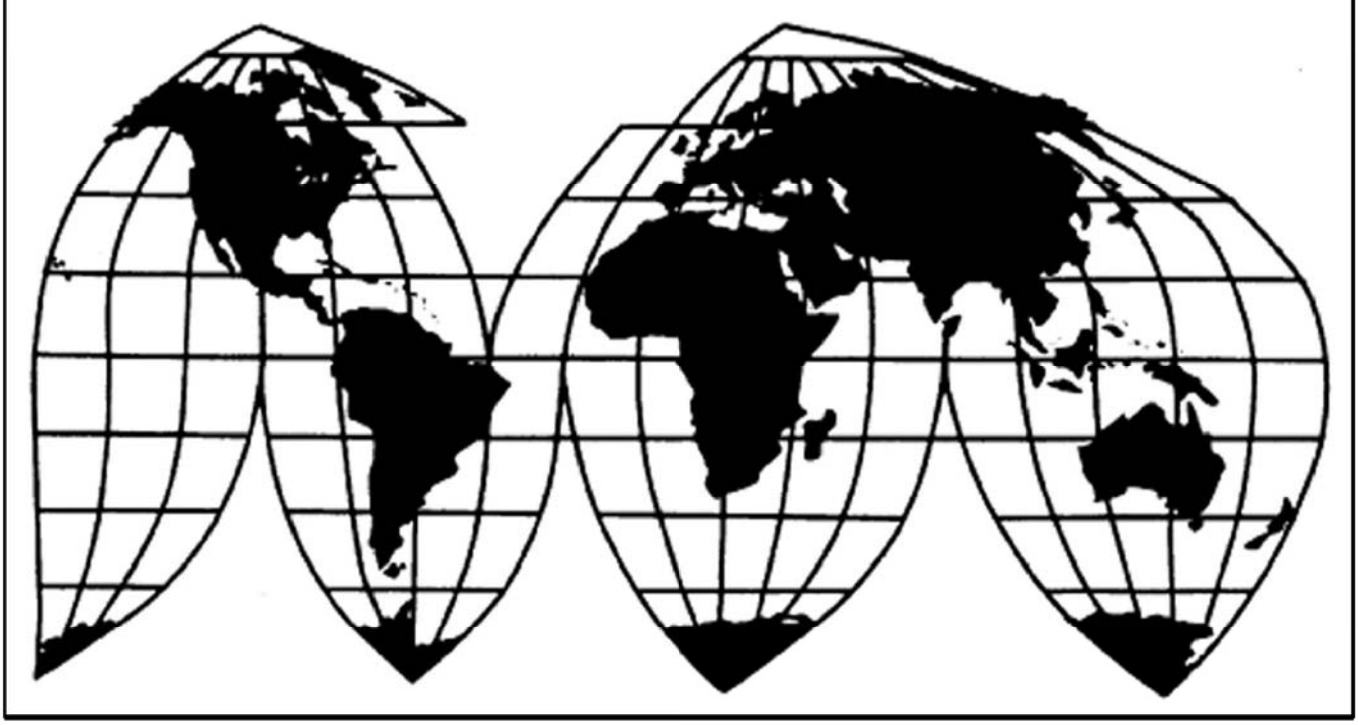
Circular Welded Carbon-Quality Steel Pipe from Oman, Pakistan, the Philippines, the United Arab Emirates, and Vietnam

Investigation Nos. 701-TA-549 and 731-TA-1299-1303 (Preliminary)

Publication 4586 **December 2015**

U.S. International Trade Commission



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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-549 and 731-TA-1299-1303 (Preliminary)

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

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of circular welded carbon-quality steel pipe from Oman, Pakistan, the United Arab Emirates, and Vietnam, provided for in subheadings 7306.19.10, 7306.19.51, 7306.30.10, 7306.30.50, 7306.50.10, and 7306.50.50 of the Harmonized Tariff Schedule of the United States, that are allegedly sold in the United States at less than fair value ("LTFV"), and that are allegedly subsidized by the government of Pakistan.

The Commission also found that imports of circular welded carbon-quality steel pipe from the Philippines are negligible pursuant to section 771(24) of the Act, and its investigation with regard to imports from this country is thereby terminated pursuant to section 733(a)(1) of the Act.

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations on circular welded carbon-quality steel pipe from Oman, Pakistan, the United Arab Emirates, and Vietnam. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under sections 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under sections 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

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

BACKGROUND

On October 28, 2015, Bull Moose Tube Company (Chesterfield, Missouri); EXLTUBE (N. Kansas City, Missouri); Wheatland Tube, a division of JMC Steel Group (Chicago, Illinois); and Western Tube and Conduit (Long Beach, California) filed a petition with the Commission and Commerce, alleging that an industry in the United States is materially injured and threatened with material injury by reason of imports of circular welded carbon-quality steel pipe from Oman, Pakistan, the Philippines, the United Arab Emirates, and Vietnam, that are alleged to be sold in the United States at LTFV and alleged to be subsidized by the government of Pakistan. Accordingly, effective October 28, 2015, the Commission, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. §§ 1671b(a) and 1673b(a)), instituted countervailing duty investigation No. 701-TA-549 and antidumping duty investigation Nos. 731-TA-1299-1303 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of November 3, 2015 (80 FR 67790). The conference was held in Washington, DC, on November 18, 2015, and all persons who requested the opportunity were permitted to appear in person or by counsel.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of circular welded carbon-quality steel pipe ("CWP") from Oman, Pakistan, the United Arab Emirates ("UAE"), and Vietnam that are allegedly sold in the United States at less than fair value ("LTFV") and imports of the subject merchandise from Pakistan that are allegedly subsidized by the government of Pakistan. We also determine that imports of CWP from the Philippines that are allegedly sold in the United States at LTFV are negligible and therefore terminate the antidumping duty investigation on CWP from the Philippines.

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[1] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[2]

II. Background

The petitions in these investigations were filed on October 28, 2015 by Bull Moose Tube Company, EXLTUBE, Wheatland Tube, a division of JMC Steel Group, and Western Tube and Conduit (collectively "Petitioners"), domestic producers of CWP. Petitioners appeared at the staff conference and submitted a postconference brief.

The following respondent entities appeared at the staff conference and submitted postconference briefs: International Industries Ltd. ("IIL"), a producer of CWP in Pakistan; HLD Clark Pipe Co., Inc. ("HLD Clark"), a producer and exporter of CWP in the Philippines; Conares Metal Supply Ltd. ("Conares"), a producer and exporter of CWP in the United Arab Emirates; and Universal Tube and Plastic Industries, Ltd., UTP Pipe USA Corporation, and Prime Metal Corporation USA (collectively "UAE Respondents").

[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

[2] *American Lamb Co*., 785 F.2d at 1001; *see also Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

U.S. industry data are based on the questionnaire responses of ten producers, accounting for *** percent of U.S. shipments of CWP in 2014.[3] U.S. import data are based on official U.S. Department of Commerce ("Commerce") import statistics and on questionnaire responses from 22 U.S. importers, accounting for *** percent of adjusted total subject imports, and *** percent of adjusted official import statistics from Oman, *** percent from Pakistan, *** percent from the Philippines, *** percent from UAE, and *** percent from Vietnam during 2014.[4]

The Commission received responses to its questionnaires from one producer of subject merchandise in Oman, accounting for *** subject imports from Oman in 2014;[5] one producer of subject merchandise in Pakistan, accounting for *** subject imports from Pakistan in 2014;[6] one producer of subject merchandise in the Philippines, accounting for *** percent of subject imports from the Philippines in 2014;[7] five producers of subject merchandise in the UAE, accounting for *** percent of subject imports from the UAE in 2014;[8] and two producers of subject merchandise in Vietnam, accounting for *** percent of subject imports from Vietnam in 2014.[9]

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[10] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[11] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[12]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or

[3] Confidential Report ("CR") at III-1, Public Report ("PR") at III-1. One large producer, ***. CR/PR at III-1 n.1. We hope to receive a more complete response from this firm in any final-phase investigations.

[4] CR/PR at IV-1. The adjustment methodology is described further in section V.B. below.

[5] CR at VII-3, PR at VII-3.

[6] CR at VII-9, PR at VII-6.

[7] CR at VII-15, PR at VII-9.

[8] CR at VII-20, PR at VII-12.

[9] CR at VII-26, PR at VII-15.

[10] 19 U.S.C. § 1677(4)(A).

[11] 19 U.S.C. § 1677(4)(A).

[12] 19 U.S.C. § 1677(10).

"most similar in characteristics and uses" on a case-by-case basis.[13] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[14] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[15] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value,[16] the Commission determines what domestic product is like the imported articles Commerce has identified.[17]

A. Scope Definition

In its notices of initiation, Commerce defined the imported merchandise within the scope of these investigations as:

> These investigations cover welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler

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[13] *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); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[14] *See*, *e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

[15] *See*, *e.g.*, *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49*; see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[16] *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[17] *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Torrington*, 747 F. Supp. at 748-52 (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term "carbon quality" includes products in which:

(a) iron predominates, by weight, over each of the other contained elements;
(b) the carbon content is 2 percent or less, by weight; and
(c) none of the elements listed below exceeds the quantity, by weight, as indicated:

(i) 1.80 percent of manganese;
(ii) 2.25 percent of silicon;
(iii) 1.00 percent of copper;
(iv) 0.50 percent of aluminum;
(v) 1.25 percent of chromium;
(vi) 0.30 percent of cobalt;
(vii) 0.40 percent of lead;
(viii) 1.25 percent of nickel;
(ix) 0.30 percent of tungsten;
(x) 0.15 percent of molybdenum;
(xi) 0.10 percent of niobium;
(xii) 0.41 percent of titanium;
(xiii) 0.15 percent of vanadium; or
(xiv) 0.15 percent of zirconium.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L, is also covered by the scope of these investigations when it meets the physical description set forth above. Covered products may also possess one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50mm) in nominal O.D.; has a galvanized and/or painted (e.g., polyester coated) surface finish; or has a threaded and/or coupled end finish. [18]

The scope provides further information about the nature of the covered products.[19] It also expressly excludes certain products.[20]

[18] *Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman, Pakistan, the Philippines, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 80 Fed. Reg. 73708, 73714 (Nov. 25, 2015); and *Circular Welded Carbon-Quality Steel Pipe From Pakistan: Initiation of Countervailing Duty Investigation*, 80 Fed. Reg. 73704, 73707 (Nov. 25, 2015).

[19] The scope definition states that:

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and

(Continued…)

(…Continued)

A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.

Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gauge
1.315	0.035	20
1.315	0.047	18
1.315	0.055	17
1.315	0.065	16
1.315	0.072	15
1.315	0.083	14
1.315	0.095	13
1.660	0.055	17
1.660	0.065	16
1.660	0.083	14
1.660	0.095	13
1.660	0.109	12
1.900	0.047	18
1.900	0.055	17
1.900	0.065	16
1.900	0.072	15
1.900	0.095	13
1.900	0.109	12
2.375	0.047	18
2.375	0.055	17
2.375	0.065	16
2.375	0.072	15
2.375	0.095	13
2.375	0.109	12
2.375	0.120	11
2.875	0.109	12
2.875	0.165	8
3.500	0.109	12
3.500	0.165	8
4.000	0.148	9
4.000	0.165	8
4.500	0.203	7

80 Fed. Reg. at 73707, 73714.

(Continued…)

Standard pipe of non-alloy steel is the primary product within the scope of these investigations. Standard pipe is intended for the low pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air-conditioning units, automatic sprinkler systems, and other related uses. Standard pipe is made primarily to ASTM A53, A135, and A795 specifications, but can also be made to other specifications. Other uses of CWP include light-load bearing and mechanical applications, such as for fence tubing, scaffolding components, and protection of electrical wiring, such as conduit shells. Fence tubing is commonly produced to ASTM specification F1083; however, mills also produce fence tubing without reference to an ASTM specification, or to a general specification such as ASTM A513.

(…Continued)

[20] The scope of these investigations does not include:

(a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;
(b) finished electrical conduit, i.e., Electrical Rigid Steel Conduit (aka Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit), Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;
(c) finished scaffolding, i.e., component parts of final, finished scaffolding that enter the United States unassembled as a "kit." A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;
(d) tube and pipe hollows for redrawing;
(e) oil country tubular goods produced to API specifications;
(f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and
(g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The notice also states:

The products subject to these investigations are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.50.5030, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. However, the product description, and not the HTSUS classification, is dispositive of whether the merchandise imported into the United States falls within the scope.

80 Fed. Reg. at 73707, 73714.

In addition, CWP is used for structural applications in general construction. Structural pipe is manufactured primarily to standard ASTM specifications such as A500 or A252 as well as American Society of Mechanical Engineers ("ASME") specifications.[21]

B. Arguments of the Parties

Petitioners urge the Commission to find a single domestic like product that is coextensive with Commerce's scope in these investigations. They note that the Commission defined the domestic like product this way in its 2012 investigations of circular welded pipe, which involved a nearly identical scope as these investigations, and that respondents in the present investigations have not raised any objection to this proposed definition.[22] None of the respondents have contested the definition of the domestic like product proposed by Petitioners.

C. Analysis

Standard pipe, the primary product within the scope of these investigations, is used for the low-pressure conveyance of liquids and gases and for light load-bearing and mechanical applications.[23] Some CWP also is used for structural applications in general construction.[24] Standard pipe is commonly produced to ASTM specifications specific to standard pipe, while other types of pipe are commonly used for different purposes and produced to different specifications.

In the 2012 investigations of CWP the Commission found that all CWP can be produced at the same facilities with the same workers, although the same facilities often can also be used to produce other types of pipe.[25] The evidence on the record of these investigations does not indicate that this has changed.[26] All CWP is made using one of three different production processes: resistance-welding process, the continuous-welding process, or the stretch reduction process.[27]

In the 2012 investigations of CWP the Commission also found that there is limited interchangeability between standard pipe and other types of pipe.[28] The evidence on the record of these investigations does not indicate that this has changed. Also, dual stenciled pipe,

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[21] CR at I-17-18, PR at I-14.

[22] Petitioners' Br. at 2-4 citing *Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA-482-484 and 731-TA-1191-1194 (Final), USITC Pub. 4362 (Dec. 2012) at 8-9.

[23] CR at I-17, PR at I-14.

[24] CR at I-18, PR at I-14.

[25] *Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA-482-484 and 731-TA-1191-1194 (Final), USITC Pub. 4362 (Dec. 2012) at 8.

[26] CR at II-5, PR at II-4.

[27] CR at I-18-19, PR at I-14-15.

[28] *Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA-482-484 and 731-TA-1191-1194 (Final), USITC Pub. 4362 (Dec. 2012) at 8.

which satisfies both ASTM specifications for standard pipe and API specifications for line pipe applications, is included within the scope only to the extent it has overlapping physical characteristics. Consequently, there are no limits on interchangeability between domestic dual-stenciled CWP used in standard pipe applications and other domestic standard pipe.

Channels of distribution for various types of standard pipe are the same, with the vast majority of U.S. producers' shipments made through distributors, and the remainder sold directly to end users.[29]

Based on the foregoing considerations and the lack of any contrary argument, we define the domestic like product in these investigations as CWP, which is coextensive with Commerce's scope.

IV. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[30] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market. Petitioners urge the Commission to define the domestic industry as consisting of all producers of the domestic like product, consistent with its definition of the domestic industry in the 2012 CWP investigations. None of the respondents have contested this definition. Therefore, we define the domestic industry to include all U.S. producers of CWP.[31]

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of

[29] CR/PR at Table II-1.

[30] 19 U.S.C. § 1677(4)(A).

[31] Section 771(4)(B) of the Tariff Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers. 19 U.S.C. § 1677(4)(B). One domestic producer, Maruichi American Corporation, is a related party because it imported *** of subject merchandise in interim 2015. CR/PR at Table III-8. Additionally, it is related by common ownership to a CWP exporter in Vietnam, Maruichi Sun Steel Joint Stock Company. CR/PR at Table III-2 and CR at III-12 n.8, PR at III-5 n.8. Maruichi American Corporation was the *** responding domestic producer, accounting for *** percent of the total production of the ten responding domestic producers. CR/PR at Table III-1. Maruichi American Corporation ***. CR/PR at Table II-1. It imported *** tons of subject merchandise from *** in interim 2015, amounting to *** percent of its domestic production in that period. CR/PR at Table III-8. There is no indication that it benefitted from its corporate affiliation with the CWP exporter in *** or from the very small amount of subject merchandise that imported from ***. Its principal interest is clearly in domestic production. For these reasons, we find that appropriate circumstances do not exist to exclude Maruichi American Corporation from the definition of the domestic industry.

all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.[32]

Additionally, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that subject imports from the country concerned will imminently account for more than 3 percent of all such merchandise imported into the United States.[33] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[34] USTR has designated Pakistan to be a developing country subject to the 4 percent negligibility threshold for countervailing duty investigations.[35]

A. Arguments of the Parties

Petitioners argue that subject imports from none of the five subject countries are negligible. They calculate the applicable negligibility percentages by making certain adjustments to the data for nonsubject imports from Canada and Mexico, to account for the fact that the official import data include information concerning out-of-scope mechanical tubing. They contend that there is no dispute that imports from Oman, the UAE, and Vietnam each exceeds the applicable 3 percent threshold. They further argue that there is a reasonable indication that subject imports from Pakistan exceed both the 3 and 4 percent negligibility thresholds. Petitioners further argue that even if the Commission finds that subject imports from Pakistan are below the applicable statutory negligibility thresholds, it should find, for purposes of a threat analysis, that these imports will imminently account for more than 3 percent – or, in the case of the countervailing duty investigation, 4 percent – of the volume of all such merchandise imported into the United States.[36]

Petitioners further argue that the Commission should find, for purposes of a threat analysis, that subject imports from the Philippines will imminently account for more than 3 percent of total imports. They maintain that these imports are trending upward.[37]

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[32] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

[33] 19 U.S.C. § 1677(24)(A)(iv).

[34] 19 U.S.C. § 1677(24)(B). Subject imports from a single country which comprise less than 3 percent of total imports (or 4 percent, in the case of a countervailing duty investigation involving a developing country) may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent (or 9 percent, in the case of a countervailing duty investigation involving a developing country) of the volume of total imports. 19 U.S.C. § 1677(24)(A)(ii).

[35] 15 C.F.R. § 2013.1; *see* 19 U.S.C. § 1677(24)(B).

[36] Petitioners' Br. at 6 and 9-11.

[37] Petitioners' Br. at 6 and 12-13.

IIL argues that subject imports from Pakistan fall below the 3 percent negligibility threshold applicable to the antidumping duty investigation. IIL urges the Commission to include in its negligibility analysis all U.S. imports under the HTSUS subheadings identified by Petitioners in their definition of the scope of these investigations, *i.e.*, without any reductions for out-of-scope merchandise that might be included in some of these subheadings. IIL further contends that, even if the Commission were to adjust the denominator of the negligibility calculation as proposed in the petition, subject imports from Pakistan would still fall below the 3 percent level.[38] Even if the Commission finds that subject imports from Pakistan exceed the 3 percent negligibility level applicable to the antidumping duty investigation, it should find that these imports are below the 4 percent negligibility level applicable to Pakistan (as a least-developed country) in the countervailing duty investigation, according to IIL.[39] IIL further argues, for purposes of a threat of material injury analysis, that subject imports from Pakistan will not imminently exceed the 3 percent threshold.

HLD Clark argues that subject imports from the Philippines are negligible for purposes of material injury, whether or not the volume of imports from Canada and Mexico is adjusted to account for out-of-scope merchandise.[40] HLD Clark also argues that there is no potential that subject imports from the Philippines will imminently exceed 3 percent.[41]

B. Analysis

Negligibility is an issue in the countervailing duty investigation of CWP from Pakistan and the antidumping duty investigation of CWP from the Philippines.[42] For the reasons stated below, we find that, in this preliminary phase countervailing duty investigation on subject imports from Pakistan, subject imports are not negligible. We also find that subject imports from the Philippines are negligible and terminate the investigation with respect to such imports.

Pakistan. Subject imports from Pakistan accounted for *** percent of total imports over the applicable 12-month period for determining negligibility, October 2014 through September 2015.[43] Although this is below the 4 percent negligibility threshold which Pakistan is subject to for CVD investigations, we believe there is a likelihood that evidence leading to a contrary result will arise in any final phase investigation.

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[38] IIL Br. at 4.

[39] IIL Br. at 7-8.

[40] HLD Clark Br. at 1-3.

[41] HLD Clark Br. at 3-5.

[42] Imports from Pakistan in the antidumping duty investigation and from the other three subject countries are above the pertinent negligibility thresholds. For the 12-month period preceding filing of the petition, as a percentage of total imports, subject imports from Oman were *** percent, subject imports from Pakistan were *** percent, subject imports from the UAE were *** percent, and subject imports from Vietnam were *** percent. CR/PR at Table IV-3.

[43] CR/PR at Table IV-3.

We find that it is unlikely that we will receive any additional or different information in any final phase investigations concerning the quantity of subject imports from Pakistan, which constitutes the numerator in the negligibility calculation. The data for subject imports from Pakistan are based on official import statistics for CWP.[44] Because the importer questionnaire responses accounted for all of the subject imports from Pakistan reflected in official import statistics, it is not likely that additional importer questionnaire response data relevant to subject imports from Pakistan will be gathered in any final phase investigations.[45] In other words, the numerator of the negligibility calculation for Pakistan is not likely to change appreciably.

In contrast, in any final phase investigations changes are likely for the total quantity of CWP imports, which is the denominator in the negligibility calculation. For purposes of these preliminary phase investigations, Commission staff adjusted the total quantity of CWP imports reflected in official import statistics to: (i) add CWP not reported under the pertinent HTSUS subheadings, based on importer questionnaire data, (ii) subtract out-of-scope product that was entered under these tariff subheadings, based on importer questionnaire data,[46] and (iii) in the case of nonsubject imports from Canada and Mexico, subtract out-of-scope product that was entered under these tariff subheadings, based on information from several sources.[47] These adjustments led to the volume of total CWP imports being reduced from the 893,651 short tons reported in unadjusted official statistics to *** short tons, a reduction of *** short tons.[48] We believe that in any final phase investigations there is a likelihood of receiving additional information regarding the quantity of in-scope and out-of-scope imports from Canada and particularly Mexico such that the volume of total CWP imports could be reduced sufficiently to bring subject imports from Pakistan to 4 percent or more.[49] Because the level of subject

[44] *See* CR/PR at IV-1 n.3 and CR/PR at Table IV-3 (showing that no adjustment to official import statistics was required for Pakistan).

[45] CR/PR at IV-1. Staff did not adjust the official import statistics for Pakistan for the negligibility period because the importers questionnaire responses did not indicate either that the official statistics included data for out-of-scope merchandise or that importers imported CWP under other HTSUS numbers.

[46] *See* CR/PR at IV-1 n.3.

[47] CR at IV-2 n.4, PR at IV-1 n.4. We do not agree with IIL that the Commission should not adjust official import statistics that it has reason to believe do not conform to the scope definition. IIL Br. at 5-7. The statute expressly indicates that imports used for the denominator of the negligibility calculation should not be broader in scope than the domestic like product. 19 U.S.C. § 1677(24)(A)(i).

[48] CR/PR at Table IV-3.

[49] Indeed, staff indicates that it could not use the same adjustment methodology for imports from Mexico as it did for imports from Canada because of insufficiencies in importers' questionnaire coverage. CR at IV-2 n.4, PR at IV-1 n.4. We do not agree with the approach Petitioners took in their postconference brief of adjusting import data from Canada and Mexico because we believe this approach significantly understates the volume of subject imports from Canada and Mexico. This leads to a smaller denominator in the negligibility calculations and thus higher subject import share percentages. For example, based on the two importer questionnaire responses, Petitioners in their postconference brief estimated that subject imports from Canada in the October 2014-September 2015 (Continued…)

imports from Pakistan – at *** percent – is ***, not much of a reduction in total CWP imports would be required. In order for the *** short tons of subject imports from Pakistan to amount to 4 percent of total CWP imports, this total would need to be reduced to *** short tons,[50] a reduction of only *** short tons or *** percent from the current level of *** short tons. We recognize that the collection of additional information in any final phase investigations could also lead to an increase in the volume of total CWP imports, such that the percentage share of imports for Pakistan could decline. Nonetheless, under the standard for preliminary determinations set out in *American Lamb Co. v. United States*,[51] the Commission is to examine whether the record as a whole contains clear and convincing evidence that imports are negligible and whether no likelihood exists that contrary evidence will arise in a final investigation.[52] Given the particular circumstances of these investigations as discussed above, there is a likelihood that contrary evidence will arise in any final phase investigations, and for this reason we find that subject imports in the countervailing duty investigation on CWP from Pakistan are not negligible for purposes of these preliminary determinations.

The Philippines. Subject imports of CWP from the Philippines accounted for *** percent over the applicable 12-month period prior to filing of the petition.[53] This is below the 3 percent negligibility threshold.

We examine whether there is a likelihood that evidence leading to a contrary result will arise in any final phase investigations. It is possible that the Commission will receive additional or different information in final phase investigations concerning the quantity of subject imports from the Philippines, the numerator in the negligibility calculation. The data for subject imports from the Philippines are based on official import statistics for CWP.[54] Data reported in importer questionnaire responses for imports from the Philippines accounted for only *** percent of adjusted official import statistics from the Philippines.[55] Thus, it is possible that additional importer questionnaire responses will be received in final phase investigations, and that these responses will identify either subject CWP not reported under the HTSUS subheadings pertinent to these investigations (leading to an increase in the numerator), or out-of-scope product that was reported under these tariff categories (leading to a decrease in the numerator). It appears unlikely that any such adjustments to the official import data for imports from the Philippines would be of such a magnitude as to increase the percentage of subject imports from the Philippines to 3 percent of total imports. To reach this threshold, the net effect of any such

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(…Continued)
period were *** short tons. Petitioners' Postconference Brief at 10. By comparison, in the petition, they estimated that subject imports from Canada in the September 2014-August 2015 period were *** short tons. Petition at 17.

[50] *** x 0.04 = ***.

[51] 785 F.2d 994 (Fed. Cir. 1986).

[52] 785 F.2d at 1001.

[53] CR/PR at Table IV-3.

[54] *See* CR/PR at IV-1 n.3 and Table IV-3 (showing that no adjustment to official import statistics was required for the Philippines).

[55] CR/PR at IV-1.

adjustments would have to be to add *** short tons to the official import data, assuming that the denominator remains constant.[56] This would entail a *** percent increase from the current level of subject imports from the Philippines (*** percent). There was no adjustment of that magnitude in these preliminary phase investigations to the official import data of any other subject country.[57]

As discussed above, we believe that there is a likelihood that the total quantity of CWP imports (the denominator in the negligibility calculation) could change in any final phase investigations. It appears unlikely, however, that any such change would be of such a magnitude as to raise the negligibility percentage for the Philippines to 3 percent. If the numerator (*** short tons) remained unchanged, the denominator would have to fall from *** short tons to *** short tons, in order for subject imports from the Philippines to reach 3 percent of total imports. We do not believe that this is likely.

We recognize that changes to the numerator and denominator cannot be viewed in isolation from each other in an assessment of the likelihood that subject imports from the Philippines could reach the 3 percent threshold. Nonetheless, it appears unlikely that any changes to the numerator and denominator in the negligibility calculation for the Philippines would be of such a magnitude, even in combination, as to reach the negligibility percentage of 3 percent. Indeed, Petitioners have not provided a reasonable scenario under which subject imports from the Philippines could reach the 3 percent threshold.

In sum, we find there is not a likelihood that evidence leading to a result contrary to the finding that subject imports from the Philippines are below the 3 percent negligibility threshold will arise in any final phase investigations. Accordingly, we find subject imports from the Philippines are negligible for purposes of our present material injury analysis.

With respect to negligibility for purposes of threat of material injury, we find that the record in these preliminary investigations provides clear and convincing evidence that subject imports from the Philippines are not likely to surpass the 3 percent negligibility threshold in the imminent future. The share of subject imports from the Philippines in the 12 months preceding the filing of the petition – at *** percent of total imports – is not *** to the 3 percent negligibility threshold. Although subject imports from the Philippines rose on an absolute basis compared over the interim periods, increasing from *** short ton in interim 2014 to *** short tons in interim 2015; on a relative basis, the level of these imports declined, from *** percent of total imports in interim 2014 to *** percent in interim 2015.[58] Moreover, importers of CWP from the Philippines reported *** for the 12 months after September 2015.[59] HLD Clark (the

[56] This amount was derived by calculating 3 percent of total imports (0.03 x ***), and subtracting from that amount the current level of subject imports from the Philippines (***).

[57] *See* CR/PR at Table IV-3.

[58] CR/PR at Table IV-2. We cannot discern any particular pattern in the monthly data for subject imports from the Philippines, other than that there are likely seasonal variations, with higher levels of imports in the spring and early summer, which likely coincide with construction activity. *See* CR/PR at Table D-1.

[59] CR/PR at Table VII-27.

producer in the Philippines that was responsible for *** exports of CWP to the United States[60]) maintains ***;[61] this also suggests that it is unlikely to imminently increase exports of CWP to the United States. The record indicates that HLD Clark possesses ***, and that its capacity utilization was *** lower in interim 2015 than in interim 2014.[62] Notwithstanding this, the ratio of subject imports from the Philippines to total imports in interim 2015 was both well below the 3 percent negligibility threshold and below the interim 2014 ratio. In light of the *** percent ratio of subject imports from the Philippines to total imports during the 12 month negligibility period, the declining trend in that ratio over the interim periods, and the absence of any ***, we find that subject imports from the Philippines are not likely to surpass the 3 percent negligibility threshold in the imminent future.

In short, imports of CWP from the Philippines are well below the negligibility threshold, the record in these preliminary investigations contains clear and convincing evidence that it is unlikely that they will imminently surpass the 3 percent threshold given the trends over the past 12-month period, and there is no likelihood that evidence leading to a contrary result will arise in final phase investigations. Accordingly, we find that imports from the Philippines are negligible and terminate the investigation with respect to such imports.

VI. Cumulation

For purposes of evaluating the volume and effects for a determination of reasonable indication of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

(1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

[60] CR at VII-15, PR at VII-9.

[61] CR/PR at Table VII-11.

[62] HLD Clark makes other tubular products on the same equipment that it uses to make CWP. CR at VII-18, PR at VII-10. The company's overall capacity to produce tubular products *** the January 2012-September 2015 period of investigation (POI). CR/PR at Table VII-12. Its capacity utilization with respect to its CWP production was ***. CR/PR at Table VII-11. Capacity utilization in interim 2015 was *** percent, as compared with *** percent in interim 2014. CR/PR at Table VII-11. The *** in interim 2015 was the result of two factors. The company's production of CWP declined (from *** short tons in interim 2014 to *** short tons in interim 2015), and the company ***. CR at VII-16 n.16, PR at VII-9 n.16 and CR/PR at Table VII-11.

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[63]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[64] Only a "reasonable overlap" of competition is required.[65]

A. Arguments of the Parties

Petitioners argue that all subject imports should be cumulated. They point to testimony at the staff conference, findings made by the Commission in the 2012 investigations, and importer questionnaire responses to contend that: (i) CWP is generally fungible regardless of its source, given that all CWP meets the same ASTM specifications; (ii) there was a geographic overlap among subject imports and the domestic like product; (iii) subject imports and the domestic like product share the same channels of distribution; and (iv) CWP from all sources were simultaneously present in the U.S. market.[66] No respondent addressed the question of cumulation.

B. Analysis

As discussed above, we have found that imports are negligible in the antidumping duty investigation involving subject imports from the Philippines and terminated that investigation. Consequently, these imports are ineligible for cumulation.[67] Allegedly dumped imports from Oman, Pakistan, the UAE, and Vietnam and allegedly subsidized imports from Pakistan remain eligible for cumulation because Petitioners filed petitions with respect to all such subject imports on the same day, October 28, 2015. As explained below, we find a reasonable overlap of competition between the domestic like product and those imports from each subject country eligible for cumulation and between those imports from each such subject country.

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[63] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-80 (Final), USITC Pub. 1845 (May 1986), *aff'*d, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

[64] *See*, *e.g.*, *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[65] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[66] Petitioners' Br. at 6 and 14-15.

[67] 19 U.S.C. § 1677(7)(G)(ii)(II).

Fungibility. The record supports the Commission's findings in previous investigations that CWP is generally fungible regardless of the source, given that CWP from all sources meets the same ASTM specifications.[68] All responding domestic producers and a majority of importers reported that subject imports from Oman, Pakistan, the UAE, and Vietnam are "always" or "frequently" used interchangeably with each other and with the domestic like product.[69] When asked whether differences other than price are ever significant to purchasers in choosing between CWP from different sources, all domestic producers responded "sometimes" or "never."[70] Importers were more divided on this question, however, with a majority of importers responding "sometimes" or "never" with respect to differences between subject imports from Oman and Pakistan and the domestic like product, but a majority responding "always" or "frequently" with respect to differences between subject imports from the UAE and Vietnam and the domestic like product.[71] On balance, the record indicates a substantial degree of fungibility between and among subject imports from each source and the domestic like product.

Channels of Distribution. Subject imports from Oman, Pakistan, the UAE, and Vietnam and the domestic like product are all sold through the same channels of distribution. Almost all domestically produced and subject imported CWP from each source were shipped to distributors, with ***.[72]

Geographic Overlap. The record indicates that during the POI, subject imports from Oman, the UAE, and Vietnam were sold in all regions of the United States, and subject imports from Pakistan were sold in five of the seven regions.[73]

Simultaneous Presence in Market. CWP from all sources was simultaneously present in the U.S. market, given that subject imports from Oman, Pakistan, the UAE, and Vietnam entered the United States in almost every month of the POI.[74]

Conclusion. The record supports a finding that imports from each subject country are fungible with the domestic like product and each other, that imports from each of the subject countries and the domestic like product are sold in similar channels of distribution, similar geographic markets, and have been simultaneously present in the U.S. market. In light of the foregoing, we find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country and between imports from each such subject country whose imports are eligible for cumulation.

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[68] Conference Transcript at 104 (Cloutier). *See also*, *e.g.*, *Circular Welded Carbon-Quality Steel Pipe from India, Oman, the United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA-482-484 and 731-TA-1191-1194 (Final), USITC Pub. 4362 (Dec. 2012) at 12.

[69] CR/PR at Table II-4.

[70] CR/PR at Table II-5.

[71] CR/PR at Table II-5.

[72] CR/PR at Table II-1.

[73] CR/PR at Table II-2.

[74] CR/PR at Table IV-6.

VII. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[75] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[76] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[77] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[78] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[79]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured by reason of" unfairly traded imports,[80] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[81] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[82]

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[75] 19 U.S.C. §§ 1671b(a), 1673b(a). The Trade Preferences Extension Act of 2015, Pub. L. 114-27, amended the provisions of the Tariff Act pertaining to Commission determinations of reasonable indication of material injury and threat of material injury by reason of subject imports in certain respects. We have applied these amendments here.

[76] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... {a}nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[77] 19 U.S.C. § 1677(7)(A).

[78] 19 U.S.C. § 1677(7)(C)(iii).

[79] 19 U.S.C. § 1677(7)(C)(iii).

[80] 19 U.S.C. §§ 1671b(a), 1673b(a).

[81] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[82] The Federal Circuit, in addressing the causation standard of the statute, has observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Continued…)

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[83] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[84] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such

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(Fed. Cir. 2003). This was re-affirmed in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), in which the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

[83] SAA, H.R. Rep. 103-316, Vol. I at 851-52 (1994) ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[84] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n* , 266 F.3d at 1345. ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

as nonsubject imports, which may be contributing to overall injury to an industry.[85] It is clear that the existence of injury caused by other factors does not compel a negative determination.[86]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports" and the Commission "ensure{s} that it is not attributing injury from other sources to the subject imports."[87] [88] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[89]

The Federal Circuit's decisions in *Gerald Metals*, *Bratsk,* and *Mittal Steel* all involved cases in which the relevant "other factor" was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal

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[85] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[86] *See Nippon*, 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[87] *Mittal Steel*, 542 F.3d at 877-78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 792 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[88] Vice Chairman Pinkert and Commissioner Kieff do not join this paragraph or the following three paragraphs. They note that the Federal Circuit, in *Bratsk*, 444 F.3d 1369, and *Mittal Steel*, held that the Commission is *required*, in certain circumstances when analyzing present material injury, to consider a particular issue with respect to the role of nonsubject imports, without reliance upon presumptions or strict formulas. The Court has not prescribed a specific method of exposition for this consideration. *Mittal Steel* explains as follows:

> What *Bratsk* held is that "where commodity products are at issue and fairly traded, price competitive, non-subject imports are in the market," the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, *Bratsk* requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

[89] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

Circuit's guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.[90] The additional "replacement/benefit" test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal Steel* litigation.

Mittal Steel clarifies that the Commission's interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have "evidence in the record 'to show that the harm occurred 'by reason of' the LTFV imports,'" and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.[91] Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals*, *Bratsk*, and *Mittal Steel* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.[92]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[93] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[94]

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[90] *Mittal Steel*, 542 F.3d at 875-79.

[91] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission's alternative interpretation of *Bratsk* as a reminder to conduct a non-attribution analysis).

[92] To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in the final phase of investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in the final phase of investigations in which there are substantial levels of nonsubject imports.

[93] We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[94] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp*., 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

1. Demand Conditions

CWP is used in a variety of applications, including plumbing applications, structural applications, and more specific applications (*e.g.*, shells for electrical conduit, scaffolding components, and fencing).[95] Demand for CWP is driven by the overall U.S. economy and primarily by nonresidential construction spending, but also in part by residential construction spending.[96] U.S. gross domestic product fluctuated over the POI,[97] while nonresidential construction spending increased steadily.[98]

Apparent U.S. consumption of CWP declined by *** percent from 2012 to 2014, but was *** percent higher in interim 2015 than in interim 2014.[99] Most U.S. producers of CWP reported that demand increased or was unchanged since the beginning of the POI; most importers reported that demand increased or fluctuated.[100]

2. Supply Conditions

During the POI, the U.S. market was supplied by the domestic industry, cumulated subject imports, and imports from sources other than the cumulated subject countries ("imports from other sources").[101] The domestic industry furnished the majority of U.S. supply. Of the responding U.S. producers, *** was by far the largest, accounting for *** percent of U.S. CWP production during the POI. Other major producers included ***.[102] Three producers reported plant closings, including Allied, which stopped producing CWP in October 2015, (after the POI).[103] The domestic industry's share of apparent U.S. consumption, by quantity, increased from *** percent in 2012 to *** percent in 2013 and declined to *** percent in 2014; it was *** percent in interim 2014 and *** percent in interim 2015.[104]

The market share of cumulated subject imports, based on quantity, increased from *** percent in 2012 to *** percent in 2013 and then to *** percent in 2014; it was *** percent in interim 2014 and *** percent in interim 2015.[105]

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[95] CR at I-3-4, PR at I-3.
[96] CR at II-15, PR at II-10.
[97] CR/PR at Figure II-1.
[98] CR/PR at Figure II-2.
[99] CR at IV-13, PR at IV-7, CR/PR at Table IV-7.
[100] CR/PR at Table II-3.
[101] Imports from other sources includes imports from the Philippines.
[102] CR/PR at Table III-1.
[103] CR/PR at Table III-3, Conference Tr. at 9 (Kahn).
[104] CR/PR at Table IV-7.
[105] CR/PR at Table IV-7.

The market share of imports from other sources not subject to cumulation was larger than that for cumulated subject imports. It was *** percent in 2012, *** percent in 2013, *** percent in 2014, and was *** percent in interim 2014 and *** percent in interim 2015.[106] Canada was the largest source of imports from other sources during the POI.[107] Other major sources of such imports were Turkey, Mexico, Korea, and Thailand.[108] Imports from Brazil, China, India, Korea, Mexico, Taiwan, Thailand, and Turkey are subject to antidumping and/or countervailing duty orders.[109]

3. Substitutability and Other Conditions

The record indicates that there is a moderate-to-high degree of substitutability between domestically produced CWP and CWP imported from subject sources. As discussed above, all responding domestic producers and a majority of importers reported that subject imports are "always" or "frequently" used interchangeably with the domestic like product, and the majority of market participants reported that nonsubject imports are "always" used interchangeably with the domestic like product and subject imports.[110] A majority of responding producers reported that differences in factors other than price between domestically produced CWP and subject imports are "never" significant in their sales, although a majority of responding importers reported that such factors are "sometimes" or "frequently" significant.[111] On balance, we find that subject imports are generally interchangeable with the domestic like product and that price is an important factor in purchasing decisions.

Raw materials accounted for nearly three-quarters of the cost of CWP during the POI.[112] The chief material inputs used to produce CWP are hot-rolled steel and zinc (for galvanized products).[113] Prices for hot-rolled steel declined by 24.2 percent from January 2012 to May 2013, increased by 15.6 percent to May 2014, and then fell by 33.3 percent between May 2014 and September 2015. Overall, hot-rolled steel prices declined by approximately 40 percent over the POI. The price of zinc fluctuated, but decreased overall by 11.3 percent over the POI.[114]

[106] Derived from CR/PR at Table IV-7.
[107] CR at IV-5, PR at IV-4.
[108] CR/PR at Table VII-29.
[109] See CR/PR at Table I-1.
[110] CR/PR at Table II-4.
[111] CR/PR at Table II-5.
[112] CR/PR at V-1.
[113] CR/PR at V-1.
[114] CR/PR at V-1 and Figure V-1.

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[115]

Cumulated subject imports increased from *** short tons in 2012 to *** short tons in 2013 and to *** short tons in 2014, a level *** percent higher than in 2012. Cumulated subject imports were *** short tons in interim 2015, a level *** percent higher than the *** short tons in interim 2014.[116]

Cumulated subject imports increased their share of apparent U.S. consumption from *** percent in 2012 to *** percent in 2013 and to *** percent in 2014.[117] Subject imports' share of apparent U.S. consumption was also higher in interim 2015, at *** percent, than in interim 2014, at *** percent.[118]

In light of the foregoing, we find that the volume of subject imports and the increase in the volume of subject imports are significant in both absolute terms and relative to consumption.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[119]

As addressed in section VII.B.3 above, the record indicates that there is a moderate-to-high degree of substitutability between domestically produced CWP and CWP imported from cumulated subject sources.[120]

Nine domestic producers and 14 importers of cumulated subject merchandise provided usable quarterly f.o.b. price data[121] for four CWP products,[122] although not all firms reported

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[115] 19 U.S.C. § 1677(7)(C)(i).
[116] CR/PR at Table IV-2.
[117] CR/PR at Table IV-2.
[118] CR/PR at Table IV-2.
[119] 19 U.S.C. § 1677(7)(C)(ii).
[120] CR/PR at Tables II-4 and II-5.
[121] Derived from CR/PR at Table IV-1 and CR at V-5, PR at V-4.
[122] Product 1 is ASTM A-53 schedule 40 black plain-end, with nominal outside diameter of 2-4 inches; Product 2 is ASTM A-53 schedule 40 galvanized plain-end, with nominal outside diameter of 2-4 (Continued…)

pricing for all products for all quarters.[123] Cumulated subject imports undersold the domestic like product in 136 of 187, or 73 percent, of quarterly comparisons, at margins ranging from 0.3 percent to 40.8 percent.[124] There were 317,219 short tons of cumulated subject imports involved in underselling comparisons and 158,219 short tons of cumulated subject imports involved in overselling comparisons.[125] Thus, on a volume basis, 66.7 percent of subject imports undersold the domestic like product. Given the moderate-to-high degree of substitutability between the domestic like product and the subject imports and the importance of price in purchasing decisions, we find this underselling to be significant for the purposes of these preliminary determinations.[126]

We have also considered changes in prices for the domestic like product and cumulated subject imports. Prices for each of the four products from both domestic and most subject sources declined irregularly from January 2012 to September 2015.[127] Prices for the four domestically produced pricing products showed declines of between *** and *** percent over the POI.[128] The prices of the domestic product were at their lowest at the end of the POI for pricing products 1 and 3, and close to their lowest levels at the end of the POI for pricing product 2.[129] For pricing product 4, the prices of the domestic product showed a declining trend since early 2014.[130] Prices for the pricing products for subject imports from Oman, Pakistan, the UAE, and Vietnam showed declines of between *** and *** percent.

We recognize that raw materials accounted for nearly three-quarters of the cost of goods sold for CWP during the POI, and that prices for the relevant raw materials also declined

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(…Continued)
inches; Product 3 is ASTM A-53 schedule 40 black plain-end, with nominal outside diameter of 6-8 inches; and Product 4 is galvanized fence tube, with nominal outside diameter of 1-3/8 – 2-3/8 inches, and wall thickness of 0.055-0.075 inch. CR at V-9, PR at V-7.

[123] Reported pricing data account for approximately 14.3 percent of domestic producers' U.S. commercial shipments in 2014; and for the entire POI, *** percent of U.S. commercial shipments of subject imports from Oman, *** percent of U.S. commercial shipments of subject imports from Pakistan, *** percent of U.S. commercial shipments of subject imports from the UAE, and all U.S. commercial shipments of subject imports from Vietnam. CR at V-5, PR at V-4.

[124] Derived from CR/PR at Table V-8.

[125] Derived from CR/PR at Table V-8.

[126] Conares and the UAE Respondents argue that underselling by subject imports is not a manifestation of adverse price effects, but rather reflects the bifurcated nature of the market for CWP and the fact that purchasers are unwilling to pay as much for imports that are perceived to be of lower quality and have substantially longer lead times than the domestic like product. Conares Br. at 9-13, UAE Respondents' Br. at 22-25. We will explore this argument further in any final phase investigations, but note that questionnaire responses showed that the domestic and subject imported CWP are generally substitutable, as addressed above.

[127] CR/PR at Tables V-3 to V-6.

[128] CR at V-15, PR at V-6 and CR/PR at Table V-7.

[129] CR/PR at Tables V-3-V-5.

[130] CR/PR at Table V-6.

irregularly over the POI.[131] In any final phase of these investigations, we intend to further explore the role of raw material costs in determining how CWP prices are set. We will also explore the argument of some respondents that Allied's sales of its CWP inventories at highly discounted prices – after it had decided to cease CWP production – may have contributed to declining prices for the domestic product in 2015.[132] Nevertheless, the record in these preliminary phase investigations indicates that the increasing volume of low-priced cumulated subject imports likely played a role in the magnitude of the observed pricing declines.

We find for the purposes of these preliminary determinations that subject imports have depressed prices for the domestic like product to a significant degree.[133] [134]

E. Impact of the Subject Imports[135]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise

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[131] CR/PR at V-1. Hot-rolled steel is the main raw material used to produce CWP, and zinc is used in specific applications, such as to galvanize pipes. Hot-rolled steel prices and zinc prices fell by approximately 40 percent and by 11.3 percent, respectively, over the POI. *Id.*

[132] Conares Br. at 13-14, UAE Respondents' Br. at 32-33.

[133] One U.S. producer submitted lost sales and lost revenue allegations. It identified *** instances where it lost sales and *** instances where it lost revenues. It identified Vietnam as the country of origin for lost revenue involving *** purchaser, but did not indicate the country of origin for imports involved in the other allegations. Staff contacted eight purchasers, and received responses from two. ***. CR at V-17-20, PR at V-7-9.

[134] Chairman Broadbent and Commissioner Johanson cannot conclude that subject imports depressed prices for the domestic like product to a significant degree. They do find, though, that significant underselling by subject imports was a major factor in the loss of market share by the domestic industry to subject imports, especially in interim 2015. While they observe that U.S. prices declined for all four pricing products during a period in which subject import prices significantly undersold the domestic like product, they note that U.S. prices fell during a period of declining demand and falling raw material costs. Over the period of investigation, hot-rolled steel prices fell by approximately 40 percent, while the price of zinc fell by 11.3 percent. CR/PR at Figure V-1; CR at V-1; PR at V-1. On a unit basis, the domestic industry's value of net sales, raw material costs, and COGS all fell by approximately $*** per short ton between 2012 and 2014; between interim periods, these unit value measures were lower by $***, $***, and $***, respectively. Therefore, the decline in the unit value of net sales was equal to or less than the decline in the unit value of raw material costs and COGS. CR/PR at Table VI-1. *See also* UAE Respondents' Br. at 21 (discussing widening metal margins).

[135] Commerce initiated investigations based on estimated antidumping duty margins of 98.87 to 105.58 percent for imports from Oman, 11.80 percent for imports from Pakistan, 47.06 to 54.27 percent for imports from the United Arab Emirates, and 113.18 percent for imports from Vietnam. *Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman, Pakistan, the Philippines, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 80 Fed. Reg. 73708, 73712 (Nov. 25, 2015).

capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[136]

As subject imports grew notably in volume and market share from 2013 to 2014, indicators of the domestic industry's performance such as production, capacity utilization, and shipments declined. Although apparent U.S. consumption was substantially higher in interim 2015 than in interim 2014, so were the volume and market share of subject imports. As a result, the above-mentioned industry performance indicators were either flat or lower in interim 2015 than in interim 2014. We set out the specific data below.

The domestic industry's production of CWP increased from *** short tons in 2012 to *** short tons in 2013 and then declined to *** short tons in 2014. Its production was *** short tons in interim 2014 and *** short tons in interim 2015.[137] The domestic industry's production capacity rose from *** short tons in 2012 to *** short tons in 2013 and then to *** short tons in 2014. The industry's capacity was *** short tons in interim 2014 and *** short tons in interim 2015.[138] Capacity utilization declined from *** percent in 2012 to *** percent in 2013 and then to *** percent in 2014. Capacity utilization was *** percent in both interim 2014 and interim 2015.[139] The domestic industry's U.S. shipments increased from *** short tons in 2012 to *** short tons in 2013 but then declined to *** short tons in 2014. The industry's U.S. shipments were *** short tons in interim 2014 and *** short tons in interim 2015.[140] Ending inventory quantities were *** short tons in 2012, *** short tons in 2013, *** short tons in 2014, *** short tons in interim 2014, and *** short tons in interim 2015.[141]

The domestic industry's indicators relating to employment showed mixed trends over the period. The number of production workers in the domestic industry was *** in 2012, *** in 2013, *** in 2014, *** in interim 2014, and *** in interim 2015.[142] Hours worked totaled *** in 2012, *** in 2013, *** in 2014, and *** in both interim 2014 and interim 2015.[143] Wages paid were $*** in 2012, $*** in 2013, $*** in 2014, $*** in interim 2014, and $*** in interim 2015.[144] Productivity (in short tons per 1,000 hours) was *** in 2012, *** in 2013, *** in 2014, *** in interim 2014, and *** in interim 2014.[145]

With respect to the industry's financial performance, indicators such as net sales and operating and net profits fell from 2013 to 2014, and were lower in interim 2015 than in interim

[136] 19 U.S.C. § 1677(7)(C)(iii). This provision was recently amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[137] CR/PR at Table III-5.

[138] CR/PR at Table III-5.

[139] CR/PR at Table III-5.

[140] CR/PR at Table III-6.

[141] CR/PR at Table III-7.

[142] CR/PR at Table III-9.

[143] CR/PR at Table III-9.

[144] CR/PR at Table III-9.

[145] CR/PR at Table III-9.

2014. The domestic industry's total net sales increased from $*** in 2012 to $*** in 2013 and declined to $*** in 2014. The domestic industry's total net sales were $*** in interim 2014 and $*** in interim 2015.[146] The domestic industry experienced operating losses and net losses throughout the POI. Operating losses were $*** in 2012, $*** in 2013, $*** in 2014, $*** in interim 2014, and $*** in interim 2015.[147] Operating loss margins were *** percent in 2012, *** percent in 2013, *** percent in 2014, *** percent in interim 2014, and *** percent in interim 2015.[148] Net losses were $*** in 2012, $*** in 2013, $*** in 2014, $*** in interim 2014, and $*** in interim 2015.[149] The industry's capital expenditures rose from 2012 to 2014, but were lower in interim 2015 than in interim 2014.[150] Its research and development ("R&D") expenditures fluctuated.[151]

As discussed above, we have found the volume of cumulated subject imports and the increase in the market share of those imports to have been significant over the POI, that these imports undersold the domestic like product to a significant degree, and that there is evidence of price depression by the subject imports. Additionally, the cumulated subject imports gained *** percentage points of market share between interim 2014 and interim 2015, all of which came at the expense of the domestic industry.[152] Consequently, we find, for purposes of the preliminary phase of these investigations, that the large and increasing volume of subject imports, at prices that consistently undersold the domestic like product and depressed domestic prices, had a significant impact on the domestic industry by reducing its shipments, revenues, and financial performance from levels that would have been reached otherwise.

In conducting our impact analysis, we have also considered the role of imports from other sources, so as not to attribute injury from them to subject imports. The volume and market share of imports from other sources declined from 2012 to 2014, but both were higher in interim 2015 than in interim 2014.[153] Imports from other sources cannot explain the magnitude of the domestic industry's loss of market share in interim 2015, when the domestic industry lost *** percentage points of market share, whereas these imports gained only *** percentage points. Nor can imports from other sources explain the declines in the domestic

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[146] CR/PR at Table VI-1.

[147] CR/PR at Table VI-1. Gross profit was $*** in 2012, $*** in 2013, $*** in 2014, $*** in interim 2014, and $*** in interim 2015. *Id.*

[148] CR/PR at Table VI-1.

[149] CR/PR at Table VI-1.

[150] Capital expenditures were $*** in 2012, $*** in 2013, $*** in 2014, $*** in interim 2014, and $*** in interim 2015. CR/PR at Table VI-4.

[151] R&D expenditures were $*** in 2012, $*** in 2013, $*** in 2014, $*** in interim 2014, and $*** in interim 2015. CR/PR at Table VI-4

[152] CR/PR at Table IV-7.

[153] The volume and market share of imports from other sources were *** short tons and *** percent in 2012, *** short tons and *** percent in 2013, and *** short tons and *** percent in 2014. Both the volume and market share of these imports were higher in interim 2015, at *** short tons and *** percent, than in interim 2014, when they were *** short tons and *** percent. Derived from CR/PR at Table IV-2.

industry's prices. The limited pricing data for imports from Canada in the record in the preliminary phase of these investigations show that these imports were priced lower than subject imports in *** instances and higher in *** instances.[154] The average unit value of nonsubject imports was higher than that of subject imports throughout the POI, and was higher than that of U.S. producers' U.S. shipments in 2012, 2014 and interim 2014.[155] In light of these considerations, the adverse effects of the subject imports are distinct from any attributable to the imports from other sources.

Certain respondents argued that for those CWP producers that also make oil country tubular goods ("OCTG") and line pipe, a drop in OCTG and line pipe production during the POI, caused by a sharp drop in oil and gas prices, led to a reallocation of certain expenses to CWP production, and that any declines in performance due to this reallocation should not be attributed to subject imports.[156] We intend to explore this issue further in any final phase investigations.

For the foregoing reasons, the record of the preliminary phase of these investigations supports a determination that there is a reasonable indication of material injury by reason of subject imports.

VIII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of CWP from Oman, Pakistan, the UAE, and Vietnam that are allegedly sold in the United States at LTFV and imports of the subject merchandise from Pakistan that are allegedly subsidized by the Government of Pakistan. We also conclude that imports of CWP from the Philippines that are allegedly sold in the United States at LTFV are negligible.

[154] CR/PR at E-3 and Tables E-1, E-2, and E-3.

[155] CR/PR at Tables III-6 and IV-2. The average unit value (per short ton) of nonsubject imports declined from $*** in 2012 to $*** in 2013, and then rose to $*** in 2014. It was $*** in interim 2014 and $*** in interim 2015. CR/PR at Table IV-2.

[156] Conares Br. at 15-16 and 23-25, UAE Respondents' Br. at 26-31.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by Bull Moose Tube Company (Chesterfield, Missouri), EXLTUBE (N. Kansas City, Missouri), Wheatland Tube, a division of JMC Steel Group (Chicago, Illinois), and Western Tube and Conduit (Long Beach, California) on October 28, 2015, alleging that an industry in the United States is materially injured and threatened with material injury by reason of imports of circular welded carbon-quality steel pipe ("CWP")[1] from Oman, Pakistan, the Philippines, the United Arab Emirates ("UAE"), and Vietnam, that are alleged to be sold in the United States at less-than-fair-value ("LTFV") and alleged to be subsidized by the Government of Pakistan. The following tabulation provides information relating to the background of these investigations.[2][3]

Effective date	Action
October 28, 2015	Petition filed with Commerce and the Commission; institution of Commission investigation (80 FR 67790, November 3, 2015)
November 17, 2015	Commerce's notices of initiation (80 FR 73708, November 25, 2015 and 80 FR 73704, November 25, 2015)
November 18, 2015	Commission's conference
December 11, 2015	Commission's vote
December 14, 2015	Commission's determination
December 21, 2015	Commission's views

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for*

[1] See the section entitled "The Subject Merchandise" in *Part I* of this report for a complete description of the merchandise subject to these investigations.

[2] Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission's website (www.usitc.gov).

[3] A list of witnesses appearing at the conference is presented in app. B of this report.

domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the

[4] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[5] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part I of this report presents information on the subject merchandise, alleged subsidy/dumping margins, and domestic like product. *Part II* of this report presents information on conditions of competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. *Parts IV* and *V* present the volume of subject imports and pricing of domestic and imported products, respectively. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

MARKET SUMMARY

CWP is intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases. Its applications include plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. CWP is also used for light load bearing and mechanical applications, including fencing and conduit.[6] CWP used in the United States is typically produced to the American Society for Testing and Materials International (ASTM) standard A53[7] although; it may also be produced to ASTM A135 and A795. It may also be produced to proprietary specifications as opposed to an industry-wide specification.[8]

The petition identified 17 U.S. producers of CWP (including the 4 petitioners), 10 of which provided a questionnaire response.[9] [10] The leading U.S. producers of CWP are Atkore International ("Allied"); Bull Moose Tube Company ("Bull Moose"); Steel Ventures, d/b/a EXLTUBE ("EXLTUBE"); Tex-Tube Company ("Tex-Tube"); and Wheatland Tube Company ("Wheatland").[11]

Leading producers of CWP outside the United States include Al Jazeera Tube Steel Company ("Al Jazeera") of Oman; International Industries Limited ("IIL") of Pakistan; HLD Clark Steel Pipe Co., Inc. ("HLD Clark") of the Philippines; Conares Metal Supply ("Conares"), Universal Tube & Plastic Industries Ltd, Universal Tube & Pipe Industries LLC, and KHK Scaffolding &

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[6] Petition, p. 5.

[7] Petition, exh. I-10.

[8] Petition, p. 5.

[9] U.S. Steel did not provide a response to the U.S. producer questionnaire, but reported that it produced *** net tons of CWP during 2012 and sold *** net tons and *** net tons of CWP in 2013 and 2014, respectively. U.S. Steel also reported that it ***. These data are not included in this report. Letter from Stephen P. Vaughn to Justin Enck, November 10, 2015.

[10] *** responded "No" to the U.S. producers' questionnaire.

[11] ***.

Formwork LLC (collectively, "Universal") of the UAE; and SeAH Steel Vina Corporation ("SeAH") of Vietnam.

The leading U.S. importers of CWP from Oman are ***. The leading U.S. importers of CWP from Pakistan are ***. The leading U.S. importers of CWP from the Philippines are ***. The leading U.S. importers of CWP from the UAE are ***. The leading U.S. importers of CWP from Vietnam are ***. The leading importers of CWP from nonsubject sources include ***.

Apparent U.S. consumption of CWP totaled *** short tons ($***) in 2014. At least 10 firms were known to produce CWP in the United States. U.S. producers' U.S. shipments of CWP totaled *** short tons ($***) in 2014, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled *** short tons ($***) in 2014 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** short tons ($***) in 2014 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of ten firms that accounted for *** percent of U.S. shipments of CWP, by volume during 2014.[12] U.S. imports are based on official statistics with adjustments based on questionnaire responses.[13]

PREVIOUS AND RELATED INVESTIGATIONS

The Commission has conducted a number of previous import relief investigations on CWP. Information regarding those investigations is presented in table I-1.

[12] The ten responding U.S. producers shipped *** short tons of CWP in 2014. U.S. CWP shipments are based on *Preston Pipe & Tube Report* estimate of 2014 U.S. standard pipe shipments of 961,798 short tons. *Preston Pipe & Tube Report,* Vol. 33 No. 2, February 2015, p. 52.

[13] Official statistics include the following HTS statistical reporting numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090, adjusted to add subject product imported under different HTS numbers and to subtract non-subject product imported under these HTS numbers.

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

Product	Inv. no.	Year of petition	Country	Original determination	Current status of order
CWP	701-TA-165	1982	Brazil	Terminated	([1])
	701-TA-166	1982	France	Terminated	([1])
	701-TA-167	1982	Italy	Negative (P)	([1])
	701-TA-168	1982	Korea	Affirmative	Order revoked by Commerce --1985
	701-TA-169	1982	West Germany	Terminated	([1])
	731-TA-132	1983	Taiwan	Affirmative	Order in place.
	701-TA-220	1984	Spain	Terminated	([1])
	731-TA-183	1984	Brazil	Terminated	([1])
	731-TA-197	1984	Brazil	Terminated	([1])
	731-TA-198	1984	Spain	Terminated	([1])
	701-TA-242	1985	Venezuela	Terminated	([1])
	701-TA-251	1985	India	ITA Negative	([1])
	701-TA-252	1985	Taiwan	ITA Negative	([1])
	701-TA-253	1985	Turkey	Affirmative	Order in place.
	731-TA-211	1985	Taiwan	Negative	([1])
	731-TA-212	1985	Venezuela	Terminated	([1])
	731-TA-252	1985	Thailand	Affirmative	Order in place.
	731-TA-253	1985	Venezuela	Terminated	([1])
	731-TA-271	1985	India	Affirmative	Order in place.
	731-TA-273	1985	Turkey	Affirmative	Order in place.
	731-TA-274	1985	Yugoslavia	Terminated	([1])
	731-TA-292	1986	China	Negative	([1])
	731-TA-293	1986	Philippines	Negative	([1])
	731-TA-294	1986	Singapore	Negative	([1])

Table continued on next page.

Table I-1--*Continued*

CWP: Previous and related Title VII investigations

Product	Inv. No.	Year of petition	Country	Original determination	Current status of order
CWP	701-TA-311	1991	Brazil	ITA Negative	([1])
	731-TA-532	1991	Brazil	Affirmative	Order in place.
	731-TA-533	1991	Korea	Affirmative	Order in place.
	731-TA-534	1991	Mexico	Affirmative	Order in place.
	731-TA-535	1991	Romania	Negative	([1])
	731-TA-536	1991	Taiwan	Affirmative	Order in place.
	731-TA-537	1991	Venezuela	Affirmative	ITC negative, 2000 review
	731-TA-732	1995	Romania	Negative	([1])
	731-TA-733	1995	South Africa	Negative	([1])
	731-TA-943	2001	China	Negative	([1])
	731-TA-944	2001	Indonesia	Negative (P)	([1])
	731-TA-945	2001	Malaysia	Negative (P)	([1])
	731-TA-946	2001	Romania	Negative (P)	([1])
	731-TA-947	2001	South Africa	Negative (P)	([1])
	701-TA-447	2007	China	Affirmative	Order in place.
	731-TA-1116	2007	China	Affirmative	Order in place.
	701-TA-482	2011	India	Negative	([1])
	701-TA-483	2011	Oman	Negative	([1])
	701-TA-484	2011	UAE	Negative	([1])
	731-TA-1191	2011	Indonesia	Negative	([1])
	731-TA-1192	2011	Malaysia	Negative	([1])
	731-TA-1193	2011	Romania	Negative	([1])
	731-TA-1194	2011	South Africa	Negative	([1])

[1] Not applicable.

Source: *Circular Welded Carbon Quality Steel Pipe from India, Oman, United Arab Emirates, and Vietnam*, Inv. Nos. 701-TA-482-484 and 731-TA-1191-1194 (Final), USITC Publication 4362, December 2012.

PREVIOUS AND RELATED SAFEGUARD INVESTIGATIONS

During the 1980s, the United States took steps to limit imports of various steel products into the U.S. market. In October 1982, the United States concluded an agreement with what was then known as the European Coal and Steel Community regulating trade in certain steel products.[14] In response to a January 24, 1984 petition filed by Bethlehem Steel Corp. and the United Steelworkers of America, the Commission conducted an investigation under section 201 of the Trade Act of 1974 regarding imports of a wide range of carbon and certain alloy steel products, including carbon and alloy steel ingots, blooms, billets, slabs, and sheet bars; plates; sheets and strip; wire rods; wire and wire products; railway-type products; bars; structural shapes and units; and pipes and tubes and blanks. The Commission made affirmative determinations with respect to 5 of the 9 investigated products, and the Commission majority recommended various relief measures.[15] On September 18, 1984, President Reagan announced that he would not implement the remedies proposed by the Commission as they were not "in the national economic interest," but instead, as part of a nine-point plan to assist the domestic steel industry to compete with imports, he recommended the negotiation of voluntary restraint agreements ("VRAs") with trading partners to address unfair surges in imports of steel products.[16] Between October 1, 1984, and March 31, 1992, the United States limited imports into the U.S. market of non-alloy carbon steel products from the European Union and 19 other sources through VRAs. The VRAs covered CWP (as well as other pipe and tube products) from among other countries, Brazil, Korea, and Mexico. Although there was no VRA with Taiwan, Taiwan established a voluntary unilateral restraint on its steel exports to the United States through an exchange of letters between the Coordination Council for North American Affairs and the American Institute in Taiwan.[17]

In 2001, the Commission determined that certain carbon and alloy steel welded tubular products other than OCTG (including CWP as defined in the current proceeding) were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing such articles, and recommended a tariff-rate quota decreasing from 20 percent to 11 percent over four years.[18] On March 5, 2002, President George W. Bush announced the implementation of steel safeguard measures. Import relief relating to welded tubular products (other than oil country tubular goods) consisted of an additional tariff for a period of three years and one day (15 percent ad valorem on imports in the first year, 12 percent in the second year, and 9 percent in

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[14] 47 FR 49058, October 29, 1982.

[15] *Carbon and Certain Alloy Steel Products*, Inv. No. TA-201-51, USITC Pub. 1553, July 1984.

[16] 49 FR 36813, September 20, 1984 (President's Memorandum).

[17] *Certain Circular, Welded, Non-Alloy Steel Pipes and Tubes from Brazil, the Republic of Korea, Mexico, Romania, Taiwan, and Venezuela, Inv. Nos. 731-TA-532-537 (Final)*, USITC Publication 2564, October 1992, p. I-48.

[18] *Steel; Import Investigations*, 66 FR 67304, December 28, 2001.

the third year).[19] Following receipt of the Commission's mid-term monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, President Bush determined that the effectiveness of the action taken had been impaired by changed circumstances. Therefore, he terminated the U.S. measure with respect to increased tariffs on December 4, 2003.[20] On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by President Bush on imports of certain steel products. The Commission's report on the evaluation was transmitted to the President and the Congress on September 19, 2005.

In 2005, the Commission conducted a China-specific safeguard investigation on circular welded nonalloy steel pipe (Inv. No. TA-421-6). Following the Commission's affirmative determination of market disruption and remedy recommendations, President Bush issued a proclamation on December 30, 2005, determining not to impose temporary import relief.[21]

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged subsidies

On November 25, 2015, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on CWP from Pakistan.[22] Commerce identified the following government programs in Pakistan:[23]

A. Input Material Tax Benefit Programs
    1. Input Material Import Duty Exemptions for Manufacturers Operating Bonded Warehouses
    2. Input Material Import Duty Exemptions for Manufacturers Located in Export Processing Zones

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[19] *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002. The President also instructed the Secretaries of Commerce and the Treasury to establish a system of import licensing to facilitate steel import monitoring.

[20] *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003. Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.

[21] *Presidential Proclamation 2006-7 of December 30, 2005, Presidential Determination on Imports of Circular Welded Non-Alloy Steel Pipe from the People's Republic of China*, 71 FR 871, January 6, 2006.

[22] *Circular Welded Carbon-Quality Steel Pipe from Pakistan: Initiation of Countervailing Duty Investigation*, 80 FR 73704, November 25, 2015.

[23] *Department of Commerce Enforcement and Compliance Office of AD/CVD Operations, CVD Initiation Checklist, Circular Welded Carbon-Quality Steel Pipe from Pakistan, Case No. C-535-904,* November 17, 2015, pp. 7-21.

3. Input Material Import Duty Exemptions/Discounts for Manufacturers in Certain Industries under SRO 565(I)
4. Input Material Duty Drawback
5. Rebates of Sales, Excise, and Withholding Taxes on Input Materials Used to Produce Exports

B. Plant Equipment and Machinery Import Duty Exemptions
1. Plant Equipment and Machinery Import Duty Exemptions for Manufacturers Operating Bonded Warehouses
2. Plant Equipment and Machinery Import Duty Exemptions for Manufacturers Located in Export Processing Zones

C. Other Tax Benefit Programs
1. Preferential Tax Rate on Foreign Proceeds under the Income Tax Ordinance of 2001
2. Withholding Tax Credit for Steel Product Manufacturers

D. Export Financing
1. Short-Term Export Financing under the State Bank of Pakistan Act
2. Short-Term Export Financing under Foreign Exchange Circular Nos. 25 and 05
3. Long-Term Export Financing for Exporters from the State Bank of Pakistan

E. Grant Programs
1. Assistance for Opening Exporters' Offices Abroad
2. Inland Freight Subsidy for Exporters

Alleged sales at LTFV

On November 25, 2015, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on CWP from Oman, Pakistan, the Philippines, the UAE, and Vietnam.[24] Commerce has initiated antidumping duty investigations based on the following estimated dumping margins:

- Oman – 98.87 to 105.58 percent,
- Pakistan - 11.80 percent,
- The Philippines – 21.86 percent,
- The UAE – 47.06 to 54.27 percent, and
- Vietnam – 113.18 percent.

[24] *Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman, Pakistan, the Philippines, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations: Initiation of Countervailing Duty Investigation*, 80 FR 73708, November 25, 2015.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of this investigation as follows:[25]

These investigations cover welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term "carbon quality" includes products in which:

(a) iron predominates, by weight, over each of the other contained elements;
(b) the carbon content is 2 percent or less, by weight; and
(c) none of the elements listed below exceeds the quantity, by weight, as indicated:
(i) 1.80 percent of manganese;
(ii) 2.25 percent of silicon;
(iii) 1.00 percent of copper;
(iv) 0.50 percent of aluminum;
(v) 1.25 percent of chromium;
(vi) 0.30 percent of cobalt;
(vii) 0.40 percent of lead;
(viii) 1.25 percent of nickel;
(ix) 0.30 percent of tungsten;
(x) 0.15 percent of molybdenum;
(xi) 0.10 percent of niobium;
(xii) 0.41 percent of titanium;
(xiii) 0.15 percent of vanadium; or
(xiv) 0.15 percent of zirconium.

[25] *Circular Welded Carbon-Quality Steel Pipe from Pakistan: Initiation of Countervailing Duty Investigation*, 80 FR 73704, November 25, 2015, appendix 1.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L, is also covered by the scope of these investigations when it meets the physical description set forth above. Covered products may also possess one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50mm) in nominal O.D.; has a galvanized and/or painted (e.g., polyester coated) surface finish; or has a threaded and/or coupled end finish.

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.

Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	*Wall thickness in inches*	*Gauge*
1.315	*0.035*	*20*
1.315	*0.047*	*18*
1.315	*0.055*	*17*
1.315	*0.065*	*16*
1.315	*0.072*	*15*
1.315	*0.083*	*14*
1.315	*0.095*	*13*
1.660	*0.055*	*17*
1.660	*0.065*	*16*
1.660	*0.083*	*14*
1.660	*0.095*	*13*
1.660	*0.109*	*12*
1.900	*0.047*	*18*
1.900	*0.055*	*17*
1.900	*0.065*	*16*
1.900	*0.072*	*15*
1.900	*0.095*	*13*
1.900	*0.109*	*12*
2.375	*0.047*	*18*
2.375	*0.055*	*17*
2.375	*0.065*	*16*
2.375	*0.072*	*15*
2.375	*0.095*	*13*
2.375	*0.109*	*12*
2.375	*0.120*	*11*
2.875	*0.109*	*12*
2.875	*0.165*	*8*
3.500	*0.109*	*12*
3.500	*0.165*	*8*
4.000	*0.148*	*9*
4.000	*0.165*	*8*
4.500	*0.203*	*7*

The scope of these investigations does not include:

(a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;

(b) finished electrical conduit, i.e., Electrical Rigid Steel Conduit (aka Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit),

Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;

(c) finished scaffolding, i.e., component parts of final, finished scaffolding that enter the United States unassembled as a "kit." A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;

(d) tube and pipe hollows for redrawing;

(e) oil country tubular goods produced to API specifications;

(f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and

(g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The products subject to these investigations are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.50.5030, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. However, the product description, and not the HTSUS classification, is dispositive of whether the merchandise imported into the United States falls within the scope.

Tariff treatment

Based upon the scope set forth by the Department of Commerce, the products subject to these investigations are imported under the following Harmonized Tariff Schedule of the United States (HTS) statistical reporting numbers: 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.50.5030, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. The column 1-general duty rate on all of these products is free.[26]

[26] Decisions on the tariff classification and treatment of imported goods are solely within the authority of U.S. Customs and Border Protection.

THE PRODUCT

Description and applications[27]

Standard pipe of non-alloy steel is the primary product within the scope of these investigations. Standard pipe is intended for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipe may carry liquids at elevated temperatures but may not be subject to the application of external heat. It is made primarily to ASTM A53, A135, and A795 specifications, but can also be made to other specifications. Since these standards often specify required engineering characteristics that overlap, a pipe can also be dual stenciled (stamped with monograms signifying compliance with two different specifications, such as ASTM A53 and API 5L).

Other uses of CWP include light load-bearing and mechanical applications, such as for fence tubing, scaffolding components, and protection of electrical wiring, such as conduit shells. Fence tubing is commonly produced to ASTM specification F1083, which covers hot-dipped galvanized welded steel pipe used for fence structures. However, mills also produce fence tubing without reference to an ASTM specification, or to a general specification such as ASTM A513.

In addition, CWP is used for structural applications in general construction. Structural pipe is generally used for structural or load-bearing purposes above ground by the construction industry, as well as for structural members in ships, trailers, farm equipment, and other similar uses. It is produced in nominal wall thicknesses and sizes to ASTM specifications. These products also are manufactured primarily to standard ASTM specifications such as A500 or A252 as well as American Society of Mechanical Engineers ("ASME") specifications.

Standard pipe used in light load-bearing, mechanical, and structural applications may be galvanized (zinc-coated by dipping in molten zinc), lacquered (black finish), or painted "black" to provide corrosion resistance, which is important for storage in humid conditions or for ocean transport. End finishes include plain end, which may be either cut, or beveled suitable for welding, or include threaded ends, or threaded or coupled, as well as other special end finishes. Pipe with threaded ends is usually provided "threaded and coupled," meaning that a coupling is attached to one end of each length of pipe.

[27] Information in this section is from *Circular Welded Carbon-Quality Steel Pipe from China, Invs. Nos. 701-TA-447 and 731-TA-1116 (Review),* USITC Publication 4435, November 2013, pp. I-9 – I-12.

Manufacturing processes[28]

CWP of the sizes subject to these investigations are manufactured by either the electric resistance-welding ("ERW") process, the continuous-welding ("CW") process, or the stretch reduction process. The ERW process is a cold-forming process. The raw material input is steel sheet which has been slit into strips of appropriate width that equal the diameter of the pipe to be welded. The strips, or "skelp," are formed into a tubular shape by passing it through a series of rollers, which provide the initial shaping into round form, as well as guidance into the welding section.

After the strips have been formed to a tubular shape, the edges are heated by electrical resistance and welded by a combination of heat and pressure. The heat for welding is generated by the resistance of the steel to the flow of an electric current. The welding pressure causes some of the metal to be squeezed from the joint, forming a bead of metal on both the inside and outside of the tube. While still in the continuous processing line, the tube is then subjected to post-weld heat treatment, as required. This may involve heat treatment of the welded seam only, or treatment of the entire pipe. After heat treatment, sizing rolls shape the tube to the correct diameter. The product is cooled and then cut at the end of the tube mill by a flying shear or saw, synchronized with the tube's movement so that it is not necessary to stop the process. The ERW process can be used to cover the full range of standard pipe diameters pertinent to these reviews.

In the CW process,[29] the entire strip is heated to approximately 2,450 degrees Fahrenheit in a gas-fired, continuous furnace. As the strip leaves the furnace, super-heated air from a blower raises the temperature of the edges to approximately 2,600 degrees Fahrenheit for welding. The strip is formed into tubular shape by a series of rollers, and the edges are butted together under pressure to form the weld. While still hot, the product may be processed through a stretch reduction mill, which simultaneously reduces the diameter and wall thickness of the pipe. The continuous tube is then cut into predetermined lengths by a flying saw or shear. The CW method can be used to produce pipe up to 4.5 inches in O.D.

In the stretch reduction process, a "mother" tube produced on an ERW or CW mill is subsequently placed on a stretch reduction mill which heats and stretches the tube to produce pipe of various smaller diameters and thinner wall thicknesses. Use of a stretch mill can be advantageous to a company because it allows the company to produce a single diameter and wall thickness of mother tubes on its ERW or CW mill allowing these operations to run more efficiently while still producing other pipe sizes on the stretch reduction mill.[30]

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[28] Unless otherwise noted, information in this section is from *Circular Welded Carbon-Quality Steel Pipe from China, Invs. Nos. 701-TA-447 and 731-TA-1116 (Review),* USITC Publication 4435, November 2013, pp. I-12 – I-14.

[29] Wheatland Tube is the only U.S. producer of continuous welded pipe. Wheatland Tube, "SureThread: the only option for continuous weld pipe," http://www.wheatland.com/surethread, retrieved on November 30, 2015; conference transcript, p. 59 (Schagrin).

[30] Petition, pp. 6-7.

Finishing operations on standard pipe and tube may include hydrostatic testing, oiling, and galvanizing. The process of galvanizing involves the application of a zinc coating to steel pipe for protection from atmospheric corrosion. In a hot-dip process of galvanizing, cut lengths of steel pipe are dipped in a bath of molten zinc maintained at a temperature of 820 to 860 degrees Fahrenheit. The combination of the temperature of both the zinc and the steel, as well as the immersion time within the zinc bath, determines the thickness of the coating. The zinc coating may be applied to the outside only, or both the inside and outside of the steel pipe, depending on end-use application and industry specification (e.g., ASTM). In a continuous galvanizing process, the zinc coating may be applied to the outside of the pipe before the steel pipe is cut to length by passing it through a bath of molten zinc.

End finishing may include square cutting, beveling, threading, or grooving. Threaded pipe may be furnished "threaded and coupled," in which case both ends of each length of pipe are threaded and a threaded coupling is applied to one end.

The manufacturing process is similar in the United States and in the subject countries except that the CW manufacturing process is not used in the subject countries.[31]

DOMESTIC LIKE PRODUCT ISSUES

No issues with respect to domestic like product have been raised in these investigations. The petitioner proposes a single product consisting of all CWP covered by the scope.[32] The UAE Respondents agree with the definition.[33] No other respondents challenged the domestic like product definition at the conference or in their briefs.

[31] Conference transcript, p. 97 (Cameron).
[32] Petition, pp. 14-15.
[33] Conference transcript, p. 87 (Cameron) and UAE respondents' posthearing brief, p.4.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

U.S. MARKET CHARACTERISTICS

CWP is used for the low-pressure conveyance of water, steam, natural gas, air and other liquids and gases in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses.[1] CWP may also be used for light load-bearing and mechanical applications, such as fence tubing, and scaffolding.[2] CWP used in the United States is commonly produced to the American Society for Testing and Materials International (ASTM) A53, A135, or A795 standards, or can be produced to proprietary specifications. CWP typically undergoes an Underwriters Laboratories (UL) certification process.[3] All U.S. producers and most importers reported that there were no changes to the product range, product mix, or marketing of CWP since January 1, 2012.

Apparent U.S. consumption of CWP decreased from *** short tons in 2012 to *** short tons in 2013 before increasing to *** short tons in 2014. Apparent U.S. consumption increased from *** short tons in January-September 2014 to *** short tons in January-September 2015. Overall, apparent U.S. consumption in 2012 was *** percent lower than in 2014. There are reportedly ten U.S. producers of CWP, with petitioners representing *** percent of domestic production during January 2012-September 2015.[4] Subject imports accounted for approximately *** percent of U.S. apparent consumption during 2012-14. Oman accounted for *** percent; Pakistan *** percent; the Philippines ***; the UAE *** percent; and Vietnam *** percent. ***, who imported CWP from Vietnam, and ***, who imported CWP from the UAE, imported the largest share of subject imports during 2012-14, representing *** percent and *** percent of subject imports.

CHANNELS OF DISTRIBUTION

U.S. producers and importers sold mainly to distributors, as shown in table II-1.[5]

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[1] Petition, p. 5.

[2] Petition, p. 5.

[3] Conference transcript, p. 47 (Blatz).

[4] Atkore International, aka Allied Tube and Conduit ("Allied"), stopped producing CWP in 2015. Conference transcript, p. 25 (Blatz). It provided *** responses to the Commission's U.S. producers' questionnaire. Allied is not included in the information presented in Part II, unless otherwise noted.

[5] The Commission did not define retailers as distributors or end users in the questionnaires. Petitioner notes that importer *** reported that *** were to distributors but also reported that the majority of sales, *** percent, were to Home Depot. Petitioners' postconference brief, pp. 20-21.

Table II-1
CWP: U.S. producers' and importers' U.S. commercial shipments, by sources and channels of distribution, January 2012-September 2015

* * * * * * *

GEOGRAPHIC DISTRIBUTION

Four U.S. producers reported selling CWP to all regions in the contiguous United States, while most producers reported selling CWP to the Mountain, Pacific Coast, and Midwest regions (table II-2). Importers reported selling mostly to the Central Southwest and Pacific Coast regions. For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-2
CWP: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	Importers				
		Oman	Pakistan	Philippines	UAE	Vietnam
Northeast	6	4	2	1	3	1
Midwest	7	2	1	0	3	1
Southeast	6	4	2	0	3	2
Central Southwest	5	5	3	6	7	5
Mountain	8	1	0	0	3	1
Pacific Coast	8	5	2	2	6	5
Other[1]	3	1	1	0	2	1
All regions (except Other)	4	1	0	0	2	1
Reporting firms	9	6	3	7	8	6

[1] All other U.S. markets, including AK, HI, PR, and VI.

Source: Compiled from data submitted in response to Commission questionnaires.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers of CWP have the ability to respond to changes in demand with relatively large changes in the quantity of shipments of U.S.-produced CWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are excess capacity, available inventory, and the ability to produce other products.

Industry capacity

Domestic capacity increased from *** short tons in 2012 to *** short tons in 2013 and further increased to *** short tons in 2014. Domestic capacity decreased from *** short tons in January-September 2014 to *** short tons in January-September 2015. Domestic production increased from *** short tons in 2012 to *** short tons in 2013 but declined to *** short tons in 2014. Production fell from *** short tons in January-September 2014 to *** short tons in January-September 2015. Domestic capacity utilization decreased from *** percent in 2012 to *** percent in 2013 and to *** percent in 2014. Capacity utilization was stable at *** percent in January-September 2014 and January-September 2015. This relatively low level of capacity utilization suggests that U.S. producers may have substantial ability to increase production of product in response to an increase in prices.

Alternative markets

U.S. producers' exports, as a percentage of total shipments, decreased between 2012 and 2014, as U.S. producers' export shipments declined from *** percent to *** percent. Export shipments remained low from January-September 2014 to January-September 2015, indicating that U.S. producers may have limited ability to shift shipments between the U.S. market and other markets in response to price changes. U.S. producers reported *** as their principle export markets.

Inventory levels

U.S. producers' inventories, as a percentage of total shipments, increased from *** percent in 2012 to *** percent in 2014. These inventory levels suggest that U.S. producers may have some ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Seven of nine responding U.S. producers stated that they could switch production from CWP to other products. Other products that producers reportedly can produce on the same equipment as CWP are automotive tubing, heavy walled rectangular, mechanical tubing, line pipe, OCTG, square tubing, and X52 pipe.

Supply constraints

Most responding U.S. producers (8 of 9) reported that they had not refused, declined, or been unable to supply CWP since January 1, 2012; however, one producer, ***, stated that it had experienced supply constraints because it scaled back production due to continued acceptance of import material.

Subject imports from Oman[6]

Based on available information, the one responding producer of CWP from Oman, Al Jazeera, has the ability to respond to changes in demand with small-to-moderate changes in the quantity of shipments of CWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, existence of alternate markets, and ability to produce alternate products.

Industry capacity

*** production of CWP increased from *** short tons in 2012 to *** short tons in 2014 while overall capacity was stable at *** over the same period, increasing its capacity utilization from *** percent to *** percent during 2012-14. This relatively moderate level of capacity utilization suggests that *** may have some ability to increase production of CWP in response to an increase in prices.

Alternative markets

*** exports, as a percentage of total shipments, represented *** percent of its shipments in 2012 and increased to *** percent of total shipments in 2014. Its export shipments to non-U.S. markets increased slightly from *** percent of total shipments in 2012 to *** percent in 2014. Destination countries include ***. Therefore, *** may have substantial ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

*** inventories, as a percentage of total shipments, increased from *** percent in 2012 to *** percent in 2014. These inventory levels suggest that *** may have limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

*** stated that it could switch production from CWP to other products, which includes ***.

[6] The Commission received one questionnaire responses from Omani producers. This firm's exports to the United States were equivalent to *** percent of U.S. imports of CWP from Oman during January 2012-September 2015.

Supply constraints

*** stated that supply constraints include small production runs, frequent size changes, market conditions, and slitting capacity.

Subject imports from Pakistan[7]

Based on available information, the one responding producer of CWP from Pakistan, International Industries Limited ("IIL"), has the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of CWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, existence of alternate markets and inventories, and ability to produce alternate products.

Industry capacity

*** production of CWP increased from *** short tons in 2012 to *** short tons in 2014 while capacity was stable at *** short tons over the same period, increasing its capacity utilization from *** percent to *** percent during 2012-14. This relatively moderate level of capacity utilization suggests that *** may have some ability to increase production of CWP in response to an increase in prices.

Alternative markets

*** exports, as a percentage of total shipments, represented *** of its shipments since January 1, 2012. Its export shipments to non-U.S. markets increased from *** percent of total shipments in 2012 to *** percent of total shipments in 2014. Destination countries include ***. Therefore, *** may have considerable ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

*** inventories, as a percentage of total shipments, declined from *** percent in 2012 to *** percent in 2014. These inventory levels suggest that *** may have some ability to respond to changes in demand with changes in the quantity shipped from inventories.

[7] The Commission received one questionnaire responses from Pakistani producers. This firm's exports to the United States were equivalent to *** percent of U.S. imports of CWP from Pakistan during January 2012-September 2015.

Production alternatives

*** stated that it could switch production from CWP to other products. Other products that *** reportedly can produce on the same equipment as CWP are ***.

Supply constraints

*** stated that supply constraints include local law and order situations around its production facility, electricity shortages, gas and water supply, inadequate road infrastructure, and unavailability of locally produced raw material which needs to be imported with a short (90 day) lead time.

Subject imports from the Philippines[8]

Based on available information, one responding producer of CWP from the Philippines, HLD Clark Steel Pipe Co. ("HLD Clark"), has the ability to respond to changes in demand with small changes in the quantity of shipments of CWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the limited availability of unused capacity, few alternate markets, and lack of inventories.

Industry capacity

*** production of CWP increased from *** short tons in 2012 to *** short tons in 2014 while capacity increased from *** short tons to *** short tons over the same period, increasing its capacity utilization from *** percent to *** percent during 2012-14. This relatively high level of capacity utilization suggests that *** may have very limited ability to increase production of CWP in response to an increase in prices.

Alternative markets

*** exports, as a percentage of total shipments, represented *** of their shipments since January 1, 2012. Its export shipments to non-U.S. markets increased from *** percent of total shipments in 2012 to *** percent of total shipments in 2014. *** was *** principle export market other than the United States. Therefore, *** may have considerable ability to shift shipments between the U.S. market and other markets in response to price changes.

[8] The Commission received one questionnaire response from Philippine producers. This firm's exports to the United States were equivalent to *** percent of U.S. imports of CWP from the Philippines during January 2012-September 2015.

Inventory levels

*** held no inventories since January 1, 2012, which suggests that it has almost no ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

*** stated that it could switch production from CWP to other products, including ***.

Supply constraints

*** stated that supply constraints include voltage instability, electricity shortages, and maintenance, and added that it cannot run its *** production lines at the same time due to electric power limitation.

Subject imports from the UAE[9]

Based on available information, producers of CWP from the UAE have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of CWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, the ability to shift shipments from other markets, and the ability to produce alternate products.

Industry capacity

Emirati production of CWP increased from *** short tons in 2012 to *** short tons in 2014, while capacity increased from *** short tons to *** short tons over the same period, increasing its capacity utilization from *** percent to *** percent during 2012-14. This relatively low-to-moderate level of capacity utilization suggests that Emirati producers may have moderate-to-large ability to increase production of product in response to an increase in prices.

Alternative markets

Emirati exports, as a percentage of total shipments, increased from *** percent of total shipments in 2012 to *** percent in 2014. Its export shipments to non-U.S. markets increased from *** percent of total shipments in 2012 to *** percent in 2014. Destination countries include ***. Therefore, Emirati producers may have considerable ability to shift shipments between the U.S. market and other markets in response to price changes.

---

[9] The Commission received three questionnaire responses from Emirati producers. These firms' exports to the United States were equivalent to *** percent of U.S. imports of CWP from the UAE during January 2012-September 2015.

Inventory levels

Emirati producers' inventories, as a percentage of total shipments, declined from *** percent in 2012 to *** percent in 2013 before rebounding to *** percent in 2014. These inventory levels suggest that Emirati producers may have limited ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Emirati producers indicated that they could switch production from CWP to other products. Other products that can reportedly be produced on the same equipment as CWP are ***.

Supply constraints

Two of three Emirati producers stated that they encounter supply constraints, primarily due to machine capacity.

Subject imports from Vietnam[10]

Based on available information, producers of CWP from Vietnam have the ability to respond to changes in demand with low-to-moderate changes in the quantity of shipments of CWP to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, the ability to shift shipments from other markets, low inventory levels, and the ability to produce alternate products.

Industry capacity

Vietnamese production of CWP increased from *** short tons in 2012 to *** short tons in 2014, while capacity increased from *** short tons to *** short tons over the same period, increasing its capacity utilization from *** percent to *** percent during 2012-14. This moderate-to-high level of capacity utilization suggests that Vietnamese producers may have limited ability to increase production of product in response to an increase in prices.

[10] The Commission received two questionnaire responses from Vietnamese producers. These firms' exports to the United States were equivalent to *** percent of U.S. imports of CWP from Vietnam during January 2012-September 2015.

Alternative markets

Vietnamese exports, as a percentage of total shipments, increased from *** percent of total shipments in 2012 to *** percent of total shipments in 2014. Vietnamese export shipments to non-U.S. markets increased from *** percent of total shipments in 2012 to *** percent of total shipments in 2014. Destination countries include ***. Therefore, Vietnamese producers may have substantial ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

Vietnamese producers' inventories, as a percentage of total shipments, declined from *** percent in 2012 to *** percent in 2013 before rebounding to *** percent in 2014. These inventory levels suggest that Vietnamese producers may have some ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

One Vietnamese producer, ***, stated that it could switch production from CWP to other products. Other products that *** reportedly can produce on the same equipment as CWP are ***.

Supply constraints

Both responding Vietnamese producers stated that they encounter supply constraints, primarily due to machine capacity.

Nonsubject imports

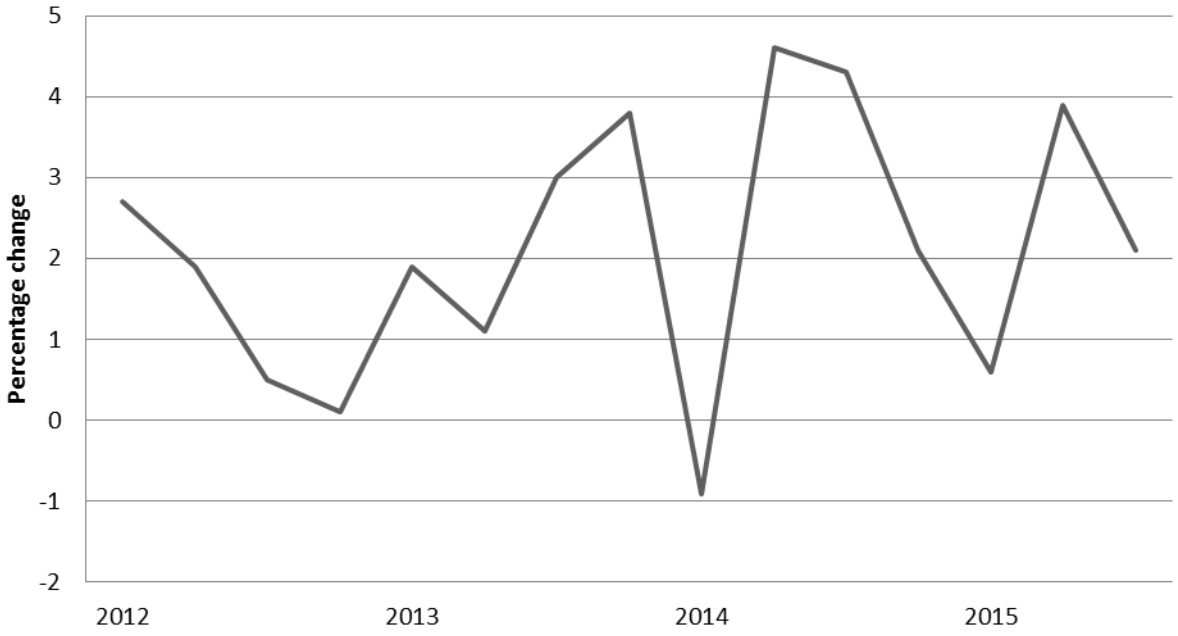
The largest sources of nonsubject imports during 2012-14 were Canada and Mexico. Combined, by quantity, these countries accounted for *** percent of nonsubject imports and *** percent of total imports in 2014.

U.S. demand

Based on available information, the overall demand for CWP is likely to experience small-to-moderate changes in response to changes in price. The main contributing factors are the lack of substitute products and the wide range of cost share of CWP in most of its end-use products.

Demand for CWP is driven by the overall U.S. economy and primarily by nonresidential construction spending, but also in part by residential construction spending.[11] [12] U.S. gross domestic product (GDP) fluctuated over the period of investigation (figure II-1), while nonresidential construction spending increased steadily over the period (figure II-2).

Figure II-1
Percent changes in real gross domestic product (GDP) growth, by quarter, January 2012-September 2015

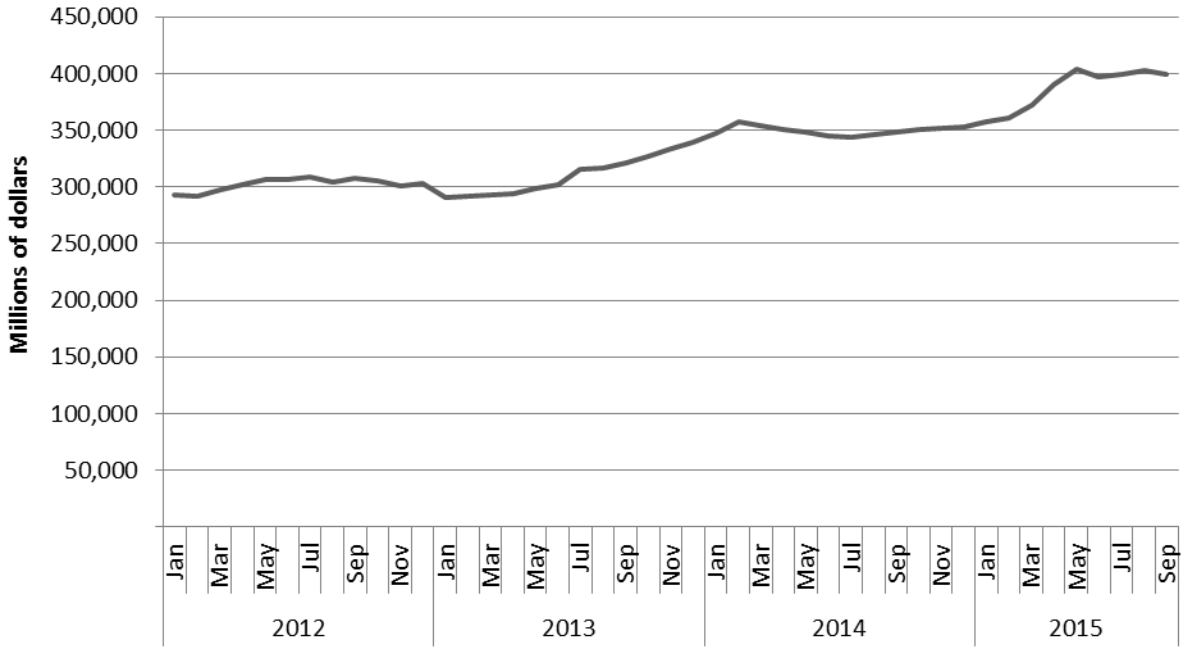


Source: Bureau of Economic Analysis, U.S. Department of Commerce, November 24, 2015 release.

[11] Conference transcript, pp. 24, 45 (Blatz). Mr. Blatz references multi-family dwelling construction, such as apartments or condominiums, which requires significant amounts of sprinkler pipe. Mr. Blatz also stated that changing regulation for commercial building construction requires retrofitting. See also UAE Respondents' postconference brief, p. 5.

[12] Other sources of demand information are the Dodge Report, and data from industry associations such as the American Fence Association and the American Water Well Association. Conference transcript, pp. 45 (Seeger), 91(Schrumpf).

Figure II-2
Private nonresidential construction spending, seasonally adjusted, monthly, January 2012-September 2015



Source: U.S. Census Bureau, Construction Statistics, November 2, 2015 release, http://www.census.gov/construction/c30/c30index.html

End uses

U.S. demand for CWP depends on the demand for U.S.-produced downstream products, of which there is a wide variety. Reported end uses include basement columns, fencing, fire sprinkler systems, handrail construction, helical piers, low pressure lines, manufacturing, mechanical tube, non-residential construction, pipelines, plumbing, shopping carts, and gas and water transmission. Galvanized pipe is generally used in corrosive or freezer type environments while black pipe is generally used in standard building applications.[13]

Cost share

CWP accounts for a varying share of the cost of the products in which it is used depending on the end use. Reported cost shares ranged from 5 percent (share of non-residential construction) to 40 percent (share in fences). Reported cost shares also ranged within end use categories; for example, estimates for sprinkler systems and water systems ranged from 50 to 80 percent.[14]

[13] Conference transcript, p. 46 (Boswell)

[14] Some firms reported that CWP makes up 100 percent of the cost for commercial fence, fire suppression, and gas and water transmission.

Business cycles

Three of nine responding U.S. producers and 10 of 21 reporting importers indicated that the market was subject to business cycles or conditions of competition. Specifically, demand is reportedly dependent on business cycles due to the state of the economy, non-residential construction, commodity price fluctuation, seasonality, and weather conditions that affect construction demand. Two importers reported other distinct conditions of competition, including that antidumping orders on other countries such as India and Turkey have increased demand (***), and that there are a limited number of suppliers of tube for the automotive sector that can meet the demands of OEMs (***). Two U.S. producers and four importers reported changes to business cycles or conditions of competition since January 1, 2012. Two firms, ***, cited that the declining U.S. economy and collapse of agriculture and energy markets, while three firms, ***, cited economic recovery and increased construction demand since January 1, 2012. *** stated that Korean imports dominated the West Coast market.

Demand trends

Four of nine responding U.S. producers and 6 of 21 reporting importers reported an increase in U.S. demand for CWP since January 1, 2012, while seven importers indicated that demand decreased (table II-3). General economic recovery and commercial construction were cited by six firms (three producers and three importers) as contributing to the increased demand in the United States.

Table II-3
CWP: Firms' responses regarding U.S. demand and demand outside the United States

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	4	3	1	1
Importers	6	3	7	5
Demand outside the United States				
U.S. producers	2	1	0	2
Importers	3	1	1	8

Source: Compiled from data submitted in response to Commission questionnaires.

Substitute products

Half of responding U.S. producers (4 of 8) and most responding importers (13 of 18) reported that there were no substitutes for CWP. Those that identified substitutes for CWP listed beams for columns in construction, cast iron, concrete, plastic pipe for water transmission, seamless pipe for non-residential construction, and square, vinyl, and wood for fencing. Building codes often determine what material is acceptable. For example, some PVC products for low pressure applications are acceptable substitutes in certain codes.[15] Two firms

[15] Conference transcript, p. 46 (Boswell)

reported that a change in the price of the substitute affected the price for CWP. *** stated that when beam prices drop, the spread between CWP and beams increases, and beams become a more economical choice. *** stated that when prices are "more compressed" on seamless {pipe, it} will be substituted.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported CWP depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available information, staff believes that while there may be some differences between domestic and imported CWP, overall there is a moderate-to-high degree of substitutability between domestically produced CWP and CWP imported from subject sources.

Lead times

CWP is primarily sold from inventory by U.S. producers and produced-to-order by importers. U.S. producers reported that 70.2 percent of their commercial shipments came from inventories, with lead times ranging from 2 days to 30 days, and averaging about 9 days.[16] The remaining 29.2 percent of their commercial shipments were produced-to-order, with most lead times reported at 30 days (one producer *** reported lead times of 180 days). Importers reported that 87.5 percent of their commercial shipments were produced-to-order, with lead times ranging from 60 days to 225 days, and averaging about 114 days.[17] The remaining 12.3 percent of their commercial shipments came from U.S. inventories, with lead times ranging from 2 days to 20 days, and averaging about 7 days.

Factors affecting purchasing decisions

Purchasers responding to lost sales and lost revenue allegations[18] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for CWP. The major purchasing factors identified by firms include customer or project specifications, price quality, availability of domestic CWP, and the quality of domestic CWP. *** stated that continuous weld pipe is not purchased internationally, but ERW pipe is.

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[16] U.S. producer *** reported lead times from inventories of 30 days and is not included in the average.

[17] Respondents stated that these lengthy lead times are a factor which makes U.S.-produced CWP more desirable. Conference transcript, p. 66 (Schrumpf). See also UAE Respondents' postconference brief, Exhibit 1, pp. 2-3. See also Conares' respondent postconference brief, pp. 9-13.

[18] This information is compiled from responses by purchasers identified by Petitioners to the lost sales lost revenue allegations. See Part V for additional information.

Comparison of U.S.-produced and imported CWP

In order to determine whether U.S.-produced CWP can generally be used in the same applications as imports from Oman, Pakistan, the Philippines, the UAE, and Vietnam, U.S. producers and importers were asked whether the products can "always," "frequently," "sometimes," or "never" be used interchangeably. As shown in table II-4, most U.S. producers reported that domestically produced CWP and imported CWP are "always" interchangeable. Less than 11 importers indicated having some familiarity regarding interchangeability between U.S. and imported CWP from Oman, Pakistan, the Philippines, the UAE, and Vietnam, and less than 7 importers indicated having familiarity regarding the interchangeability between subject country pairs. ***, who imports CWP from the UAE, stated that there are differences in building and mechanical specifications and the diversity of product assortment is not available to the same degree from U.S. producers. ***, who imports CWP from the Philippines, stated that manufacturers' reputations, lead time, quality, availability, and product range are factors that limit or preclude interchangeable use between the Philippines and other countries.

Table II-4

CWP: Interchangeability between CWP produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. Oman	7	1	0	0	2	3	1	1
U.S. vs. Pakistan	7	1	0	0	2	2	1	1
U.S. vs. Philippines	7	1	0	0	3	2	2	2
U.S. vs. UAE	7	1	0	0	3	3	2	2
U.S. vs. Vietnam	7	1	0	0	3	4	2	0
Subject countries comparisons:								
Oman vs. Pakistan	7	1	0	0	2	2	1	0
Oman vs. Philippines	7	1	0	0	2	2	2	0
Oman vs. UAE	7	1	0	0	2	2	1	0
Oman vs. Vietnam	7	1	0	0	2	2	1	0
Pakistan vs. Philippines	7	1	0	0	2	2	2	0
Pakistan vs. UAE	7	1	0	0	2	2	1	0
Pakistan vs. Vietnam	7	1	0	0	2	2	1	0
Philippines vs. UAE	7	1	0	0	3	2	1	0
Philippines vs. Vietnam	7	1	0	0	2	2	1	0
UAE vs. Vietnam	7	1	0	0	2	2	1	0
Nonsubject countries comparisons:								
U.S. vs. nonsubject	8	0	0	0	5	5	1	1
Oman vs. nonsubject	8	0	0	0	2	2	1	0
Pakistan vs. nonsubject	8	0	0	0	2	2	1	0
Philippines vs. nonsubject	8	0	0	0	3	2	1	0
UAE vs. nonsubject	8	0	0	0	3	2	1	0
Vietnam vs. nonsubject	8	0	0	0	2	2	1	0

Note.—A=Always, F=Frequently, S=Sometimes, N=Never.

Source: Compiled from data submitted in response to Commission questionnaires.

In addition, producers and importers were asked to assess how often differences other than price were significant in sales of CWP from the United States, subject, or nonsubject countries. As seen in table II-5, most U.S. producers reported that no factors other than price were significant in sales of CWP. Importers, however, listed factors such as lead times, customer relationships, perceived product quality differences, availability, customer service, customer preference, and technical support as differences other than price that were significant in sales of CWP. Respondents argue that the market is bifurcated and that imports from subject countries compete largely in the import segment.[19] Respondents stated that although most imported standard pipe is physically interchangeable and of comparable quality with domestic standard pipe, purchasers have a strong preference for domestic products over imports. These preferences are attributed to lead times due to the location of the U.S. producers and their ability to ship from inventory, as well as access to technical services, warranties, and product liability concerns.[20] [21] With these perceived quality differences, respondents stated that the market sets a discount for imported CWP relative to domestic CWP, and there are certain customers and end users that will not accept imported CWP at all.[22]

[19] Conference transcript, p. 14 (Cameron).

[20] Conference transcript, p. 66 (Schrumpf). See also UAE Respondents' postconference brief, Exhibit 1, pp. 2-3. See also Conares' respondent postconference brief, pp. 9-13. However, Mathew Ambat, Direct, Conares, stated that there are no quality differences between Conares' CWP and domestic CWP. Conares' respondent postconference brief, Exhibit 1, p. 1.

[21] Petitioners stated that there is no evidence to support the market bifurcation assertion, and is "belied by" the interchangeability of domestic and imported CWP. Petitioners' postconference brief, p. 16.

[22] UAE Respondents' postconference brief, p. 7.

Table II-5

CWP: Significance of differences other than price between CWP produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. Oman	0	0	1	6	1	2	3	1
U.S. vs. Pakistan	0	0	1	6	1	1	3	1
U.S. vs. Philippines	0	0	1	7	3	2	4	1
U.S. vs. UAE	0	0	1	7	4	2	3	1
U.S. vs. Vietnam	0	0	1	7	1	4	3	1
Subject countries comparisons:								
Oman vs. Pakistan	0	0	1	6	1	1	2	1
Oman vs. Philippines	0	0	1	7	1	1	3	1
Oman vs. UAE	0	0	1	7	1	1	2	1
Oman vs. Vietnam	0	0	1	7	1	1	2	1
Pakistan vs. Philippines	0	0	1	7	1	1	3	1
Pakistan vs. UAE	0	0	1	7	1	1	2	1
Pakistan vs. Vietnam	0	0	1	7	1	1	2	1
Philippines vs. UAE	0	0	1	7	2	1	2	1
Philippines vs. Vietnam	0	0	1	7	1	1	2	1
UAE vs. Vietnam	0	0	1	7	1	1	2	1
Nonsubject countries comparisons:								
U.S. vs. nonsubject	0	0	0	7	4	3	4	1
Oman vs. nonsubject	0	0	0	7	1	1	2	1
Pakistan vs. nonsubject	0	0	0	7	1	1	2	1
Philippines vs. nonsubject	0	0	0	7	2	1	2	1
UAE vs. nonsubject	0	0	0	7	2	1	2	1
Vietnam vs. nonsubject	0	0	0	7	1	1	2	1

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

Source: Compiled from data submitted in response to Commission questionnaires.

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of 10 firms that accounted for the vast majority of U.S. production of CWP during 2014.

U.S. PRODUCERS

The Commission issued a U.S. producer questionnaire to 17 firms based on information contained in the petition. Ten firms provided useable data on their productive operations.[1] Staff believes that these responses represent *** percent of U.S. shipments of CWP during 2014.[2]

Table III-1 lists U.S. producers of CWP, their production locations, positions on the petition, and shares of total production.

[1] ***.

U.S. Steel did not provide a response to the U.S. producer questionnaire, but reported that it produced ***. Letter from Stephen P. Vaughn to Justin Enck, November 10, 2015.

*** responded "No" to the US producers' questionnaire.

[2] The 10 responding producers reported U.S. shipments of *** short tons of CWP during 2014. The total U.S. shipment estimate is based on the *Preston Pipe & Tube Report* which estimated total 2014 U.S. standard welded pipe shipments of 961,798 short tons. *Preston Pipe & Tube Report,* Vol. 33 No. 2, February, 2015, p. 52.

Table III-1
CWP: U.S. producers of CWP, their positions on the petition, production locations, and shares of reported production, January 2012 through September 2015

Firm	Position on petition	Production location(s)	Share of production (percent)
Allied	***	Harvey, IL Philadelphia, PA Phoenix, AZ Morrisville, PA	***
Bull Moose	Support (Petitioner)	Casa Grande, AZ Chicago Heights, IL Gerald, MO Masury, OH Trenton, GA	***
California Steel	***	Fontana, CA	***
EXLTUBE	Support (Petitioner)	North Kansas City, MO	***
Maruichi American	***	Santa Fe Springs, CA	***
Maruichi Leavitt	***	Chicago, IL	***
Tex-Tube	***	Houston, TX	***
TMK IPSCO	***	Blytheville, AK Camanche, IA Wilder, KY	***
Western	Support (Petitioner)	Long Beach, CA	***
Wheatland	Support (Petitioner)	Wheatland, PA Warren, OH Chicago, IL Sharon, PA	***
Total			100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms. Only *** is related to a foreign producer of the subject merchandise. The other U.S. producers are owned by or related to companies based in ***, or the United States. No U.S. producer identified a corporate relationship with U.S. importers of the subject merchandise. As discussed in greater detail below, *** directly imported a relatively small amount of subject merchandise from *** and no U.S. producers purchased the subject merchandise from U.S. importers.

Table III-2
CWP: U.S. producers' ownership, related and/or affiliated firms

* * * * * * *

Changes in operations

Nine responding domestic producers reported changes in their operations related to the production of CWP since January 1, 2012. Wheatland reported that it opened its Sharon, Pennsylvania plant in 2012 only to idle it again in 2015.[3] Allied halted production of fence and sprinkler pipe at three of its facilities in October 2015; however, its Philadelphia plant is the only one that ceased all production activities.[4] Three firms reported expansions, three firms reported prolonged shutdowns, and/or curtailments, and four firms reported revised labor agreements. Such changes are presented in table III-3.

Table III-3
CWP: U.S. producers' reported changes in operations, since January 1, 2012

* * * * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-4 presents U.S. producers' overall production, capacity, and capacity utilization on the same equipment as subject production. Domestic producers' overall capacity increased by *** percent from 2012 to 2014 while overall production decreased by *** percent from 2012 to 2014. Domestic producers' overall capacity increased by *** percent from the first three quarters of 2014 compared to the first three quarters of 2015 while overall production decreased by *** percent from the first three quarters of 2014 compared to the first three quarters of 2015. The decline in overall production from the interim 2014 to the interim 2015 period is largely due to the decline in production of line pipe (*** percent) and OCTG (*** percent).[5] The increase in overall capacity is due in part to California Steel's new ERW pipe plant in Fontana, California, which, starting in September 2014, was capable of producing up to 400,000 tons of line pipe per year at diameters up to 24 inches.[6] Overall capacity utilization declined by *** percentage points from 2012 to 2014 and declined by *** percentage points from the first three quarters of 2014 compared to the first three quarters of 2015.

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[3] The Sharon plant was a continuous weld mill that specialized in making products below 2 inches in diameter. Conference transcript, p. 16-18 (Seeger) and Petitioners' postconference brief, exh. 10.

[4] *Atkore International Announces Exit from Fence and Sprinkler Business,* PR Newswire (Aug. 6, 2015). http://www.prnewswire.com/news-releases/atkore-international-announces-exit-from-fence-and-sprinkler-businesses-300125224.html, retrieved December 1, 2015. UAE's postconference brief, Exh. 2.

[5] The decline in OCTG and line pipe production is the result of declining demand for oil and gas exploration and extraction. The total number of U.S. rotary rigs (used for oil and gas extraction) in operation has fallen from a near-term peak of 1,929 rigs in September, 2014 to 889 in May, 2015. Preston Pipe & Tube Report, Vol. 33 No. 6, June 2015, p. 41.

[6] *California Steel Industries, Inc. (CSI) Announces New Pipe Mill Startup in Conjunction with 30-Year Anniversary*, PRNewswire, September 26, 2014, http://www.prnewswire.com/news-releases/california-steel-industries-inc-csi-announces-new-pipe-mill-startup-in-conjunction-with-30-year-anniversary-277280541.html, retrieved November 24, 2015.

Table III-4
CWP: U.S. producers' overall production and capacity on the same equipment as subject production, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

Subject product

Table III-5 and figure III-1 present U.S. producers' CWP capacity, production, and capacity utilization. Domestic producers' capacity increased by *** percent from 2012 to 2014 while production decreased by *** percent from 2012 to 2014. Domestic producers' capacity decreased by *** percent from the first three quarters of 2014 compared to the first three quarters of 2015 while production decreased by *** percent from the first three quarters of 2014 compared to the first three quarters of 2015. Capacity utilization declined by *** percentage points from 2012 to 2014 and remained at *** percent in both the first three quarters of 2014 and the first three quarters of 2015.

Table III-5
CWP: U.S. producers' production, capacity, and capacity utilization, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

Figure III-1
CWP: U.S. producers' production, capacity, and capacity utilization, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORTS

Table III-6 presents U.S. producers' U.S. shipments, export shipments, and total shipments. Domestic producers' U.S. shipments decreased by *** percent from 2012 to 2014, while their exports decreased by *** percent from 2012 to 2014. Domestic producers' U.S. shipments were steady from first three quarters of 2014 compared to the first three quarters of 2015, while exports decreased by *** percent from the first three quarters of 2014 compared to the first three quarters of 2015.

Domestic producers' U.S. shipment average unit values decreased by *** from 2012 to 2014 while exports average unit values decreased by *** percent in the comparable period. Domestic producers' U.S. shipments average unit values decreased by *** percent from first three quarters of 2014 compared to the first three quarters of 2015, while exports average unit values decreased by *** percent in the comparable period.

Table III-6
CWP: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

U.S. PRODUCERS' INVENTORIES

Table III-7 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** Domestic producers' inventories increased by *** percent from 2012 to 2014. Inventories decreased by *** percent from the first three quarters of 2014 compared to the first three quarters of 2015. The drop in inventories is partially attributable to Allied which reduced inventories by *** percent from the end-of-period 2013 to September 2015 as it prepared to halt CWP production operations.[7]

Table III-7
CWP: U.S. producers' inventories, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports of CWP are presented in table III-8. Maruichi American was the only U.S. producer to report imports, which were equivalent to *** percent of its production during the first three quarters of 2015.[8] No U.S. producer reported purchases of CWP.

Table III-8
CWP: U.S. producers' U.S. production and imports, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

[7] ***. A domestic industry representative testified that the "flood of product" from Allied's inventory liquidation put additional strain on the domestic industry. Conference transcript, p. 57 (Blatz).

[8] ***.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-9 shows U.S. producers' employment-related data. From 2012 to 2014 the domestic industry added *** production-related workers but it cut *** from the first three quarters of 2014 to the first three quarters of 2015.[9] [10] Hourly wages climbed *** percent from 2012 to 2014 and productivity increased by *** percent during the comparable period. The United Steel, Paper, Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USW") represents workers at Allied, Bull Moose, Maverick, Maruicci-Levitt, TMK IPSCO, U.S. Steel, and Wheatland. The USW believes that it represents approximately 80 percent of the workforce producing CWP.[11]

Table III-9
CWP: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

[9] Allied announced its plans to exit the steel fence and sprinkler markets on October 5, 2015 and noted that this decision would result in its cutting 317 related jobs, mostly at its Philadelphia plant Petition, exh. I-6 and conference transcript, p. 106 (Schagrin).

[10] Petitioners cited a recent closure at Wheatland Tube's Sharon, Pennsylvania plant which resulted in approximately 100 layoffs in June 2015. Conference transcript, pp. 16-17. (Seeger) and petitioners' postconference brief, exh. 10.

[11] Conference transcript, p. 29. (Hart).

PART IV: U.S. IMPORTS, APPARENT U.S. CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

The Commission issued importer questionnaires to 60 firms believed to be importers of CWP, as well as to all U.S. producers of CWP.[1] Usable questionnaire responses were received from 22 companies,[2] representing *** percent of adjusted official U.S. imports from subject countries during 2014.[3] Questionnaire responses accounted for *** percent of adjusted official import statistics from Oman, *** percent from Pakistan, *** percent from the Philippines, *** percent from the UAE, and *** percent from Vietnam during 2014. Table IV-1 lists all responding U.S. importers of CWP from subject countries and other sources, their locations, and their shares of U.S. imports, from January 2012 through September 2015.[4]

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of *** under HTS statistical reporting numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. The Commission staff previously found that most subject products are imported under these HTS statistical reporting numbers. However, in some cases subject product could enter under HTS statistical reporting numbers included in the scope definition that cover a broader range of tubular products including the following:

- API-stenciled tubular products that are multiple-stenciled to standard/structural specifications and meet the physical descriptions provided in the scope (7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150),
- Micro-alloy standard/structural/fence/sprinkler tubular products (i.e., those that exceed the chemistry specifications for non-alloy pipe but do not exceed the chemistry specifications provided in Commerce's scope (7306.50.1000, 7306.50.5050, and 7306.50.5070).

[2] The following firms provided certification that they have not imported CWP into the U.S. since January 2012: ***.

[3] Staff adjusted official statistics to add importer questionnaire data which identified subject pipe not reported under the HTS statistical reporting numbers listed in footnote 1 and to subtract nonsubject product included under the HTS statistical reporting numbers listed in footnote 1.

[4] ***.

Table IV-1
CWP: U.S. importers by source, January 2012 through September 2015

Firm	Headquarters	Share of imports by source (percent)					
		Oman	Pakistan	Philippines	UAE	Vietnam	Subject
American International Forest Products	Beaverton, OR	***	***	***	***	***	***
ArcelorMittal Dofasco	Hamilton, ON	***	***	***	***	***	***
ArcelorMittal Tubular	Woodstock, ON	***	***	***	***	***	***
C&F International	Houston, TE	***	***	***	***	***	***
Connectors	Hauppauge, NY	***	***	***	***	***	***
Daewoo	Teaneck, NJ	***	***	***	***	***	***
Empire Resources	Fort Lee, NJ	***	***	***	***	***	***
Ferrum	New York, NY	***	***	***	***	***	***
Intermetalink	Westmount, QC	***	***	***	***	***	***
Kurt Orban	Burlingame, CA	***	***	***	***	***	***
Leo International	Brooklyn, NY	***	***	***	***	***	***
Maruichi American	Santa Fe Springs, CA	***	***	***	***	***	***
Midwest Air Technologies	Long Grove, IL	***	***	***	***	***	***
Optima	Concord, CA	***	***	***	***	***	***
SeAH Steel	Irvine, CA	***	***	***	***	***	***
Shamrock Building Materials	Eugene, OR	***	***	***	***	***	***
Thyssen Krupp Materials	Southfield, MI	***	***	***	***	***	***
Toyota Tsusho	Georgetown, KY	***	***	***	***	***	***
UTP Pipe & Prime Metal	Walden, NY	***	***	***	***	***	***
Welded Tube of Canada	Concord, ON	***	***	***	***	***	***
Zenith	Arlington, VA	***	***	***	***	***	***
Zipco	Little Neck, NY	***	***	***	***	***	***
Total		***	***	***	***	***	***

Table continued on next page.

Table IV-1-Continued
CWP: U.S. importers by source, January 2012 through September 2015

Firm	Headquarters	Share of imports by source (percent)				
		Canada	Mexico	All other sources	Nonsubject sources	Total
American International Forest Products	Beaverton, OR	***	***	***	***	***
ArcelorMittal Dofasco[1]	Hamilton, ON	***	***	***	***	***
ArcelorMittal Tubular	Woodstock, ON	***	***	***	***	***
C&F International	Houston, TE	***	***	***	***	***
Connectors	Hauppauge, NY	***	***	***	***	***
Daewoo	Teaneck, NJ	***	***	***	***	***
Empire Resources	Fort Lee, NJ	***	***	***	***	***
Ferrum	New York, NY	***	***	***	***	***
Intermetalink	Westmount, QC	***	***	***	***	***
Kurt Orban	Burlingame, CA	***	***	***	***	***
Leo International	Brooklyn, NY	***	***	***	***	***
Maruichi American	Santa Fe Springs, CA	***	***	***	***	***
Midwest Air Technologies	Long Grove, IL	***	***	***	***	***
Optima	Concord, CA	***	***	***	***	***
SeAH Steel	Irvine, CA	***	***	***	***	***
Shamrock Building Materials	Eugene, OR	***	***	***	***	***
Thyssen Krupp Materials	Southfield, MI	***	***	***	***	***
Toyota Tsusho	Georgetown, KY	***	***	***	***	***
UTP Pipe & Prime Metal	Walden, NY	***	***	***	***	***
Welded Tube of Canada	Concord, ON	***	***	***	***	***
Zenith	Arlington, VA	***	***	***	***	***
Zipco	Little Neck, NY	***	***	***	***	***
Total		***	***	***	***	***

[1] ***.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. IMPORTS

Table IV-2 and figure IV-1 present data for U.S. imports of CWP from subject countries and all other sources. Imports of CWP from the subject countries increased overall by *** percent from 2012 to 2014, and were *** percent higher in the first three quarters of 2015 compared to the first three quarters of 2014. As a share of total imports, subject imports increased from *** percent in 2012 to *** percent in 2014. Subject imports accounted for *** percent of total imports in the first three quarters of 2014 and *** percent of total U.S. imports in the first three quarters of 2015. The average unit values of subject imports, decreased by *** percent from 2012 to 2014, and decreased by *** percent from the first three quarters of 2014 to the first three quarters of 2015.

Table IV-2
CWP: U.S. imports by source, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

Figure IV-1
CWP: U.S. import volumes and average unit value, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

Canada was the largest nonsubject source for U.S. imports of CWP, accounting for *** percent of the quantity of total U.S. imports of CWP in 2014. U.S. imports from all nonsubject countries combined decreased by *** percent from 2012 to 2014, but were *** percent higher during the first three quarters of 2015 compared to the first three quarters of 2014. The average unit values of nonsubject imports decreased by *** percent from 2012 to 2014, and were *** percent lower during the first three quarters of 2015 compared with the first three quarters of 2014.

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[5] Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[6]

Imports from Oman, Pakistan, the UAE, and Vietnam exceed the 3 percent of imports by quantity threshold, however, Pakistan accounts for *** percent, which is below the 4

[5] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

[6] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

percent negligibility threshold for developing countries subject to CVD investigations.[7] The Philippines import quantity falls below the threshold, accounting for only *** percent during the applicable 12-month period.[8] All subject countries combined exceed the 7 percent threshold.

Table IV-3
CWP: U.S. imports, by source, October 2014 to September 2015

Source	October 2014 to September 2015			
	Adjusted U.S. imports		Unadjusted U.S. import statistics	
	Quantity (short tons)	Share of quantity (percent)	Quantity (short tons)	Share of quantity (percent)
U.S. imports from.--				
Oman	***	***	51,417	5.75
Pakistan	***	***	31,137	3.48
Philippines	***	***	17,156	1.92
United Arab Emirates	***	***	113,351	12.68
Vietnam	***	***	83,071	9.30
Subject sources	***	***	296,133	33.14
Subject less the Philippines	***	***	278,976	31.22
Canada	***	***	227,820	25.49
Mexico	***	***	61,408	6.87
All other sources	***	***	308,291	34.50
Nonsubject sources	***	***	597,519	66.86
Total U.S. imports	***	***	893,651	100.00

Source: Compiled from data submitted in response to Commission questionnaires and official import statistics.

CUMULATION CONSIDERATIONS

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Certain information concerning these factors is presented in *Part II* of this report. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

[7] Section 771 (24)(B) of the Act (19 U.S.C § 1677(24)(B)). Pakistan and the Philippines qualify as developing countries and are eligible for the 4 percent negligibility threshold in CVD investigations. 15 C.F.R. § 2013.1.

[8] Petitioner acknowledges that even with its requested adjustment to U.S. imports, the Philippines does not reach 3 percent; however, they argue that there is potential for the Philippines to imminently exceed 3 percent. Petitioner's postconference brief, p. 12. See Appendix D for monthly imports between October 2014 and September 2015 based on official import statistics.

Fungibility

Petitioners argue that CWP is generally fungible regardless of the source, assuming all sources meet ASTM specifications.[9] Respondents agree that CWP from all sources is generally substitutable, but they point to longer lead times and customer perceptions of lower quality associated with imported CWP.[10]

As shown in table IV-4, the majority of imported CWP during 2014 was made to ASTM A53 standards in all subject countries, with the exception of Pakistan. *** percent of CWP imports from Pakistan were made to no formal industry standards. U.S. production is also mostly comprised of CWP made to ASTM A53 standards; however, ASTM A135 or A705 accounts for *** percent of U.S. production, a larger share than any of the subject countries.

Table IV-4
CWP: U.S. producers' U.S. production and U.S. importers' U.S. imports by standard, 2014

* * * * * * *

Geographical markets

As shown in table IV-5, Houston-Galveston, Texas was the largest port-of-entry, by volume, for U.S. imports of CWP from every subject country except Vietnam; however, it was the second largest, by volume, for CWP from Vietnam. Oman, the Philippines, the UAE, and Vietnam have at least one Pacific and Atlantic port-of-entry in their top three. Pakistan's top three ports-of-entry however, are all located on the Atlantic Coast or the Gulf of Mexico.

Table IV-5
CWP: U.S. imports from subject countries, by customs district of entry, January 2012-September 2015

Source	Leading districts by volume		
	Largest	Second largest	Third largest
Oman	Houston-Galveston, TX	New York, NY	Seattle, WA
Pakistan	Houston-Galveston, TX	Savannah, GA	Miami, FL
Philippines	Houston-Galveston, TX	Seattle, WA	Los Angeles, CA
United Arab Emirates	Houston-Galveston, TX	New York, NY	Los Angeles, CA
Vietnam	Los Angeles, CA	Houston-Galveston, TX	San Francisco, CA

Source: Compiled from official import statistics.

Presence in the market

As shown in table IV-6, the U.S. imported CWP from subject sources in every month from every subject country, save one month in which Pakistan did not account for any U.S. imports of CWP.

[9] Petitioners' postconference brief, p. 14.
[10] The UAE's postconference brief, pp.6-7.

Table IV-6
CWP: U.S. imports, monthly entries into the U.S., by source, January 2012-September 2015

Item	Calendar year			Jan-Sept
	2012	2013	2014	2015
Oman	12	12	12	9
Pakistan	12	11	12	9
Philippines	12	12	12	9
UAE	12	12	12	9
Vietnam	12	12	12	9
All other sources	12	12	12	9

Source: Compiled from official import statistics.

APPARENT U.S. CONSUMPTION

Table IV-7 and figure IV-2 present data on apparent U.S. consumption and U.S. market shares for CWP. Apparent consumption declined by *** percent from 2012 to 2014, but was *** percent higher during the first three quarters of 2015 as compared with the first three quarters of 2014.

The U.S. producers' market share increased by *** percentage points from 2012 to 2014 and the market share held by subject imports increased by *** percentage points during the same period. U.S. producers market share declined by *** percentage points from the first three quarters of 2014 to the comparable period in 2015, while subject imports' market share increased by *** percentage points from the first three quarters of 2014 to the comparable period in 2015. The market share of nonsubject imports declined by *** percentage points from 2012 to 2014 but increased by *** percentage points between the interim 2014 and 2015 periods.

Table IV-7
CWP: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

Figure IV-2
CWP: U.S. consumption and market shares,

* * * * * * *

PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

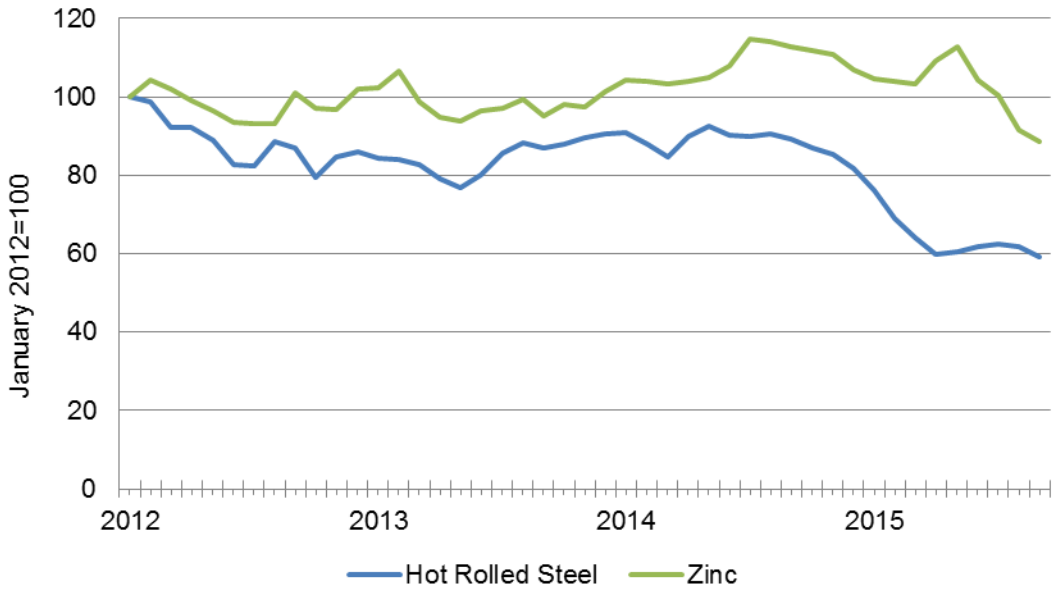
Raw materials constitute a substantial portion of the final cost of CWP. U.S. producers' raw materials costs represented nearly three-quarters of the cost of goods sold (COGS) from January 2012 to September 2015. Hot-rolled steel is the main raw material used to produce CWP while zinc is used in specific applications, such as to galvanize pipes. A majority of producers and importers reported that raw materials have decreased over the period of investigation as the global price for hot-rolled steel declined. Respondents reported that the global price of zinc has fluctuated over the period of investigation.[1] Over the period of investigation, hot-rolled steel prices decreased by approximately 40 percent. From January 2012 to May 2013, prices for hot-rolled steel decreased by 24.2 percent, increased by 15.6 percent by May 2014, and then fell 33.3 percent by September 2015 (figure V-1). The price of zinc fluctuated, but decreased overall by 11.3 percent over the period of investigation, peaking in July 2014.

U.S. producer JMC Steel reported that it purchases approximately 98 percent of its raw materials in the spot market.[2] U.S. producer EXLTUBE reported that it purchases longer-term contracts with prices being established monthly.[3] U.S. producer Bull Moose Tube reported that ***.[4]

[1] Conference transcript, p. 91 (Cameron and D'Cunha).
[2] Conference transcript p. 48 (Seeger).
[3] Conference transcript p. 49 (Simon).
[4] Petitioners' postconference brief, exhibit 13 p. 2.

Figure V-1

Raw material costs: U.S. price indexes of hot-rolled steel and zinc, monthly, January 2012-September 2015



Source: American Metal Market, November 18, 2015.

U.S. inland transportation costs

Eight of nine responding U.S. producers reported that they typically arrange transportation to their customers while 12 of 18 importers reported that their customers typically arrange transportation. U.S. producers reported that their U.S. inland transportation costs ranged from 4.7 to 10.0 percent with an average of 7.2 percent while importers reported costs of 1.0 to 12.0 percent with an average of 5.8 percent.[5]

PRICING PRACTICES

Pricing methods

U.S. producers and importers reported selling primarily on a transaction-by-transaction negotiations basis with some use of other pricing methods (table V-1).

[5] Importers ***, ***, and *** reported inland transportation costs of 25, 30, and 100 percent, respectively, and are not included in the average.

Table V-1

CWP: U.S. producers and importers reported price setting methods, by number of responding firms[1]

Method	U.S. producers	Importers
Transaction-by-transaction	9	17
Contract	4	6
Set price list	5	1

[1] The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

Source: Compiled from data submitted in response to Commission questionnaires.

By volume, U.S. producers reported selling the vast majority of their product in the spot market while importers reported that the majority of their product is sold under short-term contracts (table V-2). All nine producers reported selling most of their CWP in the spot market three of which (***) reported selling CWP exclusively in the spot market. Six of nine U.S. producers reported selling CWP under short-term contracts with a majority of the those U.S. producers reporting no price renegotiation, fixed prices, and no meet-or-release clauses. Five of 15 responding importers reported selling CWP exclusively in the spot market, and six of 15 responding importers reported selling CWP exclusively in short-term contracts. Eight of 15 responding importers reported selling CWP under short-term contracts with a majority of those importers reporting no price renegotiation, fixed prices and quantity, and no meet-or-release clauses.[6]

Table V-2

CWP: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2014

* * * * * * *

Sales terms and discounts

U.S. producers typically quote prices on an f.o.b basis, and importers were mixed between f.ob. and delivered basis. A majority of U.S. producers reported offering discounts on the basis of quantity and/or total volume. A majority of importers reported not offering discounts. Four producers reported sales terms of net 30 days, three producers reported sales terms of 0.5/ 10 net 30, and two producers reported offering sales terms of 2/10 net 30. Fifteen importers reported net 30 days sales terms, and three importers reported net 60 days sales terms.

[6] Importer *** reported selling CWP in annual contracts but did not report information on annual contract terms.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following CWP products shipped to unrelated U.S. customers during January 2012-September 2015.

***Product 1*.—**ASTM A-53 schedule 40 black plain-end, with nominal outside diameter of 2-4 inches inclusive

***Product 2*.—**ASTM A-53 schedule 40 galvanized plain-end, with nominal outside diameter of 2-4 inches inclusive

***Product 3*.--** ASTM A-53 schedule 40 black plain-end, with nominal outside diameter of 6-8 inches inclusive

***Product 4*.--** Galvanized fence tube, with nominal outside diameter of 1-3/8 – 2-3/8 inches inclusive, and wall thickness of 0.055-0.075 inch

Nine U.S. producers and 15 importers provided usable pricing data for sales of the requested products on subject imports, although not all firms reported pricing for all products for all quarters.[7] Pricing data reported by these firms accounted for approximately 14.3 percent of U.S. producers' shipments of product in 2014.[8] Pricing data reported by importers accounted for approximately *** percent of U.S. commercial shipments of subject imports from January 2012 to September 2015, with product 1 and 2 accounting for *** percent of U.S. commercial shipments of subject imports from January 2012 to September 2015. Pricing data reported by importers of CWP accounted for *** percent of U.S. commercial shipments of subject imports from Oman from January 2012 to September 2015; *** percent from Pakistan[9]; *** percent from Philippines[10]; *** percent from UAE; and all from Vietnam.[11]

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-2 to V-5. Nonsubject country prices are presented in Appendix E.

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[7] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[8] U.S. producer *** did not provide pricing data.

[9] Importers of CWP from Pakistan did not report pricing data for products 3 and 4.

[10] Importers of CWP from the Philippines did not report pricing data for the two galvanized pricing products (products 2 and 4).

[11] Importers *** reported pricing data in excess of the U.S. commercial shipments, but were included in the pricing data.

Table V-3

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 2012-September 2015

* * * * * * *

Table V-4

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 2012-September 2015

* * * * * * *

Table V-5

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarters, January 2012-September 2015

* * * * * * *

Table V-6

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, January 2012-September 2015

* * * * * * *

Figure V-2

CWP: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2011-September 2015

* * * * * * *

Figure V-3

CWP: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2011-September 2015

* * * * * * *

Figure V-4

CWP: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2011-September 2015

* * * * * * *

Figure V-5
CWP: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2011-September 2015

* * * * * * *

Price trends

As shown in table V-7, domestic prices decreased from *** to *** percent from January 2012 to September 2015. For the majority of reported import prices, prices decreased from *** percent to *** percent. Prices increased for imports of CWP from Pakistan for product 2 by *** percent. In 2012, U.S. importer *** imported over *** percent of CWP from Pakistan at $*** with quantities ranging from *** short tons to *** short tons per quarter. In the first quarter of 2013, *** increased the price of CWP from Pakistan to $***, but only imported *** short tons. Imports from UAE for product 3 by *** percent. Importers of CWP from Pakistan did not report prices for pricing products 3 and 4, and importers of CWP from the Philippines did not report prices for pricing products 2 and 4.[12]

Table V-7
CWP: Number of quarters containing observations, low price, high price and change in price over period by product and source, January 2012 through September 2015

* * * * * * *

Price comparisons

As shown in table V-8, prices for CWP imported from subject countries were below those for U.S.-produced product in 147 of 200 instances (330,992 short tons); margins of underselling ranged from 0.3 percent to 53.8 percent. In the remaining 53 instances (158,475 short tons), prices for CWP from subject countries were between 0.1 percent to 35.3 percent above prices for the domestic product.

[12] The price of product 3 from the Philippines was available in only three quarters; it decreased by *** percent. The price of product 4 from Oman was available in only three quarters; it decreased by *** percent. These changes were not comparable to that of the other country-product combinations for which prices were available for at least eight quarters during January 2012 to September 2015.

Table V-8

CWP: Instances of underselling/overselling and the range and average of margins, by country, January 2012 through September 2015

Source	Underselling				
	Number of quarters	Quantity (short tons)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Oman	40	40,999	16.8	0.3	39.8
Pakistan	15	59,672	34.1	15.6	53.8
Philippines	11	3,733	9.6	0.9	20.2
United Arab Emirates	45	57,569	15.8	0.9	40.8
Vietnam	36	169,019	19.0	1.8	34.8
Total	147	330,992	18.3	0.3	53.8
Source	**(Overselling)**				
	Number of quarters	**Quantity (short tons)**	**Average margin (percent)**	**Margin Range (percent)**	
				Min	**Max**
Oman	8	3,276	(2.0)	(0.1)	(4.8)
Pakistan	8	214	(12.3)	(7.2)	(28.2)
Philippines	2	256	(3.3)	(2.7)	(3.8)
United Arab Emirates	11	6,419	(8.1)	(0.2)	(33.3)
Vietnam	24	148,310	(11.9)	(1.0)	(35.3)
Total	53	158,475	(9.3)	(0.1)	(35.8)

[1] These data include only quarters in which there is a comparison between the U.S. and subject product.

Source: Compiled from data submitted in response to Commission questionnaires.

LOST SALES AND LOST REVENUE

The Commission requested U.S. producers of CWP to report purchasers where they experienced lost sales or revenue due to competition from imports of CWP from Oman, Pakistan, Philippines, UAE, and Vietnam during January 2012 to September 2015. Of the nine responding U.S. producers, seven reported that they had to reduce prices, six reported that they had to roll back announced price increases, and six reported that they had lost sales. One U.S. producer, ***, submitted the lost sale and lost revenue allegations. *** identified *** firms where it lost sales or revenue (*** consisting lost sales allegations and *** for lost revenue). It identified Vietnam as the country of origin for lost revenue involving *** purchaser but did not indicate the country of origin for the others.[13] U.S. producers were also asked to provide information regarding the timing, method of sale, and product type related to the lost sales and lost revenue allegations. The U.S. producer identified the time period of lost sales and

[13] Respondents argue that by not being able to provide country of origin in the lost sales and lost revenue allegations, petitioners do not adequately prove that the lost sales and lost revenue allegations are lost to subject imports and not imports in general. Postconference brief, p. 18-20 and Conference transcript p. 71 (Dougan).

lost revenue as between March 2014 and July 2015. Product types identified were ERW, EW, ST, and seamless CWP.[14]

Staff contacted *** purchasers and received responses from 2 purchasers. Responding purchasers reported purchasing *** short tons of CWP during 2012-14 (table V-9).[15] During 2014, purchasers purchased *** percent from U.S. producers, *** percent from Vietnam, *** percent from nonsubject countries, and *** percent from "unknown source" countries. Purchaser *** reported decreasing purchases from domestic sources due to market conditions slowing down and increasing purchases from unknown import sources due to imported pipe becoming more acceptable in the market. Purchaser *** reported no change in domestic purchases, stating that it has purchased from one domestic firm over the past three years. *** reported fluctuating purchases from Vietnam and nonsubject sources due to decreasing demand in 2013.

Table V-9
CWP: Purchasers' responses to purchasing patterns

* * * * * * *

Of the two responding purchasers, neither reported that they had shifted purchases of CWP from U.S. producers to subject imports since 2012 (table II-10).[16] The one responding purchaser reported that U.S. producers had not reduced prices in order to compete with lower-priced imports from subject countries (table V-11).

Table V-10
CWP: Purchasers' responses to shifting supply sources

Purchaser	Subject country	Shifted purchases from domestic sources?	If shifted from domestic, was price the primary reason	
			If Yes, quantity shifted	If No, reason for shift
***	All	No	-	-
***	No response	-	-	-

Source: Compiled from data submitted in response to Commission questionnaires.

[14] The U.S. producer did not provide information regarding method of sale.

[15] *** identified purchaser ***in the lost sales/lost revenue allegations. However, *** reported not purchasing CWP since 2012.

[16] Purchaser *** reported that it purchased from master distributors, not mills, and did not know the country of origin for its purchases of CWP. Therefore, *** did not answer the shifting question.

Table V-11

CWP: Purchasers' responses to U.S. producer price reductions

Purchaser	Subject country	U.S. producers reduced priced to compete with subject imports	Estimated U.S. price reduction	Additional information, if available
***	All	No	-	-
***	No response			

Source: Compiled from data submitted in response to Commission questionnaires.

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

INTRODUCTION

Nine U.S. producers (Bull Moose, California Steel, EXLTUBE, Maruichi American, Maruichi Leavitt, Tex-Tube, TMK IPSCO, Western, and Wheatland) provided financial data on their operations on CWP. These data are believed to account for the majority of U.S. production of CWP in 2014. Only *** reported sales other than commercial sales. *** accounted for *** percent of total net sales between January 2012 and September 2015, and is included but not shown separately in this section of the report.[1] ***.[2] All other firms reported a fiscal year end of December 31.

Allied, one of the largest producers of the subject product during the period examined, exited the CWP business in October 2015.[3] Further, as previously discussed in this report, some producers reported plant closures, plant idling, and reduced shifts during the period examined.

OPERATIONS ON CWP

Income-and-loss data for U.S. producers of CWP are presented in table VI-1, while selected financial data, by firm, are presented in table VI-2. The reported financial performance of the U.S. industry improved from 2012 to 2014, although operating and net losses occurred in each year. The reported aggregate net sales quantity increased by *** percent from 2012 to 2014, while the aggregate net sales value declined by *** percent during this time. Collectively, the aggregate cost of goods sold ("COGS") and selling, general, and administrative ("SG&A") expenses declined by *** percent during this period. As a result of the larger decline in operating costs and expenses as compared to revenue, aggregate gross profit, operating losses, and net losses improved from 2012 to 2014.[4]

[1] ***. Email from ***, November 17, 2015.

[2] ***.

[3] As of the writing of this report, ***.

[4] While there was overall improvement from 2012 to 2014, financial performance declined from 2013 to 2014 as revenue declined more than operating costs and expenses, and volume declined.

Table VI-1
CWP: Results of operations of U.S. producers, 2012-14, January-September 2014, and January-September 2015

* * * * * * *

Table VI-2
CWP: Selected results of operations of U.S. producers, by firm, 2012-14, January-September 2014, and January-September 2015

* * * * * * *

In January-September 2015 as compared to January-September 2014, the reported aggregate net sales quantity increased by *** percent, while the aggregate net sales value declined by *** percent. Operating costs and expenses were *** percent lower in interim 2015 as compared to interim 2014. As a result of the larger decline in revenue as compared to operating costs and expenses, operating and net losses were greater. However, gross profit improved between the comparable interim periods as COGS declined by *** percent.[5] [6]

Per short ton revenue declined from 2012 to 2014, and was also lower in interim 2015 as compared to interim 2014.[7] On a per short ton basis, raw material costs declined from 2012-14, and were also lower in interim 2015 as compared to interim 2014. Direct labor costs increased from 2012 to 2014, as well as between the comparable interim periods. Other factory costs declined from 2012 to 2014, and increased in interim 2015 as compared to interim 2014. In combination, per short ton COGS declined from 2012 to 2014, and also declined in interim 2015 as compared to interim 2014. SG&A expenses declined from 2012 to 2014, and were higher in interim 2015 as compared to interim 2014.

The aforementioned trends in per short ton revenue and costs resulted in relatively stable gross profit,[8] and reduced operating and net losses in 2014 as compared to 2012.

---

[5] Gross profit reflects revenue minus COGS, and is not impacted by SG&A expenses. Operating income reflects gross profit minus SG&A expenses. Net income reflects operating income minus "other income and expenses." Other income and expenses, which consisted primarily of interest expense reported by ***, increased by *** percent from 2012 to 2014, and were *** percent lower in January-September 2015 as compared to January-September 2014. Other income and expenses accounted for an average of *** percent of all reported costs during January 2012 to September 2015.

[6] The increase in SG&A expenses between the comparable interim periods is largely due to ***. U.S. producers' questionnaire response to questions III-10 and III-11, and email from ***, November 17, 2015. Further, ***. Email from ***, November 16, 2015.

[7] As stated in previous investigations on this product, differences in per short ton net sales values among the U.S. producers generally reflect differences in the underlying product mix. See, e.g., *Certain Circular Welded Pipe and Tube from Brazil, India, Korea, Mexico, Taiwan, Thailand, and Turkey (Third Review)*, USITC Publication 4333, June 2012, p. III-15, footnote 28.

[8] While per short ton gross profit was relatively stable from 2012 to 2014, it declined from 2013 to 2014 by $*** per short ton.

Between the comparable interim periods, gross profit was unchanged, while operating and net losses increased.

As a ratio to net sales, COGS and SG&A expense generally declined from 2012 to 2014, while gross profit, operating losses, and net losses generally improved. In January-September 2015 compared to January-September 2014, COGS declined while SG&A expenses increased. Gross profit improved between the comparable interim periods, while operating and net losses increased.

Raw material costs accounted for an average *** percent of total COGS for the reporting period, and had a notable impact on the trends in COGS during this time. Raw material costs primarily reflect the cost of hot-rolled steel. As a ratio to net sales, raw material costs declined from *** percent in 2012 to *** percent in 2014, and were lower in January-September 2015 at *** percent than in January-September 2014 at *** percent.

Certain U.S. producers reported relatively greater profitability as a ratio to net sales as compared to the average results for all firms, including ***. According to ***.[9] Similarly, ***.[10]

While the U.S. industry overall reported negative profitability throughout the period examined, *** reported operating and net losses as a ratio to sales were *** than other reporting firms.[11] According to ***.[12] According to ***.[13] According to ***.[14] *** accounts for *** percent of the total reported net sales quantity and *** percent of the total reported net sales value during the period examined, and thus has a notable impact on the overall financial condition of the U.S. industry.[15]

[9] Email from ***, November 30, 2015.

[10] Email from ***, November 25, 2015. *** reported the highest per short ton net sales values during the period examined.

[11] ***. U.S. producers' questionnaire responses to question II-3a.

[12] Email from ***, December 1, 2015. *** reported the lowest per short ton net sales values during the period examined.

In its U.S. producer questionnaire response, ***. U.S. producers' questionnaire response to questions III-7 and III-8.

[13] Email from ***, November 30, 2015. *See also* footnote 6 in this section of the report.

[14] Email from ***, November 30, 2015. *See also* footnotes 5 and 6 in this section of the report.

[15] The aggregate operating income margins ***. The aggregate net income margins ***.

Variance analysis

The variance analysis presented in table VI-3 is based on the data in table VI-1.[16] The analysis shows that the improvement in the operating loss from 2012 to 2014 is primarily attributable to a higher favorable net cost/expense variance despite an unfavorable price variance (that is, costs and expenses declined more than prices). The increase in the operating loss in January-September 2015 as compared to January-September 2014 is primarily attributable to a higher unfavorable price variance despite a favorable net cost/expense variance (that is, prices declined more than costs and expenses).

Table VI-3
CWP: Variance analysis on the operations of U.S. producers, 2012-14, and January-September 2014-15

* * * * * * *

Capital expenditures, research and development expenses, total assets, and return on assets

The responding firms' aggregate data on capital expenditures, research and development ("R&D") expenses, total assets, and return on assets ("ROA") are shown in table VI-4. Nine firms reported capital expenditure data, and ***.[17] Aggregate capital expenditures increased from 2012 to 2014, and were lower in January-September 2015 as compared to January-September 2014. The total assets utilized in the production, warehousing, and sale of CWP irregularly declined from $*** in 2012 to $*** in 2014. The ROA improved but remained negative from 2012 to 2014.[18]

[16] The Commission's variance analysis is calculated in three parts: sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost variance is calculated as the change in unit price or unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or unit cost. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances.

[17] Email from ***, November 23, 2015.

[18] The return on assets is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations were generally required in order to report a total asset value for the subject product.

Table VI-4
CWP: Capital expenditures, R&D expenses, total assets, and return on assets of U.S. producers, 2012-14, January-September 2014, and January-September 2015

* * * * * * *

Capital and investment

The Commission requested U.S. producers of CWP to describe any negative effects of imports of CWP from the subject countries on their firms' return on investment or the scale of capital investments, as well as any negative effects on their firms' growth, ability to raise capital, or existing development and production efforts. A summary of U.S. producers' responses are shown in table VI-5. Firm-specific responses are provided in Appendix F.

Table VI-5
CWP: Negative effects of imports as reported by U.S. producers, by factor

* * * * * * *

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*
>
> *(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,*

---

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

THE INDUSTRY IN OMAN

Overview

The Commission issued a foreign producers' or exporters' questionnaire to one firm believed to produce and/or export CWP from Oman. A useable response to the Commission's questionnaire was received from Al Jazeera.[3] This firm's reported exports to the United States accounted for *** percent of U.S. imports of CWP from Oman during 2014.[4] According to estimates requested of Al Jazeera, its production accounts for approximately *** percent of overall production in Oman and *** percent of Omani exports to the United States.[5] Table VII-1 presents information on the CWP operations of the responding producer in Oman.

Table VII-1
CWP: Summary data on the firm in Oman, January 2012 through September 2015

* * * * * * *

Changes in operations

Al Jazeera did not report any changes in operations in its questionnaire response. According to its annual reports from 2012 to 2014, Al Jazeera hired 60 employees in 2012 which brought them to a total of 609.[6] In 2014 they reported a total of 633 employees and noted 36 percent "Omanisation" of its workforce.[7] [8]

Operations of the CWP producer in Oman

Table VII-2 presents information on the CWP operations of the responding producer in Oman for 2012-14, January-September 2014, and January-September 2015, as well as projections for 2015-16. Al Jazeera's capacity was unchanged from 2012 to 2014 and is not projected to change through 2016. Production, inventories, capacity utilization, and shipments

---

[3] This firm was identified through information submitted in the petition and contained in ***.

[4] The coverage estimate is based on Al Jazeera's reported exports to the U.S. (***) compared to official statistics (47,184 short tons).

[5] ***.

[6] Al Jazeera Steel Products Co. SOAG, 15th Annual Report (2012) and Al Jazeera Steel Products Co. SOAG, 16th Annual Report (2013) and Al Jazeera Steel Products Co. SOAG, 17th Annual Report (2014), available at http://www.jazeerasteel.com/financials.html retrieved November 25, 2015, p. 7.

[7] 2014 Annual Report, p. 7.

[8] Al Jazeera's galvanized pipe capacity increased from 88,184 short tons in 2012 to 99,207 short tons in 2014. The additional capacity is not explained in its annual report though it was apparently not the result of a plant expansion or a meaningful addition of production equipment to its tube mill operations. 2014 Annual Report, p. 7.

increased from 2012 to 2014; production, inventories, capacity utilization, and shipments were all lower in the first three quarters of 2015 than in the comparable period of 2014.

The home market accounted for between *** and *** percent of total shipments by Al Jazeera from 2012 through 2014 and rose to *** percent in the first three quarters of 2015. Exports to the United States accounted for between *** percent of total shipments in 2013 and *** percent during 2014. Export markets other than the United States accounted for between *** percent of the Omani producer's total shipments in 2012 and *** percent in 2013. Other export markets identified include ***. According to its annual report the majority of Al Jazeera's steel product revenues come from Gulf Cooperation Council ("GCC") countries.[9] [10]

Table VII-2

CWP: Data on industry in Oman, 2012-14, January to September 2014, and January to September 2015, and projection calendar years 2015 and 2016

* * * * * * *

Alternative products

As shown in table VII-3, between *** and *** percent of Omani production on the same equipment in each period was subject merchandise. The other products produced on the same machinery as subject merchandise consist of ***.

Table VII-3

CWP: Summary data on the firm in Oman, 2012-14

* * * * * * *

Exports

According to Global Trade Atlas ("GTA"), the top export markets for CWP produced in Oman during 2014 were the United States and Kuwait (table VII-4). During 2014, the United States and Kuwait accounted for 96.2 and 2.4 percent of total exports from Oman, respectively. Exports to the United States have declined slightly from 2012 to 2014.

[9] GCC is an intergovernmental political and economic union of Persian Gulf states excluding Iraq. Its membership consists of Bahrain, Kuwait, Oman, Saudi Arabia, Qatar, the UAE. Al Jazeera cited strong demand in GCC from numerous infrastructure projects including the 2022 FIFA World Cup in Qatar. 2014 Annual Report, p.4.

[10] Petitioners cited a 2012 article in which Al Jazeera expressed its intention "to boost its international presence through enhanced exports to Asia, Europe, Australia, and the Middle East, among other markets." Petitioners' posthearing brief, pp. 38-39 and Exh. 8.

Table VII-4
CWP: Exports from Oman to top destination markets and the United States, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Oman's exports to the United States	48,554	31,961	47,156
Oman's exports to other top destination markets.--			
Kuwait	0	554	1,172
Jordan	722	561	457
Qatar	0	0	162
Mexico	2	13	36
Bahrain	33	14	29
All other destination markets	58	1,962	0
Total Oman exports	49,370	35,065	49,012
	Share of quantity (percent)		
Oman's exports to the United States	98.3	91.1	96.2
Oman's exports to other top destination markets.--			
Kuwait	0.0	1.6	2.4
Jordan	1.5	1.6	0.9
Qatar	0.0	0.0	0.3
Mexico	0.0	0.0	0.1
Bahrain	0.1	0.0	0.1
All other destination markets	0.1	5.6	0.0
Total Oman exports	100.0	100.0	100.0

Source: Official imports statistics of imports from Oman under HTS subheading 7306.30 as reported by various countries' statistical authorities in the GTIS/GTA database, accessed November 13, 2015.

THE INDUSTRY IN PAKISTAN

Overview

The Commission issued foreign producers' or exporters' questionnaires to ten firms believed to produce and/or export CWP from Pakistan.[11] A useable response to the Commission's questionnaire was received from one firm: International Industries Limited ("IIL"). This firm's reported exports to the United States accounted for *** percent of U.S. imports of CWP from Pakistan during 2014. According to estimates requested of IIL, its production accounts for approximately *** percent of overall production in Pakistan and *** percent of Pakistani exports to the United States.[12] Table VII-5 presents information on the CWP operations of the responding producer and exporter in Pakistan.

Table VII-5
CWP: Summary data on the firm in Pakistan, January 2012 through September 2015

* * * * * * *

Changes in operations

As presented in table VII-6, the producer in Pakistan reported a number of changes in operations.

Table VII-6
CWP: Reported changes in operations by the firm in Pakistan

* * * * * * *

Operations of CWP producer in Pakistan

Table VII-7 presents information on the CWP operations of the responding producer in Pakistan for 2012-14, January to September 2014, and January to September 2015, as well as projections for 2015 and 2016.

Pakistani capacity was unchanged from 2012 to 2014. Production, capacity utilization, and shipments increased over 2012 to 2014; whereas inventories decreased over that period.

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[11] These firms were identified through a review of information submitted in the petition and contained in ***.

[12] According to IIL, it is the only Pakistani producer with a history of commercial exports to the U.S. market and the structural capacity to serve U.S. customers on a continuing basis. Other Pakistani producers of line pipe are located in the norther region of Pakistan some 800 to 1,200 miles from the Port of Karachi. High transportation costs ensure that exporting is not a viable option for these firms. IIL's postconference brief, p. 9.

Inventories, production, capacity utilization, and shipments were higher in the first three quarters of 2015 than in the comparable period of 2014.

The Pakistani producer reported no home market shipments from 2012 through the third quarter of 2015. Exports to the United States accounted for between *** percent of total shipments in 2012 and *** percent during 2013. Export markets other than the United States accounted for between *** percent of the Pakistani producer's total shipments in 2012 and *** percent in 2013. Other export markets identified include ***.

Table VII-7
CWP: Data on the industry in Pakistan, 2012-14, January to September 2014, January to September 2015, and calendar year projections for 2015 and 2016

* * * * * * *

Alternative products

As shown in table VII-8, between *** percent of Pakistani production on the same equipment in each period was subject merchandise. The other products produced on the same machinery as subject merchandise consist of ***.

Table VII-8
CWP: Pakistani producer's overall capacity and production on the same equipment as subject production, 2012-14, January to September 2014, January to September 2015

* * * * * * *

Exports

According to GTA, the top export markets for CWP produced in Pakistan during 2014 were the United States and Sri Lanka (table VII-9). During 2014, the United States and Sri Lanka accounted for 42.6 and 30.7 percent of total exports from Pakistan, respectively.

Table VII-9
CWP: Exports from Pakistan to top destination markets and the United States, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Pakistan's exports to the United States	26,048	12,719	23,817
Pakistan's exports to other top destination markets.--			
Sri Lanka	20,331	18,116	17,173
United Kingdom	149	237	6,660
Canada	29	841	6,117
Australia	0	0	1,150
Belgium	352	57	417
All other destination markets	537	562	622
Total Pakistan exports	47,445	32,533	55,957
	Share of quantity (percent)		
Pakistan's exports to the United States	54.9	39.1	42.6
Pakistan's exports to other top destination markets.--			
Sri Lanka	42.9	55.7	30.7
United Kingdom	0.3	0.7	11.9
Canada	0.1	2.6	10.9
Australia	0.0	0.0	2.1
Belgium	0.7	0.2	0.7
All other destination markets	1.1	1.7	1.1
Total Pakistan exports	100.0	100.0	100.0

Source: Official imports statistics of imports from Pakistan under HTS subheading 7306.30 as reported by various countries' statistical authorities in the GTIS/GTA database, accessed November 13, 2015.

THE INDUSTRY IN THE PHILIPPINES

Overview

The Commission issued foreign producers' or exporters' questionnaires to three firms believed to produce and/or export CWP from the Philippines.[13] A useable response to the Commission's questionnaire was received from one firm: HLD Clark Steel Pipe Co., Inc. ("HLD Clark").[14] This firm's exports to the United States accounted for *** percent of U.S. imports of CWP from the Philippines during 2014. According to estimates requested of the responding Philippine producer, it accounts for *** percent of overall production in the Philippines and for *** Philippine exports to the United States.[15] Table VII-10 presents information on the CWP operations of the responding producers and exporters in the Philippines.

Table VII-10
CWP: Summary data on firms in the Philippines, January 2012 through September 2015

* * * * * * *

Changes in operations

HLD Clark reported no changes in operations since January 2012.

Operations of the CWP producer in the Philippines

Table VII-11 presents information on the CWP operations of the HLD Clark for 2012-14, January to September 2014, and January to September 2015, as well as projections for 2015 and 2016. HLD Clark's capacity, production, capacity utilization, and total shipments increased from 2012 to 2014. Capacity increased during the first three quarters of 2015 versus the comparable period of 2014; whereas, capacity utilization, production and total shipments decreased.[16] HLD Clark reported *** throughout the period of investigation.

The home market accounted for a small portion of total shipments by the Philippine producer, declining from *** percent of total shipments in 2012 to *** percent of total shipments in 2014. The home market accounted for *** percent of total sales during the first three quarter of 2015. Export markets other than the United States accounted for *** percent in 2012 to as much as *** percent in 2013 of the Philippine producers' total shipments. Exports to the United States ranged from *** percent in 2012 to *** percent of total shipments in 2013. The other export market identified was ***.

---

[13] These firms were identified through a review of information submitted in the petition and contained in ***.

[14] Mayer Steel Pipe Corporation of Valenzuela City, Philippines, and International Pipe Industries Corporation of Pasig City, Philippines, responded "No" to the foreign producer questionnaire.

[15] Commerce identified Supreme Steel Pipe Corporation as a likely manufacturer of subject product in the Philippines. Petitioners' postconference brief, exh. 5.

[16] ***.

Table VII-11
CWP: Data on the industry in the Philippines, 2012-14, January to September 2014, January to September 2015, and calendar year projections for 2015 and 2016

* * * * * * *

Alternative products

As shown in table VII-12, *** percent of production in 2012 and *** percent of production in 2014 reported by the Philippine producer was subject merchandise. The increased share of subject merchandise in the first three quarters of 2015 appears to be due to a drop in production of all other products. The other products HLD Clark reported are ***.

Table VII-12
CWP: Philippine producer's overall capacity and production on the same equipment as subject production, 2012-14, January to September 2014, January to September 2015

* * * * * * *

Exports

According to GTA, the top export markets for CWP produced in the Philippines during 2014 were the United States and Canada (table VII-13). During 2014, the United States and Canada accounted for 45.8 and 53.9 percent of total exports from the Philippines, respectively.

Table VII-13
CWP: Exports from the Philippines to top destination markets and the United States, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Philippine's exports to the United States	23,944	18,474	14,946
Philippine's exports to other top destination markets.-- Canada	8,145	42,531	17,591
China	255	0	62
Russia	18	7	44
Brazil	0	0	4
Mexico	29	41	2
All other destination markets	6	1	1
Total Philippines exports	32,396	61,055	32,649
	Share of quantity (percent)		
Philippines's exports to the United States	73.9	30.3	45.8
Firm's exports to other top destination markets.-- Canada	25.1	69.7	53.9
China	0.8	0.0	0.2
Russia	0.1	0.0	0.1
Brazil	0.0	0.0	0.0
Mexico	0.1	0.1	0.0
All other destination markets	0.0	0.0	0.0
Total Philippines exports	100.0	100.0	100.0

Source: Official imports statistics of imports from The Philippines under HTS subheading 7306.30 as reported by various countries' statistical authorities in the GTIS/GTA database, accessed November 27, 2015.

THE INDUSTRY IN THE UAE

Overview

The Commission issued foreign producers' or exporters' questionnaires to nine firms believed to produce and/or export CWP from the UAE.[17] Useable responses to the Commission's questionnaire were received from five firms: Universal Tube & Plastic Industries Ltd, Universal Tube & Pipe Industries LLC, KHK Scaffolding & Formwork LLC (collectively, "Universal"), K.D. Industries Inc. ("K.D. Industries"), and Conares Metal Supply ("Conares"). These firms' exports to the United States accounted for *** percent of U.S. imports of CWP from the UAE during 2014. According to estimates requested of the responding UAE producers, these firms account for approximately *** percent of total UAE production and approximately *** percent of UAE exports of CWP to the United States.[18] Table VII-14 presents information on the CWP operations of the responding UAE producers and exporters.

Table VII-14
CWP: Summary data on firms in the UAE, January 2012 through September 2015

* * * * * * *

Changes in operations

As presented in table VII-15, producers in the UAE reported the following changes to operations since January 2012.

Table VII-15
CWP: Reported changes in operations by firms in the UAE, since January 2012

* * * * * * *

Operations of CWP producers in the UAE

Table VII-16 presents information on the CWP operations of the responding producers and exporters in the UAE for 2012-14, January to September 2014, and January to September 2015, as well as projections for 2015 and 2016.

Emirati capacity, production, capacity utilization, inventories, and total shipments increased from 2012 to 2014. Inventories and shipments were higher during the first three

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[17] These firms were identified through a review of information submitted in the petition, contained in ***, and other public sources.

[18] Global Steel Industry produces CWP and square and rectangular tubes in the UAE. The UAE respondents believe it has annual capacity of around 25,000 short tons. They also identified the following companies that account for some CPW production capacity in the UAE: ADIPCO, Ajmal Steel Tubes & Pipes, Excel Group, Link Middle East, Three Star Metal Ind. LLC, and Tiger Steel. UAE's postconference brief, pp. 1-2.

quarters of 2015 than in the comparable period of 2014; whereas capacity utilization and production were lower.

The home market accounted for between *** percent in 2012 and *** percent in 2014 of total shipments by Emirati producers. Export markets other than the United States accounted for between *** percent in 2012 and *** percent in 2013 of the responding Emirati producers' total shipments while exports to the United States accounted for between *** percent in 2012 and *** percent in 2014. Other export markets identified include ***.

Table VII-16
CWP: Data on the industry in the UAE, 2012-14, January to September 2014, January to September 2015, and calendar year projections for 2015 and 2016

* * * * * * *

Alternative products

As shown in table VII-17, no less than *** percent of production on the same equipment in each period reported by Emirati producers was subject merchandise. Other products include ***.

Table VII-17
CWP: UAE producers' overall capacity and production on the same equipment as subject production, 2012-14, January to September 2014, January to September 2015

* * * * * * *

Exports

According to GTA, the top export markets for CWP produced in the UAE during 2014 were the United States and Australia (table VII-18). During 2014, the United States and Australia accounted for 77.7 and 4.1 percent of total exports from the UAE, respectively.

Table VII-18
CWP: Exports from the UAE to top destination markets and the United States, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
UAE's exports to the United States	40,235	44,956	76,365
UAE's exports to other top destination markets.--			
Australia	3,346	3,267	4,065
Oman	2,077	2,818	3,985
Qatar	0	1,090	3,652
Belgium	3,162	6,440	2,649
Canada	10,852	943	2,265
All other destination markets	6,591	10,704	5,335
Total UAE exports	66,263	70,219	98,315
	Share of quantity (percent)		
UAE's exports to the United States	60.7	64.0	77.7
UAE's exports to other top destination markets.--			
Australia	5.0	4.7	4.1
Oman	3.1	4.0	4.1
Qatar	0.0	1.6	3.7
Belgium	4.8	9.2	2.7
Canada	16.4	1.3	2.3
All other destination markets	9.9	15.2	5.4
Total UAE exports	100.0	100.0	100.0

Source: Official imports statistics of imports from UAE under HTS subheading 7306.30 as reported by various countries' statistical authorities in the GTIS/GTA database, accessed November 13, 2015.

THE INDUSTRY IN VIETNAM

Overview

The Commission issued foreign producers' or exporters' questionnaires to four firms believed to produce and/or export CWP from Vietnam.[19] Useable responses to the Commission's questionnaire were received from two firms: SeAH steel Vina Corporation ("SeAH") and Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. (Vietnam Haiphong").[20] These firms' exports to the United States accounted for *** percent of U.S. imports of CWP from Vietnam during 2014. According to estimates requested of the responding Vietnamese producers, SeHA accounts for approximately *** percent of total Vietnamese production and approximately *** percent of Vietnamese exports of CWP to the United States.[21] Table VII-19 presents information on the CWP operations in Vietnam.

Table VII-19
CWP: Summary data on the firm in Vietnam, January 2012 through September 2015

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Changes in operations

As presented in table VII-20, producers in Vietnam reported the following changes to operations since January 2012.

Table VII-20
CWP: Reported changes in operations by firms in Vietnam, since January 2012

* * * * * * *

Operations of the CWP producers in Vietnam

Table VII-21 presents information on the CWP operations in Vietnam for 2012-14, January to September 2014, and January to September 2015, as well as projections for 2015 and 2016. Vietnam's capacity, production, capacity utilization, inventories, and total shipments increased from 2012 to 2014. Capacity utilization, production and shipments were higher during first three quarters of 2015 than in the comparable period of 2014; whereas, inventories were lower and capacity was unchanged.

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[19] These firms were identified through a review of information submitted in the petition, contained in proprietary Customs records, and other public sources.

[20] Vietnam Pipe Company and Sujia Steel Pipe (Vietnam) Co. Ltd. were identified as likely Vietnamese producers of subject product. Petitioners' posthearing brief, exh. 7.

[21] Vietnam Haiphong did not provide an estimate but based on SeAH's estimates, they account for approximately *** percent of production and *** percent of Vietnamese exports to the United States.

The home market accounted for between *** percent of Vietnam's total shipments in 2012 and *** percent in 2014. Exports to the United States comprised between *** percent of Vietnam's total shipments in 2013 and *** percent in 2014. Export markets other than the United States accounted for between *** percent of Vietnam's total shipments in 2012 and *** percent in 2014. Other export markets identified include ***.

Table VII-21
CWP: Data on the industry in Vietnam, 2012-14, January to September 2014, January to September 2015, and calendar year projections for 2015 and 2016

* * * * * * *

Alternative products

As shown in table VII-22, other products produced on the same equipment as the subject merchandise comprised *** percent of production in 2012 and dropped to *** percent in 2014. CWP accounted for nearly all production on the same equipment in the first three quarters of 2015. Other products include ***.

Table VII-22
CWP: Vietnam producer's overall capacity and production on the same equipment as subject production, 2012-14, January to September 2014, January to September 2015

* * * * * * *

Exports

According to GTA, the top export markets for CWP produced in Vietnam during 2014 were the United States and Canada (table VII-23). During 2014, the United States and Canada accounted for 61.6 and 16.3 percent of total Vietnamese exports, respectively.

Table VII-23
CWP: Exports from Vietnam to top destination markets and the United States, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
Vietnam's exports to the United States	43,144	68,568	64,299
Vietnam's exports to other top destination markets.--			
Canada	2,250	9,880	16,994
Thailand	809	3,428	7,251
Japan	2,373	2,915	4,279
Hong Kong	73	1,221	3,647
Malaysia	1,187	2,409	2,740
All other destination markets	6,895	5,193	5,094
Total Vietnam exports	56,730	93,615	104,305
	Share of quantity (percent)		
Vietnam's exports to the United States	76.1	73.2	61.6
Vietnam's exports to other top destination markets.--			
Canada	4.0	10.6	16.3
Thailand	1.4	3.7	7.0
Japan	4.2	3.1	4.1
Hong Kong	0.1	1.3	3.5
Malaysia	2.1	2.6	2.6
All other destination markets	12.2	5.5	4.9
Total Vietnam exports	100.0	100.0	100.0

Source: Official imports statistics of imports from Vietnam under HTS subheading 7306.30 as reported by various countries' statistical authorities in the GTIS/GTA database, accessed November 13, 2015.

THE INDUSTRY IN THE SUBJECT COUNTRIES

Overview

The Commission issued foreign producers' or exporters' questionnaires to 29 firms believed to produce and/or export CWP from the subject countries.[22] Useable responses to the Commission's questionnaire were received from the nine firms listed previously in this part of the report. These firms' exports to the United States accounted for *** percent of U.S. imports of CWP from the subject countries during 2014. Table VII-24 presents information on the CWP operations of the responding producers and exporters in subject countries.

Table VII-24
CWP: Summary data on firms from the subject countries, 2012-14, January to September 2014, January to September 2015, and calendar year projections for 2015 and 2016

* * * * * * *

Alternative products

Table VII-25 presents data on the subject countries' overall capacity and production on the same equipment as subject production. These products include OCTG, line pipe, square and rectangular tubing, and slitted coils.

Table VII-25
CWP: The subject countries' overall capacity and production on the same equipment as subject production, 2012-14, January to September 2014, January to September 2015

* * * * * * *

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-26 presents data on U.S. importers' reported inventories of CWP imports by source. Overall subject inventories increased by *** percent from 2012 to 2014 and were *** percent higher in the first three quarters of 2015 than in the comparable period in 2014. Inventories from all non-subject countries decreased by *** percent from 2012 to 2014 and were *** percent lower in the first three quarters of 2015 than in the comparable period in 2014.

[22] These firms were identified through a review of information submitted in the petition and contained in ***.

Table VII-26
CWP: U.S. importers' end-of-period inventories of imports by source, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of CWP from October 2015 to September 2016. These data are presented in table VII-27.

Table VII-27
CWP: U.S. importers' arranged imports, October 2015 through September 2016

* * * * * * *

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

The Commission asked questionnaire recipients to identify whether the products subject to this proceeding have been the subject of any other import relief proceedings in the United States or in any other countries. In December 2012, Canada implemented AD orders against CWP from Korea, India, Oman, Taiwan, Thailand, Turkey, and UAE and CVD orders against India, Oman, and UAE.[23]

INFORMATION ON NONSUBJECT COUNTRIES

In assessing whether the domestic industry is materially injured or threatened with material injury "by reason of subject imports," the legislative history states "that the Commission must examine all relevant evidence, including any known factors, other than the dumped or subsidized imports, that may be injuring the domestic industry, and that the Commission must examine those other factors (including non-subject imports) 'to ensure that it is not attributing injury from other sources to the subject imports.'"[24]

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[23] Petitioners' postconference brief, p. 45. Carbon Steel Welded Pipe, Inquiry No. NQ-2012-003 (Dec. 2012), CANADA INTERNATIONAL TRADE TRIBUNAL, available at http://www.citt.gc.ca/en/dumping/inquirie/findings/nq2m003_e (last visited Dec. 1, 2015).

[24] *Mittal Steel Point Lisas Ltd. v. United States*, Slip Op. 2007-1552 at 17 (Fed. Cir. Sept. 18, 2008), quoting from Statement of Administrative Action on Uruguay Round Agreements Act, H.R. Rep. 103-316, Vol. I at 851-52; *see also Bratsk Aluminum Smelter v. United States*, 444 F.3d 1369 (Fed. Cir. 2006).

The largest global exporters were China and Italy, with global export shares of 17.0 percent and 16.3 percent, respectively, in 2014 (table VII-28). China is the world's largest pipe producer and Marcegaglia SpA, one of the world's largest pipe manufacturers, is headquartered in Italy. Exports by nonsubject countries during 2012-14 increased by 466,873 short tons (8.4 percent) with China having the largest quantity increase of 327,111 short tons (39.9 percent) during the same period.

Table VII-28

CWP: Global exports by exporting country, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
United States	476,743	403,893	381,877
Subject countries.--			
Oman	49,370	35,065	49,012
Pakistan	47,445	32,533	55,957
Philippines	32,396	61,055	32,649
UAE	66,263	70,219	98,315
Vietnam	56,730	93,615	104,305
Subtotal subject	728,946	696,380	722,115
Other top exporting countries.--			
China	819,853	934,017	1,146,964
Italy	970,387	1,006,301	1,100,892
Turkey	547,339	540,665	643,240
Korea	405,031	450,848	431,343
Germany	418,046	381,464	361,448
Spain	235,833	234,133	247,912
Russia	138,645	247,636	247,605
Canada	231,189	235,026	247,414
India	110,646	225,547	245,913
Switzerland	186,290	160,573	144,212
All others	1,497,062	1,397,304	1,210,252
Subtotal nonsubject	5,560,323	5,813,515	6,027,195
Total	6,289,268	6,509,895	6,749,311

Table continued on following page.

Table VII-28-Continued

CWP: Global exports by exporting country, 2012-14

Item	Calendar year		
	2012	2013	2014
	Share of quantity (percent)		
United States	7.6	6.2	5.7
Subject countries.--			
Oman	0.8	0.5	0.7
Pakistan	0.8	0.5	0.8
Philippines	0.5	0.9	0.5
UAE	1.1	1.1	1.5
Vietnam	0.9	1.4	1.5
Subject countries	11.6	10.7	10.7
Nonsubject countries.—			
China	13.0	14.3	17.0
Italy	15.4	15.5	16.3
Turkey	8.7	8.3	9.5
Korea	6.4	6.9	6.4
Germany	6.6	5.9	5.4
Spain	3.7	3.6	3.7
Russia	2.2	3.8	3.7
Canada	3.7	3.6	3.7
India	1.8	3.5	3.6
Switzerland	3.0	2.5	2.1
All others	23.8	21.5	17.9
Subtotal nonsubject	88.4	89.3	89.3
Total	100.0	100.0	100.0

Source: Export data of subject countries were compiled from the reported imports of all other countries of CWP from the subject countries because none of the subject countries, with the exception of the Philippines, report their trade statistics to the GTIS/GTA database and Philippine export data appear to be inaccurate. Export data of the GTIS/GTA database were used in reporting exports for all other countries. Data include exports/imports covered by HTS subheading 7306.30 accessed from the GTIS/GTA database on November 13, 2015.

Nonsubject countries are the source of most U.S. CWP imports with an import share of *** percent in 2014 (table VII-29). Imports from nonsubject countries decreased steadily during 2012-14 by *** short tons (*** percent).

Table VII-29

CWP: Subject and nonsubject U.S. imports, 2012-14

Item	Calendar year		
	2012	2013	2014
	Quantity (short tons)		
U.S. imports from.--			
Oman	***	***	***
Pakistan	***	***	***
Philippines	***	***	***
UAE	***	***	***
Vietnam	***	***	***
Subtotal, subject imports	***	***	***
Canada	***	***	***
Turkey	67,266	51,670	63,450
Mexico	***	***	***
Korea	56,510	56,945	43,911
Thailand	115,190	43,968	43,133
Japan	13,982	14,510	7,631
Germany	2,797	2,411	7,607
India	3,206	9,624	6,379
China	3,778	5,044	6,341
Ukraine	12,569	12,196	5,288
Malaysia	8,249	3,909	4,478
Adjustment from questionnaires to AOS	***	***	***
All other sources	35,888	26,025	18,058
Subtotal, nonsubject imports	***	***	***
Total U.S. imports	***	***	***
	Value (1,000 dollars)		
U.S. imports from.--			
Oman	***	***	***
Pakistan	***	***	***
Philippines	***	***	***
UAE	***	***	***
Vietnam	***	***	***
Subtotal, subject imports	***	***	***
Canada	***	***	***
Turkey	62,282	43,225	53,693
Mexico	***	***	***
Korea	61,104	54,389	43,637
Thailand	110,495	38,552	37,189
Japan	27,729	26,520	17,205
Germany	6,969	4,823	13,805
India	3,326	9,066	6,434
China	5,805	7,020	9,776
Ukraine	10,949	10,058	3,786
Malaysia	8,151	4,375	5,033
Adjustment from questionnaires to AOS	***	***	***
All other sources	49,235	35,855	24,002
Subtotal, nonsubject imports	***	***	***
Total U.S. imports	***	***	***

Table continued on next page.

Table VII-29-Continued

CWP: Subject and nonsubject U.S. imports, 2012-14

Item	Calendar year		
	2012	2013	2014
	Share of quantity (percent)		
U.S. imports from.--			
Oman	***	***	***
Pakistan	***	***	***
Philippines	***	***	***
United Arab Emirates	***	***	***
Vietnam	***	***	***
Subtotal, subject imports	***	***	***
Canada	***	***	***
Turkey	10.5	8.8	10.3
Mexico	***	***	***
Korea	8.8	9.7	7.1
Thailand	17.9	7.5	7.0
Japan	2.2	2.5	1.2
Germany	0.4	0.4	1.2
India	0.5	1.6	1.0
China	0.6	0.9	1.0
Ukraine	2.0	2.1	0.9
Malaysia	1.3	0.7	0.7
Adjustment from questionnaires to AOS	***	***	***
All other sources	5.6	4.4	2.9
Subtotal, nonsubject imports	***	***	***
Total U.S. imports	***	***	***
	Share of value (percent)		
U.S. imports from.--			
Oman	***	***	***
Pakistan	***	***	***
Philippines	***	***	***
United Arab Emirates	***	***	***
Vietnam	***	***	***
Subtotal, subject imports	***	***	***
Canada	***	***	***
Turkey	9.5	7.8	9.4
Mexico	***	***	***
Korea	9.3	9.8	7.6
Thailand	16.8	7.0	6.5
Japan	4.2	4.8	3.0
Germany	1.1	0.9	2.4
India	0.5	1.6	1.1
China	0.9	1.3	1.7
Ukraine	1.7	1.8	0.7
Malaysia	1.2	0.8	0.9
Adjustment from questionnaires to AOS	***	***	***
All other sources	7.5	6.5	4.2
Subtotal, nonsubject imports	***	***	***
Total U.S. imports	***	***	***

Source: Compiled from official statistics and data submitted in response to Commission questionnaires.

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
80 FR 67790 November 3, 2015	*Circular Welded Carbon-Quality Steel Pipe from Oman, Pakistan, the Philippines, the United Arab Emirates, and Vietnam: Institution of antidumping and countervailing duty investigations and scheduling of preliminary phase investigations*	http://www.gpo.gov/fdsys/pkg/FR-2015-11-03/pdf/2015-27955.pdf
80 FR 73704 November 25, 2015	*Circular Welded Carbon-Quality Steel Pipe from Pakistan: Initiation of Countervailing Duty Investigation*	http://www.gpo.gov/fdsys/pkg/FR-2015-11-25/pdf/2015-29946.pdf
80 FR 73708 November 25, 2015	*Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman, Pakistan, the Philippines, the United Arab Emirates, and the Socialist Republic of Vietnam : Initiation of Less-Than-Fair-Value Investigations*	http://www.gpo.gov/fdsys/pkg/FR-2015-11-25/pdf/2015-29988.pdf

APPENDIX B

CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's preliminary conference:

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

Inv. Nos.: 701-TA-549 and 731-TA-1290-1303 (Preliminary)

Date and Time: November 18, 2015 - 1:30 pm

Sessions were held in connection with these preliminary phase investigations in Courtroom A (Room 100), 500 E Street, S.W., Washington, DC.

OPENING REMARKS:

Petitioners (**Jordan C. Kahn**, Schagrin Associates)
Respondents (**Donald B. Cameron**, Morris, Manning & Martin, LLP)

In Support of the Imposition of Antidumping and Countervailing Duty Orders:

Schagrin Associates
Washington, DC
on behalf of

Bull Moose Tube Company
EXLTUBE
Wheatland Tube, a division of JMC Steel Group
The United Steelworkers

Michael Blatz, President, Bull Moose Tube Company

Ted Schulz, Chief Financial Officer, Bull Moose Tube Company

John Simon, Vice President of Sales, EXLTUBE

David Seeger, President, JMC Steel Group

Randy Boswell, President, Wheatland Tube, a division of JMC Steel Group

Holly Hart, Legislative Director, United Steelworkers

Roger B. Schagrin)
Christopher T. Cloutier) – OF COUNSEL
Jordan C. Kahn)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:

Akin Gump Strauss Hauer & Feld LLP
Washington, DC
on behalf of

International Industries Ltd. ("IIL")

Samar Abbas, Representative, IIL

Mohammad Syed, of Counsel, Syed Law Firm, PLLC

Bernd G. Janzen) – OF COUNSEL

deKieffer & Horgan, PLLC
Washington, DC

on behalf of

HLD Clark Steel Pipe Co.

Alexandra H. Salzman) – OF COUNSEL

Morris, Manning & Martin, LLP
Washington, DC
on behalf of

Mervyn D'Cunha, Financial Controller, KHK Scaffolding & Formwork

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

Jim Dougan, Vice President, Economic Consulting Services, LLC

Emma Peterson, Research Assistant, Economic Consulting Services, LLC

Donald B. Cameron)
Julie C. Mendoza)
) – OF COUNSEL
R. Will Planert)
Mary S. Hodgins)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt, LLP
Washington, DC
on behalf of

Conares Metal Supply Ltd. ("Conares")

Max F. Schutzman)
) – OF COUNSEL
Kavita Mohan)

REBUTTAL/CLOSING REMARKS:

Petitioners (**Christopher T. Cloutier**, Schagrin Associates)
Respondents (**Donald B.** Cameron and **Julie C. Mendoza**,
Morris, Manning & Martin, LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
CWP: Summary data concerning the U.S. market, 2012-14, January to September 2014, and January to September 2015

* * * * * * *

APPENDIX D

MONTHLY U.S. IMPORTS BY SOURCE, OCTOBER 2014 THROUGH SEPTEMBER 2015

Table D-1

CWP: Monthly U.S. imports by source, October 2014 through September 2015

Item	Oman	Pakistan	Philippines	UAE	Vietnam	Subject	Nonsubject	Total
	Quantity (short tons)							
2014--October	4,158	1,124	1,029	9,411	5,512	21,235	50,276	71,511
November	3,244	2,891	1,060	6,478	3,481	17,153	35,297	52,450
December	8,498	334	2,612	8,747	8,937	29,128	37,167	66,296
2015--January	7,066	1,795	1,004	9,719	7,213	26,797	68,288	95,085
February	5,283	3,481	453	8,707	5,640	23,564	34,042	57,605
March	3,246	2,553	292	10,520	6,743	23,354	52,915	76,268
April	6,589	4,260	2,500	14,595	7,314	35,257	56,811	92,068
May	3,265	5,185	3,478	11,591	12,215	35,733	70,136	105,869
June	2,063	3,013	1,209	9,692	4,048	20,025	57,319	77,344
July	2,862	2,360	193	8,913	9,199	23,527	47,000	70,527
August	3,416	3,122	2,857	7,415	9,206	26,015	49,229	75,244
September	1,727	1,019	469	7,565	3,564	14,344	39,040	53,384
Total Oct. 2014 to Sept. 2015 without adjustments	51,417	31,137	17,156	113,351	83,071	296,133	597,519	893,651
Adjustments not accounted for in official statistics	***	***	***	***	***	***	***	***
Total Oct. 2014 to Sept. 2015 with adjustments	***	***	***	***	***	***	***	***
	Share of quantity by source (percent)							
Total Oct. 2014 to Sept. 2015 without adjustments	***	***	***	***	***	***	***	***
Total Oct. 2014 to Sept. 2015 with adjustments (IV-3)	***	***	***	***	***	***	***	***

Table continued on next page.

Table D-1-continued

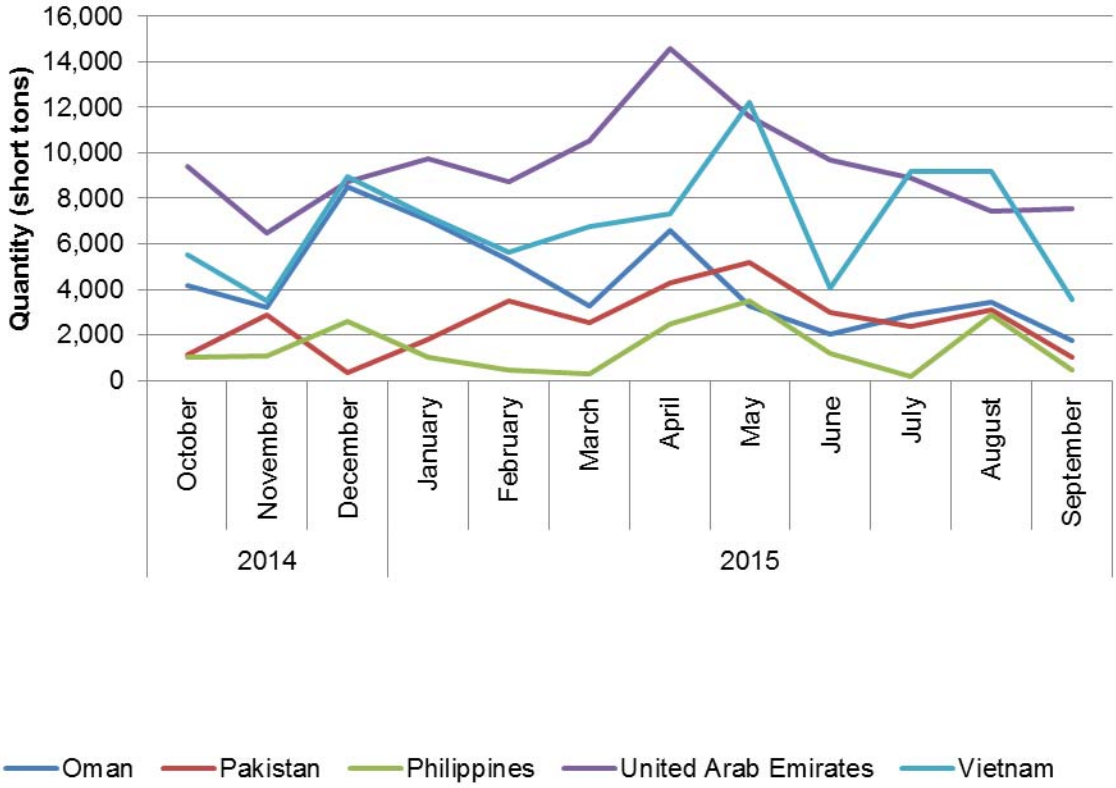
CWP: Monthly U.S. imports by source, October 2014 through September 2015

Item	Oman	Pakistan	Philippines	UAE	Vietnam	Subject	Nonsubject	Total
	Quantity (short tons)							
	Rate of growth in official statistics (percent)[1]							
Over previous month 2014-- October	([1])	([1])	([1])	([1])	([1])	([1])	([1])	([1])
November	-22.0	157.1	3.0	-31.2	-36.8	-19.2	-29.8	-26.7
December	162.0	-88.4	146.5	35.0	156.8	69.8	5.3	26.4
2015-- January	-16.9	437.3	-61.6	11.1	-19.3	-8.0	83.7	43.4
February	-25.2	93.9	-54.9	-10.4	-21.8	-12.1	-50.1	-39.4
March	-38.6	-26.7	-35.4	20.8	19.6	-0.9	55.4	32.4
April	103.0	66.9	755.6	38.7	8.5	51.0	7.4	20.7
May	-50.4	21.7	39.1	-20.6	67.0	1.3	23.5	15.0
June	-36.8	-41.9	-65.2	-16.4	-66.9	-44.0	-18.3	-26.9
July	38.7	-21.7	-84.0	-8.0	127.2	17.5	-18.0	-8.8
August	19.4	32.3	1,378.5	-16.8	0.1	10.6	4.7	6.7
September	-49.4	-67.3	-83.6	2.0	-61.3	-44.9	-20.7	-29.1
Comparing 6 month periods.-- Apr. 2015 to Sept. 2015 vs Oct 2014 to Mar. 2015	-36.7	55.7	66.0	11.5	21.4	9.7	14.9	13.2

[1] Rate of growth calculation are provided on official U.S. import statistics prior to adjustments.
[2] Not applicable.

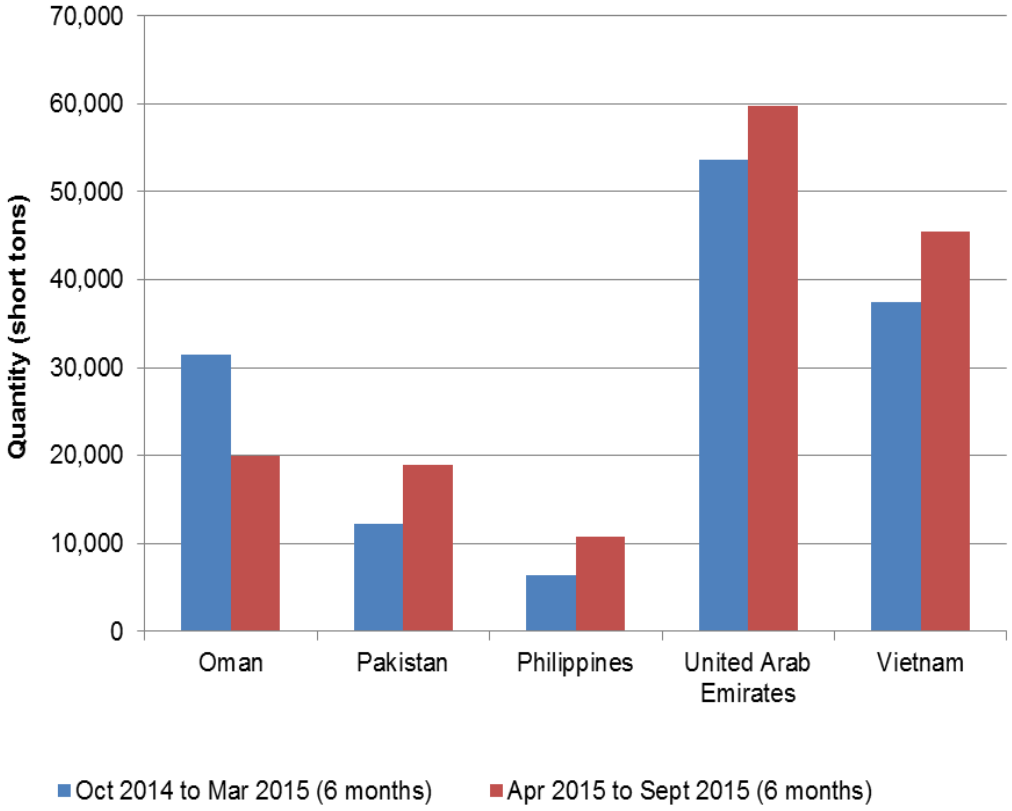
Source: Compiled from data submitted in response to Commission questionnaires and official import statistics.

Figure D-1
CWP: Monthly U.S. imports by source, October 2014 through September 2015



Source: Compiled from official U.S. import statistics.

Figure D-2
CWP: Monthly U.S. imports by source, October 2014 through September 2015



Source: Compiled from official U.S. import statistics

APPENDIX E

NONSUBJECT COUNTRY PRICE DATA

One importer, ***, reported price data for nonsubject country Canada for products 1 and 3. Price data reported by this firm accounted for *** percent of U.S. commercial shipments of imports from Canada from January 2012 to September 2015. These price products and accompanying data are comparable to those presented in tables V-3 to V- 6. Price and quantity data for Canada are shown in tables E-1 to E-2 and in figures E-1 to E2 (with domestic sources).[1]

Comparing nonsubject country pricing data with U.S. producer pricing data, prices for product imported from Canada were lower than prices for U.S.-produced product in *** instances and higher in *** instances. Comparing nonsubject country pricing data with subject country pricing data, prices for product imported from Canada were lower than prices for product imported from subject countries in *** instances and higher in *** instances. A summary of price differentials is presented in table E-3.

Table E-1

CWP: Weighted-average f.o.b. prices and quantities of imported product 1, by quarters, January 2012-September 2015

* * * * * * *

Table E-2

CWP: Weighted-average f.o.b. prices and quantities of imported product 3, by quarters, January 2012-September 2015

* * * * * * *

Figure E-1

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarters, January 2012-September 2015

* * * * * * *

Figure E-2

CWP: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarters, January 2012-September 2015

* * * * * * *

Table E-3

CWP: Summary of underselling/(overselling), by country, January 2012-September 2015

* * * * * * *

[1] Importer *** reported trade data but did not report pricing products for CWP imported from Canada.

APPENDIX F

QUESTIONNAIRE RESPONSES OF U.S. PRODUCERS REGARDING ACTUAL AND ANTICPATED NEGATIVE EFFECTS OF SUBJECT IMPORTS

U.S. Producers' individual responses to questions regarding the actual and anticipated negative effects of subject imports are presented below.

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