

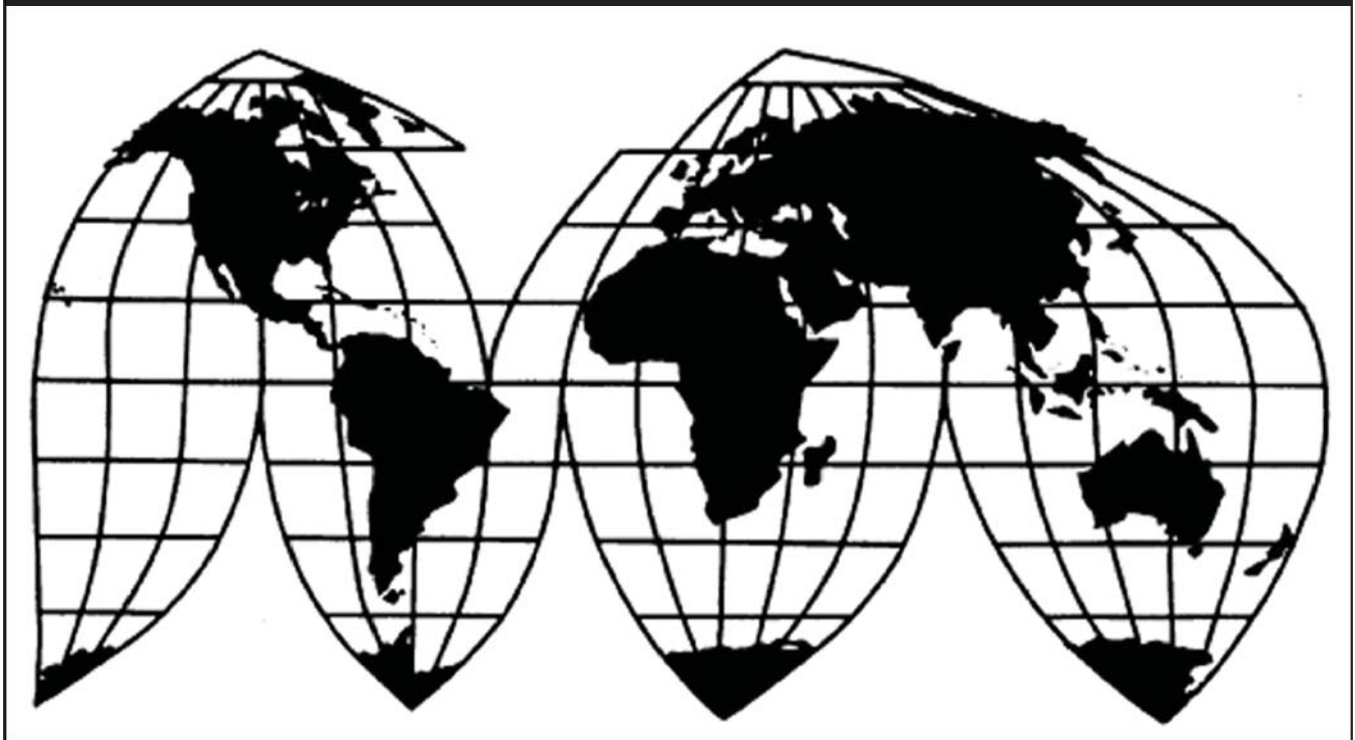
Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Germany

Investigation No. 731-TA-709 (Third Review)

Publication 4348

August 2012

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been identified by the use of *. Final identification of confidential information is in the public version of the staff report.**

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-709 (Third Review)

CERTAIN SEAMLESS CARBON AND ALLOY STEEL STANDARD, LINE, AND PRESSURE PIPE FROM GERMANY

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on certain seamless carbon and alloy steel standard, line, and pressure pipe from Germany would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted this review on April 2, 2012 (77 F.R. 19711) and determined on July 6, 2012, that it would conduct an expedited review (77 F.R. 42763, July 20, 2012).

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

² Commissioner Deanna Tanner Okun did not participate in this review. Commissioner Daniel R. Pearson did not vote in this review.

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order on certain seamless carbon and alloy steel standard, line and pressure pipe (“seamless SLP pipe”) from Germany would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

A. The Original Investigations

In July 1995, the Commission determined that an industry in the United States was materially injured by reason of less than fair value (“LTFV”) imports of seamless SLP pipe from Argentina, Brazil, and Germany, as well as LTFV and subsidized imports from Italy.² Commerce issued antidumping duty orders on subject imports from the four countries on August 3, 1995,³ and issued a countervailing duty order on subject imports from Italy effective August 8, 1995.⁴

B. The Commission’s Five-Year Reviews

In June 2001, after conducting full reviews, the Commission made affirmative determinations in the first five-year reviews of the antidumping duty orders on seamless SLP pipe from Argentina, Brazil, and Germany. It made a negative determination in its review of the orders on seamless SLP pipe from Italy.⁵

In May 2007, after again conducting full reviews, the Commission made an affirmative determination with respect to the antidumping duty order on seamless SLP pipe from Germany, but made negative determinations with respect to the orders on subject imports from Argentina and Brazil.⁶

¹ Commissioner Deanna Tanner Okun did not participate in this review. Commissioner Daniel R. Pearson did not vote.

² Certain Seamless Carbon and Alloy Standard, Line, and Pressure Steel Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 & 731-TA-707-710 (Final), USITC Pub. 2910 (July 1995) (“Original Determinations”).

³ 60 Fed. Reg. 39704, 39705, 39707, and 39708 (Aug. 3, 1995).

⁴ 60 Fed. Reg. 40569 (Aug. 9, 1995).

⁵ Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 & 731-TA-707-710 (Review), USITC Pub. 3429 (June 2001), at 3 (“First Review Determinations”).

⁶ Commissioners Okun and Pearson dissented with respect to Germany. Commissioner Pinkert did not participate. Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 731-TA-707-709 (Second Review), USITC Pub. 3918 (May 2007) (“Second Review Determinations”) at 3.

C. The Current Review

On April 2, 2012, the Commission instituted this five-year review, pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty order on seamless SLP pipe from Germany would likely lead to continuation or recurrence of material injury.⁷

The Commission received one response to the notice of institution from the United States Steel Corporation (“U.S. Steel”), a domestic producer of seamless SLP pipe. Because the Commission received an adequate response from a domestic producer accounting for a substantial percentage of U.S. production, the Commission determined that the domestic interested party group response was adequate.⁸ Because no responses were received from any respondent interested party, the Commission determined that the respondent interested party group response to the notice of institution was inadequate. The Commission found that there were no other circumstances that warranted a full review and therefore determined to expedite the review of the antidumping duty order on seamless SLP pipe from Germany.⁹

On August 1, 2012, U.S. Steel filed comments, pursuant to 19 C.F.R. § 207.62(d), arguing that revocation of the antidumping duty order on seamless SLP pipe from Germany would likely lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.¹⁰

II. DOMESTIC LIKE PRODUCT

In making its determination under section 751(c) of the Act, the Commission defines the “domestic like product” and the “industry.”¹¹ The Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹² The Commission’s practice in five-year reviews is to look to the like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.¹³

A. Product Description

In its expedited five-year review, Commerce defined the scope of merchandise covered by the order on seamless SLP pipe as follows:

⁷ 77 Fed. Reg. 19711 (April 2, 2012).

⁸ Confidential Staff Report, INV-KK-081 (July 27, 2012) (“CR”) at Appendix B; and Public Report (“PR”) at Appendix B.

⁹ 77 Fed. Reg. 42763 (July 20, 2012).

¹⁰ See generally U.S. Steel’s Comments (Aug. 1, 2012).

¹¹ 19 U.S.C. § 1677(4)(A).

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

¹³ See, e.g., Internal Combustion Industrial Forklift Trucks From Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (December 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 (February 2003).

[S]mall diameter seamless carbon and alloy standard, line and pressure pipes (seamless pipes) produced to the ASTM A-335, ASTM A-106, ASTM A-53 and API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of the order also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters below, regardless of specification.

For purposes of the order, seamless pipes are seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside diameter, regardless of wall thickness, manufacturing process (hot-finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish. These pipes are commonly known as standard pipe, line pipe or pressure pipe, depending upon the application. They may also be used in structural applications. Pipes produced in non-standard wall thicknesses are commonly referred to as tubes.

The seamless pipes subject to the order are currently classifiable under subheadings 7304.19.10.20, 7304.19.50.20, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (HTSUS).¹⁴

The scope of the order includes seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, up to 4.5 inches in outside diameter and produced to the ASTM A-335, ASTM A-106, ASTM A-53 and API 5L specifications. These pipes are commonly known as standard pipe, line pipe, or pressure pipe, depending upon the application.¹⁵ They are used in oil and gas transmission, construction and repair of refining facilities, the chemical industry, power generation, and mechanical applications for general construction.¹⁶

The scope of the review is unchanged from that of the first and second reviews.¹⁷ The scope differs from the scope in the original investigations because Commerce issued a scope ruling on June 25, 1999, excluding tubing with a circular cross-section and an outside diameter that varies from 0.05 mm to 25 mm from the antidumping duty order on subject imports from Germany.¹⁸ The scope language also specifically excludes certain redraw hollows.¹⁹

¹⁴ 77 Fed. Reg. 46385 (Aug. 3, 2012). Commerce's notice provides extensive additional details regarding the specifications, single- and multiple-certifications, characteristics, and uses of seamless SLP pipe to further define the scope of the order. Commerce's notice identifies forms of excluded tubular products (certain boiler tubing, mechanical tubing, oil country tubular goods, and redraw hollows for cold-drawing), but also observes that seamless pipes meeting the physical description above, but not produced to the A-335, A-106, A-53, or API 5L standards, are covered if used in a standard, line or pressure application. See CR/PR at Appendix A for the full text of Commerce's scope.

¹⁵ CR at I-7, PR at I-6.

¹⁶ CR at I-12, PR at I-10.

¹⁷ See Second Review Determinations at 5-6; First Review Determinations at 5-6; Original Determinations at I-6 to I-7.

¹⁸ 65 Fed. Reg. 41957 (July 7, 2000).

¹⁹ See First Review Determinations at 8 n.34. Redraw hollows are an intermediate product in the production of seamless SLP pipe. See CR at I-14, PR at I-12. In the second reviews, certain redraw hollows were not within the (continued...)

B. Original Investigations and Previous Five-year Reviews

In the original investigations, the Commission found a single domestic like product consisting of circular seamless carbon and alloy steel standard, line and pressure pipe and tubes not more than 4.5 inches in outside diameter, including redraw hollows.²⁰ The Commission observed that all seamless SLP pipe had the same general physical characteristics, was used to convey liquids and gases, and was primarily triple-stenciled,²¹ making the pipe interchangeable for most end uses. It also found seamless alloy and carbon steel pipe interchangeable to the extent that alloy steel pipe could be substituted for carbon steel pipe (although carbon steel pipe could not be substituted for alloy steel pipe). The Commission further found that all seamless SLP pipe was manufactured on the same equipment using the same employees and that distributors sold all types of pipe.²²

In the first reviews, the Commission defined a single domestic like product consisting of all seamless carbon and alloy steel standard, line and pressure pipe and tubes not more than 4.5 inches in outside diameter, including redraw hollows.²³ It noted that it was including redraw hollows, which were included in the domestic like product in the original investigations, because no party argued that they should not be included and no information had been elicited during the reviews to indicate that they should not be part of the domestic like product.²⁴

In the second reviews, the Commission found that no party had argued for a different definition of the domestic like product than that employed in the original investigations and the first reviews. Nor did the Commission obtain any information during the reviews indicating that redraw hollows that were not within the scope of the orders should not be part of the domestic like product. Accordingly, the Commission adopted the same definition it used in the original investigations and first reviews.²⁵

C. The Current Review

In this expedited review, U.S. Steel has indicated that it agrees with the definition of the domestic like product that the Commission used in the original investigations and previous five-year reviews.²⁶ No new information was obtained during this review that would suggest any reason to revisit that definition. Thus, we define the domestic like product as all seamless carbon and alloy steel standard, line and pressure pipe and tubes not more than 4.5 inches in outside diameter, including redraw hollows.

III. DOMESTIC INDUSTRY

Section 771(4)(A) of the 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

¹⁹ (...continued)

scope of the orders despite being inadvertently included in the scope language by Commerce. Second Review Determinations at Appendix E (fax from Commerce acknowledging error).

²⁰ Original Determinations at I-6 to I-13.

²¹ Triple-stenciled means that the pipe was certified to three distinct specifications. See Original Determinations at II-19.

²² Original Determinations at I-6 to I-13.

²³ First Review Determinations at 7.

²⁴ First Review Determinations at 8 n.34.

²⁵ Second Review Determinations at 7.

²⁶ U.S. Steel’s Response to Notice of Institution at 24.

constitutes a major proportion of the total domestic production of the product.”²⁷ In defining the domestic industry, the Commission’s general practice has been to include all domestic producers of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations and the first and second reviews, the Commission found a single domestic industry, consisting of all domestic producers of the domestic like product.²⁸ No producer was excluded from the domestic industry.²⁹

As with the definition of the domestic like product, no party argues for a different definition of the domestic industry,³⁰ nor is there any information on the record that would warrant a different definition.³¹ Accordingly, we define the domestic industry to be all domestic producers of seamless SLP pipe.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER IS REVOKED

A. Legal Standard

In a five-year review conducted under section 751(c) of the 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.”³² The Statement of Administrative Action to the Uruguay Round Agreements Act (“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.”³³ Thus, the likelihood standard is prospective in nature.³⁴ The U.S. Court of International Trade has found that “likely,” as used in the five-

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

²⁸ See First Review Determinations at 8-9; Second Review Determinations at 8; Original Determinations at I-13 to I-15.

²⁹ See First Review Determinations at 8-9; Second Review Determinations at 8; Original Determinations at I-13 to I-15.

³⁰ U.S. Steel’s Response to Notice of Institution at 22.

³¹ The record does not indicate that any domestic producer is a related party.

³² 19 U.S.C. § 1675a(a).

³³ SAA, H.R. Rep. 103-316 at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” Id. at 883.

³⁴ 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.

year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.³⁵

The Act 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.”³⁶ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”³⁷

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty 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.”³⁸ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).³⁹ 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.⁴⁰

No respondent interested parties participated in this expedited review. The record, therefore, contains limited new information with respect to the seamless SLP industry in Germany. There is also limited information on the seamless SLP pipe market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and prior reviews and the limited new information on the record in this review.⁴¹

³⁵ 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, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 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’”).

³⁶ 19 U.S.C. § 1675a(a)(5).

³⁷ 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.

³⁸ 19 U.S.C. § 1675a(a)(1).

³⁹ 19 U.S.C. § 1675a(a)(1). We note that Commerce has made no duty absorption findings. CR at I-6, PR at I-5.

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

⁴¹ 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782 of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782 are applicable only to Commerce. 19 U.S.C. § 1677m. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2001) (“[T]he ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a

(continued...)

B. Conditions of Competition and Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, 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.”⁴² We find the following conditions of competition relevant to our determination.

Demand. As in the original investigation and the first and second reviews, the record indicates that seamless SLP pipe is used in oil and gas transmission, construction and repair of refining facilities, the chemical industry, and power generation.⁴³ Demand generally tracks trends in the overall economy.⁴⁴

In the original investigations, apparent U.S. consumption increased by almost 33 percent between 1992 and 1993, due at least partially to tax incentives provided by the U.S. government that promoted oil and gas well drilling.⁴⁵ In the first five-year reviews, the Commission found that apparent U.S. consumption fluctuated during the period, but increased overall, from 199,555 short tons in 1995 to 204,268 short tons in 2000.⁴⁶ Likewise, in the second five-year reviews, demand for seamless SLP pipe, as measured by apparent U.S. consumption, fluctuated during the 2001-2005 period, but increased overall.⁴⁷

In this third review, the record indicates that demand for seamless SLP pipe declined substantially in 2009 as a result of the recession.⁴⁸ Demand in certain key market segments, such as the refining industry, reportedly remains depressed by historical standards.⁴⁹ Apparent U.S. consumption of seamless SLP pipe was *** short tons in 2011.⁵⁰

Supply. During the original investigations, there were seven U.S. producers of seamless SLP pipe. Their production capacity fell slightly from 1992 to 1994.⁵¹ During the period covered by the first reviews, there were six U.S. firms producing seamless SLP pipe, and the domestic industry’s capacity fell by 18.7 percent from 1995 to 2000.⁵² During the period covered by the second reviews, four U.S. firms produced seamless SLP pipe, and their capacity increased irregularly from 2001 to 2005.⁵³

Six U.S. firms reportedly produced seamless SLP pipe during the period covered by this third review: (1) Michigan Seamless Tube, LLC; (2) Plymouth Tube Company; (3) The Timken Company; (4) TMK IPSCO; (5) United States Steel Corporation; and (6) Wheatland Tube Company (JMC Steel Group).⁵⁴ The seamless SLP pipe capacity of U.S. Steel, the only firm that provided information in the

⁴¹ (...continued)
Commission investigation.”).

⁴² 19 U.S.C. § 1675a(a)(4).

⁴³ Original Determinations at I-16; First Review Determinations at 18; Second Review Determinations at 17.

⁴⁴ CR at I-27 n.48, PR at I-22 n.48.

⁴⁵ Original Determinations at I-16.

⁴⁶ First Review Determinations at 18-19.

⁴⁷ Second Review Determinations at 18.

⁴⁸ CR at I-23 to I-24, PR at I-20.

⁴⁹ U.S. Steel’s Response to Notice of Institution at 21. See also CR at I-24, PR at I-20 (suggesting weakness in construction sectors, lack of growth in refining sectors, and mixed developments with respect to oil and gas sectors).

⁵⁰ CR/PR at Table I-4.

⁵¹ CR at I-17, PR at I-14; Original Determinations at I-15, I-17.

⁵² CR/PR at Table C-3.

⁵³ CR/PR at Table C-3; CR at I-17, PR at I-14.

⁵⁴ CR at I-17, PR at I-14.

current review, was *** short tons in 2011.⁵⁵ U.S. Steel’s estimate of its share of U.S. production suggests that the U.S. industry’s total production capacity has declined since the second reviews.⁵⁶

The U.S. market is also supplied by subject and nonsubject imports of seamless SLP pipe. Since the second review period, nonsubject imports have fluctuated, but they ended the period higher overall and supplied more seamless SLP pipe to the United States than either the domestic industry or subject imports in 2011.⁵⁷ Nonsubject imports increased from 185,374 short tons in 2006 to 200,198 short tons in 2011, and they accounted for a much larger share of the U.S. market (*** percent) than during the period examined in the original investigations.⁵⁸ The primary sources of nonsubject imports, by order of volume in 2011, were Ukraine, South Africa, India, and Russia.⁵⁹ In November 2010, the United States imposed antidumping and countervailing duty orders on seamless SLP pipe from China.⁶⁰ U.S. imports of seamless SLP pipe from China decreased from 197,022 short tons in 2008 to 5,652 short tons in 2010 and 784 short tons in 2011.⁶¹

Other Considerations. Absent any contrary evidence in the record, we find, as we did in the second five-year reviews, that subject imports are generally substitutable with domestic seamless SLP pipe and that quality and price are the most important factors in purchasing decisions.⁶²

Based on the record evidence, we find that the conditions of competition in the seamless SLP pipe market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we find that current conditions provide us with a reasonable basis on which to assess the likely effects of revocation of the antidumping duty order in the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁶³ 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,

⁵⁵ CR/PR at Table I-2.

⁵⁶ CR/PR at Table I-2; CR at I-3 n.4, PR at I-3 n.4. U.S. Steel estimated that it accounted for *** percent of U.S. production in 2011. U.S. Steel’s Response to Notice of Institution at Exhibit 30. U.S. Steel’s estimate suggests that total industry capacity in 2011 was *** short tons. Capacity was higher in 2005 at *** short tons. CR/PR at Table I-2.

⁵⁷ See CR/PR at Table I-3.

⁵⁸ See CR/PR at Table D-1 (indicating that nonsubject imports accounted for *** percent of apparent U.S. consumption in 1994). We note, however, that several subject sources of imports in 1994 – Argentina, Brazil, and Italy – are nonsubject sources for purposes of this review.

⁵⁹ CR/PR at Table I-2 n.1.

⁶⁰ CR at I-21, PR at I-18. See also Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final), Publ. 4190 (Nov. 2010).

⁶¹ CR at I-21, PR at I-18.

⁶² Second Review Determinations at 19-20.

⁶³ 19 U.S.C. § 1675a(a)(2).

which can be used to produce the subject merchandise, are currently being used to produce other products.⁶⁴

In the original investigations, the Commission found that the volume of cumulated subject imports from Argentina, Brazil, Germany, and Italy followed the rise and fall in domestic consumption.⁶⁵ Consumption increased by almost a third from 1992 to 1993, although subject imports increased by more than a third and subject imports' market share increased from 21.0 to 25.4 percent. Consumption and the quantity and market share of subject imports declined from 1993 to 1994 and from the first quarter of 1994 to the first quarter of 1995.⁶⁶ Subject imports were present in substantial quantities throughout most of the period. The Commission found that the volume and market share of subject imports were significant.⁶⁷

In the first reviews, the Commission found that the volume of cumulated subject imports from Argentina, Brazil, and Germany would likely be significant if the orders were revoked.⁶⁸ Producers in those subject countries had significant production capacity.⁶⁹ Subject foreign producers could manufacture other steel products on the same equipment used to produce seamless SLP pipe and could shift production between subject merchandise and other products. Seamless SLP pipe prices were generally higher in the United States than elsewhere, which made the United States an attractive market and provided a strong incentive for producers in the subject countries to resume exports of seamless SLP pipe to the United States if the orders were revoked. Subject producers also relied heavily on their export markets.⁷⁰

In the second reviews, the Commission observed that, although subject imports from Germany increased from 2001 to 2005, they were at very small quantities.⁷¹ The Commission considered the size of the German seamless SLP pipe industry, its large and growing excess capacity, and the *** decline in sales to its primary markets in recent years. Additionally, the German industry had had only limited success in cultivating new markets. The largest German producer indicated that the U.S. market was attractive, but inaccessible due to the antidumping duty order under review.⁷² The Commission therefore concluded that the likely volume of subject imports from Germany would be significant if the order were revoked.⁷³

During the current period of review (2006-2011), the volume of subject imports was lower than during the original investigations. Subject imports, however, remained in the U.S. market at a level that indicates German producers and exporters of seamless SLP pipe continue to have an interest in the U.S. market. Imports of seamless SLP pipe from Germany totaled 15,867 short tons in 2006, 11,728 short tons

⁶⁴ 19 U.S.C. § 1675a(a)(2)(A) - (D).

⁶⁵ Original Determinations at I-27.

⁶⁶ In the original investigations, subject imports from Germany did not follow this trend. Such imports declined from *** short tons in 1992 to *** short tons in 1993, then increased to *** short tons in 1994. First Review Views (confidential) at 44.

⁶⁷ Original Determinations at I-27 to I-28.

⁶⁸ In the first reviews, subject imports from Germany decreased from *** short tons in 1995 to *** short tons in 2000. CR/PR at Table C-3.

⁶⁹ First Review Determinations at 20.

⁷⁰ First Review Determinations at 22.

⁷¹ Second Review Determinations at 31.

⁷² Second Review Determinations at 33. At the beginning of the period of review, the German home market and the European Union ("EU") were the German industry's principal markets, accounting for *** percent of its shipments of seamless SLP pipe in 2001. By 2005, however, the industry's shipments to its home market had fallen by *** percent, while shipments to the rest of the EU fell by nearly ***. Second Review Views (confidential) at 45.

⁷³ Second Review Determinations at 33-34.

in 2007, 9,058 short tons in 2008, 2,431 short tons in 2009, 4,312 short tons in 2010, and 4,249 short tons in 2011.⁷⁴

As was the case in the second reviews, several factors indicate that subject imports will be able to increase their share of the U.S. market rapidly if the order were revoked. Because of the lack of participation by German producers and importers of subject merchandise, the Commission has limited information on the German industry in this review. Nonetheless, public sources of information concerning the German industry indicate that it is very large relative to apparent U.S. consumption. Three of the six known producers of seamless SLP pipe in Germany – Benteler Steel/Tube, Rohrwerk Maxhutte GmbH, and V&M Deutschland - Hot Rolled Tubes Division – had combined capacity of 1.34 million short tons to produce seamless products of in 2010.⁷⁵ This figure likely overstates German production capacity for seamless SLP pipe, because German capacity was *** short tons during the period examined in the second reviews.⁷⁶ Nonetheless, German production capacity for seamless SLP pipe in Germany is likely large relative to apparent U.S. consumption of seamless SLP pipe, which was *** short tons in 2011.⁷⁷ German production of seamless steel tube also was large relative to the U.S. market. According to the World Steel Association, the German industry's production of all seamless tubular products, which is broader than the scope of the subject merchandise, totaled approximately 1.1 million short tons in 2009.⁷⁸

In addition, the majority of German seamless SLP pipe is exported.⁷⁹ Data from the Global Trade Atlas indicate that Germany was the world's second-largest exporter of seamless pipe in 2011 at 819,000 short tons, behind only China at 2.8 million short tons.⁸⁰

Furthermore, despite the antidumping duty order, the United States remains an important market for German exporters of seamless pipe, ranking only behind the EU in terms of export volume for German producers of the broader category of seamless pipe products, which includes subject seamless SLP pipe.⁸¹ As noted above, imports from Germany of SLP pipe and related seamless pipe have remained in the U.S. market during the period of review, indicating that the subject producers already have a customer base and distribution channels in the United States. Further, the two largest German producers indicated during the second reviews that the antidumping duty order prevented German producers from shipping larger quantities of seamless SLP pipe to the United States.⁸²

Other factors would also create incentives for subject producers to increase exports of seamless SLP pipe to the United States if the antidumping duty order were revoked. Economic conditions and demand for seamless SLP pipe in the European market are weak, causing German producers of seamless

⁷⁴ CR/PR at Table I-3. In 2011, the one year for which such data are available, subject imports accounted for *** percent of apparent U.S. consumption. CR/PR at Table I-4. These import data are based on official Commerce statistics that are mixed HTS categories and do not consist exclusively of subject merchandise. As a result, they may overstate the actual quantity of subject imports.

⁷⁵ CR/PR at Table I-5.

⁷⁶ Second Review Views (confidential) at 47. This also likely overstates German production capacity for subject merchandise because it is not limited to the subject merchandise and includes Benteler's capacity for producing both seamless and welded pipe. See CR/PR at Table I-5.

⁷⁷ CR/PR at Table I-4.

⁷⁸ CR at I-26, PR at I-21. This estimate of German production includes other types of products such as large pipes, oil country tubular goods, and mechanical tubing, as well as seamless SLP pipe. CR at I-26, PR at I-21.

⁷⁹ CR at I-27, PR at I-22.

⁸⁰ CR at I-27, PR at I-22. The Global Trade Atlas data include a large quantity of nonsubject seamless pipe and thus overstate exports of seamless SLP pipe to some extent. CR at I-27 n.51, PR at I-22 n.51.

⁸¹ See CR at I-27, PR at I-22.

⁸² Second Reviews Views (confidential) at 47.

SLP pipe to suffer from falling prices and declining orders in those markets.⁸³ The United States remains one of the largest markets for seamless SLP pipe and therefore would be an attractive alternative export market for the German producers.⁸⁴

Further, export data indicate that German exporters have faced heightened competition from Chinese seamless SLP pipe in several export markets, including Belgium, Canada, Italy, the Netherlands, and Korea, since the United States imposed antidumping and countervailing duties on seamless SLP pipe from China in 2010.⁸⁵ The weakness in the European market and increased competition with Chinese seamless SLP pipe in third-country markets indicate that the U.S. market would likely be relatively attractive for German producers of seamless SLP pipe if the antidumping duty order were revoked.

The German industry's excess capacity was equivalent to almost *** of apparent U.S. consumption in 2005.⁸⁶ This figure is likely even higher now with weak demand in Europe and increased competition with Chinese seamless SLP pipe in third-country markets.⁸⁷

Given the German seamless SLP pipe industry's large size, significant excess capacity, continued exports to the United States, and overall export orientation, along with the relative attractiveness of the U.S. market, sluggish demand, and increased competition in third-country export markets, we find that the likely volume of subject imports, both in absolute terms and as a share of the U.S. market, would be significant if the order were revoked.⁸⁸

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the order under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports in relation 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.⁸⁹

In the original investigations, the Commission found that the domestic and imported products were reasonably good substitutes and that price was an important factor in purchasing decisions. Most purchasers indicated that they bought subject imports because of their lower price, which was supported by the number of confirmed lost sales and lost revenue allegations. Of 190 quarterly sales comparisons, 141 showed that cumulated subject imports undersold the domestic product. The margins of underselling were large, with most instances of underselling exceeding 20 percent.⁹⁰ Subject imports from Germany

⁸³ U.S. Steel's Response to Notice of Institution at 11-12.

⁸⁴ U.S. Steel's Response to Notice of Institution at 15; See also Second Review Determinations at 32 (noting that the United States was the largest market for the broader category of seamless products that includes seamless SLP pipe).

⁸⁵ U.S. Steel's Response to Notice of Institution at 9-10 and Exhibit 4.

⁸⁶ Second Review Views (confidential) at 46.

⁸⁷ See U.S. Steel's Response to Notice of Institution at 8-9.

⁸⁸ The limited record in this expedited review does not contain any information concerning inventories of the subject merchandise or the potential for product shifting by German producers. There also is no indication that German producers face barriers in third-country markets. CR at I-25, PR at I-21.

⁸⁹ See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

⁹⁰ Original Determinations at I-28.

were priced lower than the domestic like product in 21 of 33 quarterly price comparisons.⁹¹ In addition, the subject imports had significant price depressing and suppressing effects.⁹²

In the first reviews, the record indicated that the subject imports were highly substitutable for the domestic like product for most end uses.⁹³ There was a strong incentive for subject imports to compete on the basis of price to capture sales in the event of their return to the U.S. market.⁹⁴ The Commission concluded that, given the likely significant volume of subject imports upon revocation of the orders, the substitutability of the subject imports with the domestic like product, the lower prices for subject imports reported by purchasers, and consistent underselling by imports in the original investigations, the subject imports would likely have significant price depressing and suppressing effects on the domestic like product in the absence of the orders.⁹⁵

In the second reviews, the Commission noted that no increases in demand were forecast for the reasonably foreseeable future.⁹⁶ Given that subject imports were generally substitutable with the domestic like product, the Commission found that, absent a large increase in consumption, the German producers, which had sustained a decline in sales and increase in unused capacity, would likely lower prices in order to regain market share.⁹⁷ For these reasons, the Commission found that the likely significant volumes of subject imports from Germany and their likely significant underselling would likely have significant price depressing or price suppressing effects on the domestic like product.⁹⁸

There is no new product-specific pricing information on the record of this expedited review, but average transaction prices for domestic and import shipments appear to have declined over the course of 2011.⁹⁹ Although pricing information was collected during the first and second reviews, there were no pricing data specific to subject imports from Germany. As noted above, the domestic like product and imports from all sources are generally substitutable, and price continues to be an important factor in purchasing decisions.¹⁰⁰

Given the attractiveness of the U.S. market, we find it likely that subject producers would resume their pattern of underselling from the original investigations if the order was revoked in order to increase their share of the U.S. market. Given the likely significant volume of imports, the importance of price to purchasers of seamless SLP pipe, the substitutability of subject imports and the domestic like product, and past pricing patterns, we find it likely that increased volumes of subject imports from Germany would enter at prices that would significantly undersell the domestic product, as well as significantly depress or suppress domestic prices, within a reasonably foreseeable time if the order were revoked.

⁹¹ Second Review Determinations at 34.

⁹² Original Determinations at I-28.

⁹³ First Review Determinations at 23.

⁹⁴ First Review Determinations at 23.

⁹⁵ First Review Determinations at 23.

⁹⁶ Second Review Determinations at 35.

⁹⁷ Only limited pricing data were provided for German seamless SLP pipe in the second reviews. Second Review Determinations at 34.

⁹⁸ Second Review Determinations at 36.

⁹⁹ CR at I-16, PR at I-14.

¹⁰⁰ Second Review Determinations at 19-20.

E. Likely Impact of Subject Imports¹⁰¹

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹⁰² All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order were revoked.¹⁰³

In the original investigations, the Commission found that despite the domestic industry's increases in market share, shipments, production, and capacity utilization over the period of investigation, it experienced poor financial performance as a result of subject imports' adverse price effects. Even when subject imports declined in 1994 and interim 1995, their continued large and significant share of the market in 1994, combined with their adverse effect on domestic prices, led the industry to experience poor operating results.¹⁰⁴

In the first reviews, the Commission found that the domestic industry's financial condition improved somewhat following imposition of the orders, but then deteriorated sharply when import levels increased and demand fell, resulting in a substantial operating loss in 1999 of \$11 million. Domestic shipments, production, capacity utilization, profits, employment, and worker productivity declined precipitously, and one U.S. producer declared bankruptcy. The industry recovered somewhat in 2000. Its production and capacity utilization rates increased markedly, as did net sales, operating income, capital expenditures, and hourly wages. The Commission found that the volume and price effects of the cumulated subject imports would likely have a significant negative impact on the domestic industry and would likely cause the domestic industry to lose market share if the order were revoked.¹⁰⁵

In the second reviews, the Commission attributed the domestic industry's gains in profitability to strong prices and demand. Although demand was projected to remain strong, it was not likely to increase

¹⁰¹ Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

Commerce expedited its determination in its review of seamless SLP pipe from Germany and found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at a margin of 57.72 percent for all German producers. Certain Small Diameter Seamless Carbon and Alloy Standard, Line, and Pressure Pipe from Germany: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order, 77 Fed. Reg. 46385 (Aug. 3, 2012).

¹⁰² 19 U.S.C. § 1675a(a)(4).

¹⁰³ 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.

¹⁰⁴ Original Determinations at I-31 to I-32.

¹⁰⁵ First Review Determinations at 23-24 & nn.179-80. Three Commissioners found that the domestic industry was vulnerable to material injury in the event of revocation of the orders, and the remaining three did not.

at a rapid rate.¹⁰⁶ Further, the volume of subject imports from Germany was likely to be significant upon revocation of the order. The Commission found that the likely significant volume and price effects of the subject imports from Germany would be sufficient to have a significant negative impact on the production, shipments, sales, market share, and revenues of the domestic industry, despite its lack of vulnerability.¹⁰⁷

Because this is an expedited review, we have only limited information with respect to the domestic industry's financial performance. We collected 2011 data for several performance indicators, but no data from 2007 to 2010.¹⁰⁸ The data show an industry that consists of fewer domestic producers than during the period of the original investigations but is ***.¹⁰⁹ Nonetheless, the limited record is insufficient for us to make a finding as to whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.¹¹⁰

The data show that the domestic industry has *** since the period examined in the last five-year review.¹¹¹ In 2011, U.S. Steel, the sole responding domestic producer, reported capacity of *** short tons.¹¹² U.S. Steel reported that its production was *** short tons, and its rate of capacity utilization was *** percent.¹¹³ Its U.S. shipments were *** short tons in 2011, accounting for *** percent of apparent U.S. consumption by quantity.¹¹⁴

The information in the record indicates that, although U.S. Steel operated profitably in 2011, its margin was lower than that reported by the industry in 2005.¹¹⁵ In 2005, the domestic industry reported operating *** and an operating margin of *** percent.¹¹⁶ In 2011, U.S. Steel earned operating income of \$*** and reported an operating margin of *** percent.¹¹⁷

Based on the record of this review, we find that, should the order be revoked, the likely adverse volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. Declines in these indicators of industry performance would have a direct adverse impact on the industry's profitability and

¹⁰⁶ Second Review Determinations at 36.

¹⁰⁷ The Commission found that the domestic industry was not vulnerable to injury by reason of increased subject imports. In particular, the domestic industry was profitable in every year covered by the period of review, and profits increased to levels not seen in at least 14 years. Second Review Determinations at 26.

¹⁰⁸ The Commission has trade and financial for 2011 for only one domestic producer, U.S. Steel. Data for 2005 collected during the second reviews included information from four domestic producers, making meaningful comparisons between 2011 and 2005 difficult. See CR/PR at Table I-2.

¹⁰⁹ See CR/PR at Table I-2.

¹¹⁰ Commissioner Pinkert finds that the domestic industry appears not to be vulnerable to material injury in the event of revocation of the order. Although its performance indicators in 2011 tended *** as in 2005, the last year of the period covered by the second five-year review, it nevertheless had an operating income of over *** and an operating income margin of *** percent. CR/PR at Table I-2.

¹¹¹ All industry data for 2011 are based on data reported for U.S. Steel. See CR/PR at Table I-2. U.S. Steel estimates that it accounted for *** percent of total U.S. production of seamless SLP pipe in 2011. Based upon U.S. Steel's estimate, the industry's total capacity would be *** short tons, which indicates that the industry's capacity has declined since 2005, when it was *** short tons. See CR/PR at Table I-2; U.S. Steel's Response to Notice of Institution at Exhibit 30.

¹¹² See CR/PR at Table I-2.

¹¹³ CR/PR at Table I-2.

¹¹⁴ CR/PR at Table I-4.

¹¹⁵ CR/PR at Table I-2.

¹¹⁶ CR/PR at Table I-2.

¹¹⁷ CR/PR at Table I-2.

employment, as well as its ability to raise capital, to make and maintain capital investments, and to fund research and development.

We have considered the role of factors other than subject imports, including demand and the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. There is no indication on the record of this review that the presence of nonsubject imports in the U.S. market would prevent subject imports from entering the United States at levels and prices that would cause injury to the domestic industry. The share of the U.S. market held by nonsubject imports has increased since the second reviews; it was *** percent in 2005 and *** percent in 2011.¹¹⁸ Nevertheless, the domestic industry has remained profitable and appears able to attract new investment.¹¹⁹ We recognize that, given the substitutability of the products generally, subject imports would likely displace nonsubject imports in the U.S. market to some degree in the event of revocation. Given the likely significant increase in subject imports and their underselling and adverse price effects in the event of revocation, we find that the expected increase in subject imports would be at the expense of the domestic industry even if nonsubject imports were also adversely affected. Although demand in the United States has been weak, it is expected to remain at current levels or improve and is therefore not expected to negatively impact the domestic industry.¹²⁰

Accordingly, based on the limited record in this review, we conclude that, if the antidumping duty order were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on seamless SLP pipe from Germany would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

¹¹⁸ CR/PR at Table I-2.

¹¹⁹ See CR/PR at Table I-1.

¹²⁰ See CR at I-23 to I-25, PR at I-20.

INFORMATION OBTAINED IN THE REVIEW

INTRODUCTION

On April 2, 2012, in accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ the U.S. International Trade Commission (“Commission” or “USITC”) gave notice that it had instituted a five-year review to determine whether revocation of the antidumping duty order on certain seamless carbon and alloy steel standard, line, and pressure pipe (“seamless SLP pipe”) from Germany would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.^{2 3} On July 6, 2012, the Commission determined that the domestic interested party group response to its notice of institution was adequate⁴ and that the respondent interested party group response was inadequate.⁵ In the absence of respondent interested party responses and any other circumstances that would warrant the conduct of full reviews, the Commission determined to conduct an expedited review of the antidumping duty order pursuant to section 751(c)(3) of the Act (19 U.S.C. § 1675(c)(3)).⁶ The following tabulation presents selected information relating to the schedule of the third five-year review.⁷

Effective date	Action
April 2, 2012 ¹	Commission’s institution of five-year review (77 FR 19711)
	Commerce’s initiation of five-year review (77 FR 19643)
July 6, 2012	Commission’s determination to conduct expedited five-year review (77 FR 42763, July 20, 2012)
August 3, 2012	Commerce’s final determination in its expedited five-year review (77 FR 46385)
August 21, 2012	Commission’s vote
August 30, 2012	Commission’s determination transmitted to Commerce
¹ Commerce’s initiation notice refers to Sunday, April, 1, 2012, as the effective date. However, the first business day in the month of April was the date on which the notice was published, Monday, April 2, 2012.	

¹ 19 U.S.C. 1675(c).

² *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Germany; Institution of a Five-Year Review of the Antidumping Duty Order*, 77 FR 19711, April 2, 2012. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission’s notice of institution is presented in app. A.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 77 FR 19643, April 2, 2012.

⁴ The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of United States Steel Corp. (“U.S. Steel”), a U.S. producer of seamless SLP pipe (referred to herein as “domestic interested party”). The domestic interested party reported that it accounted for *** percent of total U.S. production of seamless SLP pipe in 2011. *Response of domestic interested party*, May 2, 2012, exh. 30.

⁵ The Commission did not receive a response from any respondent interested parties to its notice of institution.

⁶ *Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Certain Seamless Carbon and Alloy Steel, Standard, Line, and Pressure Pipe from Germany*, 77 FR 42763, July 20, 2012. The Commission’s notice of an expedited review appears in app. A. The Commission’s statement on adequacy is presented in app. B.

⁷ Cited *Federal Register* notices are presented in app. A.

The Original Investigations and Subsequent Five-Year Reviews

On June 23, 1994, a petition was filed by the Gulf States Tube Division of Quanex Corp. (“Gulf States”) with Commerce and the Commission alleging that an industry in the United States was materially injured by reason of dumped imports of seamless SLP pipe from Argentina, Brazil, and Germany, as well as dumped and subsidized imports from Italy.⁸ On July 26, 1995, the Commission notified Commerce of its final affirmative injury determinations with respect to subject imports of seamless SLP pipe from Argentina, Brazil, Germany, and Italy. Commerce issued the antidumping duty orders on August 3, 1995, and the countervailing duty order on Italy effective August 9, 1995.⁹

The Commission instituted the first five-year reviews of the subject orders on July 3, 2000.¹⁰ On June 7, 2001, following full reviews, the Commission determined that revocation of the antidumping duty orders on seamless SLP pipe from Argentina, Brazil, and Germany would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. The Commission also determined that revocation of the antidumping duty and countervailing duty orders on seamless SLP pipe from Italy would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.^{11 12} For Italy, Commerce revoked the antidumping duty order effective August 3, 2000 and the countervailing duty order effective August 8, 2000.¹³ For Argentina, Brazil, and Germany, Commerce issued a continuation of the antidumping duty orders effective July 16, 2001.¹⁴

The Commission instituted the second five-year reviews of the subject orders on June 1, 2006.¹⁵ On May 2, 2007, following full reviews, the Commission determined that revocation of the antidumping

⁸ On April 27, 1995, Koppel Steel was subsequently granted co-petitioner status in the investigations.

⁹ *Notice of Antidumping Duty Order: Certain Diameter Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Argentina*, 60 FR 39708, August 3, 1995; *Notice of Final Determination of Sales at Less than Fair Value and Amended Final Determination: Small Diameter Circular Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Brazil*, 60 FR 39707, August 3, 1995; *Notice of Antidumping Duty Order and Amended Final Determinations: Certain Diameter Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Germany*, 60 FR 39704, August 3, 1995; *Notice of Antidumping Duty Order: Certain Diameter Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Italy*, 60 FR 39705, August 3, 1995; *Notice of Countervailing Duty Order: Small Diameter Circular Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe (“Seamless Pipe”) from Italy*, 60 FR 40569, August 9, 1995.

¹⁰ *Seamless Pipe from Argentina, Brazil, Germany, and Italy*, 65 FR 41090, July 3, 2000.

¹¹ *Notice of determinations in the first five-year reviews*, 66 FR 34717, June 29, 2001.

¹² Siderca S.A.I.C. (“Siderca”), a producer of subject merchandise in Argentina, contested the Commission’s determinations in the first review of these orders. On October 27, 2004, the U.S. Court of International Trade (“CIT”) remanded the Commission’s determinations with respect to Argentina, Brazil, and Germany in *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Argentina, Brazil, Germany, and Italy*, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review), USITC Publication 3429 (June 2001). The Commission found on remand that revocation of the antidumping duty orders on certain seamless carbon and alloy steel standard, line, and pressure pipe from Argentina, Brazil, and Germany would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a foreseeable time. *Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, and Germany (Views on Remand)*, Inv. Nos. 731-TA-707-709 (Review) (Remand), USITC Publication 3754, February 2005.

¹³ *Revocation of Antidumping and Countervailing Duty Orders: Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Italy*, 66 FR 36999, July 16, 2001.

¹⁴ *Continuation of Antidumping Duty Orders: Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, and Germany*, 66 FR 37004, July 16, 2001.

¹⁵ *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Argentina, Brazil, and Germany*, 71 FR 31209, June 1, 2006.

duty order on seamless SLP pipe from Germany would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time. The Commission also determined that revocation of the antidumping duty orders on seamless SLP pipe from Argentina and Brazil would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹⁶ On May 18, 2007, Commerce issued a continuation of the antidumping duty order on imports of seamless SLP pipe from Germany, and revoked the antidumping duty orders with respect to Argentina and Brazil effective July 16, 2006.¹⁷

Commerce's Final Results of Expedited Five-Year Review

On July 27, 2012, Commerce notified the Commission of its final results in this five-year review. Commerce determined that termination of the antidumping duty order on seamless SLP pipe from Germany would be likely to lead to continuation or recurrence of dumping. Commerce also found that the magnitude of dumping likely to prevail if the order was revoked is 57.72 percent for Mannesmannrohren Werke AG and for all other German producers and exporters of subject merchandise.¹⁸

Commerce's Administrative Reviews

Since 2007, when the antidumping duty order was last continued, Commerce has not conducted any administrative reviews of the antidumping duty order on seamless SLP pipe from Germany. There have been no duty absorption rulings.

Related Commission Investigations and Reviews

Seamless SLP pipe has been the subject of several Commission investigations. A listing of these investigations is presented in the following tabulation.

¹⁶ *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Argentina, Brazil, and Germany*, 72 FR 26153, May 8, 2007.

¹⁷ *Continuation of Antidumping Duty Order on Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Germany*, 72 FR 28026, May 18, 2007; and *Revocation Pursuant to Second Five-year ("Sunset") Reviews of Antidumping Duty Orders: Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Argentina and Brazil*, 72 FR 28027, May 18, 2007.

¹⁸ *Certain Small Diameter Seamless Carbon and Alloy Standard, Line, and Pressure Pipe From Germany: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 77 FR 46385, August 3, 2012.

Year	Number	Country	Current status
1980	731-TA-15 ¹	Japan	Negative
1982	731-TA-87 ¹	Japan	ITA revoked effective 10/29/85
1994	701-TA-362	Italy	ITA revoked effective 8/8/00
1994	731-TA-707	Argentina	ITA revoked effective 7/16/06
1994	731-TA-708	Brazil	ITA revoked effective 7/16/06
1994	731-TA-710	Italy	ITA revoked effective 8/3/00
2000	731-TA-846	The Czech Republic	ITA revoked effective 8/14/05
2000	731-TA-847 ¹	Japan	Continuation order effective 10/11/11
2000	731-TA-849	Romania	Continuation order effective 10/11/11
2000	731-TA-850	South Africa	ITA revoked effective 8/14/05
2001	TA-201-73 ¹	Global	ITC negative determination 12/20/01
2009	701-TA-469 and 731-TA-1168 ¹	China	Antidumping duty and countervailing duty orders effective 11/10/10

¹ These investigations included large-diameter seamless SLP pipe.

Source: *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China: Inv. Nos. 701-TA-469 and 731-TA-1168 (Final)*, Publication 4190, November 2010, pp. I-4-6.

THE PRODUCT

Scope

Commerce defines the scope of the subject merchandise as follows:

The scope of this order includes small diameter seamless carbon and alloy standard, line and pressure pipes (seamless pipes) produced to the ASTM A-335, ASTM A-106, ASTM A-53 and API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of this order also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters below, regardless of specification.

For purposes of this order, seamless pipes are seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside diameter, regardless of wall thickness, manufacturing process (hot-finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish. These pipes are commonly known as standard pipe, line pipe or pressure pipe, depending upon the application. They may also be used in structural applications. Pipes produced in non-standard wall thicknesses are commonly referred to as tubes.

The seamless pipes subject to this order are currently classifiable under subheadings 7304.19.10.20, 7304.19.50.20, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (HTSUS).

The following information further defines the scope of this order, which covers pipes meeting the physical parameters described above:

Specifications, Characteristics and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the American Society for Testing and Materials (ASTM) standard A-106 may be used in temperatures of up to 1000 degrees fahrenheit, at various American Society of Mechanical Engineers (ASME) code stress levels. Alloy pipes made to ASTM standard A-335 must be used if temperatures and stress levels exceed those allowed for A-106 and the ASME codes. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipe lines. Seamless line pipes are produced to the API 5L specification.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53 and API 5L specifications. Such triple certification of pipes is common because all pipes meeting the stringent A-106 specification necessarily meet the API 5L and ASTM A-53 specifications. Pipes meeting the API 5L specification necessarily meet the ASTM A-53 specification. However, pipes meeting the A-53 or API 5L specifications do not necessarily meet the A-106 specification. To avoid maintaining separate production runs and separate inventories, manufacturers triple certify the pipes. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple certified pipes is in pressure piping systems by refineries, petrochemical plants and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, A-106 pipes may be used in some boiler applications.

The scope of this order includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, and whether or not also certified to a non-covered specification. Standard, line and pressure applications and the above-listed specifications are defining characteristics of the scope of this order. Therefore, seamless pipes meeting the physical description above, but not produced to the A-335, A-106, A-53, or API 5L standards shall be covered if used in a standard, line or pressure application.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in A-106 applications. These specifications generally include A-162, A-192, A-210, A-333, and A-524. When such pipes are used in a standard, line or pressure pipe application, such products are covered by the scope of this order.

Specifically excluded from this order are boiler tubing and mechanical tubing, if such products are not produced to A-335, A-106, A-53 or API 5L specifications and are not used in standard, line or pressure applications. In addition, finished and unfinished OCTG are excluded from the scope of this order, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in this scope when used in standard, line or pressure applications. Finally, also excluded from this order are redraw hollows for cold-drawing when used in the production of cold-drawn pipe or tube.^{19 20}

In addition, as a result of a scope ruling issued by Commerce on June 25, 1999, tubing with a circular cross-section and an outside diameter that varies from 0.05 mm to 25 mm is excluded from the antidumping order.²¹

Tariff Treatment

Subject seamless SLP pipe is currently imported under the statistical reporting numbers 7304.19.1020, 7304.19.5020, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, and 7304.59.8025 of the HTSUS.²² The column 1-general (normal trade relations) rates of duty for the subject products are free.

Domestic Like Product and Domestic Industry

In its original determinations and its first and second full five-year review determinations, the Commission found one domestic like product consisting of seamless carbon and alloy steel standard, line, and pressure pipe and tube not more than 4.5 inches in outside diameter, and including redraw hollows. The Commission defined the domestic industry as producers of the domestic like product. U.S. Steel indicated in its response to the Commission's notice of institution in this current review that it agrees with the Commission's like product definition.²³

¹⁹ *Continuation of Antidumping Duty Order on Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Germany*, 72 FR 28026, May 18, 2007. See also *Certain Small Diameter Seamless Carbon and Alloy Standard, Line, and Pressure Pipe From Germany: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 77 FR 46385, August 3, 2012.

²⁰ Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

²¹ *Notice of Scope Rulings*, 65 FR 41957, July 7, 2000.

²² As of February 3, 2007, statistical reporting numbers 7304.19.1020 and 7304.19.5020 replaced 7304.10.1020 and 7304.10.5020, respectively.

²³ *Response of domestic interested party*, May 2, 2012, p. 24.

Physical Characteristics and Uses²⁴

Standard, line, and pressure pipe is generally intended to convey liquids and is typically tested and rated for its ability to withstand hydrostatic pressure. Seamless standard pipe is most commonly produced to the American Society for Testing and Materials (“ASTM”) A-53 standard, and generally is not intended for high temperature or high pressure service. Rather, typical end use applications include the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinklers, and other related uses.²⁵

Seamless line pipe is produced to the API 5L specification, and is intended for the conveyance of oil and natural gas and other fluids in pipe lines, transmission lines, or gathering lines.

Seamless pressure pipe is commonly produced to ASTM A-106 specification (covering seamless carbon steel pipe for high temperature service), and is intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas, and other liquids and gases at elevated temperature or pressure, or both, in industrial piping systems. Seamless pressure pipe may carry substances at elevated temperatures and pressures and may be subject to external heat. Seamless pressure pipe meeting ASTM A-106 specification may be used in temperatures of up to 1,000 degrees Fahrenheit at various ASME code stress levels.²⁶

Seamless SLP pipe is commonly produced and certified to meet multiple specifications to avoid separate production runs and maintaining inventories for pipe sold for different applications. Manufacturers often quadruple certify pipe made to ASTM A-106, ASTM A-53, API 5L Grade B, and API 5L X-42 specifications,²⁷ thus allowing distributors to maintain a single inventory of quad stenciled pipe²⁸ for use in multiple applications. Small diameter seamless SLP pipe in sizes greater than 2 inches

²⁴ Unless indicated otherwise, the discussion in this section is based on information contained in *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Argentina, Brazil, and Germany, Investigation Nos. 731-TA-707-709 (Second Review)*, USITC Publication 3918, May 2007, pp. I-19-I-25.

²⁵ Depending on the type and grade, however, standard pipe may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements. If exceptionally low temperature end-uses or conditions are anticipated, seamless standard pipe may be produced to meet ASTM A-333 and A-334 specifications (covering carbon and alloy seamless pipe and tube for low temperature service). ASTM A-333 and A-334 cover several grades of steel used for low temperature applications. Grades 1, 6, and 10 are carbon steel grades. Grades 3, 4, 7, 8, 9, and 11 are alloy steel grades containing nickel and some other alloying elements. The most common alloy steel grade is grade 3, which contains about 3.5 percent nickel.

²⁶ Seamless alloy pipes produced to the ASTM A-335 specification (covering alloy steel pipe for high temperature service) must be used if temperatures and stress levels exceed those allowed for ASTM A-106.

²⁷ Principal differences among standard pipe made to the A-53 specification, pressure pipe made to the A-106 specification, and line pipe made to the API 5L X-42 or grade B specifications include differences in minimum yield strength, chemical composition, and variation in permissible weight and dimensional tolerances. Line pipe made to the API 5L X-42 specification has a higher minimum yield strength (42,000 pounds per square inch (psi)) than line pipe made to API grade B specification (35,000 psi), pressure pipe made to A-106 grade B specification (35,000 psi), and standard pipe made to A-53 grade B specification (35,000 psi). Alloying elements such as columbium (niobium) and titanium may be included in line pipe made to API 5L X-42 or grade B to achieve a higher minimum yield strength than that of standard pipe made to A-53. Line pipe made to API 5L X-42 may also contain more manganese, which increases tensile strength and hardness, than either standard pipe (A-53) or pressure pipe (A-106). Variations in permissible weight and dimensional tolerances are more stringent for pressure pipe (A-106), and line pipe (API 5L grade B or X-42), than those for standard pipe (A-53). However, all of these specifications overlap, so that pipe may be produced to comply with all of them, allowing for multiple certification.

²⁸ Quadruple certification is referred to as a “quad stencil,” whereby manufacturers put four stencils, or markings, on the pipe to show that it has been produced to meet the requirements and tests pursuant to the respective specifications.

and less than or equal to 4.5 inches in outside diameter is commonly produced and certified with a quad stencil while small diameter seamless SLP pipe in sizes less than or equal to 2 inches in outside diameter is commonly produced as pressure pipe and according to the A-106 specification.

Most steel products, including those subject to this review, are produced from carbon steel, which contains controlled amounts of carbon and manganese.²⁹ Alloy steel, which provides physical properties not achievable to the same degree as carbon steel,³⁰ contains controlled amounts of alloying elements—usually, nickel, chromium, and molybdenum.³¹ ASTM specifications covering alloy steel include ASTM A-333, A-334, and A-335.

Seamless SLP pipe may be used in petrochemical and other non-pipeline applications, as well as in high pressure or high temperature applications, including in steam lines. Seamless SLP pipe less than 2 inches in outside diameter is commonly pressure used in high pressure and high temperature applications—for example, in the construction or repair of refineries and chemical plants. Slightly larger pipes are used in more general high pressure applications in industrial piping systems. Seamless SLP pipe that is 2-3/8 inches or greater in outside diameter may be used in gathering lines or as line pipe for the conveyance of oil or natural gas. Seamless pipe with outside diameters (especially pipe with an OD greater than 4.5 inches, which is not subject to these reviews) is typically line pipe used in gas transmission, as well as in pipeline construction.

Alloy steel pipe is particularly suitable for application in high temperature or low temperature service. Uses can differ from those of carbon steel pipe, based upon the service requirements and temperature and pressure requirements of the ASME Boiler and Pressure Code.

Manufacturing Processes

In the United States, steel used to produce seamless SLP pipe is made by either the basic-oxygen process, in which scrap is added to molten pig iron and alloying materials to convert into molten steel, or by the electric-arc furnace (EAF) process, in which steel scrap, direct-reduced iron, cold pig iron, and alloying materials are melted and converted into molten steel. The chemical composition of steel, including the level of carbon, manganese, and any alloying elements, such as nickel, chromium, and molybdenum, is controlled in the melting process. Molten steel produced by either steelmaking process is continuously cast into either round or square billets, which are the starting materials for the production of seamless SLP pipe. Seamless SLP pipe producers that do not maintain steelmaking operations use purchased billets or redraw hollows as their raw material.

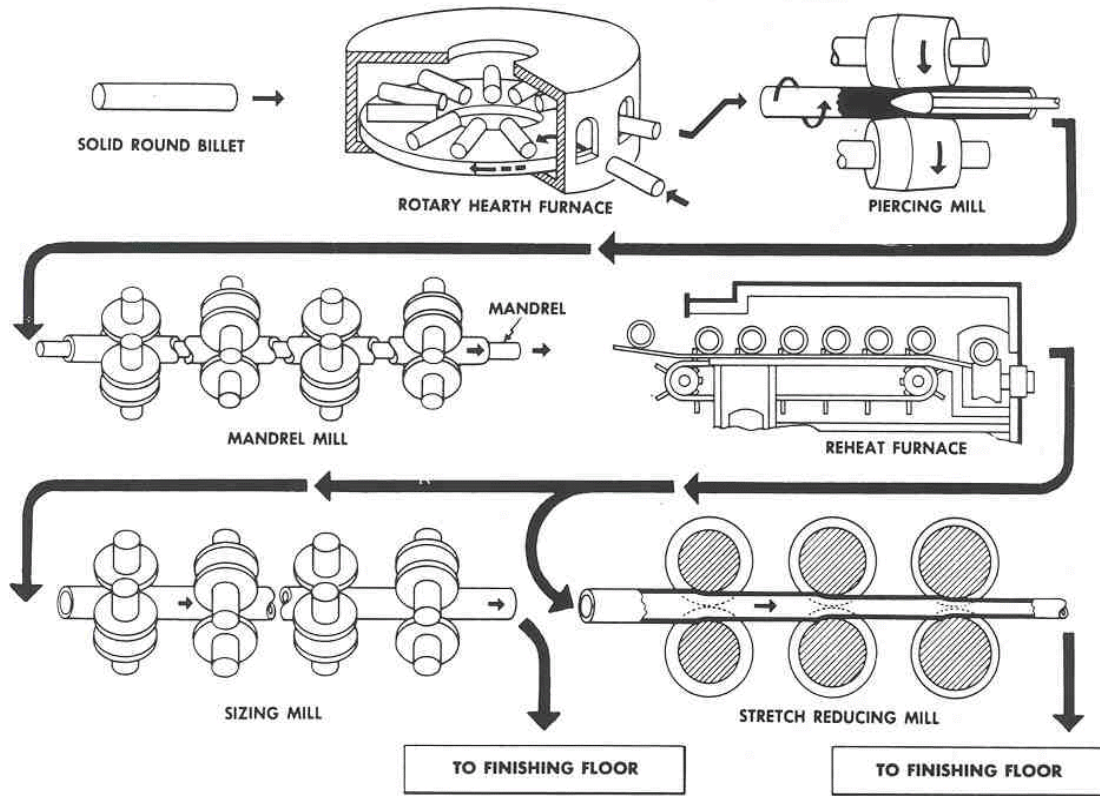
Seamless SLP pipe is manufactured by either of two high temperature processes to form a central cavity in a solid steel billet. In the rotary piercing process, a heated billet is gripped by angled rolls, which cause the billet to rotate and advance over a piercer point, forming a hole through its length (figure I-1). In the extrusion process, the billet is hot-punch pierced and then extruded axially through a die and over a mandrel, forming a hollow shell (figure I-2). The hollow shell produced by either process is then rolled with either a fixed plug or a continuous mandrel inside the shell to reduce the wall thickness and increase the length. The shell is then rolled in a sizing mill or a stretch reduction mill where the shell is formed in a true round and sized to the specified diameter.

²⁹ Manganese primarily increases tensile strength and hardness, while reducing ductility and weldability.

³⁰ Alloy steels achieve a high degree of strength and toughness while maintaining weldability—attributes that can be achieved with carbon steels, though not always to the same degree.

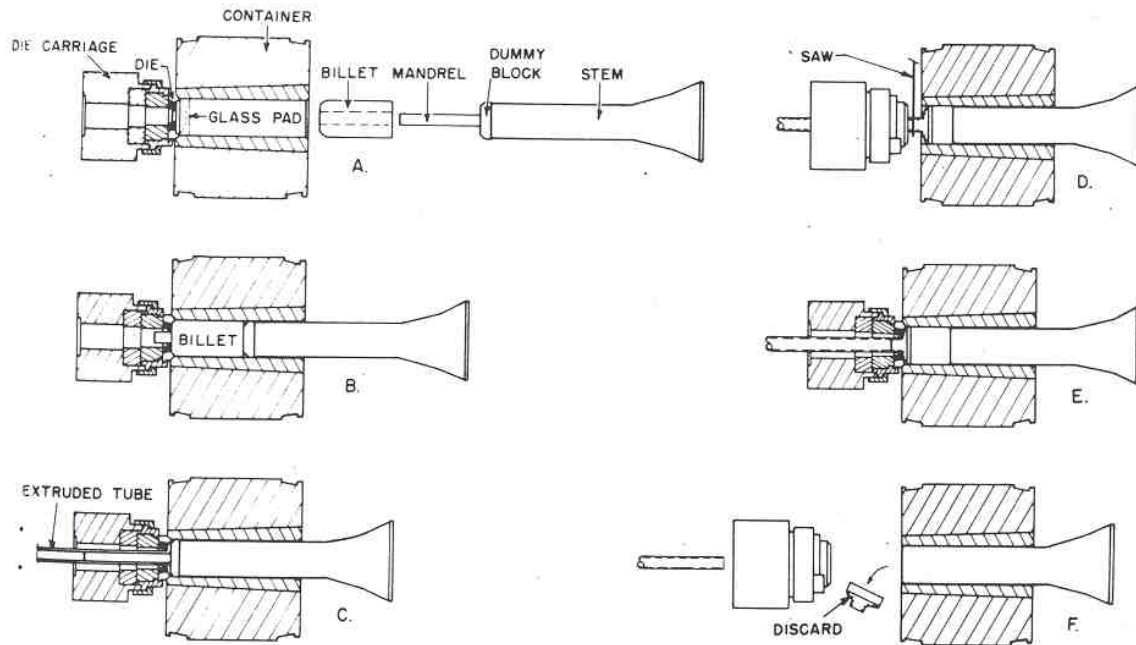
³¹ Nickel primarily increases toughness, especially at lower temperatures, as well as increases tensile strength and hardness, while slightly reducing weldability. Chromium primarily increases tensile strength and hardness, and reduces weldability. Higher concentrations of chromium can improve corrosion and abrasion resistance. Molybdenum primarily increases tensile strength and hardness, but reduces weldability.

Figure I-1
Seamless pipe: Sequence of operations used to produce seamless pipe products by piercing and rolling



Source: AISI, *Steel Products Manual: Steel Specialty Tubular Products*, October 1980, p. 17.

Figure I-2
Seamless pipe: Cycle of operations in the production of an extruded tubular section



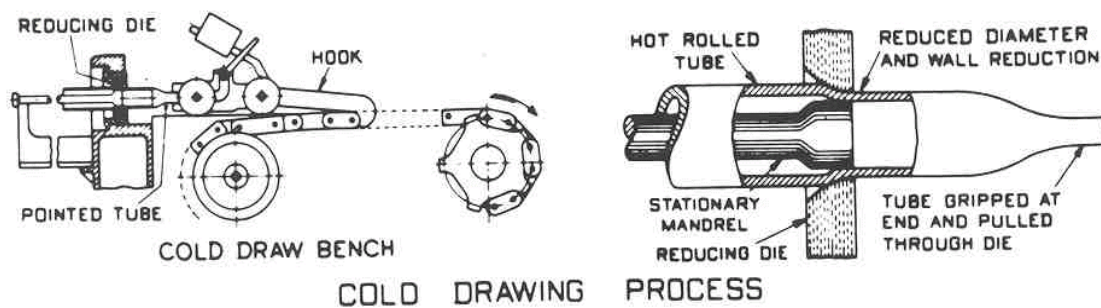
Source: AISI, *Steel Products Manual: Steel Specialty Tubular Products*, October 1980, p. 19.

Typically, seamless SLP pipe is produced hot-finished. However, small diameter pipe of less than two inches in outside diameter is often cold drawn because hot rolling of small diameter pipe is often not possible.³² Pipe also may be cold drawn to provide a smoother surface and closer dimensional tolerances than that which can be produced by hot finishing. When pipe is to be cold drawn, seamless hollows (redraw hollows) are first pickled in acid to remove scale and oxides from both the outside and inside surfaces. The redraw hollows are then rinsed in water and coated with a lubricant for cold drawing. The hollow is pulled through a die and over an internal mandrel, which reduces the outside diameter and increases the length (figure I-3). The mandrel inside the hollow controls the inside diameter and the wall thickness. Following cold drawing, the hollows are annealed (heat treated).³³

³² The minimum diameter for hot rolling differs from producer to producer because of differences in equipment capabilities.

³³ Alloy steel pipe and carbon steel pipe may require heat treating, which may involve one or more heating cycles in either a continuous furnace or a batch furnace, with controlled rates of cooling. Specific heat treating requirements are dependent upon the grade of steel being processed and the specification to which the steel is produced. The same processes and equipment are used to heat treat carbon and alloy steel seamless SLP pipe.

Figure I-3
Seamless pipe: Diagram of the cold drawing process



Source: AISI, *Steel Products Manual: Steel Specialty Tubular Products*, October 1980, p. 25.

Finishing operations on subject seamless SLP pipe include straightening, cutting to length, inspection, testing, end finishing (e.g., beveling or threading), and coating. Pipes may be furnished galvanized (hot-dip zinc coated) and may be threaded and coupled.

Other steel seamless tubing products that are produced on the same equipment as subject seamless SLP pipe include seamless SLP pipe with an outside diameter greater than 4.5 inches, coupling stock, mechanical tubing, OCTG, pressure tubing, and structural pipe and tubing, all of which may be made of alloy steel or carbon steel.

Interchangeability and Customer and Producer Perceptions

As discussed above, seamless SLP pipe is manufactured in a range of pipe diameters. There is limited interchangeability between pipes of different sizes, although pipes of different diameters may be used in some of the same applications. Small-diameter pipe frequently is used in petrochemical and other standard applications such as the conveyance of water, steam, chemicals, natural gases, and other liquids and gases in industrial piping systems, in addition to oil and gas pipelines. In contrast, large-diameter pipe is used primarily in pipeline construction for oil, gas, or water, or utility distribution systems.³⁴

Channels of Distribution

As reported during the final phase of the original investigations and subsequent reviews, domestic producers sell the majority of their shipments of seamless SLP pipe to distributors.³⁵

Pricing

In the original investigations, German product was priced lower than domestic product in 21 of 33 quarterly price comparisons; underselling margins ranged from less than *** percent to *** percent.

³⁴ *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from the Czech Republic, Japan, Mexico, Romania, and South Africa, Investigation Nos. 731-TA-846-850 (Review)*, USITC Publication 3850, April 2006, p. I-26.

³⁵ *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Argentina, Brazil, and Germany, Investigation Nos. 731-TA-707-709 (Second Review)*, USITC Publication 3918, May 2007, p. II-1.

In the first reviews, the Commission obtained no pricing data with respect to subject pipe imports from Germany. Only limited pricing data were provided for German seamless SLP pipe during the second reviews. During the second reviews, the Commission determined that seamless SLP pipe is a product that is generally substitutable and for which price is important in purchasing decisions.³⁶

The following tabulation presents 2011 pricing data as published by *Preston Pipe and Tube*, in dollars per short ton.

Seamless line pipe with O.D. of 4 ½" or less: Average monthly market price, 2011											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1,716	1,746	1,719	1,635	1,617	1,622	1,613	1,597	1,587	1,603	1,635	1,617
Note.--Prices are average transaction prices by weighted average value. Prices are a combination of both domestic (U.S.) and import shipments.											
Source: Preston Pipe and Tube Report, U.S. and Canada, February 2012.											

THE INDUSTRY IN THE UNITED STATES

U.S. Producers

During the original investigations, the Commission identified seven firms that produced the domestic like product. In the first full review of the orders, the Commission identified the following U.S. producers of seamless SLP pipe: Koppel Steel, Plymouth Tube, Sharon Tube, Timken, U.S. Steel, and Vision Metals (Gulf States and Michigan Specialty). In the second full review of the orders, the Commission identified four firms believed to account for the vast majority of production of the domestic like product: Koppel Steel, Sharon Tube, Timken, and U.S. Steel.

In this current review, the domestic interested party identified the following six U.S. firms that currently produce seamless SLP pipe: (1) Michigan Seamless Tube, LLC; (2) Plymouth Tube Company; (3) The Timken Company; (4) TMK IPSCO; (5) United States Steel Corporation; and (6) Wheatland Tube Company (JMC Steel Group).

After the original investigations, the U.S. industry experienced consolidation and an overall reduction in the number of U.S. producers of seamless SLP pipe. In 2000, the parent company of Gulf States, Vision Metals, Inc., filed for bankruptcy and closed its Rosenberg, TX, seamless SLP pipe production facility. In 2002, Michigan Seamless Tube, Inc. was created to purchase the Michigan Specialty Tube Division of the defunct Vision Metals, Inc., and became part of Atlas Holdings, LLC, a private equity firm. Also in 2002, Wheatland Tube purchased the Sawhill Tubular Division from AK Steel, Inc., which included the Sharon Tube Co. facilities in Sharon, PA, as well as facilities in Wheatland, PA, and Warren, OH. Then, in 2006, NS Group (owner of Koppel) was purchased by IPSCO, Inc. and, in 2008, the U.S. tubular plants of IPSCO were purchased by TMK, forming TMK IPSCO.³⁷

³⁶ Second Review Confidential Views, p. 50; and *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Argentina, Brazil, and Germany, Investigation Nos. 731-TA-707-709 (Second Review)*, USITC Publication 3918, May 2007, p. 34.

³⁷ *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Argentina, Brazil, and Germany, Investigation Nos. 731-TA-707-709 (Second Review)*, USITC Publication 3918, May 2007, pp. I-27-I-28; and *Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan and Romania, Investigation Nos. 731-TA-847 and 849 (Second Review)*, USITC Publication 4262, September 2011, pp. I-12-I-13.

In addition, V&M Star's \$650-million seamless mill in Youngstown, OH, is expected to begin commercial operations in the second half of 2012. The new mill will produce seamless pipe from 2 3/8 to 7 inches in diameter and will be in full operation in 2013.³⁸

Furthermore, a leading Chinese producer of seamless tube, Tianjin Pipe Group Corp. (TPCO), is investing in a seamless mill in Gregory, TX, that will include a 550,000-ton mini-mill to supply its own steel. The plant is expected to be completed within 3 years, employing 600 at full capacity and producing seamless pipe (including OCTG and line pipe) with outside diameters ranging from 4 1/2 to 10 3/4 inches.³⁹

Table I-1 presents important industry events since the second review.

Table I-1
Important U.S. industry events, 2006-11

Year	Company	Description of event (merger, shutdown, bankruptcy, change in production capacity level, etc.)
2006	IPSCO	Acquisition: IPSCO purchases NS Group (owner of Koppel)
2007	IPSCO	Acquisition: SSAB (Sweden) purchases IPSCO for approximately \$7.7 billion in July 2007. In December 2006, IPSCO had acquired NS Steel (parent company of former seamless SLP pipe producer Koppel Steel), Newport, KY.
	Wheatland Tube	Acquisition: John Maneely Co. (parent company of Wheatland Tube) acquires seamless SLP pipe producer Sharon Tube, Sharon, PA, in January 2007. John Maneely is a subsidiary of the Carlyle Group (a Washington, DC-based investment firm).
2008	Evrax Group SA and TMK (Russia)	Acquisition: Evrax Group SA and TMK purchase SSAB's IPSCO tubular facilities in North America for \$4 billion in June 2008. TMK obtains all of IPSCO's U.S. tubular operations and 51 percent of NS Group for approximately \$1.2 billion. IPSCO's tubular operations are renamed TMK IPSCO.
	Wheatland Tube	Acquisition cancelled: Russian steel producer OJSC Novolipestk Steel suspends efforts to acquire John Maneely Co.

Table continued on next page.

³⁸ "Planned Projects Push OCTG Sector Forward," American Metal Market, January 31, 2012, found at <http://www.amm.com>, retrieved July 16, 2012.

³⁹ Ibid.

Table I-1--Continued
Important U.S. industry events, 2006-11

2009	TMK IPSCO	Acquisition: TMK IPSCO acquires the remaining shares of NS Group from Evraz for \$508 million in February 2009, becoming sole owner.
	TMK IPSCO	New facility: TMK IPSCO completes a new quenching and tempering facility at Baytown Works in Baytown, TX. The facility is designed to heat treat and finish seamless standard pipes for high temperature applications, line pipe, and OCTG, with sizes from 2 3/8 to 7 5/8 inches in diameter with capacity of 85,000 tons per year and with potential for increasing to 100,000 tons.
	TMK IPSCO	Plant idling: All locations are closed for portions of the year and experience reduced operating schedules.
	U.S. Steel	Plant idling: U.S. Steel idles its small diameter seamless pipe mill in Lorain, OH, in March 2009, and into 2010. In May 2009, U.S. Steel temporarily idles the blast furnace and caster, but continues operating its seamless pipe mill at reduced levels at its Fairfield, AL, facility.
	Michigan Seamless Tube	Plant upgrading: Michigan Seamless adds a new coating line to its South Lyon, Michigan, facility which will improve product's corrosion resistance and appearance. ¹
2010	V&M Star LP	Capacity expansion: V&M Star LP breaks ground on a \$650-million tubular mill expansion project in Youngstown, Ohio. The melt shop and billet casting operations will increase annual output by 830,000 tons to 1.4 million tons of liquid steel. Current employment at the plant is about 500 workers; the expansion will add 350 new jobs. Existing tubular capacity is 550,000 tons with O.D. from 5 to 10.756 inches. The new plant will add 390,000 tons of finished tubulars with an O.D. from 2.375 to 7 inches. The new mill has a heat-treat line and a high-speed threading facility for tube products and OCTG. Fifteen percent of the new mill's capacity will be for seamless SLP pipe, while 75 percent will be for OCTG and 10 percent for drill pipe. The plant will serve traditional natural gas customers and potential major shale basins including Marcellus, Fayetteville, and Haysville. The state of Ohio contributed \$20 million to upgrade road and related infrastructure.
	TMK IPSCO	Labor contract ratification: TMK IPSCO and its employees at Koppel and Ambridge, PA, tubular plants ratify a new labor agreement which will remain in effect through May 31, 2014.
	Timken	Investment: Timken announces plans to install a \$50-million intermediate finishing line at the Gambrinus Steel Plant for both bar and tube products.
2011	Tianjin Pipe (China)	Investment: Tianjin Pipe breaks ground on its seamless steel pipe project in Gregory, TX. Project completion is expected in 3 years with a capacity of 550,000 short tons. Products include line pipe, drill pipe, and OCTG. ²
<p>¹ "Michigan Seamless Tube adds UV Coating line," American Metal Market, July 14, 2009, found at http://www.amm.com, retrieved July 16, 2012.</p> <p>² "Planned Projects Push OCTG Sector Forward," American Metal Market, January 31, 2012, found at http://www.amm.com, retrieved July 16, 2012.</p> <p>Source: Except as otherwise stated, data used in this table are obtained from "Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China," <i>Inv. Nos 701-TA-469 and 731-TA-1168 (Final)</i>, USITC Publication 4190, November 2010.</p>		

U.S. Producers' Trade and Financial Data

The Commission requested domestic interested parties to present certain data in their response to the notice of institution. Table I-2 presents U.S. Steel's 2011 data on its operations for seamless SLP pipe as well as historical data from 1994, 2000, and 2005, the last years for which data were collected in the original investigations and subsequent reviews.

Table I-2
Seamless SLP pipe: U.S. producers' trade and financial data, 1994, 2000, 2005, and 2011

Item	1994	2000	2005	2011
Capacity (<i>short tons</i>)	292,650	327,838	***	***
Production (<i>short tons</i>)	138,295	134,365	***	***
Capacity utilization (<i>percent</i>)	47.3	41.0	***	***
U.S. shipments:				
Quantity (<i>short tons</i>)	137,993	130,743	***	***
Value (<i>1,000 dollars</i>)	91,688	99,353	***	***
Unit value (<i>dollars per short ton</i>)	\$664	\$760	\$***	\$***
Net sales (<i>\$1,000</i>)	91,788	102,395	***	***
Cost of goods sold (COGS) (<i>\$1,000</i>)	87,314	89,676	***	***
Gross profit or (loss) (<i>\$1,000</i>)	4,474	12,719	***	***
SG&A (<i>\$1,000</i>)	4,597	6,503	***	***
Operating income or (loss) (<i>\$1,000</i>)	(123)	6,216	***	***
COGS/sales (<i>percent</i>)	95.1	87.6	***	***
Operating income or (loss)/sales (<i>percent</i>)	(0.1)	6.1	***	***
<p>Note.—The following producers reported the data presented in this table: Koppel Steel, Plymouth Tube, Quanex, Sharon Tube, Timken, and U.S. Steel (1994); Koppel Steel, Plymouth Tube, Sharon Tube, Timken, U.S. Steel, and Vision Metals (new owner of petitioner Quanex's seamless SLP pipe subsidiaries) (2000); Koppel Steel, Sharon Tube, Timken, and U.S. Steel (2005); U.S. Steel (2011).</p> <p>Source: Compiled from data presented in the original staff report and subsequent five-year reviews, and <i>Response</i> of domestic interested party, May 2, 2012, exh. 29.</p>				

Related Party Issues

The domestic interested party is not aware of any related parties.⁴⁰

⁴⁰ *Response* of domestic interested party, May 2, 2012, p. 22. V&M Star, a U.S. producer related to V&M Deutschland, is scheduled to begin U.S. production of seamless SLP pipe in the second half of 2012.

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

U.S. Imports

Data regarding U.S. imports of seamless SLP pipe, as reported by Commerce, are presented in table I-3. U.S. imports from Germany decreased by 72.9 percent between 2006 and 2011, from 15,687 short tons to 4,249 short tons. Imports from all other countries increased by 8.0 percent between 2006 and 2011, from 185,374 short tons to 200,198 short tons. The value of total imports increased by 50.5 percent, reflecting rising unit values during most of the period. U.S. imports from China were subject to countervailing and antidumping duty investigations in 2009-10, and since November 2010 have been subject to countervailing and antidumping duty orders. U.S. imports of small-diameter seamless SLP pipe from China decreased from 197,022 short tons in 2008 to 5,652 short tons in 2010 and were 784 short tons in 2011.

Table I-3
Seamless SLP pipe: U.S. imports, by source, 2006-11

Item	2006	2007	2008	2009	2010	2011
Quantity (short tons)						
Germany	15,687	11,728	9,058	2,431	4,312	4,249
All other ¹	185,374	171,626	293,515	98,222	113,600	200,198
Total imports	201,061	183,354	302,573	100,653	117,912	204,447
Value (\$1,000)²						
Germany	16,764	20,625	17,591	6,000	8,539	9,352
All other ¹	182,705	170,175	375,425	145,796	155,193	290,944
Total imports	199,469	190,800	393,016	151,796	163,732	300,296
Unit value (dollars per short ton)						
Germany	1,069	1,759	1,942	2,469	1,981	2,201
All other ¹	986	992	1,279	1,484	1,366	1,453
Average, total	992	1,041	1,299	1,508	1,389	1,469

¹ The main sources of nonsubject imports are Ukraine, representing 14.8 percent of total imports during 2011; South Africa, 12.2 percent; India, 10.9 percent; and Russia, 10.1 percent. U.S. imports from China were subject to countervailing and antidumping duty investigations in 2009-10, and since November 2010 have been subject to countervailing and antidumping duty orders. U.S. imports of small-diameter seamless SLP pipe from China decreased from 197,022 short tons in 2008 to 5,652 short tons in 2010 and were 784 short tons in 2011.

² Landed, duty-paid.

Note.--U.S. import data from official import statistics consist primarily, but not exclusively, of standard, line, and pressure pipe. Thus, particularly for import sources subject to antidumping and/or countervailing duty orders, U.S. imports of seamless SLP pipe may be overstated.

Source: Official Commerce statistics, HTS statistical reporting numbers 7304.10.1020, 7304.10.5020, 7304.19.1020, 7304.19.5020, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.59.8010, and 7304.59.8015.

Ratio of Imports to U.S. Production

Imports of seamless SLP pipe from Germany were equivalent to *** percent of reported U.S. production in 2011. The ratio of imports of seamless SLP pipe from nonsubject countries to domestic production was *** percent in 2011.

Apparent U.S. Consumption and Market Shares

Apparent U.S. consumption and U.S. market shares of seamless SLP pipe are shown in table I-4.

Table I-4

Seamless SLP pipe: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1994, 2000, 2005, and 2011

Item	1994	2000	2005	2011
Quantity (short tons)				
U.S. producers' U.S. shipments	137,993	130,743	***	***
U.S. shipments of imports from ¹ -- Germany	***	***	***	4,249
All other ²	***	***	***	200,198
Total imports	67,254	73,525	***	204,447
Apparent U.S. consumption	205,247	204,268	***	***
Value (\$1,000)				
U.S. producers' U.S. shipments	91,688	99,353	***	***
U.S. shipments of imports from ¹ -- Germany	***	***	***	9,352
All other ²	***	***	***	290,944
Total imports	41,391	47,279	***	300,296
Apparent U.S. consumption	133,079	146,632	***	***
Share of consumption based on quantity (percent)				
U.S. producers' U.S. shipments	67.2	64.0	***	***
U.S. shipments of imports from ¹ -- Germany	***	***	***	***
All other ²	***	***	***	***
Total imports	32.8	36.0	***	***
Apparent U.S. consumption	100.0	100.0	100.0	100.0

Footnotes continued on next page.

¹ Official import statistics used for 2011.

² Subject imports in 1994 included imports from Argentina, Brazil, Italy (***) short tons, \$**, and ** percent of apparent consumption). Subject imports in 2000 included imports from Argentina, Brazil, and Italy (***) short tons, \$**, and ** percent of apparent consumption). Subject imports in 2005 included imports from Argentina and Brazil (***) short tons, \$**, and ** percent of apparent consumption).

Note.--U.S. import data from official import statistics consist primarily, but not exclusively, of standard, line, and pressure pipe. Thus, particularly for import sources subject to antidumping and/or countervailing duty orders, U.S. imports of seamless SLP pipe may be overstated.

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

Source: Compiled from data presented in the original staff report and the subsequent five-year reviews (1994, 2000, and 2005); and official Commerce statistics and *Response* of domestic interested party, May 2, 2012, exh. 29 (2011).

The domestic interested party, as well as purchasers ***, noted that the seamless SLP pipe market was negatively affected by the 2009 recession, causing demand to plummet in 2009, and affecting key market segments. Purchaser *** reports that energy-related demand for oil and gas drilling as well as pipe lines improved in 2011, but demand for other market segments remains low. In its response to the notice of institution, U.S. Steel reported that the non-residential construction market segment remains quite depressed. Consistent with this statement, purchaser *** believes that the market has been steady since 2010, but does not foresee improvement for the remainder of 2012.

As discussed previously, seamless SLP pipe is used in a variety of applications, including in the construction, industrial, and oil/gas sectors. Nonresidential construction in 2011 was valued at \$532.6 billion, a decrease of 4.1 percent from 2010 (\$555.4 billion).⁴¹ Seamless pipe consumption in petroleum, natural gas, and refinery operations began to recover in 2010 from a steep decline in 2009, but leveled off in mid-year 2010 below 2007 and 2008 peaks.⁴²

Somewhat in contrast, the Baker Hughes annual average U.S. rig count for 2011 stood at 1,875 drilling rigs actively exploring for or developing oil or natural gas in the United States, up from 1,541 rigs in 2010.⁴³ However, seamless SLP pipe is used in gathering and related line pipe applications rather than in drilling and extraction applications. Thus, the linkage between drilling activity and line pipe consumption is less direct than for other energy tubulars such as oil country tubular goods. Moreover, the relationship between seamless SLP pipe requirements and drilling activity may be subject to additional considerations such as the nature of the drilling operations. U.S. domestic first purchase prices for crude oil were 28.1 percent higher in 2011 than in 2010, while wellhead prices for natural gas were 11.8 percent lower in 2011 than in 2010 - but both were higher than in 2009.⁴⁴

Purchasers also report that there has been increased production in the U.S. and abroad of subject seamless SLP pipe, and anticipate increased production and availability of supply in the future. The domestic interested party and purchasers *** also reported increased levels of competition between U.S.-produced seamless SLP pipe and nonsubject seamless SLP pipe, and anticipate increased competition in the future due to new seamless pipe mills being built in the United States and abroad. For example, purchaser *** reported that the emergence of new producers in Korea and Southeast Asia in 2011 resulted in increased market competition. This is consistent with official import statistics, which show that U.S.

⁴¹ *U.S. Census Bureau News*, CB12-120, table 4, released July 2, 2012.

⁴² *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, Inv. Nos. 701-TA-469 and 731-TA-1168 (Final)*, USITC Publication 4190, November 2010, figure II-1.

⁴³ *Baker Hughes Rig Count, Annual Averages - By State*.

⁴⁴ U.S. domestic first purchase prices for crude oil increased from \$56.35 per barrel in 2009 to \$74.71 in 2010 and to \$95.73 in 2011. Natural gas wellhead prices fell from \$3.67 per thousand cubic feet in 2009 to \$4.48 in 2010 and decreased to \$3.95 in 2011. *U.S. Energy Information Administration*, "Monthly Energy Review," June 2012.

imports of seamless SLP pipe from Korea increased from approximately 710 short tons in 2010 to 2,265 short tons in 2011.⁴⁵

HISTORICAL DATA

Appendix C presents additional data from the original investigations and subsequent reviews that the Commission has compiled regarding seamless SLP pipe.

ANTIDUMPING ACTIONS OUTSIDE THE UNITED STATES

Based on available information, subject seamless SLP pipe from Germany has not been subject to any other import relief investigations in any other countries.

THE SUBJECT INDUSTRY IN GERMANY

In the second reviews, the Commission identified three German producers of seamless SLP pipe, namely, Benteler Stahl/Rohr GmbH (“Benteler”), Rohrwerk Neue Maxhutte GmbH (“Rohrwerk”), and V&M Deutschland GmbH (“VMD”), which reportedly accounted for all known seamless SLP pipe production in Germany. Table I-5 represents the capacities of these companies in 2010.

Table I-5
Seamless SLP pipe: Reported German seamless capacity, 2010

Company	Capacity in 2010 (in <i>short tons</i>)
Benteler	661,000 ¹
Rohrwerk	132,000
VMD	551,000
¹ Capacity is for both seamless and welded pipe.	
Source: Simdex.	

In this current review, U.S. Steel identified six German seamless SLP pipe producers: (1) Benteler Steel/Tube; (2) Enpar Sonderwerkstoffe GmbH; (3) ESW Rohrenwerke GmbH; (4) Rohrwerk Maxhutte GmbH; (5) TPS Technitube Rohrenwerke; (6) V&M Deutschland - Hot Rolled Tubes Division.

According to the World Steel Association (“WSA”), in 2009 (the most recent year reported), Germany was a leading manufacturer of seamless steel tube, producing approximately 1.1 million short tons. The data can overstate the actual production level of seamless SLP pipe because they include other types of products such as large pipes, OCTG, and mechanical tubing, which are large categories of tubes and pipes.⁴⁶

⁴⁵ Response of domestic interested party, May 2, 2012, pp. 19-21; and purchaser survey responses of ***.

⁴⁶ World Steel Association, *Steel Statistical Yearbook 2011*, p. 60.

THE GLOBAL MARKET

Data for SLP pipe markets outside the United States are limited, and not generally broken down by the size ranges relevant to this review. The World Steel Association (“WSA”) collects and publishes data on the production of “seamless tubes” which include tubular products across a broad range of sizes and applications. Reporting for this category is limited and dominated by China, with 27.9 million short tons of production in 2010, followed by Russia (2.9 million short tons), Japan (2.4 million short tons), and the United States (1.9 million short tons).⁴⁷

Metal Bulletin Research (“MBR”) maintains that Chinese mills may have to cease operations to reduce oversupply in the face of weak domestic demand.⁴⁸ In addition, global economic uncertainties and trade remedy measures taken by industrialized countries against Chinese products continue to render Chinese exports more difficult and less profitable.⁴⁹

In Europe, MBR notes that current seamless tube production is not significantly affected by economic uncertainties. However, the global weakening of demand in steel products is likely to lead to reduction in capacity utilization at pipe mills indirectly.⁵⁰

Based on Global Trade Atlas, in 2011, Germany was the world’s second-largest exporter of seamless pipe at 819,000 short tons, behind China at almost 2.8 million short tons. Most of Germany’s leading export markets for seamless pipe are its neighboring countries in the EU and the United States. In 2011, France was the leading importer of Germany’s seamless pipe exports, importing 122,626 short tons, followed by the United States at 73,518 short tons and Austria at 63,658 short tons. Other major markets for Germany’s exports of seamless pipe include Asian countries such as China (seventh-largest customer), South Korea (ninth-largest) and India (tenth-largest).⁵¹

⁴⁷ Ibid. The number of countries with publishable data has been decreasing over time, making trend analysis difficult and even calling into question size comparisons (for example, historic data for large producers such as Russia are unavailable).

⁴⁸ On July 13, 2012, China’s National Bureau of Statistics announced that the Chinese GDP grew by only 7.6 percent in the second quarter of 2012, its slowest pace in three years. It was also the sixth consecutive quarter of declining growth as sales, industry, and trade continued to weaken. See Dexter Roberts, “China Slows Despite Aggressive Stimulus,” *Businessweek*, July 13, 2012, found at <http://www.businessweek.com/printer/articles/61630-china-slows-despite-aggressive-stimulus>, retrieved July 14, 2012. Since seamless pipe is used in transmission or gathering of oil and natural gas, construction, food plants, paper mills, chemical plants, refineries, mechanical or structural uses, casing, shipbuilding, and fabricators, its market performance depends on the general conditions of the economy and, specifically, of the energy sector.

⁴⁹ *Metal Bulletin Research-Seamless*, June 2012, p. 3.

⁵⁰ *Metal Bulletin Research-Seamless*, June 2012, p. 3.

⁵¹ Global Trade Atlas, HTS subheadings 7304.10, 7304.19, 7304.39, and 7304.59. Global Trade Atlas data is meant for identifying market trends, rather than quantities of subject seamless SLP pipe. Global Trade Atlas provides data according to a six-digit HTS subheading, and thus include a large quantity of nonsubject seamless pipe.

APPENDIX A
***FEDERAL REGISTER* NOTICES**

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. 731–TA–709 (Third Review)]

Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Germany; Institution of a Five-Year Review of the Antidumping Duty Order

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on certain seamless carbon and alloy steel standard, line, and pressure pipe (“seamless pipe”) from Germany would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is May 2, 2012. Comments on the adequacy of responses may be filed with the Commission by June 15, 2012. For further information concerning the conduct of this review and rules of general application, consult the Commission’s Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207), as most recently amended at 74 FR 2847 (January 16, 2009).

DATES: *Effective Date:* April 2, 2012.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 12–5–268, expiration date June 30, 2014. Public reporting burden for the request is estimated to average 15 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436.

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

SUPPLEMENTARY INFORMATION:

Background.—On August 3, 1995, the Department of Commerce (“Commerce”) issued an antidumping duty order on imports of seamless pipe from Germany (60 FR 39704). Following the first five-year reviews by Commerce and the Commission, effective July 16, 2001, Commerce issued a continuation of the antidumping duty order on imports of seamless pipe from Germany (66 FR 37004). Following the second five-year reviews by Commerce and the Commission, effective May 18, 2007, Commerce issued a continuation of the antidumping duty order on imports of seamless pipe from Germany (72 FR 28026). The Commission is now conducting a third review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission’s determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

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

(2) The *Subject Country* in this review is Germany.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations and its full first and second five-year review determinations, the Commission found one *Domestic Like Product* consisting of seamless carbon and alloy steel standard, line,

and pressure pipe and tube not more than 4.5 inches in outside diameter, and including redraw hollows.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determinations and full first and second five-year review determinations, the Commission defined the Domestic Industry as producers of seamless carbon and alloy steel standard, line, and pressure pipe and tube not more than 4.5 inches in outside diameter, including redraw hollows.

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

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

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

Consequently, former employees are not required to seek Commission approval to appear in a review under Commission rule 19 CFR 201.15, even if the corresponding underlying original investigation was pending when they were Commission employees. For further ethics advice on this matter,

contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

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

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

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is May 2, 2012. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is June 15, 2012. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. Please be aware that the Commission's rules with respect to electronic filing have been amended. The amendments took effect on November 7, 2011. See 76 FR 61937 (Oct. 6, 2011) and the newly revised Commission's Handbook on E-Filing,

available on the Commission's Web site at <http://edis.usitc.gov>. Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

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

Information to be Provided In Response to this Notice of Institution: As used below, the term "firm" includes any related firms.

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

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

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

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

imports of *Subject Merchandise* on the *Domestic Industry*.

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

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2005.

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

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

(9) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2011, except as noted (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

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

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

(c) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s);

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

(e) the value of (i) net sales, (ii) cost of goods sold (COGS), (iii) gross profit,

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

(10) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2011 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

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

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

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

(11) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2011 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production;

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

downtime, maintenance, repair, and cleanup, and a typical or representative product mix); and

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

(12) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 2005, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

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

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: March 27, 2012.

James R. Holbein,

Secretary to the Commission.

[FR Doc. 2012-7800 Filed 3-30-12; 8:45 am]

BILLING CODE 7020-02-P

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”), the Department of Commerce (“the Department”) is automatically initiating a five-year review (“Sunset Review”) of the antidumping duty orders listed below. The International Trade Commission (“the Commission”) is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers the same orders.

DATES: *Effective Date:* April 1, 2012.

FOR FURTHER INFORMATION CONTACT: The Department official identified in the *Initiation of Review* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

The Department’s procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year (“Sunset”) Reviews of*

Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department’s conduct of Sunset Reviews is set forth in the Department’s Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-Year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998), and in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012).

Initiation of Review

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping duty orders:

DEPARTMENT OF COMMERCE
International Trade Administration
Initiation of Five-Year (“Sunset”) Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DOC Case No.	ITC Case No.	Country	Product	Department contact
A–570–866	731–TA–921	China	Folding Gift Boxes (2nd Review)	Jennifer Moats, (202) 482–5047
A–428–820	731–TA–709	Germany	Seamless Pipe and Pressure Pipe (3rd Review).	Dana Mermelstein, (202) 482–1391

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the pertinent statute and Department’s regulations, the Department schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on the Department’s Internet Web site at the following address: <http://ia.ita.doc.gov/sunset/>. All submissions in these Sunset Reviews must be filed in accordance with the Department’s regulations regarding format, translation, and service of documents. These rules can be found at 19 CFR 351.303.

This notice serves as a reminder that any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. See section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials

as well as their representatives in all AD/CVD investigations or proceedings initiated on or after March 14, 2011. See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule*, 76 FR 7491 (February 10, 2011) (“*Interim Final Rule*”) amending 19 CFR 351.303(g)(1) and (2) and supplemented by *Certification of Factual Information To Import Administration During Antidumping and Countervailing Duty Proceedings: Supplemental Interim Final Rule*, 76 FR 54697 (September 2, 2011). The formats for the revised certifications are provided at the end of the *Interim Final Rule*. The Department intends to reject factual submissions if the submitting party does not comply with the revised certification requirements.

Pursuant to 19 CFR 351.103(d), the Department will maintain and make available a service list for these proceedings. To facilitate the timely

preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order (“APO”) immediately following publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The Department’s regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304–306.

Information Required From Interested Parties

Domestic interested parties defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b) wishing to participate in a Sunset Review must

respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the order without further review. See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that all parties wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.¹ Please consult the Department's regulations at 19 CFR Part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: March 22, 2012.

Christian Marsh,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2012-7863 Filed 3-30-12; 8:45 am]

BILLING CODE 3510-DS-P

¹ In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests to extend that five-day deadline based upon a showing of good cause.

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. 731–TA–709 (Third Review)]

Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Certain Seamless Carbon and Alloy Steel, Standard, Line, and Pressure Pipe from Germany.

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on certain seamless carbon and alloy steel, standard, line, and pressure pipe from Germany would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:* July 6, 2012.

FOR FURTHER INFORMATION CONTACT: Keysha Martinez (202–205–2136), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. On July 6, 2012, the Commission determined that the domestic interested party group response to its notice of institution (77 FR 19711, April 2, 2012) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant

conducting a full review.¹ Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

Staff report. A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on July 27, 2012, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

Written submissions. As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before August 1, 2012 and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by August 1, 2012. However, should the Department of Commerce extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. Please be aware that the Commission's rules with respect to electronic filing have been amended. The amendments took effect on November 7, 2011. See 76 FR 61937 (Oct. 6, 2011) and the newly revised Commission's Handbook on E-Filing, available on the Commission's Web site at <http://edis.usitc.gov>.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and

¹ A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

² The Commission has found the response submitted by United States Steel Corp. to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: July 16, 2012

By order of the Commission.

Lisa R. Barton,

Acting Secretary to the Commission.

[FR Doc. 2012-17702 Filed 7-19-12; 8:45 am]

BILLING CODE 7020-02-P

The magnitude of dumping likely to prevail if the order were revoked is identified in the "Final Results of Review" section of this notice.

DATES: *Effective Date:* August 3, 2012.

FOR FURTHER INFORMATION CONTACT: Ericka Ukrow or Angelica Mendoza, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-0405 or (202) 482-3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 2, 2012, the Department initiated the sunset review of the antidumping duty order on seamless pipe from Germany pursuant to section 751(c) of the Act. *See Sunset Initiation.* The Department received a notice of intent to participate from one domestic interested party, United States Steel Corporation (U.S. Steel), within the deadline specified in 19 CFR 351.218(d)(1)(i). The domestic interested party claimed interested party status under section 771(9)(C) of the Act as a U.S. producer of a domestic like product. We received a complete substantive response from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i) on May 2, 2012. No respondent interested parties submitted responses. As a result of the timely filed, substantive response from the domestic interested party the Department conducted an expedited sunset review of the order, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2).

Scope of the Order

The scope of the order includes small diameter seamless carbon and alloy standard, line and pressure pipes (seamless pipes) produced to the ASTM A-335, ASTM A-106, ASTM A-53 and API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of the order also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters below, regardless of specification.

For purposes of the order, seamless pipes are seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside diameter, regardless of wall thickness, manufacturing process (hot-finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or

threaded and coupled), or surface finish. These pipes are commonly known as standard pipe, line pipe or pressure pipe, depending upon the application. They may also be used in structural applications. Pipes produced in non-standard wall thicknesses are commonly referred to as tubes.

The seamless pipes subject to the order are currently classifiable under subheadings 7304.19.10.20, 7304.19.50.20, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (HTSUS).

The following information further defines the scope of the order, which covers pipes meeting the physical parameters described above:

Specifications, Characteristics and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the American Society for Testing and Materials (ASTM) standard A-106 may be used in temperatures of up to 1000 degrees Fahrenheit, at various American Society of Mechanical Engineers (ASME) code stress levels. Alloy pipes made to ASTM standard A-335 must be used if temperatures and stress levels exceed those allowed for A-106 and the ASME codes. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipe lines. Seamless line pipes are produced to the API 5L specification.

Seamless pipes are commonly produced and certified to meet ASTM

DEPARTMENT OF COMMERCE

International Trade Administration

[A-428-820]

Certain Small Diameter Seamless Carbon and Alloy Standard, Line, and Pressure Pipe From Germany: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On April 2, 2012, the Department of Commerce (the Department) initiated the third sunset review of the antidumping duty order on certain small diameter seamless carbon and alloy steel standard, line, and pressure pipe (seamless pipe) from Germany pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). *See Initiation of Five-Year ("Sunset") Review, 77 FR 19643 (April 2, 2012) (Sunset Initiation).* On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of a domestic interested party, and no response from a respondent interested party, the Department conducted an expedited (120-day) sunset review. As a result of this sunset review, the Department finds that revocation of the antidumping duty order would likely lead to the continuation or recurrence of dumping.

A-106, ASTM A-53 and API 5L specifications. Such triple certification of pipes is common because all pipes meeting the stringent A-106 specification necessarily meet the API 5L and ASTM A-53 specifications. Pipes meeting the API 5L specification necessarily meet the ASTM A-53 specification. However, pipes meeting the A-53 or API 5L specifications do not necessarily meet the A-106 specification. To avoid maintaining separate production runs and separate inventories, manufacturers triple certify the pipes. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple certified pipes is in pressure piping systems by refineries, petrochemical plants and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, A-106 pipes may be used in some boiler applications.

The scope of the order includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, and whether or not also certified to a non-covered specification. Standard, line and pressure applications and the above-listed specifications are defining characteristics of the scope of the order. Therefore, seamless pipes meeting the physical description above, but not produced to the A-335, A-106, A-53, or API 5L standards shall be covered if used in a standard, line or pressure application.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in A-106 applications. These specifications generally include A-162, A-192, A-210, A-333, and A-524. When such pipes are used in a standard, line or pressure pipe application, such products are covered by the scope of the order.

Specifically excluded from the order are boiler tubing and mechanical tubing, if such products are not produced to A-335, A-106, A-53 or API 5L specifications and are not used in standard, line or pressure applications. In addition, finished and unfinished oil country tubular goods (OCTG) are

excluded from the scope of the order, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in the scope when used in standard, line or pressure applications. Finally, also excluded from the order are redraw hollows for cold-drawing when used in the production of cold-drawn pipe or tube.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised in this case are addressed in the "Issues and Decision Memorandum" from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with this notice (Decision Memorandum), which is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memorandum, which is on file electronically via IA ACCESS in the Central Records Unit, Room 7046, of the main Department of Commerce building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic versions of the Decision Memorandum are identical in content.

Final Results of Review

The Department determines that revocation of the antidumping duty order on seamless pipe from Germany would likely lead to continuation or recurrence of dumping. Further, the Department finds that the magnitude of dumping likely to prevail if the order was revoked is 57.72 percent for Mannesmannrohren Werke AG and for all other German producers and exporters of subject merchandise.

Notification

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305.

Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

The Department is issuing and publishing the results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: July 26, 2012.

Paul Piquado,

Assistant Secretary for Import Administration.

[FR Doc. 2012-19069 Filed 8-2-12; 8:45 am]

BILLING CODE 3510-DS-P

APPENDIX B
COMMISSION'S STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Germany
Inv. No. 731-TA-709 (Third Review)

On July 6, 2011, the Commission determined that it should proceed to an expedited review in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(3)(B).

The Commission received one submission to its notice of institution. The response was filed by United States Steel Corporation, a U.S. producer of certain seamless carbon and alloy steel standard, line, and pressure pipe. The Commission found the individual response to be adequate, and determined that because the responding producer accounted for a substantial percentage of U.S. production, the domestic interested party group response was adequate.

The Commission received no response from any respondent interested party, and therefore determined that the respondent group response was inadequate. In the absence of an adequate respondent interested party group response or any other circumstances warranting a full review, the Commission determined to conduct an expedited review.

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

APPENDIX C

HISTORICAL DATA

Excerpted from:

*Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Germany,
Investigation No. 731-TA-709 (Final, First Review, and Second Review)*
USITC Publications 2910 (July 1995), 3429 (June 2001), and 3918 (May 2007)

Table D-1

CERTAIN seamless carbon and alloy standard, line, and pressure steel pipe: Summary data concerning the U.S. market, 1992-94, Jan.-Mar. 1994, and Jan.-Mar. 1995

(Quantity=short tons; value=1,000 dollars; unit values and unit labor costs are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1992	1993	1994	Jan.-Mar.--		1992-94	1992-93	1993-94	Jan.-Mar. 1994-95
				1994	1995				
U.S. consumption quantity:									
Amount	170,057	225,584	205,247	50,116	46,535	+20.7	+32.7	-9.0	-7.1
Producers' share ¹	62.8	64.2	67.2	74.6	77.2	+4.4	+1.4	+3.1	+2.6
Importers' share: ¹									
Argentina	***	***	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***
Subtotal	21.0	25.4	23.2	17.4	1.0	+2.1	+4.4	-2.2	-16.4
Other sources	16.1	10.4	9.6	8.0	21.8	-6.6	-5.8	-0.8	+13.8
Total	37.2	35.8	32.8	25.4	22.8	-4.4	-1.4	-3.1	-2.6
U.S. consumption value:									
Amount	123,653	145,966	133,079	31,891	33,790	+7.6	+18.0	-8.8	+6.0
Producers' share ¹	63.8	65.8	68.9	73.7	76.5	+5.1	+2.0	+3.1	+2.8
Importers' share: ¹									
Argentina	***	***	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***
Subtotal	20.5	24.3	21.6	17.4	1.6	+1.1	+3.8	-2.7	-15.7
Other sources	15.7	9.9	9.5	9.0	21.9	-6.3	-5.8	-0.4	+12.9
Total	36.2	34.2	31.1	26.3	23.5	-5.1	-2.0	-3.1	-2.8
U.S. imports from--									
Argentina:									
U.S. shipments quantity	***	***	***	***	***	***	***	***	***
U.S. shipments value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Brazil:									
U.S. shipments quantity	***	***	***	***	***	***	***	***	***
U.S. shipments value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Germany:									
U.S. shipments quantity	***	***	***	***	***	***	***	***	***
U.S. shipments value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Italy:									
U.S. shipments quantity	***	***	***	***	***	***	***	***	***
U.S. shipments value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued.

Table D-1--Continued

CERTAIN seamless carbon and alloy standard, line, and pressure steel pipe: Summary data concerning the U.S. market, 1992-94, Jan.-Mar. 1994, and Jan.-Mar. 1995

(Quantity=short tons; value=1,000 dollars; unit values and unit labor costs are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1992	1993	1994	Jan.-Mar.-		1992-94	1992-93	1993-94	Jan.-Mar. 1994-95
				1994	1995				
U.S. imports from--Continued									
Subject sources:									
U.S. shipments quantity	35,792	57,383	47,602	8,726	484	+33.0	+60.3	-17.0	-94.5
U.S. shipments value	25,334	35,485	28,771	5,539	550	+13.6	+40.1	-18.9	-90.1
Unit value	\$708	\$618	\$604	\$635	\$1,136	-14.6	-12.6	-2.3	+79.0
Ending inventory quantity	608	529	375	516	358	-38.3	-13.0	-29.1	-30.6
Other sources:									
U.S. shipments quantity	27,444	23,428	19,652	4,010	10,140	-28.4	-14.6	-16.1	+152.9
U.S. shipments value	19,475	14,470	12,620	2,863	7,404	-35.2	-25.7	-12.8	+158.6
Unit value	\$710	\$618	\$642	\$714	\$730	-9.5	-13.0	+4.0	+2.3
Ending inventory quantity	7	17	33	0	148	+371.4	+142.9	+94.1	(3)
All sources:									
U.S. shipments quantity	63,236	80,811	67,254	12,736	10,624	+6.4	+27.8	-16.8	-16.6
U.S. shipments value	44,809	49,955	41,391	8,402	7,954	-7.6	+11.5	-17.1	-5.3
Unit value	\$709	\$618	\$615	\$660	\$749	-13.1	-12.8	-0.4	+13.5
U.S. producers'--									
Average capacity quantity	296,925	292,750	292,650	72,348	73,713	-1.4	-1.4	(4)	+1.9
Production quantity	108,242	147,641	138,295	39,547	39,004	+27.8	+36.4	-6.3	-1.4
Capacity utilization ¹	36.5	50.4	47.3	54.7	52.9	+10.8	+14.0	-3.2	-1.7
U.S. shipments:									
Quantity	106,821	144,773	137,993	37,380	35,911	+29.2	+35.5	-4.7	-3.9
Value	78,844	96,011	91,688	23,489	25,836	+16.3	+21.8	-4.5	+10.0
Unit value	\$738	\$663	\$664	\$628	\$719	-10.0	-10.1	+0.2	+14.5
Export shipments:									
Quantity	1,430	2,098	453	145	497	-68.3	+46.7	-78.4	+242.8
Exports/shipments ¹	1.3	1.4	0.3	0.4	1.4	-1.0	+0.1	-1.1	+1.0
Value	849	997	259	79	285	-69.5	+17.4	-74.0	+260.8
Unit value	\$594	\$475	\$572	\$545	\$573	-3.7	-20.0	+20.3	+5.3
Ending inventory quantity	13,823	14,410	14,095	16,404	16,691	+2.0	+4.2	-2.2	+1.7
Inventory/shipments ¹	12.8	9.8	10.2	10.9	11.5	-2.6	-3.0	+0.4	+0.5
Production workers	241	296	264	268	292	+9.5	+22.8	-10.8	+9.0
Hours worked (1,000s)	568	679	642	157	175	+13.0	+19.5	-5.4	+11.5
Wages paid (\$1,000)	9,260	12,437	12,318	3,010	3,482	+33.0	+34.3	-1.0	+15.7
Total compensation (\$1,000)	12,969	16,540	16,679	4,203	4,604	+28.6	+27.5	+0.8	+9.5
Hourly wages	\$16.30	\$18.32	\$19.19	\$19.13	\$19.87	+17.7	+12.4	+4.8	+3.8
Hourly total compensation	\$22.83	\$24.36	\$25.98	\$26.73	\$26.27	+13.8	+6.7	+6.7	-1.7
Productivity (short tons per 1,000 hours)									
hours)	190.6	217.4	215.4	251.6	222.5	+13.0	+14.1	-0.9	-11.6
Unit labor costs	\$119.81	\$112.03	\$120.60	\$106.28	\$118.04	+0.7	-6.5	+7.7	+11.1

Table continued.

Table D-1--Continued

CERTAIN seamless carbon and alloy standard, line, and pressure steel pipe: Summary data concerning the U.S. market, 1992-94, Jan.-Mar. 1994, and Jan.-Mar. 1995

(Quantity=short tons; value=1,000 dollars; unit values and unit labor costs are per short ton; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1992	1993	1994	Jan.-Mar.--		1992-94	1992-93	1993-94	Jan.-Mar. 1994-95
				1994	1995				
U.S. producers'--Continued									
Net sales--									
Quantity	107,734	147,948	138,390	37,517	36,384	+28.5	+37.3	-6.5	-3.0
Value	79,476	97,439	91,788	23,544	26,062	+15.5	+22.6	-5.8	+10.7
Unit sales value	\$738	\$659	\$663	\$628	\$716	-10.1	-10.7	+0.7	+14.1
Cost of goods sold (COGS)	75,989	90,805	87,314	23,888	23,408	+14.9	+19.5	-3.8	-2.0
Gross profit (loss)	3,487	6,634	4,474	(344)	2,654	+28.3	+90.2	-32.6	+871.5
SG&A expenses	4,332	5,830	4,597	1,046	1,009	+6.1	+34.6	-21.1	-3.5
Operating income or (loss)	(845)	804	(123)	(1,390)	1,645	+85.4	+195.1	-115.3	+218.3
Capital expenditures	5,069	2,029	1,276	592	340	-74.8	-60.0	-37.1	-42.6
Unit COGS	\$705	\$614	\$631	\$637	\$643	-10.5	-13.0	+2.8	+1.0
Unit SG&A expenses	\$40	\$39	\$33	\$28	\$28	-17.4	-2.0	-15.7	-0.5
Unit operating income or (loss)	(\$8)	\$5	(\$1)	(\$37)	\$45	+88.7	+169.3	-116.4	+222.0
COGS/sales ¹	95.6	93.2	95.1	101.5	89.8	-0.5	-2.4	+1.9	-11.6
Operating income or (loss)/sales ¹	(1.1)	0.8	(0.1)	(5.9)	6.3	+0.9	+1.9	-1.0	+12.2

¹ "Reported data" are in percent and "period changes" are in percentage points.

² An increase of less than 0.05 percentage points.

³ Not applicable.

⁴ A decrease of less than 0.05 percent.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Because of rounding, figures may not add to the totals shown. Employment ratios are calculated using data where both comparable numerator and denominator information were supplied. Part-year inventory ratios are annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-3
Certain seamless pipe: Summary data concerning the U.S. market, 1995-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data						Period changes					
	1995	1996	1997	1998	1999	2000	1995-00	1995-96	1996-97	1997-98	1998-99	1999-00
U.S. consumption quantity:												
Amount	199,555	192,927	257,360	234,890	147,254	204,268	2.4	-3.3	33.4	-8.7	-37.3	38.7
Producers' share (1)	86.9	80.1	69.8	55.4	70.2	64.0	-22.9	-6.8	-10.3	-14.4	14.8	-6.2
Importers' share (1):												
Argentina	***	***	***	***	***	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	13.1	19.9	30.2	44.6	29.8	36.0	22.9	6.8	10.3	14.4	-14.8	6.2
U.S. consumption value:												
Amount	144,150	142,456	194,122	173,295	102,183	146,632	1.7	-1.2	36.3	-10.7	-41.0	43.5
Producers' share (1)	83.8	82.5	69.7	59.3	74.1	67.8	-16.0	-1.3	-12.7	-10.4	14.7	-6.3
Importers' share (1):												
Argentina	***	***	***	***	***	***	***	***	***	***	***	***
Brazil	***	***	***	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***	***	***	***
Italy	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	16.2	17.5	30.3	40.7	25.9	32.2	16.0	1.3	12.7	10.4	-14.7	6.3
U.S. shipments of imports from-												
Argentina:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Brazil:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Germany:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Italy:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Other sources:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All sources:												
Quantity	26,171	38,395	77,645	104,769	43,914	73,525	180.9	46.7	102.2	34.9	-58.1	67.4
Value	23,399	24,979	58,763	70,450	26,477	47,279	102.1	6.8	135.2	19.9	-62.4	78.6
Unit value	\$894	\$651	\$757	\$672	\$603	\$643	-28.1	-27.2	16.3	-11.2	-10.3	6.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-3—Continued

Certain seamless pipe: Summary data concerning the U.S. market, 1995-2000

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data						Period changes					
	1995	1996	1997	1998	1999	2000	1995-00	1995-96	1996-97	1997-98	1998-99	1999-00
U.S. producers:												
Average capacity quantity	403,313	378,077	346,425	355,277	416,395	327,838	-18.7	-6.3	-8.4	2.6	17.2	-21.3
Production quantity	179,693	150,656	184,080	127,958	110,217	134,365	-25.2	-16.2	22.2	-30.5	-13.9	21.9
Capacity utilization (1)	44.6	39.8	53.1	36.0	26.5	41.0	-3.6	-4.7	13.3	-17.1	-9.5	14.5
U.S. shipments:												
Quantity	173,384	154,532	179,715	130,121	103,340	130,743	-24.6	-10.9	16.3	-27.6	-20.6	26.5
Value	120,751	117,477	135,359	102,845	75,706	99,353	-17.7	-2.7	15.2	-24.0	-26.4	31.2
Unit value	\$696	\$760	\$753	\$790	\$733	\$760	9.1	9.2	-0.9	4.9	-7.3	3.7
Export shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	328	281	320	257	283	273	-16.8	-14.5	13.8	-19.7	10.4	-3.6
Hours worked (1,000s)	687	650	674	534	578	584	-15.0	-5.3	3.6	-20.7	8.2	1.0
Wages paid (\$1,000s)	12,756	11,975	12,734	10,244	11,348	11,546	-9.5	-6.1	6.3	-19.6	10.8	1.7
Hourly wages	\$18.58	\$18.42	\$18.90	\$19.18	\$19.64	\$19.78	6.4	-0.9	2.6	1.5	2.4	0.7
Productivity (tons per 1,000 hrs)	261.7	231.7	273.3	239.6	190.7	230.1	-12.1	-11.5	17.9	-12.3	-20.4	20.7
Unit labor costs	\$70.99	\$79.48	\$69.18	\$80.06	\$102.96	\$85.93	21.1	12.0	-13.0	15.7	28.6	-16.5
Net sales:												
Quantity	173,737	155,395	182,296	133,632	104,550	136,634	-21.4	-10.6	17.3	-26.7	-21.8	30.7
Value	120,404	118,140	136,991	105,303	76,699	102,395	-15.0	-1.9	16.0	-23.1	-27.2	33.5
Unit value	\$693	\$760	\$751	\$788	\$734	\$749	8.1	9.7	-1.2	4.9	-6.9	2.2
Cost of goods sold (COGS)	110,014	104,934	116,536	91,752	80,738	89,676	-18.5	-4.6	11.1	-21.3	-12.0	11.1
Gross profit or (loss)	10,390	13,206	20,455	13,551	(4,039)	12,719	22.4	27.1	54.9	-33.8	(4)	(4)
SG&A expenses	7,647	7,156	9,079	7,844	6,966	6,503	-15.0	-6.4	26.9	-13.6	-11.2	-6.6
Operating income or (loss)	2,743	6,050	11,376	5,707	(11,005)	6,216	126.6	120.6	88.0	-49.8	(4)	(4)
Capital expenditures	2,348	2,973	4,385	10,879	4,577	26,212	1,016.4	26.6	47.5	148.1	-57.9	472.7
Unit COGS	\$633	\$675	\$639	\$687	\$772	\$656	3.6	6.6	-5.3	7.4	12.5	-15.0
Unit SG&A expenses	\$44	\$46	\$50	\$59	\$67	\$48	8.1	4.6	8.2	17.9	13.5	-28.6
Unit operating income or (loss)	\$16	\$39	\$62	\$43	(\$105)	\$45	188.2	146.6	60.3	-31.6	(4)	(4)
COGS/sales (1)	91.4	88.8	85.1	87.1	105.3	87.6	-3.8	-2.5	-3.8	2.1	18.1	-17.7
Operating income or (loss)/ sales (1)	2.3	5.1	8.3	5.4	(14.3)	6.1	3.8	2.8	3.2	-2.9	-19.8	20.4

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Not applicable.

(4) Undefined.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires, except shipments of imports from Germany are estimated by the Commission staff.

Table C-1
Seamless SLP pipe: Summary data concerning the U.S. market, 2001-05, January-September 2005, and
January-September 2006

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