27</sup> Therefore, we define a single domestic like product as consisting of all SSBW pipe fittings, coextensive with the scope definition.

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<sup>20</sup> CR at I-11; PR at I-8.

<sup>21</sup> CR at I-12; PR at I-9.

<sup>22</sup> CR at I-12-13; PR at I-9.

<sup>23</sup> Original Determinations, USITC Pub. 3372 at 5-7; First Reviews, USITC Pub. 3889 at 5; Second Reviews, USITC Pub. 4337 at 5.

<sup>24</sup> Original Determinations, USITC Pub. 3372 at 7.

<sup>25</sup> First Reviews, USITC Pub. 3889 at 5; Second Reviews, USITC Pub. 4337 at 5.

<sup>26</sup> Response at 18.

<sup>27</sup> See generally CR at I-11-14; PR at I-8-10.

## 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.”<sup>28</sup> 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.

*Original Investigations and Prior Reviews.* In the original investigations, the Commission defined the domestic industry as all domestic producers of finished and unfinished SSBW pipe fittings having an outside diameter (based on nominal pipe size) of less than 14 inches except \*\*\*, which it excluded as a related party.<sup>29</sup> In each prior review, the Commission defined the domestic industry to include all producers of the domestic like product.<sup>30</sup> In the prior reviews, the Commission found that there were not appropriate circumstances warranting the exclusion of a related party producer from the domestic industry.<sup>31</sup>

*Current Reviews.* The domestic producers agree with the Commission’s definition of the domestic industry in the original investigations.<sup>32</sup> There are no related party or other domestic industry issues in these five-year reviews.<sup>33</sup> Consequently, we define the domestic industry as consisting of all domestic producers of finished and unfinished butt-weld fittings having an outside diameter (based on nominal pipe size) of less than 14 inches.

## III. Cumulation

### A. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows:

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<sup>28</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 apply 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.

<sup>29</sup> Original Determinations, USITC Pub. 3372 at 7.

<sup>30</sup> First Reviews, USITC Pub. 3889 at 6; Second Reviews, USITC Pub. 4337 at 7.

<sup>31</sup> First Reviews, USITC Pub. 3889 at 6; Second Reviews, USITC Pub. 4337 at 7. In each of the prior proceedings the Commission, considered whether to exclude \*\*\*. It found that \*\*\* satisfied the definition of a related party as an importer of subject merchandise from \*\*\*. It further found that \*\*\* volume of domestic production was \*\*\* larger than its volume of subject imports, indicating that its primary interest was in domestic production. First Reviews, USITC Pub. 3889 at 6; Second Reviews, USITC Pub. 4337 at 7; Confidential First Reviews Determination (EDIS Doc. 619063) at 6; Confidential Second Reviews Determination (EDIS Doc. 619083) at 6-7.

<sup>32</sup> See Response at 18.

<sup>33</sup> CR at I-19; PR at I-13.

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>34</sup>

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.<sup>35</sup> The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

## **1. The Original Investigations**

In the original investigations, the Commission cumulated subject imports from Italy, Malaysia, and the Philippines.<sup>36</sup> It found geographic overlap, simultaneous presence, similar channels of distribution, and at least moderate fungibility among the subject imports from the three countries and between the subject imports and the domestic like product.<sup>37</sup>

## **2. The Prior Five-Year Reviews**

In both prior five-year reviews, the Commission exercised its discretion to cumulate subject imports from Italy, Malaysia, and the Philippines. In the first five-year reviews, the Commission did not find that revocation of any of the individual orders would likely have no

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<sup>34</sup> 19 U.S.C. § 1675a(a)(7).

<sup>35</sup> 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int'l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int'l Trade 2008).

<sup>36</sup> The Commission did not cumulate subject imports from Germany because those imports, for purposes of determining present material injury, were not eligible for cumulation under the statute.

<sup>37</sup> USITC Pub. 3387 at 9.

discernible adverse impact on the domestic industry.<sup>38</sup> Relying on virtually the same information as the original investigations, it further found that there was likely to be a reasonable overlap of competition if the orders were revoked. Specifically, in the first five-year reviews, the Commission explained that shipments of the domestic like product and subject imports from all three countries overlapped to a significant extent with regard to input material, size, and end use. With respect to geographic overlap, the Commission found that imports from each subject country entered through many of the same ports, and were sold nationwide primarily through distributors and sometimes to end users, as was the domestic like product. Further, subject imports from Italy, Malaysia, and the Philippines and the domestic like product were generally present in the U.S. market throughout the period of review.<sup>39</sup> The Commission further found no evidence of different likely conditions of competition with respect to imports from any of the subject countries.<sup>40</sup>

In the second five-year reviews, the Commission reaffirmed its findings from the first five-year reviews concerning no discernible adverse impact.<sup>41</sup> It further explained that the record did not suggest that the domestic like product and subject imports from all three countries were any less fungible than they had been during the first five-year reviews. Similarly, with respect to geographic overlap, the Commission found no information to contradict its finding in the first five-year reviews that U.S. producers and importers both sold nationwide. With respect to the other factors, the Commission found that subject imports from each country and the domestic like product were sold throughout the United States and through the same channels of distribution and that subject imports from each of the three countries were simultaneously present throughout the period of review.<sup>42</sup> The Commission again found that there was no indication of significant differences in likely conditions of competition with respect to subject imports from Italy, Malaysia, and the Philippines.<sup>43</sup>

## **B. Arguments of the Parties**

The domestic producers argue that the Commission should cumulate subject imports from Italy, Malaysia, and the Philippines. They contend that subject imports from all three countries have maintained a presence in the U.S. market and the industries in each of the three subject countries are export oriented.<sup>44</sup>

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<sup>38</sup> First Reviews, USITC Pub. 3889 at 8.

<sup>39</sup> First Reviews, USITC Pub. 3889 at 7-8.

<sup>40</sup> First Reviews, USITC Pub. 3889 at 9 n.46.

<sup>41</sup> Second Reviews, USITC Pub. 4337 at 8-9.

<sup>42</sup> Second Reviews, USITC Pub. 4337 at 10-11.

<sup>43</sup> Second Reviews, USITC Pub. 4337 at 11.

<sup>44</sup> Comments at 6-7.

## C. Analysis

In these reviews, the statutory threshold for cumulation is satisfied as all reviews were initiated on the same day: June 1, 2017.<sup>45</sup> In addition, we consider the following issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from either of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among the subject imports and the domestic like product; and (3) whether subject imports are likely to compete in the U.S. market under different conditions of competition.

### 1. Likelihood of No Discernible Adverse Impact

Neither the statute nor the Uruguay Round Agreements Act Statement of Administrative Action (“URAA SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>46</sup> With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

*Italy.* Subject imports from Italy have maintained a presence in the U.S. market from the original investigations up to the current period of review. In the original investigations, the volume of subject imports from Italy declined from \*\*\* pounds in 1997 to \*\*\* pounds in 1998, and then increased to \*\*\* pounds in 1999.<sup>47</sup> The market share of subject imports from Italy was \*\*\* percent in 1997, \*\*\* percent in 1998, and \*\*\* percent in 1999.<sup>48</sup>

Subject imports from Italy peaked at 2.0 million pounds in 2000. After the imposition of the order, the volume of subject imports from Italy declined to 822,000 pounds in 2001.<sup>49</sup> Subject imports from Italy continued to decline and were 575,000 pounds in 2002, 177,000 pounds in 2003, and 138,000 pounds in 2004, before increasing to 192,000 pounds in 2005.<sup>50</sup> The market share of subject imports from Italy declined from \*\*\* percent in 2000 to 1.1 percent in 2005.<sup>51</sup>

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<sup>45</sup> 81 Fed. Reg. 75851 (Nov. 1, 2016).

<sup>46</sup> URAA SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

<sup>47</sup> Confidential Staff Report Original Investigations (“Original Investigations CR”) INV-X-235 at Table IV-5 (EDIS Doc. 617162) (Nov. 6, 2000).

<sup>48</sup> Original Investigations CR at Table IV-6.

<sup>49</sup> Confidential Staff Report First Reviews (“First Reviews CR”) INV-DD-144 at Table IV-1 (EDIS Doc. 618832) (Oct. 11, 2006).

<sup>50</sup> First Reviews CR at Table I-1.

<sup>51</sup> First Reviews CR at Table I-9.

During the second period of review, imports of subject merchandise from Italy ranged from a period high of 398,000 pounds in 2007 to a period low of 99,000 pounds in 2008.<sup>52</sup> Subject imports from Italy were 132,000 pounds in 2010.<sup>53</sup> In 2010, the only year for which market share data were available, subject imports from Italy had a \*\*\* percent share of the quantity of apparent U.S. consumption.<sup>54</sup>

During the current period of review, subject import volume from Italy ranged from a period low of 91,000 pounds in 2011 to a period high of 786,000 pounds in 2014.<sup>55</sup> In 2016, subject import volume from Italy was 149,000 pounds and the market penetration of these imports was \*\*\* percent.<sup>56</sup>

The domestic producers identified 15 current producers or exporters of subject merchandise in Italy, but the record does not indicate the current capacity of these firms.<sup>57</sup> During each year of the period of original investigation, Italian capacity was \*\*\* pounds.<sup>58</sup> Italian producer Coprosider, S.p.A., the only firm to respond to the Commission's questionnaire, reported it accounted for \*\*\* percent of total Italian SSBW pipe fittings production in 1999 and that its capacity utilization was consistently above \*\*\* percent.<sup>59</sup> No Italian producer provided data in either the first five-year reviews or second five-year reviews.<sup>60</sup> According to Global Trade Atlas, Italian exports of SSBW pipe fittings were 13.6 million pounds in 2011 and 20.1 million pounds in 2016, making Italy the world's second largest exporter of such products in both years.<sup>61</sup> In light of the foregoing, we do not find that subject imports from Italy would likely have no discernible adverse impact on the domestic industry if the antidumping duty order were revoked.

*Malaysia.* Subject imports from Malaysia have maintained a presence in the U.S. market from the original investigations up to the current period of review. In the original investigations, the volume of subject imports from Malaysia declined from \*\*\* pounds in 1997 to \*\*\* pounds in 1998, and then increased to \*\*\* pounds in 1999.<sup>62</sup> Market penetration of SSBW pipe fittings from Malaysia was \*\*\* percent in 1997, \*\*\* percent in 1998, and \*\*\* percent in 1999.<sup>63</sup>

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<sup>52</sup> Confidential Staff Report Second Reviews ("Second Reviews CR") INV-KK-059 at Table I-8 (EDIS Doc. 618845) (May 24, 2012).

<sup>53</sup> Second Reviews CR at Table I-8.

<sup>54</sup> Second Reviews CR at Table I-10.

<sup>55</sup> CR/PR at Table I-4.

<sup>56</sup> CR/PR at Table I-6.

<sup>57</sup> Response at 5.

<sup>58</sup> Original Investigations CR at Table VII-2.

<sup>59</sup> Original Investigations CR at VII-3.

<sup>60</sup> First Reviews CR at II-3; See Second Reviews CR at I-28-29.

<sup>61</sup> CR/PR at Table I-7. Global Trade Atlas data concern a product category broader than the subject merchandise.

<sup>62</sup> Original Investigations CR at Table IV-5.

<sup>63</sup> Original Investigations CR at Table IV-6.

The volume of subject imports from Malaysia was 1.5 million pounds in 2000, 781,000 pounds in 2001, 751,000 pounds in 2002, 657,000 pounds in 2003, 1.0 million pounds in 2004, and 1.5 million pounds in 2005.<sup>64</sup> The market share of subject imports from Malaysia followed a similar trend starting at \*\*\* percent in 2000, declining to a period low of 5.3 percent in 2003, before increasing to a period high of 8.4 percent in 2005.<sup>65</sup>

During the second period of review, imports of subject merchandise from Malaysia ranged from a period high of 1.5 million pounds in 2007 to a period low of 822,000 pounds in 2009.<sup>66</sup> Subject imports from Malaysia were 1.1 million pounds in 2010.<sup>67</sup> In 2010, the only year for which market share data were available, subject imports from Malaysia had a \*\*\* percent share of the quantity of apparent U.S. consumption.<sup>68</sup>

During the current period of review, subject import volume from Malaysia ranged from 1.4 million pounds in 2011 to 4.1 million pounds in 2014.<sup>69</sup> In 2016, subject import volume from Malaysia was 3.6 million pounds and the market penetration of these imports was \*\*\* percent.<sup>70</sup>

The domestic producers identified seven current producers or exporters of subject merchandise in Malaysia, but the record does not indicate the current capacity of these firms.<sup>71</sup> During the original investigations, Malaysian capacity fluctuated between a low of \*\*\* pounds in 1997 and a high of \*\*\* pounds in 1999.<sup>72</sup> During the first five-year reviews, Malaysian producers reported capacity utilization rates for SSBW pipe fittings ranging from a low of \*\*\* percent in 2000, to a high of \*\*\* percent in 2005.<sup>73</sup> According to Global Trade Atlas, exports of SSBW pipe fittings from Malaysia were 10.7 million pounds in 2011 and 12.2 million pounds in 2016, and Malaysia was one of the world's top six leading exporters of such products in every year between 2011 and 2016.<sup>74</sup> The United States was Malaysia's leading export market for SSBW pipe fittings in 2016.<sup>75</sup> In light of the foregoing, we do not find that subject imports from Malaysia would likely have no discernible adverse impact on the domestic industry if the antidumping duty order were revoked.

*The Philippines.* Subject imports from the Philippines have maintained a presence in the U.S. market from the original investigations up to the current period of review. In the original

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<sup>64</sup> First Reviews CR at Table IV-1.

<sup>65</sup> First Reviews CR at Table I-1.

<sup>66</sup> Second Reviews CR at Table I-8.

<sup>67</sup> Second Reviews CR at Table I-8.

<sup>68</sup> Second Reviews CR at Table I-10.

<sup>69</sup> CR/PR at Table I-4.

<sup>70</sup> CR/PR at Tables I-4 and I-6.

<sup>71</sup> Response at Ex. 4.

<sup>72</sup> Original Investigations CR at Table VII-3.

<sup>73</sup> First Reviews CR at II-3.

<sup>74</sup> CR/PR at Table I-8. Global Trade Atlas data concern a product category broader than the subject merchandise.

<sup>75</sup> CR/PR at Table I-8.

investigations, the volume of subject imports from the Philippines increased from \*\*\* pounds in 1997 to \*\*\* pounds in 1998, and then declined to \*\*\* pounds in 1999.<sup>76</sup> Market penetration of SSBW pipe fittings from the Philippines was \*\*\* percent in 1997, \*\*\* percent in 1998, and \*\*\* percent in 1999.<sup>77</sup>

After the imposition of the order, the volume of subject imports from the Philippines was 197,000 pounds in 2001.<sup>78</sup> Subject imports from the Philippines then declined to 187,000 pounds in 2002, 59,000 pounds in 2003, and 25,000 pounds in 2004 before increasing to 357,000 pounds in 2005.<sup>79</sup> The market share of subject imports from the Philippines declined from \*\*\* percent in 2000 to a period low of 0.2 percent in 2004, before increasing to 2.1 percent in 2005.<sup>80</sup>

During the second period of review, imports of subject merchandise from the Philippines ranged from a period low of 1.0 million pounds in 2006 to a period high of 2.3 million pounds in 2008.<sup>81</sup> Subject imports from the Philippines were 2.2 million pounds in 2010.<sup>82</sup> In 2010, the only year for which market share data were available, subject imports from the Philippines had a \*\*\* percent share of the quantity of apparent U.S. consumption.<sup>83</sup>

During the current period of review, subject import volume from the Philippines ranged from 1.4 million pounds in 2016 to 3.0 million pounds in 2011.<sup>84</sup> In 2016, the market penetration of subject imports from the Philippines was \*\*\* percent.<sup>85</sup>

The domestic producers identified four current producers or exporters of subject merchandise in the Philippines, but the record does not contain current capacity data for these firms.<sup>86</sup> During the original investigations, capacity in the Philippines fluctuated between a low of \*\*\* pounds in 1997 and a high of \*\*\* pounds in 1999.<sup>87</sup> During the first five-year reviews, producers from the Philippines reported capacity utilization rates for SSBW pipe fittings ranging from a low of \*\*\* percent in 2003 to a high of \*\*\* percent in 2000.<sup>88</sup> According to Global Trade Atlas, exports of SSBW pipe fittings from the Philippines were 7.9 million pounds in 2011 and 4.4 million pounds in 2016.<sup>89</sup> The United States was the Philippines' leading export market for

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<sup>76</sup> Original Investigations CR at Table IV-6.

<sup>77</sup> Original Investigations CR at Table IV-1.

<sup>78</sup> First Reviews CR at Table IV-1.

<sup>79</sup> First Reviews CR at Table IV-1.

<sup>80</sup> First Reviews CR at Table I-9.

<sup>81</sup> Second Reviews CR at Table I-8.

<sup>82</sup> Second Reviews CR at Table I-8.

<sup>83</sup> Second Reviews CR at Table I-10.

<sup>84</sup> CR/PR at Table I-4.

<sup>85</sup> CR/PR at Table I-6.

<sup>86</sup> Response at Ex. 4.

<sup>87</sup> Original Investigations CR at Table VII-4.

<sup>88</sup> First Reviews CR at II-3.

<sup>89</sup> CR/PR at Table I-9. Global Trade Atlas data concern a product category broader than the subject merchandise.

SSBW pipe fittings in every year from 2011 through 2015 and was its second largest market in 2016.<sup>90</sup> In light of the foregoing, we do not find that subject imports from the Philippines would likely have no discernible adverse impact on the domestic industry if the antidumping duty order were revoked.

## 2. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.<sup>91</sup> Only a “reasonable overlap” of competition is required.<sup>92</sup> In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.<sup>93</sup>

In these third five-year reviews, much of the available information concerning the likely reasonable overlap of competition is derived from the Commission’s original investigations and the full first five-year reviews.<sup>94</sup> In the expedited second five-year reviews, as in these reviews, there was only limited information concerning the reasonable overlap factors in the record.<sup>95</sup>

*Fungibility.* In the original investigations and first five-year reviews, importers and domestic producers indicated that subject imports from Italy, Malaysia, and the Philippines were always or frequently used interchangeably with the domestic like product.<sup>96</sup> The

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<sup>90</sup> CR/PR at Table I-9.

<sup>91</sup> The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. *See, e.g., Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

<sup>92</sup> *See Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. *See, e.g., Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int’l Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

<sup>93</sup> *See generally, Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

<sup>94</sup> Original Determinations, USITC Pub. 3387 at 7-9; First Reviews, USITC Pub. 3889 at 8-9.

<sup>95</sup> Second Reviews, USITC Pub. 4337 at 10-12.

<sup>96</sup> Original Determinations, USITC Pub. 3387 at 7; First Reviews, USITC Pub. 3889 at 9.

Commission also found that SSBW pipe fittings from subject and domestic sources could be used interchangeably if of the same quality and the record reflected that there was generally no quality difference between subject imports and the domestic like product.<sup>97</sup> There was no information in the second five-year reviews that the fungibility of subject imports from Italy, Malaysia, and the Philippines with each other and the domestic like product had changed.<sup>98</sup> Similarly, the record of the current review contains no information to call into question the Commission's prior findings of fungibility.

*Channels of Distribution.* In the original investigations and first five-year reviews, domestically produced SSBW pipe fittings and subject imports from the three countries were generally sold to distributors.<sup>99</sup> Nothing in the record of the second five-year reviews indicated there was a change in the channels of distribution.<sup>100</sup> Similarly, there is no new information in these current reviews to indicate a change in current or likely channels of distribution.<sup>101</sup>

*Geographic Overlap.* In the original investigations and the first five-year reviews, the Commission found that both the domestic like product and subject imports from each of the three countries were distributed nationally.<sup>102</sup> Nothing in the record of the second five-year reviews indicated there was a change in geographic overlap.<sup>103</sup> The record in these reviews indicates that Houston-Galveston, Texas was the single largest U.S. customs district for imports of SSBW pipe fittings for each subject country during the period of review; this is a region with a large concentration of oil and gas refining, a major application for SSBW pipe fittings.<sup>104</sup>

*Simultaneous Presence in Market.* In the original investigations, first five-year reviews and second five-year reviews, the domestic like product and subject imports from each of the three countries were present throughout the periods examined.<sup>105</sup> In these current five-year reviews, the domestic like product and subject imports from Italy, Malaysia, and the Philippines were generally present in the U.S. market throughout the period of review.<sup>106</sup>

*Conclusion.* The record of these expedited reviews contains no new information suggesting that the reasonable overlap of competition found in the original investigations and prior reviews would not exist upon revocation. In light of this, and the absence of any contrary arguments, we find a likely reasonable overlap of competition between subject imports from

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<sup>97</sup> USITC Pub. 3387 at 7-9.

<sup>98</sup> Second Reviews, USITC Pub. 4337 at 11; CR at I-28-29; PR at I-21.

<sup>99</sup> Original Determinations, USITC Pub. 3387 at 9; First Reviews, USITC Pub. 3889 at 9.

<sup>100</sup> Second Reviews, USITC Pub. 4337.

<sup>101</sup> CR at I-28-29; PR at I-21.

<sup>102</sup> Original Determinations, USITC Pub. 3387 at 8-9; First Reviews, USITC Pub. 3889 at 9.

<sup>103</sup> Second Reviews, USITC Pub. 4337.

<sup>104</sup> See CR at I-28-29; PR at I-21.

<sup>105</sup> Original Determinations, USITC Pub. 3387 at 8; First Reviews, USITC Pub. 3889 at 9; Second Reviews, USITC Pub. 4337 at 11.

<sup>106</sup> See CR at I-28-29; PR at I-21.

Italy, Malaysia, and the Philippines and between imports from each subject country and the domestic like product.

### **3. Likely Conditions of Competition**

In determining whether to exercise our discretion to cumulate subject imports from Italy, Malaysia, and the Philippines, we assess whether imports of subject merchandise from the subject countries would compete under similar or different conditions in the U.S. market if the orders under review were revoked. There is no indication of significant differences in the likely conditions of competition with respect to subject imports from Italy, Malaysia, and the Philippines in the U.S. market. Accordingly, we exercise our discretion to cumulate subject imports from Italy, Malaysia, and the Philippines in these reviews.

## **IV. Revocation of the Antidumping 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.”<sup>107</sup> The 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.”<sup>108</sup> Thus, the likelihood standard is prospective in nature.<sup>109</sup> The U.S. Court of International Trade has found that

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<sup>107</sup> 19 U.S.C. § 1675a(a).

<sup>108</sup> SAA, H.R. Rep. 103-316. vol. I, at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended determinations that were never completed.” *Id.* at 883.

<sup>109</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

“likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>110</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>111</sup> 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 determinations.”<sup>112</sup>

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.”<sup>113</sup> 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 an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>114</sup> 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.<sup>115</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms

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<sup>110</sup> 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’”).

<sup>111</sup> 19 U.S.C. § 1675a(a)(5).

<sup>112</sup> 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.*

<sup>113</sup> 19 U.S.C. § 1675a(a)(1).

<sup>114</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings concerning the orders under review, because it has not completed an administrative review of the orders. See CR at I-16, PR at I-11.

<sup>115</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

or relative to production or consumption in the United States.<sup>116</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>117</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>118</sup>

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>119</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>120</sup>

No respondent interested party participated in these reviews. The record, therefore, contains limited new information with respect to the current condition of the SSBW pipe fittings industries in Italy, Malaysia, and the Philippines. Accordingly, for our determination, we

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<sup>116</sup> 19 U.S.C. § 1675a(a)(2).

<sup>117</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>118</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in determinations, 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.

<sup>119</sup> 19 U.S.C. § 1675a(a)(4).

<sup>120</sup> 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.

rely as appropriate on the facts available from the original investigations and the limited new information on the record in these third five-year reviews.

## **B. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>121</sup> The following conditions of competition inform our determination.

### **1. Demand Conditions**

In the prior proceedings, the Commission found that SSBW pipe fittings were used in industrial piping systems to join pipes in straight lines or to change the direction and flow of fluids, where their ability to withstand corrosion and oxidation, as well as extreme temperature and pressure, is important. In the first five-year reviews, the Commission explained further that demand for SSBW pipe fittings was derived from demand in major end use markets, including the petrochemical, nuclear, food processing, textile, and semiconductor industries, as well as breweries and paper mills.<sup>122</sup> During the second five-year reviews, the Commission identified the oil and gas industry as a primary driver of demand, and observed that fluctuating oil prices and adjustments in refinery capacity and maintenance caused fluctuations in demand in the United States.<sup>123</sup> The record indicates that the principal uses and markets for SSBW pipe fittings have not changed since the prior proceedings.<sup>124</sup>

During the original period of investigation, the apparent U.S. consumption of SSBW pipe fittings fluctuated, increasing overall from \*\*\* pounds in 1997 to \*\*\* pounds in 1999, and was \*\*\* pounds in interim 2000 compared to \*\*\* pounds in interim 1999.<sup>125</sup> During the first five-year reviews, apparent U.S. consumption by quantity was \*\*\* pounds in 2000, 12.4 million pounds in 2001, 14.1 million pounds in 2002, 12.4 million pounds in 2003, 15.2 million pounds in 2004, and 17.3 million pounds in 2005.<sup>126</sup> During the second five-year reviews, apparent U.S. consumption by quantity increased from 17.3 million pounds in 2005 to \*\*\* pounds in 2010.<sup>127</sup> During the current period of review, apparent U.S. consumption was \*\*\* pounds in 2016, higher than in 2005 or 2010.<sup>128</sup>

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<sup>121</sup> 19 U.S.C. § 1675a(a)(4).

<sup>122</sup> Original Determinations, USITC Pub. 3387 at 9; First Reviews, USITC Pub. 3889 at 12-13.

<sup>123</sup> Second Reviews, USITC Pub. 4337 at 14.

<sup>124</sup> CR at I-13, PR at I-10.

<sup>125</sup> Original Determinations, USITC Pub. 3387 at 9.

<sup>126</sup> First Reviews, USITC Pub. 3889 at 13; First Reviews Confidential Opinion (EDIS Doc. 619063) at 15.

<sup>127</sup> Second Reviews, USITC Pub. 4337 at 14; Second Reviews Confidential Opinion (EDIS Doc. 619083) at 17.

<sup>128</sup> CR/PR at Table I-6.

## 2. Supply Conditions

In the original investigations, the Commission found the domestic market was supplied by twelve domestic producers, imports from subject countries, and nonsubject imports. The market share of cumulated subject imports increased. The quantity of nonsubject imports declined and their share of apparent U.S. consumption by quantity fell from \*\*\* percent in 1997 to \*\*\* percent in 1999.<sup>129</sup>

In the first and second five-year reviews, the U.S. market continued to be supplied by domestic producers,<sup>130</sup> imports from subject countries, and nonsubject imports. During the first five-year reviews, the domestic industry's market share declined from \*\*\* percent in 2000 to 25.7 percent in 2005, subject import market share declined from \*\*\* percent in 2000 to 11.6 percent in 2005, and nonsubject import market share increased from \*\*\* percent in 2000 to 62.7 percent in 2005.<sup>131</sup> During the second five-year reviews, the domestic industry had increased its share of U.S. consumption by quantity since the first reviews. In 2010, its share was \*\*\* percent, that of cumulated subject imports was \*\*\* percent, and that of nonsubject imports was \*\*\* percent.<sup>132</sup>

In 2016, the domestic industry was the smallest source of supply in the U.S. market. Its market share was \*\*\* percent. Cumulated subject imports were the second largest source of supply, with a \*\*\* percent market share. Nonsubject imports were the largest source of supply, with a \*\*\* percent share.<sup>133</sup> Principal sources of nonsubject imports during the current period of review included Korea, China, Taiwan, and Canada.<sup>134</sup>

## 3. Substitutability and Other Conditions

In the original investigations, the Commission observed that available data suggested that subject imports from Italy, Malaysia, and the Philippines were at least moderately fungible with one another and with the domestic like product. Specifically, products from domestic and all subject sources were produced to ASTM, ASME, and ANSI standards that specified standard diameters (based on nominal pipe sizes) and standard wall thickness to ensure compatibility with pipes in flow systems. Further, domestic producers and importers reported that subject

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<sup>129</sup> Original Determinations, USITC Pub. 3387 at 10-11; Original Investigations CR (EDIS Doc. 617162) at Table C-1.

<sup>130</sup> Domestic industry capacity declined from \*\*\* million pounds in 2000 to 7.0 million pounds in 2005, as the American Fittings plant closed in 2004. First Reviews, USITC Pub. 3889 at 13; First Reviews Confidential Opinion (EDIS Doc. 619063) at 15-16. During the second five-year reviews, the number of domestic producers fell from 12 to eight. Second Reviews, USITC Pub. 4337 at 15.

<sup>131</sup> First Reviews, USITC Pub. 3889 at 13; First Reviews Confidential Opinion (EDIS Doc. 619063) at 18.

<sup>132</sup> Second Reviews, USITC Pub. 4337 at 18; Second Reviews Confidential Opinion (EDIS Doc. 619083) at 18.

<sup>133</sup> CR/PR at Table I-6.

<sup>134</sup> CR/PR at Table I-5. Response at 17.

imports from the three countries were always or frequently interchangeable with each other and with the domestic like product and the record demonstrated that subject imports from the three countries and the domestic like product were all sold in both the approved manufacturers list (“AML”) and the non-AML markets for overlapping end uses.<sup>135</sup>

In the first five-year reviews, the Commission continued to find that subject imports from each country were moderately fungible with each other and with the domestic like product. The Commission observed that shipments of subject imports from each country and the domestic like product overlapped to a significant extent during the period of review in terms of input material, size, and end use. Further, a majority of producers, importers, and purchasers reported that subject imports from each country and the domestic like product were either always or frequently interchangeable.<sup>136</sup>

In the second five-year reviews, the Commission found that there was no new information contradicting the substitutability finding from the first reviews. Accordingly, the Commission found that there was a moderate degree of fungibility among subject imports from each subject country and between cumulated subject imports and the domestic like product.<sup>137</sup>

As discussed above, the record in these reviews contains no information that the findings on substitutability from the prior proceedings are no longer applicable. Thus we continue to find that subject imports from Italy, Malaysia, and the Philippines are moderately fungible with the domestic like product, and that price is an important factor in purchasing decisions.

### **C. Likely Volume of Subject Imports**

#### **1. The Original Investigations and Prior Reviews**

In the original investigations, the Commission found a significant increase in cumulated subject import volume. Cumulated subject import volume increased from \*\*\* pounds in 1997 to \*\*\* pounds in 1999, and was \*\*\* pounds in interim 1999 compared with \*\*\* pounds in interim 2000. The U.S. market share of cumulated subject imports increased from \*\*\* percent in 1997 to \*\*\* percent in 1999, and was \*\*\* percent in interim 1999 and \*\*\* percent in interim 2000.<sup>138</sup>

In the first five-year reviews, the Commission found that although cumulated subject import volume and market share both declined from 2000 to 2003, they increased in 2004 and 2005. Each subject country possessed significant excess capacity and also held significant inventories of subject merchandise. With respect to the Italian industry, the Commission found that although exports of subject merchandise from Italy peaked in 2001 and declined through

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<sup>135</sup> Original Determinations, USITC Pub. 3387 at 7-10.

<sup>136</sup> First Reviews, USITC Pub. 3889 at 13-14.

<sup>137</sup> Second Reviews, USITC Pub. 4337 at 15.

<sup>138</sup> Original Determinations, USITC Pub. 3387 at 11, 14-15; Original Determinations Confidential Opinion (EDIS Doc. 619045) at 15.

the end of the period of review, and that one Italian exporter reportedly went out of business, there was no evidence that such declines indicated that the Italian industry had decreased its production capacity. With respect to Malaysia, the Commission found that the two responding producers' combined excess capacity and inventories would have equaled \*\*\* percent of apparent U.S. consumption by quantity in 2005.<sup>139</sup> The Commission further found that the Philippine industry \*\*\* its capacity during the period of review, and its combined excess capacity and end-of-period inventories were equal to \*\*\* percent of apparent U.S. consumption by quantity in 2005. In addition, each subject industry was highly export oriented. Based on these findings, the Commission found that the volume of cumulated subject imports would likely be significant absent the antidumping duty orders.<sup>140</sup>

In the second five-year reviews, cumulated subject import volume increased overall and remained at a significant level throughout the period of review. Cumulated subject imports increased from 2.2 million pounds in 2006 to 3.7 million pounds in 2007, increased again to 4.0 million pounds in 2008, declined to 3.2 million pounds in 2009, and then increased to 3.4 million pounds in 2010, a level 68.3 percent higher than the 2005 level. Cumulated subject imports accounted for \*\*\* percent of apparent U.S. consumption by quantity in 2010, compared with 11.6 percent in 2005.<sup>141</sup> Further, the information in the record indicated that the subject industries in Italy, Malaysia, and the Philippines had significant capacity, were significantly export oriented, and demonstrated the ability to increase exports rapidly. Based on these findings, the Commission found that the volume of cumulated subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant and increase significantly absent the antidumping duty orders.<sup>142</sup>

## 2. The Current Reviews

Cumulated subject import volume maintained a substantial presence in the U.S. market and increased overall during the period of review. Cumulated subject imports increased from 4.5 million pounds in 2011 to 4.9 million pounds in 2012, 5.7 million pounds in 2013, and 7.3 million pounds in 2014, before declining to 5.9 million pounds in 2015 and 5.1 million pounds in 2016.<sup>143</sup> Cumulated subject imports accounted for \*\*\* percent of apparent U.S. consumption by quantity in 2016, compared with \*\*\* percent in 2010.<sup>144</sup>

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<sup>139</sup> First Reviews, USITC Pub. 3889 at 16; First Reviews Confidential Opinion (EDIS Doc. 619063) at 20.

<sup>140</sup> First Reviews, USITC Pub. 3889 at 18-21; First Reviews Confidential Opinion (EDIS Doc. 619063) at 21.

<sup>141</sup> Second Reviews, USITC Pub. 4337 at 16; Second Reviews Confidential Opinion (EDIS Doc. 619083) at 21.

<sup>142</sup> Second Reviews, USITC Pub. 4337 at 16-18.

<sup>143</sup> CR/PR at Table I-4.

<sup>144</sup> CR/PR at Table I-6.

The continuous presence of substantial quantities of cumulated subject imports during the period of review indicates that subject producers remain interested in supplying the U.S. market. Other information available in the record indicates that cumulated subject imports will increase if the orders were revoked. The limited information in the record indicates that the subject producers in Italy, Malaysia, and the Philippines have significant capacity, are significantly export oriented, and have a demonstrated ability to increase exports rapidly.

Italy was the second largest world exporter of SSBW pipe fittings throughout most of the period of review.<sup>145</sup> Italian exports of SSBW pipe fittings reached a peak of 21.9 million pounds in 2013, and declined to 20.1 million pounds in 2016.<sup>146</sup> Because there is nothing in the record indicating that this decrease in exports was accompanied by increased sales to the domestic Italian market or a decrease in production capacity, these data suggest that subject producers in Italy have the ability to increase exports upon revocation of the order.<sup>147</sup> The industry in Italy increased its exports of SSBW pipe fittings from 13.6 million in 2011 to 21.9 million in 2013, indicating an ability to increase exports rapidly.<sup>148</sup>

The industry in Malaysia is export oriented and has the ability to increase exports rapidly. Malaysian exports of SSBW pipe fittings were at a period low of 5.9 million in 2012, but increased by more than double to 12.2 million pounds in 2016, when Malaysia was the fourth-largest world exporter of SSBW pipe fittings.<sup>149</sup> Available data indicate that capacity in Malaysia has increased since the original investigations because Superinox and Pantech, which did not exist at the time of the original investigation, have since become two of the largest suppliers of SSBW pipe fittings to the U.S. market.<sup>150</sup>

The industry in the Philippines was also among the top ten global exporters of SSBW pipe fittings during the period of review.<sup>151</sup> Exports of SSBW pipe fittings from the Philippines were at a period high of 10.1 million pounds in 2012, and declined to 4.4 million pounds in 2016.<sup>152</sup> Because there is nothing in the record indicating that this decrease in exports was accompanied by increased sales to the domestic market or a decrease in production capacity, these data suggest that subject producers in the Philippines have the ability to increase exports upon revocation of the order.<sup>153</sup>

In light of their current interest and participation in the U.S. market, export orientation, and available capacity, the industries in Italy, Malaysia, and the Philippines will likely increase

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<sup>145</sup> CR/PR at Table I-10.

<sup>146</sup> CR/PR at Table I-7.

<sup>147</sup> To the contrary, the information available indicates that several producers in Italy have publicly announced investments in production facilities and expanded capacity. Response at 5-6.

<sup>148</sup> CR/PR at Table I-7.

<sup>149</sup> CR/PR at Table I-8.

<sup>150</sup> Response at 8 and ex. T.

<sup>151</sup> CR/PR at Table I-10.

<sup>152</sup> CR/PR at Table I-9.

<sup>153</sup> To the contrary, the information available indicates that there is an additional exporter of SSBW pipe fittings in the Philippines that was not identified in the prior reviews. Response at 9.

exports to the U.S. market upon revocation. For the foregoing reasons, we find that cumulated subject import volume would likely be significant in absolute terms and relative to consumption upon revocation of the antidumping duty orders.<sup>154</sup>

## **D. Likely Price Effects**

### **1. The Original Investigations and Prior Reviews**

In the original investigations, the Commission found that the subject imports consistently undersold the domestic like product by significant margins. It further found that subject imports depressed and suppressed prices for the domestic like product to a significant degree.<sup>155</sup>

In the first five-year reviews, the Commission found that the domestic like product and subject imports were moderately fungible and that price was an important factor in purchasing decisions. Cumulated subject imports undersold the domestic like product in 66 of 74 pricing product comparisons at margins ranging up to 80.5 percent. The Commission found that the presence of nonsubject imports in the U.S. market was unlikely to limit the ability of subject imports to increase because the average unit values of the nonsubject imports were higher than those of the subject imports. Finally, the Commission determined that subject imports were likely to depress or suppress the prices of the domestic like product if the antidumping duty orders were revoked.<sup>156</sup>

In the second five-year reviews, there was no new product-specific pricing information on the record. Consequently, the Commission adopted its findings from the first five-year reviews that the domestic like product and subject imports were moderately fungible and that price was an important factor in purchasing decisions. It found that if the orders were revoked, subject producers would resume their pattern of underselling as a means of increasing their market share. To respond, domestic producers would have to either reduce their prices or relinquish market share. The Commission consequently concluded that the likely significant increase in subject import volume at prices that would likely undersell the domestic like product to a significant degree would likely have significant price effects on the domestic industry.<sup>157</sup>

### **2. The Current Reviews**

There is no new product-specific pricing information on the record in these reviews. In the absence of any new information to the contrary, we adopt our findings from the prior

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<sup>154</sup> Because of the expedited nature of these reviews, the record does not contain information about inventories of the subject merchandise or the potential for product shifting. Imports of SSBW pipe fittings from Italy, Malaysia, and the Philippines are not subject to antidumping or countervailing duty orders in any other country. CR at I-38, PR at I-27.

<sup>155</sup> Original Determinations, USITC Pub. 3387 at 11-12.

<sup>156</sup> First Reviews, USITC Pub. 3889 at 22-23.

<sup>157</sup> Second Reviews, USITC Pub. 4337 at 18-19.

proceedings that the domestic like product and the subject imports are moderately fungible and that price is an important factor in purchasing decisions. Based on the available information, we find that if the orders were revoked, the increased and significant volumes of cumulated subject imports likely upon revocation would likely significantly undersell the domestic like product to gain market share, as they did in the original investigations. The volume of low-priced subject imports that would likely enter the U.S. market in the event of revocation would force the domestic industry to cut prices, forego price increases, or risk losing market share. In light of these considerations, we conclude that absent the restraining effect of the orders, subject imports from Italy, Malaysia, and the Philippines would likely cause the domestic industry to lose market share and/or significantly depress or suppress prices for the domestic like product, thereby causing significant price effects.

## **E. Likely Impact of Subject Imports**

### **1. The Original Investigations and Prior Reviews**

In the original investigations, the Commission found that the significant increase in the volume of subject imports, coupled with their price depressing and suppressing effects, had adversely affected the domestic industry. Over the period examined, the domestic industry's capacity utilization, sales value, employment levels, and operating income declined, and inventories increased. The Commission observed that the modest improvement in some domestic industry indicators between the interim periods occurred as other indicators declined. In particular, it cited continued declines in employment levels and evidence that recent price increases, resulting from a temporary boost in demand, were beginning to soften.<sup>158</sup>

In the first five-year reviews, the Commission found that the domestic industry's operating and financial performance, production, employment, U.S. shipments and value of such shipments, operating profit margins, and return on investment declined from 2000 to 2003 but recovered in 2004 and 2005. The Commission further found only modest declines in the domestic industry's capacity and market share during the period of review, observing that the domestic industry's capital expenditures and research and development expenses declined over the period reviewed, and that productivity increased during the period. Given the domestic industry's recovery toward the end of the period, the Commission found that the domestic industry was not vulnerable to the continuation or recurrence of material injury. Nevertheless, because of the likely significant increase in the volume of subject imports and their likely adverse price effects, the Commission concluded that subject imports would likely have a significant impact on the domestic industry if the antidumping duty orders were revoked.<sup>159</sup>

In the second five-year reviews, the Commission found that the domestic industry's capacity and output were higher in 2010 than in 1999 or 2005; however, its capacity utilization in

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<sup>158</sup> Original Determinations, USITC Pub. 3387 at 13-14.

<sup>159</sup> First Reviews, USITC Pub. 3889 at 25-27.

2010 was lower and its ratio of cost of goods sold to sales was higher.<sup>160</sup> Given the expedited nature of the reviews, the Commission found the information available insufficient to make a finding on whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders. Nevertheless, because of the likely significant increase in the volume of subject imports and their likely adverse price effects, the Commission concluded that subject imports would likely have a significant impact on the domestic industry if the antidumping orders were revoked.<sup>161</sup> The Commission acknowledged that while subject imports would displace nonsubject imports to some extent upon revocation, a significant portion of the expected increase in subject imports would be at the expense of the domestic industry, particularly given the general substitutability of SSBW pipe fittings from different sources and the likelihood of subject import underselling and adverse price effects.<sup>162</sup>

## 2. The Current Reviews

Because of the expedited nature of these reviews, information on the record concerning the recent performance of the domestic industry is limited. This limited information is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation of recurrence of material injury in the event of the revocation of the orders.

In 2016, the domestic industry's capacity, production, and capacity utilization and U.S. shipments were lower than in either prior review or in 1999, the final full year of the original period of investigation.<sup>163</sup> By contrast, the industry's operating income and operating income margin were higher than in either prior review or in 1999.<sup>164</sup>

As discussed above, we conclude that revocation of the antidumping orders on SSBW pipe fittings from Italy, Malaysia, and the Philippines would likely lead to a significant volume of subject imports that would likely undersell the domestic like product and would likely force the domestic industry to lower prices or lose sales. We find that the likely volume and price effects of subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenue of the domestic industry. These reductions would have a direct adverse impact on the domestic industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the likely role of nonsubject imports in the U.S. market. There is no indication or argument on this record that the presence of nonsubject imports would prevent subject imports from Italy, Malaysia, and the Philippines from significantly increasing

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<sup>160</sup> Second Reviews, USITC Pub. 4337 at 20; Second Reviews Confidential Opinion (EDIS Doc. 619083) at 27.

<sup>161</sup> Second Reviews, USITC Pub. 4337 at 20.

<sup>162</sup> Second Reviews, USITC Pub. 4337 at 20-21.

<sup>163</sup> In 2016, capacity was \*\*\* pounds, production was \*\*\* pounds, capacity utilization was \*\*\* percent, and U.S. commercial shipments were \*\*\* pounds. CR/PR at Table I-3.

<sup>164</sup> Operating income was \$\*\*\* in 2016; as a ratio to net sales, operating income was \*\*\* percent in 2016. CR/PR at Table I-3.

their presence in the U.S. market in the event of revocation of the orders, given the export orientation of the subject industries and the relative attractiveness of the U.S. market. Given the fungibility between the subject imports and the domestic like product, the likely increase in subject imports upon revocation would likely take significant market share from the domestic industry. Therefore, the subject imports are likely to have adverse effects on the domestic industry distinct from nonsubject imports in the event of revocation.

## **V. Conclusion**

For the foregoing reasons, we determine that revocation of the antidumping duty orders on SSBW pipe fittings from Italy, Malaysia, and the Philippines 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 THESE REVIEWS

### BACKGROUND

On June 1, 2017 the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of antidumping orders on stainless steel butt-weld pipe fittings (“SSBW fittings”) from Italy, Malaysia, and the Philippines would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
June 2, 2017	Notice of initiation and institution by Commerce and Commission
September 5, 2017	Commission vote on adequacy
October 6, 2017	Commerce results of its expedited reviews
January 8, 2018	Commission deadline to complete expedited reviews

### RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

#### Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of the following entities (collectively referred to herein as “domestic interested parties”):

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> *Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines; Institution of Five-Year Reviews*, 82 FR 25324, June 1, 2017. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping duty orders effective June 2, 2017. *Initiation of Five-Year (Sunset) Reviews*, 82 FR 25599, June 2, 2017. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings is presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of these reviews.

- Core Pipe Products, Inc. (formerly Gerlin, Inc.) (“Core Pipe”), domestic producer of SSBW fittings;
- Shaw Alloy Piping Products, LLC (“Shaw APP”), domestic producer of SSBW fittings; and
- Taylor Forge Stainless, Inc. (“Taylor Forge”), domestic producer of SSBW fittings.

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

**Table I-1**

**SSBW fittings: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	1	***% <sup>1</sup>
Respondent:		
U.S. importer	0	NA
Foreign producer/exporter	0	NA

Note.--The “number of responses” is the number of physical responses received by the Commission not the number of firms contained in the submissions.

<sup>1</sup> In their response to the notice of institution, the three responding domestic producers estimated that they account for this share of total U.S. production of SSBW fittings during 2016. Domestic interested parties based their computation on the quantity of reported production (\*\*\*) pounds) divided by estimated total U.S. production (\*\*\*) pounds). *Domestic Interested Parties’ Response to the Notice of Institution*, June 30, 2017, p. 15.

**Party comments on adequacy**

The Commission received one submission from parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. This submission was filed on behalf of Core Pipe, Shaw APP, and Taylor Forge.<sup>5</sup>

Domestic interested parties argued that the Commission should find the domestic interested parties’ group response to be adequate. They further argued that the Commission should find the respondent interested party group response to be inadequate since there was no submission by any respondent interested party. Therefore, based on the argument that the respondent interested parties’ group response is inadequate and based on the argument that there have been no major changes in the conditions of competition in the market since the Commission’s previous five-year reviews or other factors that would warrant full reviews, the

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<sup>5</sup> *Domestic Interested Parties’ Comments on Adequacy*, August 10, 2017, p. 1.

domestic interested parties request that the Commission conduct expedited reviews of the antidumping orders on imports of SSBW fittings from Italy, Malaysia, and the Philippines.

### RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's second five-year reviews, the following developments have occurred in the SSBW fittings industry.

- In early 2013, Chicago Bridge & Iron Company N.V. ("CB&I"), a provider of technology and infrastructure to the energy industry, acquired the Shaw Group for \$3 billion in cash and stock.<sup>6</sup> The acquisition included Shaw APP, which is a wholly-owned subsidiary of the Shaw Group, that produces SSBW fittings in its 485,000 square foot Shreveport, Louisiana plant.<sup>7</sup>
- In 2013, Jero, Inc. (Florence, Kentucky) expanded and moved to a 90,000-square-foot plant in Florence, Kentucky from a 30,000-square-foot plant in Florence.<sup>8</sup> Jero specializes in manufacturing stainless steel (and other alloys) stub-ends.
- In 2015, Shaw Stainless and Alloy (Marietta, Georgia) expanded its production capacity by purchasing an existing 50,000-square-foot plant in Powder Springs, Georgia for use as a fabrication facility. Shaw Stainless is a producer and distributor of stainless steel pipe, tube, fittings, and accessories.<sup>9</sup>
- In January 2017, the European Commission concluded antidumping investigations on imported stainless steel tube and pipe butt-weld fittings from China and Taiwan and determined that dumped imports had caused material injury to producers in the European Union. The Commission imposed definitive antidumping duties ranging from 30.7 percent to 64.9 percent on imports from China and 5.1 percent to 12.1 percent on imports from Taiwan.<sup>10</sup> The investigations were initiated in October 2015, following a complaint from the Defence Committee of the Stainless Steel Butt-welding Fittings Industry of the European Union.<sup>11</sup>

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<sup>6</sup> *CB&I completes Shaw Group acquisition*, February 13, 2013, <http://investors.cbi.com/news/press-release-details/2013/CBI-Completes-Shaw-Group-Acquisition/default.aspx>, retrieved June 21, 2017.

<sup>7</sup> *Chicago Bridge & Iron Company N.V. website*, [http://www.cbi.com/What-We-Do/Fabrication-Services/Pipe-Fabrication-and-Solutions/Manufacturing-and-Distribution-\(APP\)-\(1\)](http://www.cbi.com/What-We-Do/Fabrication-Services/Pipe-Fabrication-and-Solutions/Manufacturing-and-Distribution-(APP)-(1)), retrieved June, 21, 2017.

<sup>8</sup> *Jero, Inc. website*, <http://www.jeroinc.com/history-of-jero.html>, retrieved June 21, 2017.

<sup>9</sup> *Shaw Stainless and Alloy website*, <https://stainlessandalloy.com/shaw-stainless-and-alloy/>, retrieved August 3, 2017.

<sup>10</sup> *European Commission imposes anti-dumping duties on steel products from China and Taiwan*, January 27, 2017, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1615>, retrieved August 3, 2017.

<sup>11</sup> *Official Journal of the European Union*, [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2017.022.01.0014.01.ENG&toc=OJ:L:2017:022:TOC](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.022.01.0014.01.ENG&toc=OJ:L:2017:022:TOC), retrieved August 3, 2017.

- According to the domestic interested parties, the domestic market for SSBW fittings fluctuates with the overall economy. In particular, changes in the oil and gas sector can have an impact on SSBW usage. Consumption of SSBW fittings in 2015-16 was lower than that during 2011-14, reportedly owing to a reduction in oil and gas exploration projects in the United States.<sup>12</sup>
- A leading pipe and fittings distributor reported that demand for stainless steel was relatively flat in 2016, but prices increased primarily owing to increases in the price of nickel. Some of the common grades of stainless steel used to make SSBW fittings contain between 8 percent and 15 percent nickel.<sup>13</sup>

## THE ORIGINAL INVESTIGATIONS AND SUBSEQUENT REVIEWS

### The original investigations

The original investigations were instituted on December 29, 1999 as a result of petitions that were filed with Commerce and the Commission alleging that an industry in the United States was materially injured and threatened with material injury by reason of less than fair value (“LTFV”) sales of imports of SSBW fittings from Germany, Italy, Malaysia, and the Philippines.<sup>14</sup> Based on the information gathered in the original investigations, the Commission made affirmative determinations with respect to imports from Italy, Malaysia, and the Philippines,<sup>15</sup> and a negative determination with respect to imports from Germany.<sup>16</sup> As a result of the Commission’s injury determinations and Commerce’s final affirmative findings of LTFV sales, Commerce issued antidumping duty orders on imports of SSBW fittings from Italy, Malaysia, and the Philippines on February 23, 2001.<sup>17</sup>

The final weighted-average dumping margins in the original investigations were 26.59 percent for Italy, 7.51 percent for Malaysia, and 33.81 percent for the Philippines.<sup>18</sup> On March 23, 2005, Commerce amended its original calculations relating to the weighted-average margins of dumping for both Tung Fong Industrial Co., Inc. and the “all others rate” for imports of SSBW

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<sup>12</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, June 30, 2017, p. 1.

<sup>13</sup> *Insight Magazine—April 2017*, MRC Global Inc., <http://www.mrcglobal.com/Media/Insight-2017-April/Stainless-Steel-Fittings-and-Flanges>, retrieved August 4, 2017.

<sup>14</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings From Germany, Italy, Malaysia, and the Philippines*, 65 FR 1174, January 7, 2000 (effective December 29, 1999).

<sup>15</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines*, 66 FR 8981, February 5, 2001.

<sup>16</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings From Germany*, 65 FR 75955, December 5, 2000.

<sup>17</sup> *Antidumping Duty Orders: Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines*, 66 FR 11257, February 23, 2001.

<sup>18</sup> *Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines*, 66 FR 11257, February 23, 2001.

fittings from the Philippines from 33.81 percent to 7.59 percent based on a remand from the Court of International Trade (“CIT”).<sup>19</sup>

### **The first five-year reviews**

The first five-year reviews of the antidumping duty orders on imports of SSBW fittings from Italy, Malaysia, and the Philippines were instituted on January 3, 2006,<sup>20</sup> and the Commission decided to conduct full reviews of the antidumping duty orders.<sup>21</sup> Based on the information gathered in the reviews, the Commission determined that revocation of the antidumping duty orders on SSBW fittings from Italy, Malaysia, and the Philippines would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>22</sup> As a result of the Commission’s affirmative determinations in the first five-year reviews, Commerce issued a continuation of the antidumping duty orders on SSBW fittings from Italy, Malaysia, and the Philippines on December 11, 2006.<sup>23</sup>

### **The second five-year reviews**

The Commission instituted the second five-year reviews on November 1, 2011,<sup>24</sup> and determined on February 6, 2012 that it would conduct expedited reviews of the antidumping duty orders on SSBW fittings from Italy, Malaysia, and the Philippines.<sup>25</sup> On March 8, 2012, Commerce published its determinations that revocation of the antidumping duty order on

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<sup>19</sup> *Stainless Steel Butt-Weld Pipe Fittings from the Philippines: Amended Final Determinations of Sales at Less Than Fair Value Pursuant to Court Remand*, 70 FR 30086, May 25, 2005. In the remand from the CIT, Commerce was required to calculate a weighted-average margin of dumping for Tung Fong Industrial Co., Inc. based on data that had been submitted to Commerce during the conduct of the original LTFV investigations, and not to rely upon an adverse facts available duty rate. The effect of Commerce’s compliance with this court instruction was to lower the original 33.81 percent applicable to Tung Fong Industrial Co., Inc. and the “all other rates” to 7.59 percent. This change applied retroactively as well as prospectively to imports of SSBW fittings from the Philippines. *Id.*; see also *Tung Fong Ind. Co., Inc. v. United States*, 29 CIT 346, 366 F.Supp.2d 1308 (2005).

<sup>20</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines*, 71 FR 140, January 3, 2006.

<sup>21</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines*, 71 FR 30695, May 30, 2006 (effective May 5, 2006).

<sup>22</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines*, 71 FR 67904, November 24, 2006 (issued November 17, 2006).

<sup>23</sup> *Continuation of Antidumping Duty Orders: Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines*, 71 FR 71530, December 11, 2006.

<sup>24</sup> *Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and The Philippines; Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines*, 76 FR 67473, November 1, 2011.

<sup>25</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines; Scheduling of Expedited Five-Year Reviews*, 77 FR 10773, February 23, 2012.

SSBW fittings from Italy, Malaysia, and the Philippines would be likely to lead to continuation or recurrence of dumping.<sup>26</sup> On June 28, 2012, the Commission notified Commerce of its determinations that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>27</sup> Following affirmative determinations in the second five-year reviews by Commerce and the Commission, effective July 20, 2012, Commerce issued a continuation of the antidumping duty orders on imports of SSBW fittings from Italy, Malaysia, and the Philippines.<sup>28</sup>

### **PRIOR RELATED INVESTIGATIONS**

In the United States, there have been a number of trade remedy orders on imports of SSBW fittings or similar merchandise (i.e., carbon steel butt-weld pipe fittings) since the 1980s. Table I-2 presents certain information on such trade remedy cases that resulted in the issuance of trade remedy orders and their most recent dispositions.

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<sup>26</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines: Final Results of the Expedited Second Five-Year ("Sunset") Reviews of Antidumping Duty Orders*, 77 FR 14002, March 8, 2012.

<sup>27</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines*, 77 FR 39735, July 5, 2012.

<sup>28</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines: Continuation of Antidumping Duty Orders*, 77 FR 42697, July 20, 2012.

**Table I-2**  
**SSBW fittings: Related Commission proceedings**

Name of investigation	Inv. No.	Year	Action/status
Stainless steel butt-weld pipe fittings: Japan – AD	731-TA-376	1986	ITA revoked in 2010 <sup>1</sup>
Korea – AD	731-TA-563	1991	ITA revoked in 2010 <sup>1</sup>
Taiwan – AD	731-TA-564	1991	ITA revoked in 2010 <sup>1</sup>
Carbon steel butt-weld pipe fittings: Brazil – AD	731-TA-308	1986	In effect <sup>2</sup>
Japan – AD	731-TA-309	1986	In effect <sup>2</sup>
Taiwan – AD	731-TA-310	1986	In effect <sup>2</sup>
Thailand – AD	731-TA-521	1991	In effect <sup>2</sup>
China – AD	731-TA-520	1991	In effect <sup>2</sup>

Note.--In addition to those cases that resulted in trade remedy orders listed in the above table, a number of trade remedy petitions on products related to SSBW fittings never resulted in orders. In relation to SSBW fittings, Germany was subject to an unsuccessful antidumping duty petition in 1999 (a commission final negative determination). In relation to similar merchandise, (i.e., carbon steel butt-weld fittings), France, India, Israel, Malaysia, Korea, Thailand, United Kingdom, and Venezuela were subject to an unsuccessful antidumping duty petition, with India and Israel also subject to an unsuccessful countervailing duty petition in 1994 (all the result of Commission final negative determinations).

<sup>1</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings From Japan, South Korea, and Taiwan; Final Results of Sunset Reviews and Revocation of Antidumping Duty Orders*, 75 FR 68324, November 5, 2010. Commerce revoked the orders on Japan, Korea, and Taiwan because “no interested domestic party responded to the sunset review notice of initiation by the applicable deadline.”

<sup>2</sup> *Certain Carbon Steel Butt-Weld Pipe Fittings from Brazil, Japan, Taiwan, Thailand, and the People’s Republic of China: Continuation of Antidumping Orders*, 81 FR 57562, August 23, 2016.

Source: Cited Federal Register notices.

## THE PRODUCT

### Commerce’s scope

Commerce has defined the subject merchandise as:

*Certain stainless steel butt-weld pipe fittings (butt-weld fittings). Butt-weld pipe fittings are under 14 inches in outside diameter (based on nominal pipe size), whether finished or unfinished. The product encompasses all grades of stainless steel and “commodity” and “specialty” fittings. Specifically excluded from the definition are threaded, grooved, and bolted fittings, and fittings made from any material other than stainless steel.*

*The butt-weld fittings subject to the orders are generally designated under specification ASTM A403/A403M, the standard specification for Wrought Austenitic Stainless Steel Piping Fittings, or its foreign equivalents (e.g., DIN or JIS specifications). This specification covers two general classes of fittings, WP and CR, of wrought austenitic stainless steel fittings of seamless and welded construction covered by the latest revision of ANSI B16.9, ANSI B16.11, and ANSI B16.28. Butt-weld fittings manufactured to specification ASTM A774, or its foreign equivalents, are also covered by the orders.*

*The orders do not apply to cast fittings. Cast austenitic stainless steel pipe fittings are covered by specifications A351/A351M, A743/743M, and A744/A744M.<sup>29</sup>*

### **Description and uses<sup>30</sup>**

SSBW fittings are used to connect pipe sections where conditions require permanent, welded connections. The beveled edges of SSBW fittings distinguish them from other types of pipe fittings, such as threaded, grooved, or bolted fittings, which rely on different fastening methods. When placed against the matching beveled end of a pipe or another fitting, the beveled edges of SSBW fittings form a shallow channel that accommodates the “bead” of the weld that fastens the two adjoining pieces. SSBW fittings are identified by their diameter, wall thickness, shape or configuration, and material composition. Only those SSBW fittings of wrought stainless steel which are less than 14 inches in outside diameter are covered by the antidumping duty orders under review. Compared to butt-weld fittings made from carbon steel, the use of stainless steel in the creation of butt-weld fittings imparts extra resistance to corrosion<sup>31</sup> and oxidation, as well as, depending on the specific alloy and manufacturing process used, the ability to withstand extreme temperatures and pressure.

SSBW fittings subject to these antidumping duty orders are available in several basic shapes, such as elbows, returns, tees, crosses, reducers, caps, and stub-ends. Elbows are two-outlet fittings usually having a 45-degree or 90-degree bend, tees are T-shaped fittings having three outlets, and reducers are two-outlet fittings that connect pipes of two different diameters. Caps are used to seal the end of a pipe. Each of these basic product categories includes a wide range of fittings which vary by size, alloy type, and wall thickness.<sup>32</sup> Figure I-1 illustrates a number of SSBW fitting types.

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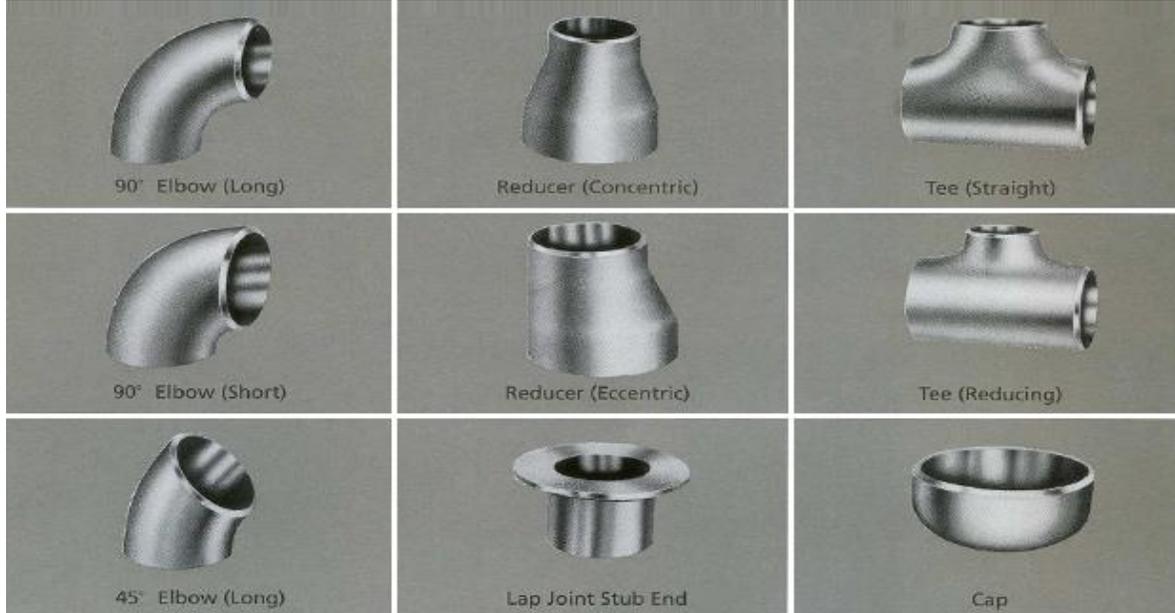
<sup>29</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines: Continuation of Antidumping Duty Orders*, 77 FR 42697, July 20, 2012.

<sup>30</sup> Unless otherwise noted, this information is based on *Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, June 2012, pp. I-7 through I-8.

<sup>31</sup> Corrosion resistance is primarily from the presence of chromium in stainless steel.

<sup>32</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings From Germany*, Inv. No. 731-TA-864 (Final), USITC Publication 3372, November 2000, pp. I-3 to I-5.

**Figure I-1**  
**SSBW fittings: Types of products**



Source: Sunny Steel Enterprise Ltd. website, <http://buttweldpipefittings.blogspot.com/p/the-normal-types-of-pipe-fittings.html>, retrieved July 25, 2017.

In general, the SSBW fittings subject to these antidumping duty orders are used by a variety of industries in “process” operations (piping systems) to join pipes in straight lines or to change the direction or flow of fluids. SSBW fittings are typically used in bitumen upgraders, heavy oil refineries, offshore oil and gas production platforms, nuclear power plants, and some acid and chemical plants.<sup>33</sup> SSBW fittings classified under the American Society for Testing and Materials (“ASTM”) A403/A403M specification are used in high pressure and/or high heat piping applications,<sup>34</sup> while those classified under ASTM A774/A774M-14 are general use corrosive-resistant SSBW fittings that are not tested or manufactured for use in high heat or full pressure environments.<sup>35</sup>

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<sup>33</sup> Ezeflow Group website, <http://ezeflow.com/butt-weld-pipe-fittings-by-materials/>, retrieved July 25, 2017.

<sup>34</sup> ASTM A403 / A403M - 11 Standard Specification for Wrought Austenitic Stainless Steel Piping Fittings. ASTM International. <http://www.astm.org/Standards/A403.htm>.

<sup>35</sup> ASTM A774 / A774M - 09 Standard Specification for As-Welded Wrought Austenitic Stainless Steel Fittings for General Corrosive Service at Low and Moderate Temperatures. ASTM International. <http://www.astm.org/Standards/A774.htm>.

## Manufacturing process<sup>36</sup>

Most SSBW fittings are cold-formed from seamless or welded stainless steel pipe. However, stub-ends are usually hot-forged, generally from stainless steel bar.<sup>37</sup> The production process is similar among the different shapes available, including elbows, returns, tees, crosses, reducers, and caps, although steps related to forming the fitting vary depending on shape. Some elements of the production process for a particular type of fitting may differ from one manufacturer to another, but the basics of the process are very similar throughout the world.<sup>38</sup>

To manufacture an elbow by the cold-forming process, a piece of pipe that has been cut to the proper length is shaped under hydraulic pressure by being pushed over a mandrel to achieve the desired interior diameter and degree of bend, followed by resizing in a press to achieve the desired outside diameter. The resulting form is annealed (heat treated) to relieve metallurgical stresses that build up during the cold-working process. Some larger sizes may require additional forming and annealing steps to ensure uniform surfaces and wall thicknesses. After annealing, the blanks are quenched in water and the oxide scale that formed on exposed surfaces during the heat-treating process is removed by immersing the blanks in a pickling bath. The final sizing operation is performed in a press to achieve the required tolerances. Ends of the unfinished elbows are then machined to the exact size and a bevel is added for welding purposes. The machined elbow is degreased before being immersed in a hot dilute nitric acid solution to give the surface a corrosion-resistant character. Additional finishing steps may include grinding, die-stamping, inspection, and possibly painting to produce the finished fitting.

## U.S. tariff treatment

SSBW fittings are currently imported under HTS subheading 7307.23.00.<sup>39</sup> Imports reported under this subheading may include SSBW fittings that are outside of the scope of these antidumping duty orders (e.g., stainless steel butt-weld pipe fittings with a diameter size of 14 inches or greater). Products imported from Italy, Malaysia, and the Philippines under subheading 7307.23.00 are subject to the 5.0 percent ad valorem duty in effect for normal trade relations (“NTR”) countries. However, products imported from the Philippines under

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<sup>36</sup> Unless otherwise noted, this information is based on *Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, June 2012, p. I-8.

<sup>37</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Korea and Taiwan*, USITC Publication 2534, July 1992, p. I-6.

<sup>38</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Inv. No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, p. I-6.

<sup>39</sup> Since subheading 7307.23.00 of the HTS is the only 8-digit subheading under the 6-digit subheading (i.e., 7307.23) and since data classification under the HTS is near fully harmonized at the 6-digit level internationally, trade data for these products can be compared internationally. Although, as noted in the text, trade reported under the 7307.23 (6-digit specificity) or 7307.23.00 (8-digit specificity) subheading can include merchandise both subject and not subject to the U.S. antidumping duty orders.

subheading 7307.23.00 may be eligible for duty-free entry under the Generalized System of Preferences (“GSP”).<sup>40 41</sup>

### **The definition of the domestic like product**

The domestic like product is defined as the domestically produced product or products that are like, or in the absence of like, most similar in characteristics and uses with the subject merchandise. In the original investigations, the full first five-year reviews, and the expedited second five-year reviews, the Commission found a single domestic like product coextensive with Commerce’s scope.<sup>42</sup>

In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definition of the domestic like product. The domestic interested parties indicated in their response to the notice of institution that they agreed with the Commission’s definition of the domestic like product.<sup>43</sup>

### **ACTIONS AT COMMERCE**

Commerce has not conducted any changed circumstances reviews, critical circumstances reviews, or anti-circumvention findings since the completion of the last five-year reviews. In addition, Commerce has not made any duty absorption findings or issued any company revocations or scope rulings since the imposition of the orders.

Commerce has completed two administrative reviews concerning the antidumping duty order on imports of SSBW fittings from Italy since the second five-year reviews. On April 24, 2011, Commerce issued the final results of the administrative review of the antidumping duty order on SSBW fittings from Italy and made a final determination of no shipments. Commerce found that Filmag Italia S.p.A. (“Filmag”) had no reviewable transactions of subject merchandise during the period of review. Commerce also instructed U.S. Customs and Border Protection to

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<sup>40</sup> Products of designated GSP, Caribbean Basin Economic Recovery Act, and Andean Trade Preference Act beneficiary countries are all eligible for duty-free entry into the United States under subheading 7307.23.00 of the HTS, when all other legal requirements are met, as are all of the United States’ free trade agreement partners (e.g., Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Morocco, Mexico, Nicaragua, Oman, Peru, and Singapore as of the conduct of these reviews).

<sup>41</sup> 95 percent of U.S. imports (based on quantity) from the Philippines received the preferential GSP rate over the period reviewed. In others words, the NTR rate of 5 percent was reduced to 0 percent for those imports prior to the application of any (i.e., separate) antidumping duties.

<sup>42</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Final)*, USITC Publication 3387, January 2001, p. 3; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Review)*, USITC Publication 3889, November 2006, p. 5; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, June 2012, p. 5.

<sup>43</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, June 30, 2017, p. 18.

apply a dumping margin of zero to all entries of SSBW fittings during the period of review that were produced by Tectubi Raccordi S.p.A. (“Tectubi”) or Raccordi Forgiati S.r.l. and exported and imported by Tectubi.<sup>44</sup> On July 5, 2016, Commerce issued the final results of the administrative review of the antidumping duty order on SSBW fittings from Italy. As a result of this administrative review, Commerce determined the weighted-average dumping margin for the period February 1, 2014 through January 31, 2015 was 17.29 percent for Filmag.<sup>45</sup> There have been no administrative reviews resulting in final determinations by Commerce concerning the orders on imports of SSBW fittings from Malaysia and the Philippines.

### **Current five-year reviews**

Commerce is conducting expedited reviews with respect to SSBW fittings from Italy, Malaysia, and the Philippines and intends to issue the final results of these reviews based on the facts available not later than October 2, 2017.<sup>46</sup>

## **THE INDUSTRY IN THE UNITED STATES**

### **U.S. producers**

During the final phase of the original investigations, there were 12 reported producers, which accounted for the great majority of production of SSBW fittings in the United States during 1999.<sup>47</sup> During the first five-year reviews, eight U.S. producers, which accounted for virtually all production of SSBW fittings in the United States during 2005, responded to the Commission’s questionnaire.<sup>48</sup> During the second five-year reviews, domestic interested

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<sup>44</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy: Final Results of Antidumping Duty Administrative Review and Final No Shipment Determination*, 77 FR 24459, April 24, 2012.

<sup>45</sup> *Stainless Steel Butt-Weld Pipe Fittings From Italy: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 81 FR 43587, July 5, 2016.

<sup>46</sup> *Letter from Irene Darzenta Tzfolias, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Michael G. Anderson*, August 9, 2017.

<sup>47</sup> This group included the four petitioning firms, plus eight other producers of SSBW fittings. *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Investigation No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, pp. III-1 to III-2.

<sup>48</sup> \*\*\*. *Investigation Nos. 731-TA-865-867 (Review): Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines--Staff Report, INV-DD-144, October 11, 2006, pp. I-12, I-28, III-1.*

The following changes in the industry occurred between the original investigations and the first five-year reviews. In 2004, American Fittings (\*\*\*) closed its plant in Travelers Rest, South Carolina and stopped producing SSBW fittings. Bestweld (\*\*\*) reported \*\*\* in the first five-year reviews. Tubetec (\*\*\*) was acquired by \*\*\* in 2005. In the first five-year reviews, \*\*\*. Jensen Fittings, which reported \*\*\* in the original investigations was acquired by Swagelok Company in 2001 and Swagelok reported that \*\*\* in the first five-year reviews. *Investigation Nos. 731-TA-865-867 (Second Review): Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines--Staff Report, INV-KK-059, May 24, 2012, p. I-12, fn. 39.*

parties indicated that there were eight U.S. producers of SSBW fittings in 2010. Four firms, which accounted for approximately \*\*\* percent of production of SSBW fittings in the United States in 2010, reported data in response to the Commission's notice of institution in the second five-year reviews.<sup>49</sup>

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of eight known and currently operating U.S. producers of SSBW fittings. The three responding domestic producers (Core Pipe, Shaw APP, and Taylor Forge) accounted for approximately \*\*\* percent of domestic SSBW fitting production during 2016.<sup>50</sup>

### **Definition of the domestic industry and related party issues**

The domestic industry is defined as 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. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if "appropriate circumstances" exist.<sup>51</sup> In the original investigations, the Commission defined the domestic industry as all U.S. producers of SSBW fittings except \*\*\*.<sup>52</sup> In the full first five-year reviews and the expedited second five-year reviews, the Commission defined the domestic industry as all U.S. producers of SSBW fittings.<sup>53</sup> In its notice of institution for these reviews, the Commission solicited comments from interested parties regarding the appropriate definition of the domestic industry and inquired as to whether any related parties issues existed. The domestic interested parties did not cite any potential related parties' issues and agreed with the Commission's prior definition of the domestic industry.<sup>54</sup>

### **U.S. producers' trade and financial data**

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year reviews.<sup>55</sup> Table I-3 presents a compilation of the data submitted from all responding U.S. producers as well as trade and

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<sup>49</sup> *Investigation Nos. 731-TA-865-867 (Second Review): Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines--Staff Report*, INV-KK-059, May 24, 2012, p. I-12 and table I-4.

<sup>50</sup> *Domestic Interested Parties' Response to the Notice of Institution*, June 30, 2017, pp. 13-15.

<sup>51</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>52</sup> Confidential Views of the Commission, *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines*, Inv. Nos. 731-TA-865-867 (Final), pp. 4-5.

<sup>53</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines*, Inv. Nos. 731-TA-865-867 (Review), USITC Publication 3889, November 2006 pp. 5-6; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines*, Inv. Nos. 731-TA-865-867 (Second Review), USITC Publication 4337, June 2012, p. 7.

<sup>54</sup> *Domestic Interested Parties' Response to the Notice of Institution*, June 30, 2017, pp. 14 and 18.

<sup>55</sup> Individual company trade and financial data are presented in app. B.

financial data submitted by U.S. producers in the original investigations and prior five-year reviews.

Data submitted by domestic interested parties in these current reviews represent \*\*\* percent of estimated U.S. production in 2016. The responding domestic producers accounted for \*\*\* percent in the second five-year reviews and “the great majority” and “virtually all” in the final investigations and first five-year reviews, respectively. Therefore, a comparison of U.S. producers’ data from the original investigations to the current reviews should take into consideration the differences in the levels of coverage.

**Table I-3**

**SSBW fittings: Trade and financial data submitted by U.S. producers, 1999, 2005, 2010, and 2016**

Item	1999	2005	2010	2016
Capacity (1,000 pounds)	***	7,036	***	***
Production (1,000 pounds)	5,780	4,588	***	***
Capacity utilization (percent)	68.2 <sup>1</sup>	65.2	***	***
U.S. commercial shipments:				
Quantity (1,000 pounds)	***	***	( <sup>2</sup> )	***
Value (\$1,000)	***	***	( <sup>2</sup> )	***
Unit value (dollars per pound)	***	***	( <sup>2</sup> )	***
Internal consumption/company transfers:				
Quantity (1,000 pounds)	***	***	( <sup>2</sup> )	***
Value (\$1,000)	***	***	( <sup>2</sup> )	***
Unit value (dollars per pound)	***	***	( <sup>2</sup> )	***
Total U.S. shipments:				
Quantity (1,000 pounds)	8,666	4,464	***	***
Value (\$1,000)	57,034	43,273	***	***
Unit value (dollars per pound)	6.58	9.69	***	***
Net sales (\$1,000)	60,229	45,130	***	***
COGS (\$1,000)	46,714	31,781	***	***
COGS/net sales (percent)	77.6	70.4	***	***
Gross profit or (loss) (\$1,000)	13,515	13,349	***	***
SG&A expenses (loss) (\$1,000)	10,586	10,580	***	***
Operating income (loss) (\$1,000)	2,929	2,769	***	***
Operating income (loss)/net sales (percent)	4.9	6.1	***	***

<sup>1</sup>The capacity utilization reported in the original investigations \*\*\*.

<sup>2</sup>Data are unavailable.

Source: For the years 1999, 2005, and 2010, data are compiled using data submitted in the Commission’s final investigations and first and second five-year reviews. For 1999 and 2005, data represent “the great majority” and “virtually all” of the industry, respectively. In 2010, data represent \*\*\* percent of the industry. *See app. C*. For the year 2016, data are compiled using data submitted by domestic interested parties, which represent \*\*\* percent of estimated U.S. production. *Domestic Interested Parties’ Response to the Notice of Institution*, June 30, 2017, pp. 15-16.

## U.S. IMPORTS AND APPARENT CONSUMPTION

### U.S. importers

In the original investigations, there were 22 U.S. importers of SSBW fittings<sup>56</sup> and, in the first five-year reviews there were 14 U.S. importers of SSBW fittings.<sup>57</sup> In the second five-year reviews, the domestic interested parties believed there were at least 29 U.S. importers of SSBW fittings in the United States.<sup>58</sup> Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 60 potential U.S. importers of SSBW fittings from Italy, Malaysia and the Philippines.<sup>59</sup>

### U.S. imports

In the original investigations, U.S. import data were based on data gathered in response to Commission questionnaires for imports from Malaysia and the Philippines and official Commerce statistics for imports from Italy and nonsubject sources. Modifications were made to account for the inclusions of merchandise outside of Commerce's scope in the HTS subheading (i.e., SSBW fittings with a diameter equal to or larger than 14 inches).<sup>60</sup> In the first and second five-year reviews, U.S. import data were based on official Commerce statistics.<sup>61</sup> In these third five-year reviews, U.S. import data presented are based on official Commerce statistics.

In the third five-year review period (2011-16), imports from Italy, Malaysia, and the Philippines remained at approximately one-quarter of total imports from all countries combined. Imports from the three subject countries combined increased by 61.4 percent from 4.5 million pounds in 2011 to 7.3 million pounds in 2014, but fell to 5.1 million pounds in 2016. Both Italy and Malaysia followed the increasing then decreasing trend over the period, while imports from the Philippines have consistently declined by more than half from 2011 to 2016.

Table I-4 presents the quantity, value, and unit value for imports from Italy, Malaysia, and the Philippines, as well as the other top sources of U.S. imports. Imports reported in official

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<sup>56</sup> *Certain Stainless Steel Butt-Weld Pipe Fitting from Germany, Investigation Nos. 731-TA-865-867 (Final)*, USITC Publication 3372, November 2000, p. I-2.

<sup>57</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-865-867 (Review)*, USITC Publication 3889, November 2006, p. I-23.

<sup>58</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, June 2012, p. I-12.

<sup>59</sup> *Domestic Interested Parties' Response to the Notice of Institution*, June 30, 2017, ex. 3.

<sup>60</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Investigation No. 731-TA-864 (Final)*, USITC Publication 3372, November 2000, p. IV-1.

<sup>61</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-865-867 (Review)*, USITC Publication 3889, November 2006, p. IV-1; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4437, June 2012, p. I-13.

Commerce statistics in table I-4 (i.e., for HTS subheading 7307.23.00) may include merchandise outside of the scope of the antidumping duty orders (i.e., SSBW fittings with a diameter of 14 inches or greater).

**Table I-4**  
**SSBW fittings: U.S. imports, 2011-16**

Item	2011	2012	2013	2014	2015	2016
<b>Quantity (1,000 pounds)</b>						
Italy (subject)	91	175	780	786	606	149
Malaysia (subject)	1,434	1,812	2,116	4,051	3,264	3,553
Philippines (subject)	3,018	2,937	2,794	2,495	2,007	1,393
Subject total	4,543	4,923	5,691	7,332	5,877	5,094
Canada	2,095	2,048	2,264	1,621	1,281	1,304
China	4,143	5,037	4,646	4,772	5,225	2,909
Germany	936	1,651	416	573	570	298
Korea	1,774	1,812	3,330	4,291	4,229	6,458
Taiwan	2,233	3,643	3,691	4,010	3,708	2,404
All other imports (nonsubject)	1,799	1,703	1,544	1,349	1,014	980
Nonsubject total	12,980	15,893	15,891	16,617	16,027	14,354
Total imports	17,523	20,816	21,582	23,950	21,904	19,448
<b>Landed, duty-paid value (\$1,000)</b>						
Italy (subject)	1,354	3,428	7,247	5,816	5,460	1,347
Malaysia (subject)	5,489	8,106	6,913	12,770	10,960	8,030
Philippines (subject)	12,017	12,181	10,503	8,542	7,141	3,892
Subject total	18,860	23,715	24,663	27,128	23,561	13,268
Canada	16,977	15,294	17,821	13,910	10,920	9,489
China	23,370	29,564	26,245	24,296	28,083	18,388
Germany	9,498	16,066	5,424	7,517	5,695	3,175
Korea	10,898	11,735	22,125	22,647	20,345	23,386
Taiwan	11,904	15,932	15,197	14,661	12,947	6,323
All other imports (nonsubject)	12,918	15,694	13,954	12,234	9,532	7,416
Nonsubject total	85,565	104,285	100,767	95,266	87,522	68,176
Total imports	104,425	128,000	125,430	122,394	111,083	81,444

Table continued on next page.

**Table I-4—Continued**  
**SSBW fittings: U.S. imports, 2011-16**

Item	2011	2012	2013	2014	2015	2016
<b>Unit value (dollars per pound)</b>						
Italy (subject)	14.82	19.60	9.29	7.40	9.00	9.07
Malaysia (subject)	3.83	4.47	3.27	3.15	3.36	2.26
Philippines (subject)	3.98	4.15	3.76	3.42	3.56	2.79
Subject total	4.15	4.82	4.33	3.70	4.01	2.60
Canada	8.10	7.47	7.87	8.58	8.52	7.28
China	5.64	5.87	5.65	5.09	5.38	6.32
Germany	10.14	9.73	13.04	13.11	9.99	10.66
Korea	6.14	6.48	6.64	5.28	4.81	3.62
Taiwan	5.33	4.37	4.12	3.66	3.49	2.63
All other imports (nonsubject)	7.18	9.22	9.04	9.07	9.40	7.57
Nonsubject total	6.59	6.56	6.34	5.73	5.46	4.75
Total imports	5.96	6.15	5.81	5.11	5.07	4.19

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

Source: Official statistics of Commerce for HTS statistical reporting number 7307.23.00. These data may be overstated as HTS 7307.23.00 may contain products outside the scope of these reviews.

### **Apparent U.S. consumption and market shares**

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-6 presents data on U.S. market shares of U.S. apparent consumption. Data submitted by domestic interested parties in these current reviews represent \*\*\* percent of estimated U.S. production in 2016, \*\*\* in the second five-year reviews, and "the great majority" and "virtually all" in the final investigations and first five-year reviews, respectively. Therefore, a comparison of market shares between the domestic producers and imports for these time periods should take into consideration the differences in the levels of domestic industry coverage.

**Table I-5**

**SSBW fittings: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1999, 2005, 2010, and 2016**

Item	1999	2005	2010	2016
	<b>Quantity (1,000 pounds)</b>			
U.S. producers' U.S. shipments	8,666	4,464	***	***
U.S. imports from—				
Italy	***	192	132	149
Malaysia	***	1,460	1,059	3,553
Philippines	***	357	2,191	1,393
Subject sources	***	2,009	3,382	5,094
Nonsubject sources	***	10,872	8,084	14,354
Total imports	9,376	12,881	11,466	19,448
Apparent U.S. consumption	18,045	17,345	***	***
	<b>Value (1,000 dollars)</b>			
U.S. producers' U.S. shipments	57,034	43,273	***	***
U.S. imports from—				
Italy	***	1,847	1,118	1,347
Malaysia	***	4,984	3,238	8,030
Philippines	***	1,448	7,873	3,892
Subject sources	***	8,279	12,228	13,268
Nonsubject sources	***	56,722	51,192	68,176
Total imports	47,827	65,001	63,420	81,444
Apparent U.S. consumption	104,862	108,274	***	***

Source: For the years 1999, 2005, and 2010, U.S. producers' U.S. shipment data are compiled using data submitted in the Commission's final investigations and first and second five-year reviews. For 1999 and 2005, responding U.S. producers data represented "the great majority" and "virtually all" of the industry, respectively. In 2010, responding U.S. producers data represented \*\*\* percent of the industry. U.S. import data in 1999 is based on data gathered in response to Commission questionnaires for imports from Malaysia and the Philippines and official Commerce statistics for imports from Italy and nonsubject sources with modifications to account for the inclusions of merchandise outside of Commerce's scope in the HTS subheading (i.e., SSBW fittings with a diameter equal to or larger than 14 inches). U.S. import data in 2005 and 2010 are based on official Commerce statistics. See *app. C*. For the year 2016, data are compiled using data submitted by domestic interested parties, which represent \*\*\* percent of estimated U.S. production, and U.S. import data presented are based on official Commerce statistics under HTS subheading 7307.23.00. *Domestic Interested Parties' Response to the Notice of Institution*, June 30, 2017, pp. 15-16.

Table I-6

## SSBW fittings: Apparent U.S. consumption and U.S. market shares, 1999, 2005, 2010, and 2016

Item	1999	2005	2010	2016
	<b>Quantity (1,000 pounds)</b>			
Apparent U.S. consumption	18,045	17,345	***	***
	<b>Value (1,000 dollars)</b>			
Apparent U.S. consumption	104,862	108,274	***	***
	<b>Share of consumption based on quantity (percent)</b>			
U.S. producer's share	48.0	25.7	***	***
U.S. imports from--				
Italy	***	1.1	***	***
Malaysia	***	8.4	***	***
Philippines	***	2.1	***	***
Subject sources	***	11.6	***	***
Nonsubject sources	***	62.7	***	***
All import sources	52.0	74.3	***	***
	<b>Share of consumption based on value (percent)</b>			
U.S. producer's share	54.4	40.0	***	***
U.S. imports from--				
Italy	***	1.7	***	***
Malaysia	***	4.6	***	***
Philippines	***	1.3	***	***
Subject sources	***	7.6	***	***
Nonsubject sources	***	52.4	***	***
All import sources	45.6	60.0	***	***

Source: For the years 1999, 2005, and 2010, U.S. producers' U.S. shipment data are compiled using data submitted in the Commission's final investigations and first and second five-year reviews. For 1999 and 2005, responding U.S. producers data represent "the great majority" and "virtually all" of the industry, respectively. In 2010, responding U.S. producers data represent \*\*\* percent of the industry. U.S. import data in 1999 is based on data gathered in response to Commission questionnaires for imports from Malaysia and the Philippines and official Commerce statistics for imports from Italy and nonsubject sources with modifications to account for the inclusions of merchandise outside of Commerce's scope in the HTS subheading (i.e., SSBW fittings with a diameter equal to or larger than 14 inches). U.S. import data in 2005 and 2010 are based on official Commerce statistics. See app. C. For the year 2016, data are compiled using data submitted by domestic interested parties, which represent \*\*\* percent of estimated U.S. production, and U.S. import data presented are based on official Commerce statistics under HTS subheading 7307.23.00. Domestic Interested Parties' Response to the Notice of Institution, June 30, 2017, pp. 15-16.

## CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. In the original investigations and the past five-year reviews, the Commission cumulated imports from Italy, Malaysia, and the Philippines for the purposes of its analysis.<sup>62</sup> Additional information concerning geographical markets and simultaneous presence in the market is presented below.

### Presence in the market

Between 2011 and 2016, U.S. imports of SSBW fittings from both Malaysia and the Philippines were entered into the U.S. Customs territory in every month of the period of review. U.S. imports of SSBW fittings from Italy were entered into the U.S. Customs territory 11 months of every year, except for 2013 when U.S. imports of SSBW fittings from Italy were entered into U.S. Customs territory every month of that year.

### Geographic markets

According to official U.S. import statistics, Houston-Galveston, Texas was the single largest U.S. Customs district for imports of SSBW fittings for each of the subject countries over the period 2011 to 2016, likely because Texas has the largest concentration of oil and gas refineries in the United States, which have historically been a major source of demand for SSBW fittings.<sup>63</sup> U.S. imports of SSBW fittings from Italy were highly concentrated to the Houston-Galveston, TX Customs district,<sup>64</sup> while U.S. imports of SSBW fittings from Malaysia and the Philippines entered the United States in a number of other U.S. Customs districts.<sup>65</sup>

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<sup>62</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Final)*, USITC Publication 3387, January 2001 p. 9; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Review)*, USITC Publication 3889, November 2006 p. 9; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, November 2012 p. 9.

<sup>63</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, November 2012, p. 12.

<sup>64</sup> Nearly three-fourths (73 percent) of U.S. imports of SSBW fittings from Italy entered through Houston-Galveston, TX between 2011 and 2016, while the next largest entry district for imports of SSBW fittings from Italy (Savannah, GA) accounted for 8.7 percent of imports from that source.

<sup>65</sup> Approximately 23 percent of U.S. imports of SSBW fittings from Malaysia entered through each of the following districts during 2011-16: Houston-Galveston, Texas (23.6 percent) and Cleveland, Ohio (23.4 percent). Thirty (30) percent of U.S. imports of SSBW fittings from the Philippines entered through Houston-Galveston, Texas between 2011 and 2016, while the next largest entry district for imports of

(continued...)

## FOREIGN INDUSTRIES

### The industry in Italy

In the original investigations, the Commission received one questionnaire response from the Italian producer Coprosider S.p.A. (“Coprosider”), which was believed to have accounted for all of the Italian exports of SSBW fittings to the United States at that time.<sup>66</sup> Coprosider estimated that it accounted for \*\*\* percent of total Italian production of SSBW fittings in 1999.<sup>67</sup> In the Commission’s full first five-year review of the antidumping duty order on SSBW fittings from Italy, Coprosider did not respond to the Commission inquiry. In that review, the Commission received only one foreign producer questionnaire response from an Italian firm, \*\*\*, which provided only sparse data and indicated that its exports to the United States amounted to \*\*\*.<sup>68</sup>

In the Commission’s expedited second five-year review of the antidumping duty order on SSBW fittings from Italy, there was little new information available on the record concerning the industry in Italy, as only one relatively small Italian respondent interested party responded to the Commission’s notice of institution. The Italian respondent interested party in that review, Filmag Italia S.R.L. (“Filmag”), a manufacturer of SSBW fittings in Italy, asserted that “Coprosider is no longer producing SSBW pipe fittings and thus Italy as a whole has diminished export capacity.”<sup>69</sup> It also indicated that Filmag itself was only a small manufacturer of SSBW fittings that focused on high-quality fittings used in the petrochemical industry.<sup>70</sup> The domestic interested parties asserted in the second five-year reviews that there were at least nine known producers of SSBW fittings in Italy, including Coprosider.<sup>71</sup>

The Commission did not receive any response to its notice of institution from Italian respondent interested parties in these third five-year reviews. The domestic interested parties allege that “available information makes it clear that Italian producers market themselves actively to global export markets and continue to make capital investments to expand their

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(...continued)

SSBW fittings from the Philippines (Los Angeles, California) accounted for 20.2 percent of imports from that source.

<sup>66</sup> *Certain Stainless Steel Butt-Weld Pipe Fitting from Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-865-867 (Final)*, USITC Publication 3387, January 2001, p. VII-2.

<sup>67</sup> *Investigation Nos. 731-TA-864-867 (Final): Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia, and the Philippines--Staff Report*, INV-X-235, November 6, 2000, p. VII-3.

<sup>68</sup> *Investigation Nos. 731-TA-865-867 (Review): Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines--Staff Report*, Office of Investigation Memo INV-DD-144, October 11, 2006, p. IV-18.

<sup>69</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, November 2012, p. I-21.

<sup>70</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, November 2012, p. I-21.

<sup>71</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, November 2012, p. I-21.

production capacity.”<sup>72</sup> They identified 15 Italian producers and cited several producers who have publicly announced investments in production facilities and expanded capacity.<sup>73</sup>

Table I-7 presents data on Italy’s exports of SSBW fittings from 2011 to 2016. Italy’s largest export market in 2016 was France, with growing exports in European and Middle Eastern markets, such as the United Arab Emirates, Spain, and Turkey. According to these data, the United States was not among the top export markets for SSBW fittings produced in Italy during 2011-16. Total exports of SSBW fittings from Italy increased by 60.4 percent from 13.6 million pounds in 2011 to 21.9 million pounds in 2013, before falling to 19.4 million pounds in 2014 and then increasing to 20.1 million pounds in 2016.

**Table I-7**  
**SSBW fittings: Exports from Italy, by destination, 2011-16**

Source	Calendar year					
	2011	2012	2013	2014	2015	2016
<b>Quantity (1,000 pounds)</b>						
France	2,310	2,771	2,718	2,513	3,635	3,395
United Arab Emirates	571	520	659	761	739	1,541
Spain	864	500	472	833	948	1,515
Turkey	18	977	1,065	245	567	1,202
Netherlands	968	1,318	1,224	1,429	1,720	1,080
Iraq	7	564	40	97	256	836
Oman	64	157	606	373	531	789
Korea	1,171	646	2,105	2,035	569	725
Algeria	287	509	185	71	216	701
United Kingdom	430	650	1,168	633	853	626
All other <sup>1</sup>	6,942	11,107	11,623	10,459	9,595	7,672
Total	13,631	19,720	21,865	19,447	19,628	20,082

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

<sup>1</sup>The United States was not one of the top 10 export markets. Exports to the United States amounted to 176,370 pounds (2011), 394,627 pounds (2012), 824,528 pounds (2013), 606,271 pounds (2014), 630,521 pounds (2015), and 218,257 pounds (2016). These data are included in the “All other” category.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7307.23.00. These data may be overstated as HTS 7307.23.00 may contain products outside the scope of these reviews.

<sup>72</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, June 30, 2017, p. 5.

<sup>73</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, June 30, 2017, pp. 5-6.

## The industry in Malaysia

In the original investigations, three producers of SSBW fittings in Malaysia (estimated to account for the vast majority of the industry in Malaysia at the time) provided data on their operations in response to the Commission's inquiry. These include Kanzen Tetsu Sdn. Bhd. ("Kanzen Tetsu"), the largest producer of SSBW fittings in Malaysia; Schulz Manufacturing Sdn. Bhd. ("Schulz"); and Amalgamated Industrial Stainless Steel Sdn. Bhd. ("Amalgamated").<sup>74</sup> In the first five-year review of the antidumping duty order on SSBW fittings from Malaysia, two producers of SSBW fittings in Malaysia provided the Commission with data on their operations, (\*\*\*)). However, (\*\*\*) did not provide a response to the Commission questionnaire in the first five-year reviews (\*\*\*)).<sup>75</sup>

In the second five-year review of the antidumping duty order on SSBW fittings from Malaysia, there was little new information available on the record concerning the industry in Malaysia. No respondent interested party from Malaysia, nor any importer of SSBW fittings from Malaysia, responded to the Commission's notice of institution in the second five-year review. The four firms identified in the original investigations and the first five-year reviews were all believed to be going concerns with SSBW fitting operations in Malaysia during the second five-year review. In addition, in their response to the Commission's notice of institution in the second five-year review, the domestic interested parties provided evidence of a firm that was believed to be a new producer of SSBW fittings in Malaysia namely, Anggerik Laksana Sdn. Bdn. ("Anggerik").<sup>76</sup>

No respondent interested party from Malaysia, nor any importer of SSBW fittings from Malaysia, responded to the Commission's notice of institution in these third five-year reviews. In their response, the domestic interested parties identified seven Malaysian producers of SSBW fittings. According to the domestic interested parties, "Superinox and Pantech, which did not even exist at the time of the original investigation, have become two of the largest suppliers of SSBW pipe fittings to the U.S. market. On this basis alone, it is clear that the Malaysian industry has far more capacity than at the time of the original investigation, and would be capable of greatly increasing its exports to the U.S. market in the event of revocation."<sup>77</sup>

Table I-8 presents data on Malaysia's exports of SSBW fittings from 2011 to 2016. Malaysia's largest export market over this period was the United States, which accounted for 47 percent of Malaysian exports of SSBW fittings in 2016. Malaysian exports of SSBW fittings to the United States have generally increased from 1.5 million pounds in 2011 to 5.7 million

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<sup>74</sup> *Investigation Nos. 731-TA-865-867 (Final): Certain Stainless Steel Butt-Weld Pipe Fitting from Germany, Italy, Malaysia, and the Philippines--Staff Report*, INV-X-235, November 6, 2000, p. VII-4.

<sup>75</sup> *Investigation Nos. 731-TA-865-867 (Review): Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines--Staff Report*, INV-DD-144, October 11, 2006, p. IV-20.

<sup>76</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, November 2012, p. I-23.

<sup>77</sup> *Domestic Interested Parties' Response to the Notice of Institution*, June 30, 2017, p. 8 and exh. 4.

pounds in 2016. Total exports of SSBW fittings from Malaysia fell by 45.0 percent from 10.7 million pounds in 2011 to 5.9 million pounds in 2012, after which they generally increased to 12.2 million pounds in 2016.

**Table I-8**  
**SSBW fittings: Exports from Malaysia, by destination, 2011-16**

Source	Calendar year					
	2011	2012	2013	2014	2015	2016
<b>Quantity (1,000 pounds)</b>						
United States	1,456	1,872	2,204	4,177	2,766	5,728
Netherlands	56	202	504	323	414	1,337
Japan	6,179	950	1,073	1,275	1,064	1,068
Canada	713	632	433	544	820	1,008
Indonesia	481	1,018	1,119	2,014	1,199	626
Singapore	593	164	370	396	351	572
United Kingdom	272	239	279	312	250	429
Vietnam	121	57	57	114	112	212
Italy	66	-	156	54	38	211
Brazil	136	183	124	184	105	165
All other	670	588	681	449	1,174	804
Total	10,743	5,904	7,001	9,843	8,293	12,159

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7307.23.00. These data may be overstated as HTS 7307.23.00 may contain products outside the scope of these reviews.

### **The industry in the Philippines**

In the original investigations, the following two producers of SSBW fittings in the Philippines (estimated to account for the entire industry in the Philippines at the time) provided data on their operations in response to the Commission inquiry: Enlin Steel Corp. (“Enlin”); and Tung Fong Industrial Co., Inc. (“Tung Fong”).<sup>78</sup> In the first five-year review of the antidumping duty order on SSBW fittings from the Philippines, the following two producers of SSBW fittings

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<sup>78</sup> *Investigation Nos. 731-TA-865-867 (Final): Certain Stainless Steel Butt-Weld Pipe Fitting from Germany, Italy, Malaysia, and the Philippines--Staff Report, INV-X-235, November 6, 2000, p. VII-6.*

in the Philippines provided the Commission with usable data on their operations: Vinox Manufacturing Co. Ltd. (“Vinox”) and Tung Fong.<sup>79</sup>

In the second five-year review of the antidumping duty order on SSBW fittings from the Philippines, there was little new information available on the record concerning the industry in the Philippines. The two firms identified in both the original investigations and the first five-year reviews, Enlin/Vinox and Tung Fong, were all believed to be going concerns with SSBW fitting operations in the Philippines during the second review.<sup>80</sup> No respondent interested party from the Philippines, nor any importer of SSBW fittings from the Philippines, responded to the Commission’s notice of institution during the second reviews. The domestic interested parties noted in their response to the notice in the second five-year reviews that both Enlin and Tung Fong continued to maintain SSBW fitting operations in the Philippines.<sup>81</sup>

In these third five-year reviews, one additional firm, E N Corporation, that exports SSBW fittings from the Philippines was identified by the domestic interested parties. This firm was in addition to the three previously identified firms (Enlin, Vinox, and Tung Fong). No respondent interested party from the Philippines, nor any importer of SSBW fittings from the Philippines, responded to the Commission’s notice of institution during the third reviews. The domestic interested parties noted in their response that Vinox has an affiliated import office in Alhambra, California and that Enlin Steel established its own U.S. importing office in 2010 in San Marino, California.<sup>82</sup> The domestic interested parties also noted that Enlin emphasizes its focus on the U.S. market and Tung Fong advertises that it supplies a full range of SSBW pipe fitting products to customers in export markets around the world.<sup>83</sup>

Table I-9 presents data on the Philippines exports of SSBW fittings from 2011 to 2016. The Philippines’ largest export market in 2016 was Japan, followed by the United States. The United States accounted for the majority of exports of SSBW fittings from the Philippines from 2011 to 2015, with the United States’ share ranging from 58 percent of total SSBW fittings exports in 2013 to 92 percent of total SSBW fittings exports in 2012. The quantity of exports of SSBW fittings from the Philippines to the United States increased from 6.5 million pounds in 2011 to 9.3 million pounds in 2012 before declining to 1.2 million pounds in 2016. Total exports of SSBW fittings from the Philippines followed a similar trend, increasing from 7.9 million pounds in 2011 to 10.1 million pounds in 2012 before declining to 4.4 million pounds in 2016.

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<sup>79</sup> *Investigation Nos. 731-TA-865-867 (Review): Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines--Staff Report*, INV-DD-144, November 11, 2006, p. IV-24. In the first five-year reviews, \*\*\* with \*\*\*.

<sup>80</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, November 2012, p. I-25.

<sup>81</sup> *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Inv. Nos. 731-TA-865-867 (Second Review)*, USITC Publication 4337, November 2012, p. I-25.

<sup>82</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, June 30, 2017, p. 9.

<sup>83</sup> *Domestic Interested Parties’ Response to the Notice of Institution*, June 30, 2017, p. 9.

**Table I-9****SSBW fittings: Exports from the Philippines, by destination, 2011-16**

Source	Calendar year					
	2011	2012	2013	2014	2015	2016
<b>Quantity (1,000 pounds)</b>						
Japan	511	522	285	543	207	2,959
United States	6,481	9,274	5,382	5,808	3,171	1,242
Spain	48	20	3,267	27	144	129
Canada	129	44	83	39	64	53
Belgium	-	-	-	-	-	20
United Kingdom	18	-	86	4	-	18
Greece	11	6	11	15	13	12
Israel	24	21	36	7	-	8
Taiwan	224	98	0	1	3	3
Thailand	-	-	-	-	-	1
All other	460	68	72	11	27	0
Total	7,905	10,052	9,224	6,456	3,629	4,446

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7307.23.00. These data may be overstated as HTS 7307.23.00 may contain products outside the scope of these reviews.

### **ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS**

There are no trade remedy orders on SSBW fittings from Italy, Malaysia, or the Philippines in third-country markets.

### **THE GLOBAL MARKET**

Table I-10 presents the largest global export sources of SSBW fittings, based on quantity, during 2011-16. In 2016, China was the leading exporter of SSBW fittings, accounting for 23 percent of global exports and Italy (13 percent), South Korea (9 percent), and Malaysia (8 percent), were the second, third, and fourth leading exporters, respectively. During 2011-16, exports from Italy increased overall by 47 percent, exports from China increased overall by 37 percent, and exports from Malaysia increased overall by 13 percent.

**Table I-10**  
**SSBW fittings: Top 10 exporting countries based on quantity, 2011-16**

Source	Calendar year					
	2011	2012	2013	2014	2015	2016
<b>Quantity (1,000 pounds)</b>						
China	26,303	30,613	29,760	38,869	36,644	36,105
Italy	13,631	19,720	21,865	19,447	19,628	20,082
Korea	9,102	20,707	19,418	15,312	16,216	14,658
Malaysia	10,743	5,904	7,001	9,843	8,293	12,159
Germany	10,086	12,046	11,385	12,588	13,924	11,446
Sweden	6,839	7,341	6,120	5,564	6,023	6,142
France	4,934	4,590	4,707	4,822	4,773	5,765
Austria	-	-	3,389	4,213	4,418	4,539
Netherlands	5,375	4,262	4,705	4,332	6,277	4,378
Philippines	7,589	2,069	833	3,314	3,453	4,270
All other	35,087	40,995	51,919	51,529	45,174	39,803
Total	129,690	148,247	161,100	169,833	164,823	159,349

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 7307.23.00. These data may be overstated as HTS 7307.23.00 may contain products outside the scope of these reviews.

**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://www.usitc.gov). In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
82 FR 25324 June 1, 2017	<i>Stainless Steel Butt-Weld Pipe Fittings From Italy, Malaysia, and the Philippines; Institution of Five-Year Reviews</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2017-06-01/pdf/2017-11048.pdf">https://www.gpo.gov/fdsys/pkg/FR-2017-06-01/pdf/2017-11048.pdf</a>
82 FR 25599 June 2, 2017	<i>Initiation of Five-Year (Sunset) Reviews</i>	<a href="https://www.gpo.gov/fdsys/pkg/FR-2017-06-02/pdf/2017-11419.pdf">https://www.gpo.gov/fdsys/pkg/FR-2017-06-02/pdf/2017-11419.pdf</a>



**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



**RESPONSE CHECKLIST FOR U.S. PRODUCERS**

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**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



Table C-1

## SSBW Fittings: Comparative apparent consumption and market share data from current and previous investigations, 1997-2005 and 2010

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010
<b>Quantity (1,000 pounds)</b>										
Apparent U.S. consumption	17,049	15,524	18,045	***	12,396	14,085	12,414	15,242	17,345	*** <sup>(1)</sup>
<b>Share of quantity (percent)</b>										
Producers' share	43.0	48.3	48.0	***	41.4	32.5	27.3	25.7	25.7	*** <sup>(1)</sup>
Importers' share:										
Italy	***	***	***	***	6.6	4.1	1.4	0.9	1.1	*** <sup>(1)</sup>
Malaysia	***	***	***	***	6.3	5.3	5.3	6.7	8.4	*** <sup>(1)</sup>
Philippines	***	***	***	***	1.6	1.3	0.5	0.2	2.1	*** <sup>(1)</sup>
Subtotal, subject	***	***	***	***	14.5	10.7	7.2	7.8	11.6	*** <sup>(1)</sup>
Other sources	***	***	***	***	41.1	56.7	65.5	66.5	62.7	*** <sup>(1)</sup>
Total imports	57.0	51.7	52.0	***	58.6	67.5	72.7	74.3	74.3	*** <sup>(1)</sup>
<b>Value (1,000 dollars)</b>										
Apparent U.S. consumption	118,335	95,335	104,862	***	79,677	80,712	68,695	88,859	108,274	*** <sup>(2)</sup>
<b>Share of value (percent)</b>										
Producers' share	59.7	63.5	54.4	***	49.7	44.8	39.0	40.7	40.0	*** <sup>(2)</sup>
Importers' share:										
Italy	***	***	***	***	3.2	2.2	1.7	1.3	1.7	*** <sup>(2)</sup>
Malaysia	***	***	***	***	2.4	2.3	2.4	3.5	4.6	*** <sup>(2)</sup>
Philippines	***	***	***	***	0.7	0.5	0.3	0.1	1.3	*** <sup>(2)</sup>
Subtotal, subject	***	***	***	***	6.4	5.0	4.4	4.9	7.6	*** <sup>(2)</sup>
Other sources	***	***	***	***	44.0	50.1	56.6	54.4	52.4	*** <sup>(2)</sup>
Total imports	40.3	36.5	45.6	***	50.3	55.2	61.0	59.3	60.0	*** <sup>(2)</sup>

<sup>1</sup> Quantity data reported for U.S. producers' U.S. shipments in 2010 are (i) likely overstated due to potentially erroneous data submitted by one U.S. producer, and (ii) do not include data on several U.S. producers that are not members of the domestic interested party group. Market share data in 2010 should not be directly compared to data from prior periods.

<sup>2</sup> Value data reported for U.S. producers' U.S. shipments in 2010 are likely understated compared to previous periods since they do not include data for several U.S. producers that are not members of the domestic interested party group. Market share data in 2010 should not be directly compared to data from prior periods.

Source: *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-864-867*, Office of Investigation Memo INV-X-235, November 6, 2000, table C-1; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-865-867*, Office of Investigation Memo INV-DD-144, October 11, 2006, table C-1; and table I-8 of this report.

**Table C-2**  
**SSBW Fittings: Comparative data on U.S. imports from current and previous investigations, 1997-2010**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	<b>Quantity (1,000 pounds); Value (1,000 dollars), and Unit Value (dollars per pound)</b>													
U.S. imports from.-- Italy.-- <i>Quantity</i>	***	***	***	1,962	822	575	177	138	192	126	398	99	158	132
<i>Value</i>	***	***	***	5,938	2,538	1,768	1,155	1,156	1,847	1,215	2,960	678	1,846	1,118
<i>Unit value</i>	***	***	***	\$3.03	\$3.09	\$3.07	\$6.51	\$8.37	\$9.62	\$9.65	\$7.43	\$6.88	\$11.69	\$8.48
Malaysia.-- <i>Quantity</i>	***	***	***	1,520	781	751	657	1,022	1,460	1,049	1,540	1,537	822	1,059
<i>Value</i>	***	***	***	4,408	1,938	1,878	1,628	3,113	4,984	4,017	7,313	7,159	2,916	3,238
<i>Unit value</i>	***	***	***	\$2.90	\$2.48	\$2.50	\$2.48	\$3.04	\$3.41	\$3.83	\$4.75	\$4.66	\$3.55	\$3.06
Philippines.-- <i>Quantity</i>	***	***	***	1,083	197	187	59	25	357	1,038	1,762	2,338	2,178	2,191
<i>Value</i>	***	***	***	3,618	588	399	236	68	1,448	4,063	8,854	13,035	8,702	7,873
<i>Unit value</i>	***	***	***	\$3.34	\$2.98	\$2.14	\$4.00	\$2.76	\$4.05	\$3.91	\$5.03	\$5.57	\$3.99	\$3.59
Subtotal, subject.-- <i>Quantity</i>	***	***	***	4,564	1,800	1,513	893	1,185	2,009	2,213	3,701	3,973	3,158	3,382
<i>Value</i>	***	***	***	13,964	5,065	4,045	3,019	4,337	8,279	9,295	19,127	20,872	13,465	12,228
<i>Unit value</i>	***	***	***	\$3.06	\$2.81	\$2.67	\$3.38	\$3.66	\$4.12	\$4.20	\$5.17	\$5.25	\$4.26	\$3.62
Other sources.-- <i>Quantity</i>	***	***	***	8,972	5,461	7,988	8,130	10,132	10,872	12,149	19,435	12,987	8,769	8,084
<i>Value</i>	***	***	***	56,123	35,043	40,473	38,914	48,348	56,722	69,784	126,175	104,093	72,077	51,192
<i>Unit value</i>	***	***	***	\$6.26	\$6.42	\$5.07	\$4.79	\$4.77	\$5.22	\$5.74	\$6.49	\$8.02	\$8.22	\$6.33
All sources.-- <i>Quantity</i>	9,715	8,021	9,379	13,536	7,261	9,502	9,024	11,318	12,881	14,362	23,136	16,961	11,927	11,466
<i>Value</i>	47,661	34,823	47,827	70,087	40,108	44,518	41,932	52,685	65,001	79,079	145,302	124,965	85,542	63,420
<i>Unit value</i>	\$4.91	\$4.34	\$5.10	\$5.18	\$5.52	\$4.69	\$4.65	\$4.66	\$5.05	\$5.51	\$6.28	\$7.37	\$7.17	\$5.53

Source: *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-864-867*, Office of Investigation Memo INV-X-235, November 6, 2000, table C-1; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-865-867*, Office of Investigation Memo INV-DD-144, October 11, 2006, table C-1; and table I-7 of this report.

Table C-3

## SSBW Fittings: Comparative data on U.S. producers' operations from current and previous investigations, 1997-2005 and 2010

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2010
<b>Quantity (1,000 pounds); Value (1,000 dollars); Unit values (dollars per pounds); and Ratio (percent)</b>										
U.S. producers' Capacity ( <i>quantity</i> )	***	***	***	***	8,100	8,050	8,062	8,281	7,036	*** <sup>(1)</sup>
Production ( <i>quantity</i> )	5,771	5,494	5,740	***	4,695	4,599	3,450	3,869	4,588	*** <sup>(1)</sup>
Capacity utilization ( <i>ratio</i> )	***	***	***	***	58.0	57.1	42.8	46.7	65.2	*** <sup>(1)</sup>
Production workers ( <i>number</i> )	595	530	445	***	364	356	289	322	329	*** <sup>(1)</sup>
Net sales <i>Quantity</i>	7,810	7,487	8,971	5,379	5,358	4,752	3,565	4,070	4,689	*** <sup>(1)</sup>
<i>Value</i>	75,349	61,165	60,229	43,698	40,914	37,362	27,858	37,316	45,130	*** <sup>(1)</sup>
<i>Unit value</i>	\$9.65	\$8.17	\$6.71	\$8.12	\$7.64	\$7.86	\$7.81	\$9.17	\$9.62	\$*** <sup>(1)</sup>
<b>Value (1,000 dollars)</b>										
COGS	51,363	45,114	46,714	30,380	30,622	28,820	21,108	27,548	31,781	*** <sup>(1)</sup>
Gross profit/(loss)	23,986	16,051	13,515	13,318	10,292	8,542	6,750	9,768	13,349	*** <sup>(1)</sup>
SG&A expenses	12,088	11,848	10,586	9,763	9,179	8,457	7,473	8,953	10,580	*** <sup>(1)</sup>
Operating profit/(loss)	11,898	4,203	2,929	3,555	1,113	85	(723)	815	2,769	*** <sup>(1)</sup>
<b>Unit value (dollars per pound)</b>										
COGS	\$6.58	\$6.03	\$5.21	\$5.65	\$5.72	\$6.06	\$5.92	\$6.77	\$6.78	\$*** <sup>(1)</sup>
SG&A expenses	1.55	1.58	1.18	1.82	1.71	1.78	2.10	2.20	2.26	*** <sup>(1)</sup>
Operating profit/(loss)	1.52	0.56	0.33	0.66	0.21	0.02	(0.20)	0.20	0.59	*** <sup>(1)</sup>
<b>Ratio (percent)</b>										
COGS to sales	68.2	73.8	77.6	69.5	74.8	77.1	75.8	73.8	70.4	*** <sup>(1)</sup>
Operating profit/(loss) to sales	15.8	6.9	4.9	8.1	2.7	0.2	(2.6)	2.2	6.1	*** <sup>(1)</sup>

<sup>1</sup> Data reported for 2010 involving quantities (quantities and unit values) should not be directly compared to data from earlier investigations as the data (a) relate only to a subset of U.S. producers (*i.e.*, the domestic interested party group) and (b) contains potentially erroneous data submitted by one U.S. producer. Comparing value data from 2010 to prior periods should also be done with caution as the 2010 data represent only the data submitted by a subset of U.S. producers (*i.e.*, the domestic interested party group). Finally, the ratio data, while still subject to the above caveats regarding coverage (all ratios) and data quality issues (for ratios based on quantity), are more directly comparable with ratio data from previous investigations given their unit-less nature.

Source: *Certain Stainless Steel Butt-Weld Pipe Fittings from Germany, Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-864-867*, Office of Investigation Memo INV-X-235, November 6, 2000, table C-1; *Certain Stainless Steel Butt-Weld Pipe Fittings from Italy, Malaysia, and the Philippines, Investigation Nos. 731-TA-865-867*, Office of Investigation Memo INV-DD-144, October 11, 2006, table C-1; and tables I-5 and I-6 of this report.



**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following three firms as the top purchasers of SSBW fittings: \*\*\*. Purchaser questionnaires were sent to these three firms and two firms (\*\*\*) provided responses which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce stainless steel butt-weld pipe fittings that affected the availability of SSBW pipe fittings in the U.S. market or in the market for SSBW pipe fittings in Italy, Malaysia, and the Philippines since 2011?

b.) Do you anticipate any changes in technology; production methods; or development efforts to produce stainless steel butt-weld pipe fittings that will affect the availability of stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No	No
***	No	No

2. a.) Have any changes occurred in the ability to increase production of stainless steel butt-weld pipe fittings (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines since 2011?

b.) Do you anticipate any changes in the 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) that will affect the availability of stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No	No
***	No	No

3. a.) Have any changes occurred in factors related to the ability to shift supply of stainless steel butt-weld pipe fittings among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that affected the availability of stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines since 2011?

b.) Do you anticipate any changes in 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) that will affect the availability of stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No	Section 232 could potentially impact flow of stainless steel weld fittings from international producers.
***	No	No

4. a.) Have there been any changes in the end uses and applications of stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines since 2011?

b.) Do you anticipate any changes in the end uses and applications of stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No	No
***	No	No

5. a.) Have there been any changes in the existence and availability of substitute products for stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines since 2011?

b.) Do you anticipate any changes in the existence and availability of substitute products for stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No	No
***	No	No

6. a.) Have there been any changes in the level of competition between stainless steel butt-weld pipe fittings produced in the United States, stainless steel butt-weld pipe fittings produced in Italy, Malaysia, and the Philippines, and such merchandise from other countries in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines since 2011?

b.) Do you anticipate any changes in the level of competition between stainless steel butt-weld pipe fittings produced in the United States, stainless steel butt-weld pipe fittings produced in Italy, Malaysia, and the Philippines, and such merchandise from other countries in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	No	No
***	Pricing difference between domestic and import is a factor.	Pricing gap between domestic and import fittings will increase.

7. a.) Have there been any changes in the business cycle for stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines since 2011?

b.) Do you anticipate any changes in the business cycle for stainless steel butt-weld pipe fittings in the U.S. market or in the market for stainless steel butt-weld pipe fittings in Italy, Malaysia, and the Philippines within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Changes that have occurred</b>	<b>Anticipated changes</b>
***	The business cycle increased from 2011 to 2014 and has declined since 2015.	The US market shows signs of recovery and we hope for improvement for the next few years.
***	No	No

